T&E response to the Sustainable and Smart Mobility Strategy Inception Impact Assessment

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Transport & Environment welcomes the upcoming Sustainable and Smart Mobility Strategy (SSMS), as it will put forward measures to reduce transport emissions by at least 90% by 2050 compared to 1990. Proposed measures should be compatible with a full decarbonisation of the sector as soon as possible. Below T&E presents what the SSMS should include.

Road transport

The European Green Deal established that the Commission will "ensure a clear pathway from 2025 onwards towards zero-emission mobility." The SSMS should confirm that goal and explain how it will be achieved, including a ban on the sale of new ICE vehicles by 2035 at the very latest, to ensure that only zero-emission vehicles are in the EU fleet by 2050 (as in the Commission's LTS).

Additionally, CO2 vehicle standards must be improved. The current 5-yearly targets mean that no progress is achieved in between compliance years and investments are delayed to the last minute. The fact that new car CO2 emissions continuously increased between 2016-2019 (until dropping as of January 2020) points to the need to set annual targets. The post-2025 targets should also be increased. The SSMS should particularly target high mileage fleets such as company cars or ride hailing services, ensuring they are all electric by 2030.

The SSMS should also reconfirm the review, and increased ambition, of the truck CO2 standards in 2022 - including buses and trailers. It should also include a sales mandate for ZEV trucks, as California has recently passed, and explicitly exclude gas and e-fuels as a pathway for decarbonising trucks

On the infrastructure side, the SSMS should ensure that the review of the AFID only considers zero-emission technologies, disregarding for example natural gas, and with a focus on heavy-duty vehicles and on cities.

At urban level, the SSMS should include instruments that promote public transport, cycling, walking, shared mobility and less car use, while ICEs (cars, vans and trucks) are banned from city centres.

The forthcoming Euro 7/VII standards must also help deliver the EU's zero emission mobility ambition by mapping out a clear pathway (in 5 year intervals) towards only zero emission new vehicle sales by 2035. Before then the new standards must set the lowest emission limits globally based on best available technology; regulate all pollutants that are harmful to public health and the environment; and increase durability requirements so that emission limits are met throughout the lifetime of the vehicle.

Finally, it should make clear that the 2030 climate framework should not include road transport into the ETS, but instead design a separate carbon pricing mechanism for transport fuels.

Shipping

The SSMS should confirm the inclusion of EU shipping into the EU ETS, based on the MRV scope. In parallel, it should propose to implement an operational CO2 standard for ships calling at EU ports to be 40% more efficient (i.e. less carbon intensive) compared to the 2018 baseline. This tool is better fit for purpose than a fuel mandate in the context of FuelEU Maritime.

On top of this, policymakers should implement a zero-emission berth standard at ports. These emissions could be cut from the sector and would also facilitate the infrastructure required for a zero-emission shipping future.

Aviation

The SSMS should consider realistic growth forecasts in the context of the COVID crisis. In that context, the strategy should be made "Covid proof", ensuring all future investment in the sector will be shifted towards its greening instead of expanding it.

The SSMS should propose to increase the ambition of the aviation ETS, particularly in the context of CORSIA, an irrelevant scheme that has been recently decaffeinated even further.

Fuel taxation (through multilateral fuel taxation agreements between willing member states) that lead to at least €70 per tonne of CO2 emitted by 2030 should also be included in the SSMS.

The ReFuelEU initiative should focus on new advanced alternative fuels, in particular synthetic kerosene (efuels), which have the capacity to substantially reduce emissions and be scaled up to meet the fuel demands of the sector. It should combine mandates with financial support, putting the sector on a pathway to net zero emissions.

The SSMS should also put forward a plan to deal with the non-CO2 effects, given they can contribute as much to climate change as CO2 emissions.

Alternative Fuels

The SSMS should specify how the Renewable Energy Directive should be reopened regarding transport.

First, it should ensure that demand for biofuels does not increase, and phase out the use of crop based biofuels. The current advanced biofuels target is already sufficiently demanding.

Any increase in RED transport target ambition should focus on renewable electricity based solutions, with a focus on the shipping (hydrogen/ammonia) and aviation (synthetic fuels) sectors. New policy instruments should create demand and investment certainty. In the case of aviation it would come in the form of a GHG target for advanced fuels while in the case of shipping - as an operational CO2 standard.

Bioenergy that doesn't follow strict sustainability criteria should not be counted towards the RED, nor to climate targets, ending the current zero-rating of unsustainable bioenergy.

In all circumstances, there should be a clear distinction between fuels policy and vehicle CO2 standards. Combining the two would undermine CO2 vehicle standards, the only policy tool that is finally delivering CO2 reductions in the transport sector.

Further information

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