

Summary

This paper is a six-point reaction to transport-specific elements of a [draft Energy Union Communication](#) from 30 January 2015.

1. Decarbonisation and electrification: good, but more holistic approach would be better

The commitment in the draft (Action point 10) to decarbonisation and electrification of transport in Europe is welcome and a good starting point. We believe a [full-fledged strategy to electrify Europe's surface transport](#) system should be a key element of the Energy Union and decarbonisation of transport.

However we miss an interurban element to the strategy, which would integrate regional rail and look to radical decarbonisation of freight. After all, most oil is used and most CO2 emitted on longer distances.

2. Commitment to CO2 standards, including for heavy goods vehicles: welcome

We very much welcome the commitment to tighter CO2 standards for cars and vans, and the commitment to introduce CO2 standards for heavy goods vehicles. 2025 should be added as introduction year. On the latter point, the EU has been dithering, has fallen behind Japan and the US, and needs to catch up urgently to end the stagnation in fuel economy over the past 20 years and maintain the declining lead in fuel efficiency technology. Without radically reducing road freight emissions and decarbonising light duty vehicles, meeting climate goals is likely to be impossible.

3. Aviation and shipping: need targets and measures

Aviation and shipping are the fastest-growing sources of emissions and oil use, with levels expected to rise by up to 250% globally in 2050. The Energy Union draft calls for additional measures to reduce oil dependence particularly in the transport sector, but is silent about these two sectors that are exempt from all fuel taxes. The 2011 White Paper proposed concrete emissions commitments. Excluding action on bunker emissions in the Energy Union is simply not credible.

4. No subsidies for gas in transport

Arguably the biggest reason for the Energy Union communication is to reduce dependence on gas imports through pipelines. Together with the commitment on eliminating subsidies (see below), it would therefore be consistent to commit to not subsidising the use of natural gas (LNG) in transport. Additional LNG imports would be better used to reduce dependence on pipelines, rather than cater for extra demand in transport.

Natural gas is not a bridge fuel towards sustainable transport; it is another internal combustion-engine reliant, largely imported fossil fuel which on a lifecycle basis emits greenhouse gas emissions comparable with oil - especially in liquefied form. In addition, where taxes on natural gas exist, they are typically already much lower than diesel taxes. Politicians should not try to force gas in with even more subsidies by way of tax breaks or support for refuelling infrastructure. Public resources for energy transition in transport should go where it offers the greatest public benefits - sustainable electrification.

5. Energy subsidies: commitment welcome but specifics needed

The text of the draft states that the energy union 'will make sure that environmentally harmful subsidies will be phased out altogether.' This is strong and very welcome language, but it would be even better to attach more specific actions to it. The most important environmentally harmful subsidies in transport are:

- EU-wide prohibition to tax fuel used in international aviation and shipping
- Exemption from VAT on air tickets;
- National company car tax regimes;
- Lower taxes on diesel, biofuels and natural gas;
- Subsidies for fuel used for fishing;

Tackling these inappropriate subsidies requires a mix of state aid measures, legislative proposals, and softer measures like recommendations in the semester process.

6. Research: redirect transport research resources from aviation to surface transport

It is extraordinary that around 60% of transport research resources under the 7th Framework Programme were dedicated to aviation - whilst this sector accounts for only around 10% of passenger kilometres and an even lower share of tonne kilometres. In addition, aviation is the most carbon intensive mode of transport and already heavily subsidised.

The remainder of Horizon 2020 needs to be rebalanced. We recommend a strong shift of resources to surface transport to speed up clean innovation in surface transport and support the electrification transition as well as more emphasis on shipping. Projects on road transport should focus on integrating electrified transport into modal transport schemes, including promoting shared and micro vehicles.

Further information

Please contact:

Jos Dings, Director of T&E

Email: jos@transportenvironment.org

Mobile: +32 (0)498 515319

Phone: +32 (0)2851 02 01

Skype: t-e_jos

Mail: 2nd floor, Square de Meeûs, 18, 1050 Brussels - Belgium