

Position Paper

Revision of the Combined Transport Directive



EXECUTIVE SUMMARY

The European Automobile Manufacturers' Association (ACEA) supports the European Commission's efforts to cut EU greenhouse gas emissions from transport. The revision of the Combined Transport Directive is a significant step towards achieving the European Green Deal. The Commission recognises that intermodal freight transport is important in reducing carbon emissions and other negative externalities from all transport modes.

ACEA welcomes the Commission's intention to increase the choice and level of support measures for combined transport organisers. However, it urges the Commission to ensure these measures are feasible and based on relevant data while ensuring a level playing field between different transport modes.

ACEA also supports the proposal to extend the Directive's scope to all intra-EU intermodal transport operations instead of limiting it to cross-border combined transport operations. We also welcome the clarification that road transport can be used in both the first and last leg of an intermodal transport operation, along with the removal of the 'nearest suitable loading/unloading station' concept.

ACEA appreciates the proposal to retain existing support measures (eg fiscal support for road vehicles, banning quotas, and non-application of cabotage on international transport) and the introduction of an exemption from temporary driving bans for combined transport. This will improve the use of terminal and other infrastructure capacity, thereby enhancing the transport network's efficiency. While ACEA is mostly positive about the proposal, we also have concerns as highlighted in this position paper.

1. Modal shift: ensuring a level playing field

Modal shift policies rely on the assumption of relative environmental performance between transport modes. However, environmental performance cannot be generalised and depends on local circumstances in many cases. Furthermore, external costs are not automatically lower for non-road modes like waterborne or rail. Supporting one mode over another is only acceptable when evidence justifies it. It is critical that a level playing field is guaranteed between all transport modes. This needs to be clearly set out in the text.

2. Externalities: consistency and complementarity of the future harmonised calculation methodology

The Commission has proposed that eligibility for support measures is based on reducing negative externalities by at least 40%. These reductions will be calculated using the unit values from the *Handbook on the external costs of transport* (2019). According to the proposal, the Commission should establish a harmonised calculation methodology by

means of an implementing act.

We firmly believe that the methodology for calculating external costs should include all types of externalities (environmental, social, and economic) and from all transport modes equally. It should also include the external costs of non-road transport modes, such as typical rail-related externalities like scarcity and subsidies. It is unclear how the Commission will ensure precise comparison of operations over time, as this would depend on the Handbook being regularly updated to account for the latest scientific evidence. Moreover, it is also unclear how the Commission intends to ensure consistency and complementarity with the upcoming CountEmissionsEU initiative.

3. The 2019 edition of the *Handbook on the external costs of transport: a complete revision is needed*

The Commission proposes that intermodal transport operations will be eligible for support if they achieve a 40% reduction in externalities compared to road-only transport. Such external costs include greenhouse gas emissions, air pollution, injuries and fatalities, noise, and congestion. Externalities will be based on the Commission's *Handbook on the external costs of transport* and calculated in accordance with the unit values established there.

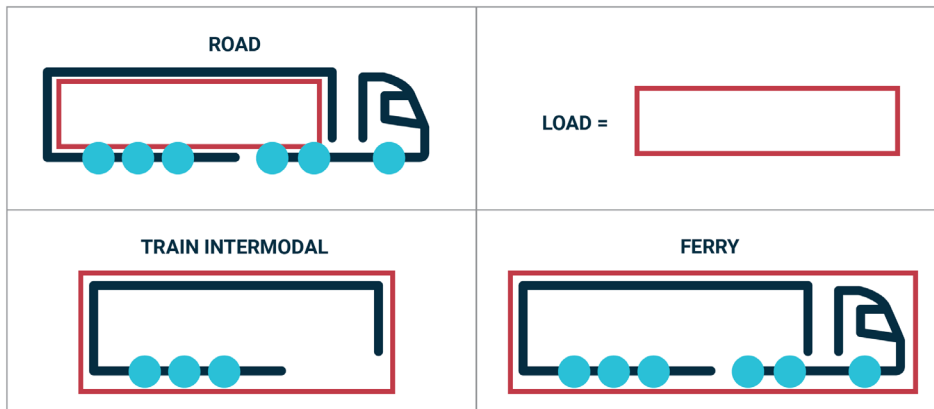
The most recent edition of the *Handbook on the external costs of transport* was developed by the European Commission in 2019. An update based on more realistic parameters and data sources is urgent. It needs to include all external costs (environmental, social and economic) and from all transport modes equally. The 2019 edition is not a reliable basis for policy making as the methodology and assumptions used are not consistent with the latest scientific evidence and best practices.

Moreover, the Handbook underestimates the external costs of non-road modes, such as rail. Typical rail-related externalities like scarcity and subsidies are simply missing. ACEA calls for an urgent, balanced, and transparent approach to internalising the external costs of transport. Transport stakeholders should be fully involved in the revision of the Handbook.

4. Comparing the efficiency of transport modes: getting the data right

Modal shift may be desirable in certain cases, but modal shift policies should first be evaluated. The EU must strengthen policy-relevant data collection and ensure that policies are defined so that they can be evaluated qualitatively. To answer key public policy questions about transport correctly, it is crucial that the availability, collection, relevance, and quality of data are improved. It is also necessary to understand why policy makers have failed to assess the real potential of modal shift approaches, and why they have failed until now to develop sound transport policies. There are many areas of concern about the way transport data is compiled. One example is how the definition of load differs across modes, as shown below.

Figure 1. Different load definitions across modes



In the road freight sector, the net payload weight is measured. By contrast, rail freight statistics sometimes quote gross tonne-kilometres, which also include the weight of rolling stock or intermodal units. Ferry operators report the gross truck weight in their statistical data. These practices create clear inconsistencies in the measurement of freight traffic by different modes and risk providing a misleading perception of the efficiency of the various transport modes.

RECOMMENDATIONS

While ACEA welcomes the Commission’s proposal to increase choice and support measures for combined transport organisers, we challenge the assertions on modal shift. We are concerned by how precise comparisons of operations will be determined. We also question how consistency and complementarity of the harmonised calculation methodology for externalities will be achieved alongside the CountEmissions EU initiative.

- We invite the Commission to reconsider the methodology and assumptions used in the *Handbook on the external costs of transport* and call for a more balanced and transparent approach to internalising transport’s external costs.
- We also highlight the inconsistency in measuring freight traffic by different modes and emphasise how this creates a misleading impression of their respective efficiency. We suggest that the EU enhances the availability and quality of data, starting with the adoption of a common load definition for transport modes.



ABOUT THE EU AUTOMOBILE INDUSTRY

- 12.9 million Europeans work in the auto industry (directly and indirectly), accounting for 6.8% of all EU jobs
- 8.3% of EU manufacturing jobs – some 2.4 million – are in the automotive sector
- Motor vehicles are responsible for €392.9 billion of tax revenue for governments across key European markets
- The automobile industry generates a trade surplus of €101.9 billion for the European Union
- The turnover generated by the auto industry represents over 7% of the EU's GDP
- Investing €59.1 billion in R&D per year, automotive is Europe's largest private contributor to innovation, accounting for 31% of the EU total

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