

Consultation response

A Sustainable and Smart Mobility Strategy

AmCham EU perspectives on the future of transport in the EU



AmCham EU speaks for American companies committed to Europe on trade, investment and competitiveness issues. It aims to ensure a growth-orientated business and investment climate in Europe. AmCham EU facilitates the resolution of transatlantic issues that impact business and plays a role in creating better understanding of EU and US positions on business matters. Aggregate US investment in Europe totalled more than €3 trillion in 2019, directly supports more than 4.8 million jobs in Europe, and generates billions of euros annually in income, trade and research and development.

Executive summary

The American Chamber of Commerce to the EU (AmCham EU) is pleased to contribute to the policy debate dedicated to the future European strategy for sustainable and smart mobility.

Any ambition to decarbonise the transport sector and increase its resilience should embrace an integrated system approach. The sustainability footprint of the transport sector can only be realised with the buy-in of all sections of society. The upcoming strategy should provide the opportunity to connect and offer an exchange platform among the relevant players and provide a comprehensive overview of single initiatives and cross-sectoral impact.

In our contribution, AmCham EU would like to focus on the following points:

- Clearly define ‘sustainable’ mobility in terms of quantitative emissions reduction targets;
- Place road transport at the heart of the strategy;
- Promote a differentiated approach that adapts to the requirements for various types of transport, eg, long haul transport vs. urban mobility;
- Take account of novel urban mobility service offerings in the Strategy, especially with a view to foster harmonisation across Europe.
- Further incentivise the aviation sector to continue on its path to increase the uptake of sustainable fuels and reduce emissions;
- Encourage further investment in connected and automated mobility systems to ensure interoperability and user safety.

The sustainable and smart mobility strategy should take into account the opportunities for Europe’s industry. As stated by many European policy and industrial leaders, the European Green Deal should be an opportunity for the European economic recovery.

Define ‘sustainable’ mobility with a clear and predictable regulatory framework

In the context of climate change, society must take action to reduce greenhouse gas emissions in all sectors. The EU has committed to decrease EU transport emissions by 90% by 2050. Now, it is crucial to clarify what is considered as sustainable transport based on the level of emissions in order to define necessary and realistic measures in all sectors. This should be done without precluding any market mechanisms which will imply radical changes towards a sustainable and competitive economy.

AmCham EU members are committed to contributing to the EU’s goal of carbon-neutral transport and to that end, the EU regulatory framework must provide medium and long-term stability for the planning of future investments. A more decarbonised transport sector will naturally lead towards low- or zero emission technologies, but the regulatory framework should be predictable in order to remove uncertainties for industry and consumers.

Linking jobs and technology development with the recovery strategy is key. In this regard, AmCham EU members welcomed the European Battery Alliance initiative and support the creation of the European Clean Hydrogen Alliance to facilitate the deployment of zero- and low emission transport technologies in Europe and to make Europe a global leader in these technologies. The Sustainable and Smart Mobility Strategy must aim to pull in the same direction as these initiatives.

A comprehensive approach to road transport

While the transport sector is responsible for 27% of total EU greenhouse gas (GHG) emissions, road transport alone represents 71.7.% of the sector's emissions¹, making it an essential component of the EU's Sustainable and Smart Mobility Strategy. The Strategy should consider both the strong reduction in new-vehicle CO₂ emissions achieved over the past decade – driven mainly by engine and vehicle efficiency improvements, as well as the current challenges that may offset these achievements, including growing demand for transport and longer lifetime of vehicles.

In order to achieve the EU's net zero ambition in the most cost-efficient way over the long term, technological neutrality must be maintained and a more holistic approach to carbon neutrality should tackle the use of vehicles in the current fleet. With respect to the fuel sector, further CO₂ reduction of fuels in the transport sector should be accompanied by policies supporting a reduction in the GHG intensity of fuels, stimulating higher renewable content in fuels.

For battery electric vehicles (BEVs) and low emission vehicles (LEVs), the revision of the [Alternative Fuels infrastructure directive](#) will be instrumental in creating the right market conditions for the further deployment and the expansion / refueling of the charging infrastructure networks. The AFID review should be accelerated as part of the recovery plan for Europe and show more ambition for rolling out charging points and hydrogen refuelling stations across the entire European Union. Furthermore, the power classes of charging points and the charging capacities of vehicles should be part of the revision, as trucks and buses have different needs to cars when it comes to infrastructure, due to their higher power and energy demand, as well as specific space, parking (for overnight charging) and access requirements. Other pieces of legislation such as the EU Strategy for Energy System Integration, renewable energy directive, the energy performance of buildings directive, the energy taxation directive, all have the potential to help build the appropriate framework for smoother integration of BEVs and LEVs in Europe while at the same time leveraging their potential to decarbonise the power sector.

The role of hydrogen in sustainable transport

As announced in the European Clean Hydrogen Strategy released on 8 July, 2020, the upcoming Sustainable and Smart Mobility Strategy will also address the use of hydrogen technology in the transport sector. In this case as well, single measures could have a meaningful effect on the uptake of hydrogen fuelled vehicles:

- **Put in place financial mechanisms that will increase the demand for hydrogen mobility and strengthen the European industry.** On the one hand, financial support for the purchase of zero-emission vehicles such as hydrogen will send a strong signal to consumers, thus increasing demand in this emerging market. On the other hand, the introduction of financial incentives for the effective use of hydrogen vehicles over time will not only ensure the transition to zero/low-emission mobility but will also allow the entire European industry to grow.
- **The revision of the Alternative Fuels Infrastructure Directive 2014/94/EU (AFID)** should accelerate the deployment of zero/low-emission mobility while respecting the principle of technological neutrality,

¹ EEA: <https://www.eea.europa.eu/data-and-maps/indicators/transport-emissions-of-greenhouse-gases/transport-emissions-of-greenhouse-gases-12>

which will enable the European Union to achieve its climate ambitions. Furthermore, AFID will be instrumental in order to promote all alternative fuels that can contribute to further reduce CO₂. To ensure the widespread deployment of zero/low-emission mobility, the directive must ensure the proper integration of European territory.

- The Directive should ensure a rigorous implementation of national policy frameworks. Setting binding targets for Member States will encourage strategic planning of hydrogen fuelling infrastructure in collaboration between public and private stakeholders.
 - Consider the specificity of infrastructure for heavy-duty vehicles, supporting hydrogen refuelling stations on the TEN-T Core network next to those at the logistics centres, depots, and urban nodes.
 - Consider the added value provided by multi-purpose hydrogen refuelling stations at strategic locations that could serve for different transport applications.
 - Extend the scope to rail and airport infrastructure (for ground applications)
- **The Clean Hydrogen Alliance** will materialise within the framework of Horizon Europe to allow the consolidation of a strong European industry. It is important that European research projects in this area remain based on an ecosystem approach, and not fragmented between different uses (production, mobility, etc.).

Integrating urban mobility into the EU's sustainable and smart mobility policy

AmCham EU believes that EU urban mobility policy must be an integral part of the European Commission's upcoming Sustainable and Smart Mobility Strategy. The COVID-19 crisis has increased pressure on transportation in urban areas and shifted demand from public transportation to individual mobility offerings, requiring solutions which are innovative and safe for consumers. Thus, future EU urban mobility policy must be sustainable and smart, and needs to establish a regulatory framework that meets consumer demand. New mobility offerings are winning ground in cities yet the regulatory approach is dispersed from one city to another, and varies from Member State to Member State.

In order to allow rapid uptake of new and innovative mobility offerings including mobility as a service (MaaS) and its use cases such as car-sharing, e-bikes-scooters, and ride hailing, the legal framework needs to enable and facilitate market access at local, regional and national levels. These offerings have the benefit of alleviating traffic congestion while being a clean mode of transport, and should therefore be promoted at EU level.

Until now, and in an attempt to regulate the new mobility offerings, some local and national regulators have adopted legislation that have the unfortunate, and perhaps unintended, consequence of severely restricting the freedom to provide such mobility offerings in their respective city and/or Member State. AmCham EU considers that the Commission is best placed to ensure and oversee the harmonised implementation of crucial pieces of legislation under the umbrella of smart urban mobility. The Commission must serve as a platform for exchange of information between Member States, local and regional authorities, industry and NGOs. In order to ensure that the functioning of the internal market for new mobility offerings is guaranteed, AmCham EU calls on the Commission to identify market distortions caused by restrictive national legislation or practices and ensure that, through cooperation with national authorities, all new mobility offerings can provide services across Member States.

Additionally, new disruptive technology solutions such as zero emission urban air mobility (UAM) vehicles have the ability to decrease urban congestion by leveraging the sky to offer faster and better connectivity. The deployment of this mode of transport will require a new regulatory framework to safely control and manage this new vehicle class and the airspace in which they will operate. Additionally, noise reduction technologies will be required for operation in urban areas. It will be critical that these vehicles are zero/low emission to ensure that they offer a clean mode of transportation and do not further contribute to carbon emissions in urban areas.

Smart urban mobility will depend significantly on access to data, as well as the adoption of emerging technologies such as edge computing, where the data is processed and analysed closer to the point where it is created (eg, on the e-bike or e-scooter). As data will not need to traverse a network to a cloud or a data centre to be processed, edge computing will enable faster and more comprehensive data analysis and insights, generating faster response times for the user and reduce network congestion.

Cities will also be key in facilitating the roll-out of Cooperative Intelligent Transport Systems (C-ITS) as connectivity will provide a response to some of the mobility challenges in urban areas, such as accessibility, congestion, emissions and road safety. In order to allow market access for all new mobility offerings these connected solutions require the construction of a supporting infrastructure to ensure that the connectivity-related services are actually delivered and are interoperable. This infrastructure build should be closely monitored and evaluated relative to ultimate efficacy. Additionally, an important aspect to consider is enabling greater system integration between the different actors in the mobility ecosystem (such as public transports, payment systems, vehicles, city infrastructure, etc.). By enabling a trusted framework that breaks down data silos and leverages shared insights, governments could further encourage the uptake of smart mobility solutions in their communities.

Future EU legislation must therefore take a market-based approach and stimulate research and innovation for new mobility offerings. It must be an enabling regulatory framework for new mobility offerings to take off, and in particular AmCham EU recommends that the Commission should:

- Oversee well-functioning of the internal market for new mobility offerings and identify market distortions caused by restrictive national, regional and local legislation and regularly inform stakeholders at EU level through eg EC expert group on Urban Mobility;
- Encourage roll-out of new mobility offerings, including MaaS, through an enabling regulatory framework accompanied with pilots, trials and research under Horizon Europe;
- Support the creation of a trusted framework for greater system integration, in which the mobility ecosystem can benefit from deeper, faster data insights, notably through emerging technologies such as edge computing;
- Provide regulatory certainty on connectivity for all transport modes, and in particular for vehicle-to-vehicle and vehicle-to-infrastructure connectivity so as to set the basis for vehicle automation with further pilot and trial projects.
- Continue to support optimisation of all modes of transport and mobility services and their consistent integration into sustainable urban mobility plans (SUMPs) developing common standards and discussing and agreeing the exchange of best practices between stakeholders in order to create operational frameworks for mobility systems.
- Encourage fleet renewal to stimulate the uptake of cleaner and safer vehicles, while maintaining affordability.

- Support the deployment of infrastructure for alternatively-powered vehicles in urban mobility planning, in particular by ensuring the necessary investment and high-quality maintenance aspects.

Reducing GHG intensity in other modes of transport

Aviation

The aviation sector has made and will continue to make great strides across its entire value chain to contribute to the EU's climate objectives. Aviation efficiency has improved dramatically with time since the dawn of the jet age resulting in a continuous reduction of CO₂ production. The latest generation of s aeroplanes is more than 70% more efficient than the first commercial transport aircraft of the 1960s. According to the European Aviation Environmental Report 2019², the environmental efficiency of aviation continues to improve (this pace of progress is being accelerated as the aviation sector doubles down on advancing more efficient and sustainable solutions). By 2040 further improvements are expected in average fuel burn per passenger kilometre flown (-12%) and noise energy per flight (-24%).

Using only one tool from the toolkit will however not achieve the necessary carbon emission reductions. Only a multi-faceted approach that includes all stakeholders will allow the EU to effectively leverage all available measures without negatively impacting the socio-economic benefits of the aviation sector.

In this regard, AmCham EU recommends:

- Increasing production and lowering the cost of sustainable aviation fuels (SAF) as these are the most immediate way to make substantial reductions in net carbon emissions for aviation (up to 80%). The majority of engines commercially in operation today are already capable of operating on 50% SAF, and there is a clear path towards 100% SAF operability.
- Government incentives to build SAF facilities and support the use of sustainable aviation fuel by airlines, while ensuring a level playing field across modes of transport.
- Create the right support framework for research and innovation that allows for inclusive approaches that leverage cross-industry expertise to advance environmental goals and global partnerships
- Increased optimisation of Air Traffic Management (ATM) and flight operations efficiency in order to reduce aircraft fuel consumption and therefore reduce the aircraft carbon footprint.
- Promote market-based measures (Offsetting) to cover emissions that cannot be addressed through technological innovation, ATM and operational efficiency or sustainable fuels (Offsetting) and avoid duplicating systems and costs for airlines.

Importance of connected transport and infrastructure for smart mobility

AmCham EU has long highlighted the importance of a sound policy framework to deploy connected and automated mobility and Intelligent Transport Systems (ITS) in Europe. Connected and automated mobility (CAM) can improve – or even revolutionise – how vehicles interact with each other, with road infrastructure and other third operators. It has the potential to increase the efficiency of road use and improve both the safety and the environmental performance of vehicles.

² <https://www.easa.europa.eu/eaer/>

Vehicle-to-everything (V2X) interaction will offer great potential for transport efficiency and safety. The digital infrastructure promoted by ITS (V2V, V2I and I2V) can also significantly reduce emissions and increase the efficiency of transport systems for both fleets and privately-owned vehicles. The market penetration of new systems is gradually rising, but further comprehensive deployment requires mutual investment in physical and digital infrastructure by both industry and road authorities to ensure the safety of road users. The success of these new technologies will depend on the right legal framework. In this sense it is essential that Europe's road infrastructure (including road signs and markings) be adapted ahead of the deployment of connected vehicles. This should happen on a pan-European basis to avoid discrepancies between the Member States' rules and roads that will prevent effective cross-border use of automated vehicles