

FIT FOR 55

Public Transport at the heart of the energy transition for a fair and integrated economy





PUBLIC TRANSPORT AT THE HEART OF THE ENERGY TRANSITION FOR A FAIR AND INTEGRATED ECONOMY

Still accounting for 30% of GHG emissions in Europe and being the only sector that has not reduced its emissions since 1990, transport is particularly concerned by the revision of climate and environment legislations. In the meantime, the transport sector played and will continue to play a key role in the paradigm shift in energy consumption to achieve climate objectives.

The Fit for 55 stands as a key opportunity for the mobility sector to be re-framed by more incentive-based rules allowing European citizens to naturally turn to more sustainable mobility solutions and achieve the 55% GHG reduction emission target by 2030. In this context, public transport is an essential solution to accelerate the reduction of emissions of the transport sector while ensuring social and territorial cohesion. Through the revision of taxation rules, incentives for infrastructure development, polluter-pays mechanisms, and the introduction of social funds, Transdev considers that European institutions have a unique opportunity to materialise a transport modal shift to support the European Green Deal.

STRENGTHENING INCENTIVES FOR MODAL SHIFT AS A KEY DRIVER FOR REDUCING TRANSPORT SECTOR EMISSIONS

The Electric Vehicle only makes up 1% of the current vehicle fleet. Its impact on the decarbonisation of mobility will be slow and depends heavily on the energy mix of each country. In 2030, it will ensure at best a 20% reduction in emissions (according to the manufacturers) if the energy mix is carbon-free, which is far from being the case for most EU countries. **The modal shift or the reduction of distances can together ensure a 56%¹ reduction in emissions in the transport.**

The distances travelled in each EU country have been stable at 40 km/inhabitant/day since 2000, excluding international trips. It is therefore through the modal shift that most of the *Fit to 55* will have to be achieved. Travel within urban areas represent 60% of km and transport emissions, it is therefore through urban public transport that the modal shift will have to be made and more particularly on the links between cities and their peripheral areas which heavily weigh most of the emissions from urban areas. Depending on the country, it would thus be necessary to multiply by 2 or even 3 the public transport offer between the central cities and their peripheral areas. The EU's mobility strategy should take these realities into account unless it misses the date of reducing emissions by 55% by 2030.

Modal shift is a key element of any transport policy that aims to improve the sustainability of transport. But massive modal shift will be possible only if significant investment will be made to increase the mobility offer and quality of the service.

By acting on the daily mobility of citizens, particularly in urban and peripheral areas, it would be possible to reverse the curve of CO₂ emissions from transport in Europe. There is therefore a critical need to encourage modal shift from passenger cars to public transport through significant legislative and political incentives.

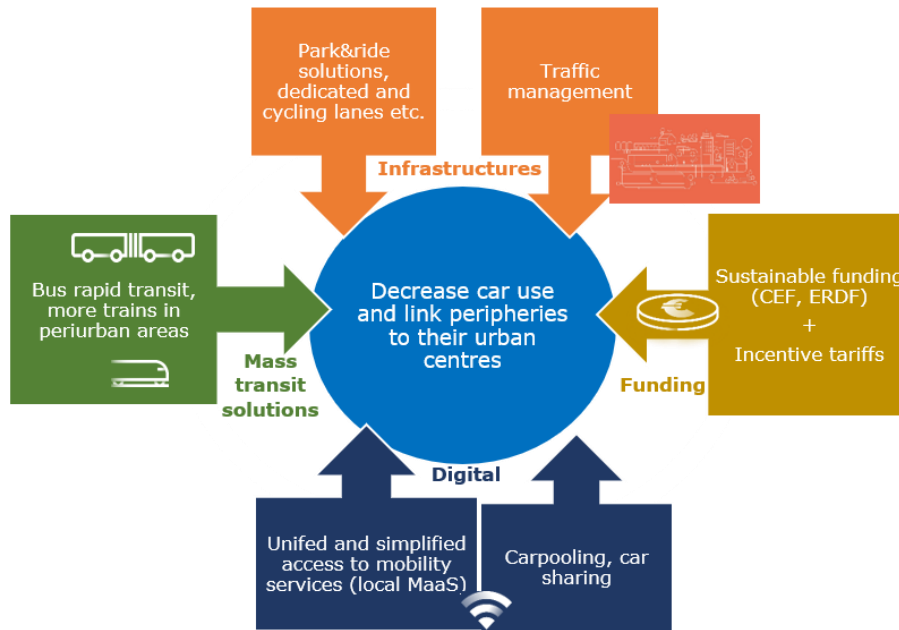
First, the implementation of measures aimed at a genuine and coherent internalization of the environmental costs of transport modes is important to shift from private cars to mass transit solutions. The implementation of mechanisms to develop GHG emission limits for each industry sector, including the transport sector, is a suitable way to integrate the 'polluter pays' principle and thus encourage the use of more sustainable mobility solutions. Such limits imposed on transport vehicles should focus on the emissions/passenger to determine the impact. On another level, the introduction of constraints and additional costs on the use of private cars is also a prerequisite to encourage modal shift. However, the introduction of more stringent standards requires investments and policy incentives to ensure public transport infrastructure and fleets can absorb user flows.

¹ 70% of the emissions from the mobility of people come from so-called short distance journeys (less than 80 km). On these journeys, 80% of emissions come from urban areas. 70% * 80% = 56%



This modal shift must focus on the links between cities and their peripheries and between cities, acting on three pillars:

- **Transport offer:** high frequency express bus services, rail services in urban nodes and peri urban areas.
- **Multimodal infrastructures:** upgrading of the railway, dedicated lanes on road arteries for public transport and car sharing, with park-and-ride facilities, multimodal hubs. Cycling policy must be designed with these public transport solutions in mind, since although the bicycle is an ideal tool for daily mobility, it cannot handle excessively long distances.
- **Multimodal digital solutions** providing fluid access to all mobility services via better digital tools.



Finally, according to figures from ERRAC¹, regional and suburban rail transport accounts for 90% of the total number of passengers in the rail mode and carry 10 times more passengers than aviation and long-distance rail services. If these figures confirm once again the European trend towards local mobility, they demonstrate above all the role that rail must play in the transition of the transport sector.

Fair and transparent competition between players, investments in networks for the maintenance and development of suburban and rural lines and a complete greening of the railway infrastructures: the European Union can lay down the framework allowing a greater modal shift towards rail.

Modal shift is an essential step to decarbonise the transport sector. In order to ensure a massive use of public transport, the European Union has to provide stronger incentives for sustainable mobility.

- Transdev considers the proposed extension of the **European Emission Trading System** to road transport as an interesting way to ensure a level playing field between modes of transport by considering their externalities. In the context of the implementation of such instruments, Transdev believes that the resources collected by the system should be reallocated to finance more appropriate and sustainable transport services. The energy transition has a very important cost which will require to commit new resources. However, acceptability is only possible if these revenues are clearly allocated to alternatives to the car and to compensation for the most affected households.
- Transdev supports the introduction of higher **standards for CO₂ emissions from light vehicles** as long as they are complemented by measures to provide citizens with sustainable alternatives, helping the most vulnerable to access reliable and affordable mobility.

¹ The European Rail Research Advisory Council

ACCELERATING THE ENERGY TRANSITION THROUGH THE DEVELOPMENT OF LOW AND ZERO EMISSIONS PUBLIC TRANSPORT SERVICES

As one of the most environmentally friendly solutions, public transport has a key role to play in the environmental and energy transition. Beyond the benefits of modal shift, public transport also contributes to the development of new forms of sustainable mobility using alternative energy sources (electricity, hydrogen, natural gas, etc.). At a time when European citizens are directly affected in their daily lives by the impact of climate change and international crisis, the European Union should serve as an example. As such, energy efficiency and sobriety should be considered by promoting future-proof sustainable tools for citizens. Indeed, new technologies make it possible to absorb and distribute increasing flows of passengers, while reducing their carbon footprint. Transdev leads this transition thanks to experiments with renewable fuels and major investments in zero-emission technologies for mass transit. **With 1800 zero-emission vehicles in operation by the end of 2021, Transdev is the leading operator of zero-emission vehicles in Europe.** In parallel, Transdev is carrying out experiments with other alternatives to fossil fuels (biogas, bioethanol, CNG, etc.), tested in various regions.

By providing different technical solutions and operating in a multiple networks and geographic areas, Transdev aims at implementing the most efficient solutions adapted to the specific climatic, geographical and usage characteristics of each area. Indeed, as zero emission technological solutions for long-distance passenger road transport are still underdeveloped, particularly in rural areas, other low-polluting innovations need to be developed to offer sustainable alternatives and avoid territorial divisions. The development of zero and low-emission mass transit solutions is therefore a fundamental priority for achieving climate objectives.

Member States must take their responsibility to support public transport accordingly. First, the introduction of financial incentives for the development of alternative mobility solutions is essential to ensure that investments and policy priorities are aligned with the new climate objectives. Substantial investments in alternative fuels are therefore necessary, in parallel with the development of electric vehicles, to guarantee transport users a variety of solutions adapted to the constraints of their territory. Second, infrastructure is essential to ensure the development of zero and low emission transport fleets and create a confidence-building environment around these new technologies.

Measures to support the deployment of transport infrastructure and fleets have to take into account the social and territorial differences of European territories by granting both low emission and zero emission transport solutions.

- Transdev calls for a revision of the **Energy Taxation Directive** which allows local public passenger transport and collective passenger transport to be eligible for tax reductions for the development of sustainable projects including zero and low emission solutions.
- The revision of the **Directive on deployment of the alternative fuels infrastructure** stands as an opportunity to ensure that a sufficient number of charging and refuelling stations are available on the roads. To ensure an adequate level of collective transport solutions, Member States should be obliged to take public transport infrastructure into consideration when defining their infrastructure plans.

SUPPORTING CITIZENS IN THE ENERGY TRANSITION BY ENSURING AN INCLUSIVE TRANSPORT SYSTEM FOR SOCIAL AND TERRITORIAL COHESION

The deployment of public transport is also the right answer to social issues. Employee mobility is indeed one of the main factors in absorbing economic and geographic disparities. Much more public transport is needed to link the peripheries to employment centres in urban areas in order to curb GHG emissions and improve air quality. Furthermore, by providing adapted mobility solutions, public transport ensures access to a greater variety of transport solutions which facilitate integration of citizens in the society. This is particularly important for transport users located in rural and low-density areas.

In addition, public transport solutions are offered at an affordable price and are accessible to vulnerable households, offering more attractive prices than private cars. Indeed, although electric vehicles are increasingly being developed to offer sustainable mobility solutions, they are still expensive and offer a unique option. Moreover, the multiplication of electric mobility solutions will probably lead to energy frugality which will affect the most vulnerable households. Thus, offering appropriate public transport solutions to households will increase their purchasing power and provide them with alternatives to the private car.

In parallel, the introduction of constraints and additional costs resulting from the energy transition can have impacts on the citizens, and particularly on the most vulnerable households. As public transport is already a major lever to meet the challenges of equity and social inclusion, it appears to be an essential element for the social balance of territories and an outstanding solution for ensuring an inclusive and fair energy transition. Hence, substantial investments should be made to ensure that vulnerable households have a wide variety of sustainable mobility options.

Public transport and rail solutions represent outstanding mobility solutions as they can be adapted to the territory, to the demand and to the number of passengers to be carried, making them a key part of the energy transition.

- Transdev supports the initiative for a **Climate Social Fund** to mitigate the unexpected consequences of the internationalization of environmental costs. For it to be useful and impactful, investments need to be targeted towards transition sectors that can offer sustainable alternative solutions to citizens. This priority should be reflected in the national investment plans in order to highlight the key role of public transport in the transition and to mobilise greater funds at all levels (local, regional, and national).

ABOUT TRANSDEV

As an operator and global integrator of mobility, **Transdev – The mobility company** – gives people the freedom to move whenever and however they choose. We are proud to provide 11 million passenger trips every day on average thanks to efficient, easy to use and environmentally friendly transportation services that connect people and communities. Our approach is rooted in long-term partnerships with businesses and public authorities, and in the relentless pursuit of the safest and most innovative mobility solutions. We are a team of people serving people, and mobility is what we do. Transdev is jointly held by **Caisse des Dépôts Group** (66%) and the **RETHMANN Group** (34%). **In 2020, with 83,000 employees in 17 countries, the Group generated total revenues of 6.75 billion euros (with 75% in Europe).**

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