



## News from Brussels – September 2021

Hi!

Here is this month's newsletter from Brussels where we take a look at what's going on at the EU level and at relevant news from UITP (The International Association of Public Transport).

### COVID-19

#### **National Resilience and Recovery Plans**

**National Recovery and Resilience Plans are still in the process of being assessed by the European Commission. To date, 19 Member State national plans have been assessed by the Commission, with 16 among those equally already approved by the Council. Finland and Sweden are not yet among those 19 Member States. All current draft assessments by the Commission can be found [here](#).**

Across all of the National plans, the European Commission calculated the average share of sustainable mobility as a percentage of the planned funding allocation to be around 14,7%. Finland & Sweden however, have only dedicated 4% and 5% respectively of their plans to sustainable mobility. This means 74 million € dedicated to clean mobility investments for Finland and 148m€ for Sweden.

#### **EU Crisis Contingency Plan for Transport**

The European Commission has announced plans to adopt an EU-wide contingency plan for transport in order to better prepare both the passenger and freight sectors in the case of a future event like the COVID-19 pandemic. An open public consultation for all interested stakeholders is being held by the Commission until October 26th 2021 and is available [here](#) should you wish to contribute. This crisis contingency plan was foreseen by the Sustainable and Smart Mobility Strategy. The objective of the



plan is to come up with a sort of «crisis manual» to mitigate any negative impacts on the transport sector of a future pandemic-like event.

### EU legislation and initiatives

We are back after a short break to take stock of the many developments and publications over the summer months and in September. There is so much to catch up on that the following items are only brief snapshots of each topic.

#### **Fit for 55 package**

On 14th July, the European Commission published a much anticipated package of measures: the Fit for 55 package. The European Commission's press release is available [here](#). The objective of the package is to align EU legislation with Green Deal goals, specifically with the target of 55% emissions reductions by 2030. The package contains a series of legislative measures aimed at all segments of the transport sector (maritime, aviation and road mainly). Regarding our own sector, two of the most important pieces of legislation - the new Regulation on Alternative Fuels Infrastructure as well as the revised energy Taxation Directive - were both published in the following days (more information on both is available below).

UITP's reaction to the Fit for 55 package is available [here](#). The package was also presented to the Members of the European Parliament during the last Transport & Tourism Committee on September 27<sup>th</sup>. You can view the debate [here](#).

#### **Revision of the Directive on Alternative Fuels Infrastructure**

As mentioned in previous newsletters, the 2014 Directive on Alternative Fuels Infrastructure (DAFI) was to be revised this year in order to help the EU reach the climate goals it set for itself for 2030 and 2050. The Fit for 55 package therefore includes the revision of DAFI as one of its main legislative proposals.



One element of note is that the revision will turn the Directive into a Regulation. This should mean there will be no implementation needed at national level and that the Regulation will apply in the same way in all 27 EU Member States. In terms of its content, UITP will be monitoring in particular the definition of «alternative fuels» as this constitutes the basis for defining what counts as a «clean bus» or not within the Clean Vehicles Directive. For now, the proposal leaves the definition essentially unchanged.

The proposal for the new Regulation is available in full [here](#). To follow its progress in the European Parliament, you can visit this webpage [here](#). The committee responsible for examining the proposal is the Transport & Tourism committee. However, the rapporteur has not yet been announced and nor has a working timetable for its first reading.

### Energy Taxation Directive

The revision of the Energy Taxation Directive is also a part of the Fit for 55 package and was published on 15<sup>th</sup> July 2021. The proposal sets minimum tax rates for the different energy products and classifies them according to their energy content and environmental performance. Moreover, public transport and rail remain for now in the list of essential services for which Member States can apply reduced taxations rates.

According to the European Commission:

*«Taxation based on energy content provides a better reference to compare different energy products and electricity and eliminates the current possible disadvantageous tax treatment of certain products, such as biofuels.»*

The proposal is available in full [here](#). This Directive will not be adopted via the ordinary legislative procedure but rather through what is called the Consultation procedure ([here](#) for more information). This means that the Council is the sole legislator. The Council must consult the European Parliament in the process but is not in any way obliged to follow its opinion.

### Urban Mobility Framework

As mentioned already in previous newsletters, the Smart and Sustainable Mobility Strategy included the announcement of a new Urban Mobility Package. An open public consultation on this updated



version of the Package was made available over the summer and closed on September 23<sup>rd</sup>. UITP not only answered the consultation, it also published a joint statement ([here](#)) with 12 other European sector associations stressing the need for public transport and active mobility to be the foundation on which to build the change we need in our urban mobility systems.

Please note that as urban mobility is not an EU competence (meaning the Treaties do not allow the EU competence to legislate on matters directly related to urban mobility), it is more than likely that most of the measures contained in the Package will be non-binding communications.

The publication of the revised Urban Mobility Package was announced for December 14th 2021.

### **Parliamentary report on challenges for urban areas in the post-COVID-19 era**

The Transport & Tourism Committee of the European Parliament presented a draft report ([here](#)) of its own initiative on the topic of «Challenges for urban areas in the post-COVID-19 era». The objective of the final report will be to feed into the European Commission's work on the new Urban Mobility Framework. The draft report however, does not sufficiently recognise our sector's efforts during the crisis to ensure continuity of service for essential workers and vulnerable persons, and to provide a safe and healthy environment; nor does it clearly point the way for investments to be made in sustainable local mobility, with dedicated financing going to clean vehicle procurement, infrastructure maintenance and development, and multimodal integration. Comments regarding these aspects were sent to the Members of the European Parliament by UITP.

The final vote and adoption of the report is scheduled for November 13th.

### **Study on the implementation of the Public Service Obligations (PSO) Regulation 1370/2007**

In January this year, the European Commission awarded a contract to a consortium of consultants (Grimaldi, Wavestone and others) to study the implementation of the PSO Regulation 1370/2007 across all of the EU Member States. The consultants sent out a questionnaire to our sector which was answered by UITP as well as by members individually. UITP's main message on behalf of the sector was to point out that legal security & stability is key - the PSO Regulation only recently came into force fully and the sector must have time to implement it.



According to the consultants, the aim of the study is simply to look at how the Regulation was implemented in the Member States. However, certain questions included in the questionnaire, such as "Do you think that the degree of market opening is satisfactory?" would lead us to think that this might not be the study's only objective. Since the Regulation does not make directly awarded contracts illegal, it is possible that these types of questions are seeking responses that could also feed into the Commission's work on the update of the PSO Regulation's interpretative guidelines ([here](#)). UITP will continue to work closely with the Commission on this vital topic and to monitor any new developments.

State aid: one-year prolongation of tax exemption for biofuels in Sweden

In early September this year, the Commission once again approved ([here](#)) a one-year prolongation of exemption from energy and CO<sub>2</sub> taxation for liquid biofuels in Sweden. The exemption will last from January 1st to December 31st 2022. In its press release on the subject, the Commission stated that:

«the tax exemptions are necessary and appropriate for stimulating the production and consumption of domestic and imported biofuels, without unduly distorting competition in the Single Market. In addition, the scheme will contribute to the efforts of both Sweden and the EU as a whole to deliver on the Paris agreement and move towards the 2030 renewables and CO<sub>2</sub> targets.»

### **Slovenian Presidency of the Council**

On the 1<sup>st</sup> July this year, Slovenia took up the presidency of the Council for the next six months. Slovenia has set up a website ([here](#)) setting out its main objectives for 2021. In matters of transport, the Slovenian programme pledges to:

- give the European Year of Rail the support and promotion it deserves;
- hold discussions at working level and prepare a progress report on the revision of the Intelligent Transport Systems ([ITS](#)) Directive;
- strive for progress in negotiations on the revision of the Alternative Fuels Infrastructure Directive (AFID).

France will be the next country to have the presidency as of January 1<sup>st</sup> 2022.



## Understanding the EU better – bodies, agencies & institutions: what's the difference?

The EU can seem quite far away at times, the legislative procedure can seem obscure and the jargon impenetrable. This is why, every month, we take a closer look at one of the cogs in the EU machinery, in relation with a relevant piece of EU legislation for the public transport sector.

This month, after our summer break and with the multiplication of briefings, reports, evaluations etc by all types of EU bodies, we take a closer look at who publishes these documents. What is the difference exactly between a body, an agency and an institution of the EU? Are these concepts interchangeable and if not how many exist of each, and what is their role in the EU machinery?

First let's start with the basics: the term "body" is simply the generic word that encompasses both the institutions and the agencies of the EU, as well as any other type of office of the EU that is neither an institution nor an agency (such as the Publications Office for instance, or the European Personnel Selection Office).

In other words:

➔ ***Bodies of the EU = Agencies + Institutions + any other type of Office***

### **The EU Institutions**

The EU Institutions are clearly set out by the EU treaties. They include: the European Commission, the Council of the EU, the European Council, the European Parliament, the High Representative of the Union for Foreign Affairs and Security Policy, the Courts & the Court of Auditors.

The EU Institutions also have two advisory bodies : the Economic and Social Committee and the Committee of the Regions.

Each institution's functions and interactions are determined not only by the Treaties, but actually mostly by inter-institutional agreements, practices and of course, political developments.

Other newsletters have focused on the main institutions and we will continue to explore the role of each in future newsletters.



## The EU agencies

Agencies are separate legal entities set up to perform specific tasks under EU law.

Agencies come in all shapes and sizes but broadly speaking, there are two types of agencies that are particularly important and numerous:

- *decentralised agencies*
- *executive agencies*

**Decentralised agencies** are tasked with helping in the implementation of EU law by providing technical or scientific advice on all types of matters related to everyday concerns (food, security, medicines and of course transport to name but a few).

They are also for the most part based outside of the usual European capitals that are Brussels, Luxembourg & Strasbourg. For instance, Stockholm houses the European Centre for Disease Prevention and Control, and Helsinki houses the European Chemicals Agency. The European Environment Agency, which very often published reports that are of great interest to our sector, is based in Copenhagen.

The EU has a dedicated webpage for these decentralised agencies with a search engine as there are so many of them ([here](#)).

**Executive agencies** are temporary in nature and are only set up to help with a specific task in relation to EU programmes. They include for instance, the [Innovation and Networks Executive Agency \(INEA\)](#) in charge of implementing the Connecting Europe Facility (CEF) programme for instance. They are very often based in the EU capitals such as Brussels.

## Why does it matter if it's an institution or an agency?

It matters because they don't have the same powers within the EU legal system. Agencies allow the Commission to focus on policy formation while making it better informed and advancing its expertise and credibility in highly technical areas. Agencies do not have the power to make rules and are not allowed to stand in front of the EU courts, whereas institutions can. A report published by an agency



will therefore not have the same weight as one published by the European Commission or the Parliament.

### Publications

- **Special Report on “The Polluter Pays Principle: Inconsistent application across EU environmental policies and actions”**

The European court of Auditors published a special report this year on the application of the Polluter Pays Principle across the EU ([here](#)). Even though the report focuses in particular on EU waste legislation and the most polluting industrial installations, and not necessarily on transport, the report has applications for our sector as well.

- **An analysis of the bicycle friendliness of European railway operators**

Over the summer, and in the context of the 2021 European Year of Rail, the European Cyclists' Federation published an analysis of the bicycle friendliness of European rail operators ([here](#)). The study takes into account various indicators such as bike spaces of course, but also bicycle hire schemes, the cost of reservation, the languages provided for bicycle carriage information online, etc.

- **EIB technical note: ITS procurement for urban mobility**

Earlier this year, the European Investment Bank (EIB) published a note ([here](#)) in an effort to help local authorities procure intelligent transport systems (ITS). The report looks into the link between ITS and urban mobility policy and planning and highlights some of the challenges arising from ITS procurement. It then moves on to study seven concrete case studies from cities across the EU. Finally, the report sets out a comprehensive set of ITS procurement principles and a series of practical recommendations.

- **Evaluation of EIB support for urban public transport in the European Union (2007-2019)**





The EIB also published a report ([here](#)) evaluating its financial support for urban public transport over the last 12 years. Amongst other things, it concludes that future support from EIB will focus specifically on the acceleration of the transition towards cleaner and new urban public transport technologies. Perhaps a little more worryingly, it does also recommend that *"The Bank should strengthen its ex-ante review and its ex-post estimate of ridership for UPT projects."* The fact that ridership as a measure of success for urban public transport projects should feature so prominently in a post-Covid context does not bode well considering how long it might take to get people back onto public transport.

- **European Environment Agency - Europe's air quality status 2021 Briefing**

The EU's Environment Agency published its yearly report on the air quality status across European cities ([here](#)). It finds that *"Despite improvements, air pollution is still a major health concern for Europeans"* and that *"People in bigger cities tend to be exposed to higher concentrations of nitrogen dioxide because of emissions from traffic"*. These findings are only partly offset by the consequences of the lockdowns on the dip in pollution levels.

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## **Events**

- **13<sup>th</sup> October: European Week of Cities and Regions, UITP workshop on «Regaining trust in public transport: Towards green recovery in European cities»**

Every year, the Committee of the Regions organises the largest series of conference on EU affairs of the Brussels bubble: the European Week of Regions and Cities (EWRC). The programme in full of the event is available [here](#). Every year, UITP organises a joint workshop with the Committee of the Regions during the EWRC. This year, the theme is «Regaining trust in public transport». It is possible to sign up to the event [here](#).

- **1-2<sup>nd</sup> December: Annual POLIS Conference, Gothenburg**

POLIS is the leading network of European cities and regions working together to develop innovative technologies and policies for local transport. This year, the POLIS Annual Conference will take place on 1-2 December in Gothenburg, Sweden. The programme of the conference is available [here](#).



### Not a UITP member yet?

As a UITP member, you can share knowledge with a network of more than 200 public transport authorities worldwide. Read more at <https://www.uitp.org/membership-benefits> or contact Camille Roy in UITP: [camille.roy@uitp.org](mailto:camille.roy@uitp.org)

Any questions? Please contact me at [annabelle.huet@uitp.org](mailto:annabelle.huet@uitp.org)

Kind regards,  
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