D11.7 - Fifth Policy Statement

“Clean vehicles and Alternative Fuels”

Organisation: ISIS

Date: 31st January 2013

Version: Final
### DELIVERABLE KEY INFORMATION

<table>
<thead>
<tr>
<th>Document Code</th>
<th>D11.7</th>
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</thead>
<tbody>
<tr>
<td>Title of Document</td>
<td>Fifth Policy Statement “Clean Vehicles and Alternative Fuels”</td>
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<tr>
<td>Reference Workpackage</td>
<td>WP11</td>
</tr>
<tr>
<td>Reference Measure</td>
<td>N.A.</td>
</tr>
<tr>
<td>Contractual Date of Delivery</td>
<td>September 2012 (M48)</td>
</tr>
<tr>
<td>Actual Date of Delivery</td>
<td>January 2013 (M51)</td>
</tr>
<tr>
<td>Dissemination Level</td>
<td>Public</td>
</tr>
<tr>
<td>Date of Preparation</td>
<td>May 2011</td>
</tr>
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Statement on Clean vehicles and Alternative Fuels

General Overview

EU transport depends on oil and oil products at almost 100% of its energy (mostly imported). The total CO2 emissions from the transport sector represent 19.5% of total EU greenhouse gas emissions and urban transport is responsible for about 25% of CO2 emissions from transport.

In this frame local authorities are facing serious challenges to meet the requirements on air quality and on noise reduction, both with negative consequences on public health. But local as well as national and European authorities also face a climate challenge.

In the next decades mobility needs will increase: on the one hand an increased use of collective transport will be necessary, combined with walking, cycling, innovative services and solutions (e.g., car sharing, car pooling, ITS, e-commerce), demand management (e.g. on access and parking) and land-use planning policies to reduce traffic volumes and congestion. On the other hand, because using vehicles cannot be totally avoided, those vehicles have to be as much as possible clean and energy efficient to allow decarbonisation of transport through replacement of fossil fuels.

Strategic issues

1. Clean vehicles and alternative fuels are part of an all-comprehensive strategy regarding the sustainable mobility to be integrated with other solutions for a modal shift toward less pollutant means of transport, as public transport, cycling and walking.
2. Within a European economic crisis, the European automotive industry is particularly addressed, hence it can remain competitive only if investing in green technologies. In this sense a new **industrial paradigm** has to be adopted, based on clean and energy efficient vehicles, allowing to provide new jobs in the automotive industry and in other sectors of the supply chain related to it.

3. EU and Member States should rely mainly on **domestic biofuels and local energy generation** in order to reduce the dependency on imported energy. This has to be achieved taking into account sustainability criteria, avoiding unfair competition and respecting the EU trade policy.

4. In a more global perspective the objective of reducing the dependency from the external world should include **strategic** and **geopolitical** considerations in relation to supply of materials necessary for vehicles, components, fuel production and infrastructures.

**Framework conditions**

5. The **“well to wheel”** analysis of different technologies has to be considered for the three main system components (fuel production, vehicles, fuelling and distribution infrastructure) to compare and estimate the true benefits and factors such as energy efficiency, greenhouse gas reduction potential, socioeconomic impacts, reducing energy dependency and overall costs. This analysis represents the basic framework guiding for the adoption of different measures (legislation, funding, R&D, etc) and for the setting up of technologies prioritization.

6. **No single solution** is feasible, but the assessment and choices of the different technological solutions and options are different according to short, medium and long distances to be covered and according to the different transport modes, i.e., road, rail, air and water.
7. The domain of clean vehicles and alternative fuels involve multiple policy areas (transport, energy, climate and environment, industrial, trade, agriculture, employment, health and consumers, research) and stakeholders (the automotive industry, either vehicle manufacturers and suppliers, fuel and energy suppliers, grid managers, component manufacturers, infrastructure managers, network operators, scientific and standardisation bodies, EU, national and regional authorities, municipalities and consumers). In this sense, an EU intervention is necessary to guarantee coordination and harmonization of all the different interests and aspects.

8. Internalisation of all external costs (including pollution, waste disposal, noise, accidents, congestion) should be applied to all modes of transport so to determine a level playing field and to have the polluter-pays principle reflected without distortions in the market prices.

9. The “chicken and egg” dilemma between clean vehicles and the appropriate refueling infrastructures is often considered the main obstacle hindering the boosting of the market. The introduction of clean and energy efficient vehicles in the market should be accompanied by the parallel build-up of charging and refueling infrastructures.

10. Often the initial steps of the market development can be better triggered through the intervention of the public authorities: the purchasing policies for cleaner vehicles in captive fleets and the corresponding build-up of fueling facilities can strongly contribute to create the critical mass to favor the launch of the market and to influence market prices and industry choices against the limited number of vehicles models and their higher costs. Moreover public bodies improve their environmental image by providing the right example to citizens. Those effects can be even strengthened by recurring to joint green procurement: cooperation between cities, regions, states and the manufacturers create a win-win-situation for all stakeholders.
11. Public transport plays an important role for the introduction of new technologies for clean and efficient vehicles: considering the higher price of the new technologies, related investments for public transport should be covered from general subsidies for environmental protection and energy saving, and not from resources dedicated to public transport funding, in order to avoid negative effects on tickets’ prices for users with potential reduction of the latter.

Supply oriented issues

12. **Voluntary agreements** of the industry and commercial sectors are welcome to make progress towards clean vehicles and alternative fuels, but if they appear to be ineffective, then further instruments have to be adopted by institutions (regulatory, economic, fiscal, etc.).

13. The automotive industry has an enormous power, through **advertising and marketing campaigns**, to influence and orient the users’ behaviors and the buyers’ choices towards clean vehicles and alternative fuels.

Demand oriented issues

14. From consumers and users side, **information** and **awareness** are key aspects to favor the market of clean vehicles and alternative fuels. Industry should provide instruments to better identify comparative advantages, performances and opportunities of clean technologies, also concerning the vehicle labeling for CO2 emissions and fuel efficiency, tyre labeling, air-conditioning systems.

15. The entire **fiscal policy** at EU level on vehicles and fuels (concerning registration, ownership, purchasing, excises, VAT) should take into account their environmental and energy efficiency
performance and should be harmonized to avoid market fragmentation and distortions within a stable and secured framework for investments.

16. Promotion of **eco-driving**, to be linked with driving licence, and in combination with **ITS applications** and with more stringent maximum **speed limit** can contribute to reduce energy consumption and accidents.

17. The implementation of road pricing, access restriction and parking policies (with the exemption or reduction from access/congestion/parking fees for less polluting vehicles and fuels) allow local authorities to promote clean vehicles and alternative fuels.
Signatures

City of Bologna - Andrea Colombo, Deputy Mayor for Traffic and Mobility -
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City of Funchal – Amilcar Magalhães Lima Gonçalves, Councillor for Transport and Urban Mobility
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City of Gdansk - Maciej Lisicki, Vice Mayor (in charge of Public Transport and Infrastructure)
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City of Tallinn – Taavi Aas, Deputy Mayor for City Planning and Transport
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City of Utrecht – Frits Lintmeijer, Deputy Mayor for Mobility, Culture, Monuments and Archaeology, Regional and International affairs
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