Press release

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Europe's economic recovery after Covid-19: help finance it by applying user-pays and polluter-pays principles in transport

Europe's economic recovery after Covid-19 must be green, also in transport. Transport should help finance the recovery, through application of user-pays and polluter-pays principles. This is the suggestion in the <u>new position paper</u> put forward today by the Community of European Railway and Infrastructure Companies (CER).

Since March 2020, the EU and its member states have committed more than €3trn to support their economies against the Covid-19 pandemic's immediate economic fallout. Further public money will be spent for the post-crisis recovery. How to finance all that? CER's new paper suggests applying user-pays and polluter-pays principles in transport.

Tapping into this revenue potential, estimated at well over €300bn per year, would provide much-needed financing. It would also give clean and low-carbon transport like rail a fair chance to compete with more polluting modes, thereby supporting the long-awaited modal shift, in line with the European Green Deal's ambitions. Among citizens, businesses and academia there is strong support for a green recovery. Delivering it, also in transport, must be policymakers' main target, the paper argues.

Besides robust carbon pricing for transport across the EU, measures must include proper infrastructure charging. The European Commission proposed a strengthened 'Eurovignette' directive on road charging back in May 2017. EU member states must now complete this reform without further delay, as <u>urged</u> also by the European Electromobility Platform. The reform should pave the way for distance-based charging for road use and external-cost charging (e.g. for air pollution and noise), as stressed in CER's <u>2019 position paper</u> for Council discussions on Eurovignette.

CER Executive Director Libor Lochman said: "Sustainable transport like rail must be a key part of Europe's economic recovery. The recovery is a golden opportunity for the EU and its member states to redress the situation in transport. When ministers discuss the Eurovignette reform the next time, they should agree on strong implementation of user-pays and polluter-pays principles on roads, to support fair intermodal competition."

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About CER

The Community of European Railway and Infrastructure Companies (CER) brings together more than 70 railway undertakings, their national associations as well as infrastructure managers and vehicle leasing companies. The membership is made up of longestablished bodies, new entrants and both private and public enterprises, representing 71% of the rail network length, 76% of the rail freight business and about 92% of rail passenger operations in EU, EFTA and EU accession countries. CER represents the interests of its members towards EU policymakers and transport stakeholders, advocating rail as the backbone of a competitive and sustainable transport system in Europe. For more information, visit <u>www.cer.be</u> or follow <u>@CER_railways</u> on Twitter.