Orientation Paper

Brussels, 18 September 2023

CountEmissionsEU Regulation

CER

CountEmissionsEU

Executive Summary

The Community of European Railway and Infrastructure Companies (CER) is glad to see that carbon accounting is on the agenda of the European decision making thanks to a legislative proposal on the CountEmissionsEU Regulation. For decades CER has been calling for a full implementation of the polluter pays and user pays principles in the transport sector. CountEmissionsEU should be an enabler to internalise greenhouse gas (GHG) emissions from transport. A common reference method, calculation tool and credible databases are prerequisite for ensuring that GHG emissions output are comparable and accurate. CountEmissionsEU should provide clear information on GHG emissions to transport users, consumers and service providers to guide them to make more efficient choices thus reduce their emissions.

With this Orientation Paper, CER suggests that the EU co-legislators:

- Achieve a higher ambition in carbon accounting through a mandatory application of CountEmissionsEU to be compatible with the EU Green Deal goals.

- Include whole mobility sector in its scope also by covering private cars.

- Avoid mode-specific approach when developing the methodology unless full coherence to the CountEmissionsEU is guaranteed.

- Include relevant provisions in the Regulation to provide a guidance on the use cases such as a mandatory carbon labelling of transport services. Such label should have a simple design as in the case of EU energy labels and provide a wider uptake of ranking of transport modes for GHG emissions per unit transported.

1. Introduction

Correctly addressing the necessity of carbon accounting from transport operations, the Commission on 11 July proposed a Regulation to create a harmonised European framework called CountEmissionsEU for the calculation and reporting of transport-related greenhouse gas (GHG) emissions. **A common reference method, calculation tool and credible databases are prerequisite for ensuring that GHG emissions output are comparable and accurate**. CountEmissionsEU is expected to provide clear information on GHG emissions to transport users, consumers and service providers to guide them to make more efficient choices thus reduce their emissions. CountEmissionsEU does not require any company to report GHG but rather requires companies reporting GHG emissions to comply with the harmonised framework. It will apply to both passenger and freight transport sector. The Community of European Railway and Infrastructure Companies (CER) welcomes the CountEmissionsEU Regulation and with this paper outlines key messages ahead of the political negotiations on the file.

2. Comments on the CountEmissionsEU Regulation

The practice of calculating carbon footprint in transport is so far limited to a voluntary approach. Low-emission mode of transport, railways more than two decades striving for better informing transport users through credible GHG reporting tools, such as EcoTransITWorld[1]. Railways believe in the importance of alignment to international standards of GHG emissions of transport to deliver credible and comparable output data of the environmental performance of transport modes. The proposed methodology is aligned with the new global standard EN ISO 14083:2023. **Railways already comply with the EN 16258 standard and are ready to assess the requirements set by the new global standard**.

Transport decarbonisation and impact on environment remain critical to deliver the goals set by the EU Green Deal and the EU Zero Pollution Action Plan. These environmental challenges also play a strategic role to reducing reliance on fossil fuels. The CountEmissionsEU is based on the well-to-wheel approach. **Already largely electrified mode of transport, railways do not report only direct emissions (tank-to-wheel) but also considers emissions generated during the production of electricity, and therefore support the well-to-wheel approach**. Wider up-take of well-to-wheel approach should support the decarbonisation of power sector and transport sector's access to clean and affordable zero-emission energy.

The CountEmissionsEU sets out a common framework across the entire multimodal transport chain, including hubs but applies only to companies organising freight and passenger services thus private cars and jets are out of the scope. **CER regrets that the Regulation will fail to trigger incentives to behavioural change among passengers since not all modes are covered.** Furthermore, the lack of a level playing field between modes is to penalise public modes of transport and leads to missing GHG emissions output on multimodal passenger journeys (e.g. private cars to reach transport hubs). Furthermore, mode-specific approach[2] should be avoided when developing the methodology, unless full coherence to the CountEmissionsEU is guaranteed. This is a precondition to avoid greenwashing practices in carbon accounting.

The legislative proposal includes detailed provisions on the credibility and verification of the CountEmissionsEU tool. **CER agrees with the Commission that an independent institution like the European Environment Agency should play a pivotal role as the guarantor of input data for all transport modes**.

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[1] https://www.ecotransit.world/en/methodology/
[2] Aviation environmental label for flights in the context of ReFuelEU Aviation initative

CER finds that the CountEmissionsEU is missing a great opportunity to contribute to the EU Green Deal goals due to the voluntary approach in GHG emissions reporting because of the cost benefit assessment. The EC impact assessment, however, do not credit any benefits on congestion or other externalities, such as air pollutants or noise and fails to address energy consumption. The Commission is about to revise its latest handbook on the external costs of transport and in this legislative proposal a relatively low shadow carbon price of €120 per tonne of CO2e is used.

3. Suggestions on the CountEmissionsEU Regulation

CER asks for a higher ambition in carbon accounting through a mandatory application of CountEmissionsEU to be compatible with the EU Green Deal goals. This would also address a major problem in policy coherence as acknowledged in the impact assessment baseline that the EU Sustainable and Smart Mobility Strategy milestones on increasing rail traffic by 2030 and 2050 will not be achieved. According to the literature confirmed in the EC impact assessment 50% of transport activity from domestic and international intra-EU aviation could shift to rail for passenger and 40% from road to rail for freight due to GHG emissions accounting.

Furthermore, CountEmissionsEU needs to cover private cars in its scope. In the framework of a comparison between transport modes, it is key to highlight the GHG emissions of private or company cars, which are especially GHG emission intensive when driven with a few people aboard only. This framework will achieve a full transparency on low-emission transport options such as railways and ultimately encourage transport users to choose their transport and delivery options more carefully.

CER believes that CountEmissionsEU should go beyond the well-to-wheel approach by also covering manufacturing and maintenance of vehicles. This is the only way to ensure a fair comparison between modes. A relatively important part of GHG emissions is indeed generated at these stages and not when running transport operations. In the case of electric cars for instance, a large part of GHG emissions is generated at the manufacturing stage, while generating few GHG emissions when driving. In the end, this extended scope will benefit to vehicles that have a long lifespan and are intensively used, as well as it will promote material savings and the use of recycled materials, in line with the EU circular economy action plan. A way to extend the scope of CountEmissionsEU without changing the ISO 14083:2023 is to include the GHG emission data related to manufacturing and maintenance directly within the databases that will be established within CountEmissionsEU. In the long-run, infrastructure could also be covered by the CountEmissionsEU with a life-cycle methodology[3].

When it comes to the energy-side of the GHG reporting it is important that the dual approach (both the location-based approach based on the national production mix as well as the market-based approach which reflects the choices a company makes regarding its electricity supplier or product) remains possible in order to incentivize transport undertakings to use sustainable power. This would also be in line with the current tools used in the railway sector such EcoPassenger and EcoTransITWorld represented by the International Union of Railways (UIC).

Above all, CER insists on the need for all modes to calculate their GHG emissions on the basis of the same methodology.

The GHG emissions output that is communicated to customers must be in a harmonised and simple form that can be compiled even if it comes from different transport providers.

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[3] Cradle-to-grave assessment requires an agreement on shared rules for the definition of system boundaries and infrastructure and vehicles lifespan, between providers of different transport services.

Customers using multiple transport providers must be able to interpret and process this information.

The CountEmissionsEU has the overall goal to stimulate behavioural change among businesses and customers to reduce GHG emissions from transport services. **CER invites the policy makers to include relevant provisions in the Regulation to provide a guidance on the use cases**. CER advocates a mandatory carbon labelling of transport services[4]. Such label should have a simple design as in the case of EU energy labels and provide a wider uptake of ranking of transport modes for GHG emissions per unit transported.

Last but not least, it should be made clear that the **GHG emissions calculated under CountEmissionsEU cannot take into account carbon offsetting**. This would distort the comparison between transport modes and lead to questioning the credibility of CountEmissionsEU.

About CER

The Community of European Railway and Infrastructure Companies (CER) brings together railway undertakings, their national associations as well as infrastructure managers and vehicle leasing companies. The membership is made up of long-established bodies, new entrants and both private and public enterprises, representing 78% of the rail network length, 81% of the rail freight business and about 94% of rail passenger operations in EU, EFTA and EU accession countries. CER represents the interests of its members towards EU policy makers and transport stakeholders, advocating rail as the backbone of a competitive and sustainable transport system in Europe. For more information, visit www.cer.be or follow us on Twitter @CER_railways or LinkedIn.

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[4] https://cer.be/cer-positions/cer-position-carbon-labelling-scheme-towards-sustainable-mobility

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