

**Speech for VP Kallas
at the Goodyear Dunlop Symposium
Brussels
25th January 2012**

Keynote speech

"Driving towards sustainability: towards more efficient and cleaner road transport"

Ladies and Gentlemen, good morning.

Europe needs a transport system that meets the basic needs of all our citizens, businesses and industries. A transport system which fosters social and territorial cohesion. A transport system which connects the EU effectively with its neighbours and the rest of the world. We also need to modernise and transform our transport system into a more sustainable one. This is a particular challenge for Europe's road freight industry.

We already know many of the challenges that we have to address: climate change, protection of the environment, energy supply security, and safety, to name only a few. Energy efficiency in transport can substantially contribute to tackle these challenges. Increased energy efficiency should be a bridge to alternative fuels.

White Paper on transport

In 2011 the Commission presented its vision for a competitive, resource efficient and sustainable transport system in Europe in the new White Paper: "Roadmap to a Single European Transport Area".

The White Paper is based on three main pillars: internal market, infrastructure and innovation. It presents efficient transport as being vital for the future prosperity of Europe.

Decarbonisation of transport is a major theme in the Transport White Paper. Transport is a significant and still growing source of Greenhouse Gas emissions. A reduction of at least 60% of GHGs by 2050 with respect to 1990 is required from the transport sector. A large number of the 40 initiatives listed in the White Paper will contribute to achieving this goal.

Our transport system has developed against a background of generally cheap oil, expanding infrastructure, European technological leadership and limited environmental constraints. We must now adapt to a very different set of conditions. We need to break our almost complete dependence on oil to fuel our road transport systems. Oil is likely to become scarcer in the years to come, demand remains strong and markets as volatile as ever — just look at how little it takes to send oil prices shooting higher with events in a country such as Libya. So reliable alternatives need to be in place.

There are a number of initiatives in the White Paper of particular relevance for road freight.

Clean Power for Transport

In this context we are preparing the "Clean Power for Transport" initiative. The main objective is to develop a sustainable alternative fuel strategy for the EU. This initiative will be accompanied by a legislative proposal on infrastructure development. Together these should provide a clear and coherent vision, and should help to accelerate the use of alternative transport fuels.

The dead-lock between the hesitation of customers to buy alternative fuel vehicles and missing build-up of appropriate refuelling infrastructure by the energy industry is the well-known 'chicken and egg' problem. We work with the Member States and industry on a gradual build-up of charging and refuelling infrastructures in order to ensure the EU-wide free circulation of vehicles, vessels and aircraft powered by alternative fuels.

The Commission has taken actions to improve vehicles technologies, conventional engine combustion and to promote alternative fuel. Clean and energy efficient technologies deployed in green vehicles using electricity, hydrogen, biogas or biofuels are examples materialised in large demonstration projects. I will give you an example.

EXAMPLE: The European Green Car Initiative is addressing research activities and demonstration of clean cars focusing on battery electric vehicles internal combustion engine and logistics. In this frame, the Commission supports the Green e-Motion project.

42 partners from industry, the energy sector, electric vehicles manufacturers, municipalities as well as universities and research institutions have joined forces to develop a commonly accepted and user-friendly framework for electric vehicles and related infrastructures.

Green eMotion will connect ongoing regional and national electromobility initiatives (in Spain, Ireland, Italy, Germany, Sweden, UK...) leveraging on the results and comparing the different technology approaches to promote the best solutions for the European market.

Getting prices right

The challenge is getting the price right. Transport charges and taxes should be restructured so that the overall burden for the sector should reflect the total costs of transport in terms of infrastructure and external costs. We have already proposed a revision of motor fuel taxation with clear identification of the energy and CO₂ component. We need to proceed with the internalisation of external costs for all modes of transport and plan a legislative proposal on this in 2013. We also need a framework for earmarking revenues from transport to fund the development of an integrated and efficient transport system. We should make a legislative proposal as well.

Road freight market

The Commission will undertake a review of the market situation of road freight transport on road user charges, social and safety legislation, transposition and enforcement of legislation in the Member States, with a view to further opening road transport markets, in particular to eliminate the remaining restrictions on cabotage. I have asked a High Level Group to identify the key steps needed and expect its report in May so that next year I can present a legislative package to the EP and Council.

Innovative Transport technologies

I would like to turn now to the work carried out by the European Commission to promote innovative transport technologies. I strongly believe that innovation and investments are the keys to maintaining competitiveness, to make sure Europe's transport sector remains at the cutting edge of technological advances. With innovation there is enormous potential to 'green' our transport system, making it more sustainable and efficient – and safer.

In particular, the promotion of more use of intelligent transport systems, such as real-time traffic information, multimodal travel planners, dynamic traffic management systems or satellite navigation play indeed a fundamental role in addressing today's transport challenges. They contribute to the transformation of our transport system into a more efficient and sustainable one. One illustration of such ITS contribution is the action to accelerate the deployment of ITS applications in support of eco-driving, helping us to change our driving habits and maximise fuel efficiency.

Project funding

Research and the development of new technologies will play a key role in modernising the European transport system and achieve a high level of sustainability in the long term. Energy and transport are closely interlinked. We therefore have to make sure that research, technical development, and the deployment of new technologies in these areas are aligned and that we develop coherent multi-annual technology strategies for both areas.

'Smart, green and integrated transport' has been identified as a major societal challenge for the next research programme. The proposal made by the Commission, Horizon 2020, will provide important project funding from 2014 to 2020.

Closing remarks

The challenges we face in moving towards sustainable mobility and transport are considerable, particularly in road transport, but I am confident that we will be able to address them successfully if public and private sector work closely together.

I have given you an overview of our vision – we are already working on preparing the many different implementing actions and your input and experiences are very welcome. The report ("Driving Fleet Fuel Efficiency – The road to 2020") you are presenting today will be very useful.

The work you are doing is very important. Road freight is a key element of the economic system and sustainable development is essential for the long term competitiveness of Europe.

Thank you for your attention.