

Views from North Norway on State Aid – Draft Land and Multimodal Transport Guidelines (LMTG) and Draft Transport Block Exemption Regulation (TBER)

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North Norway European Office was established 1 January 2005 and is owned by the three northern most counties in Norway: Nordland, Troms and Finnmark. The office is located in Brussels and serves as a door opener and an arena maker for Northern Norwegian actors in relation to the European Union. The office holds an informational role, with particular focus on the European Arctic policy, regional policy, current industrial policies and Northern European cooperation.

The region of North Norway welcomes the European Commission draft on LMTG and TBER. Simplified state aid regulations are a crucial prerequisite for strengthening the transport sector's ability to provide targeted national support schemes aimed at developing infrastructure, equipment, and digitalization for greener and more multimodal transport solutions. Such measures are essential to ensure fair competition across borders and to achieve Europe's green and digital transition, including the modal shift of the transport sector.

We encourage initiatives with a holistic view of the entire transport chain and with regulations adapted to sparsely populated areas such as the European Arctic. Our export-oriented industries have long distances to markets, and operate in harsh climatic conditions, and with sparse rail connectivity connecting only one of three northernmost counties. Infrastructure is key to ensuring the seamless movement of goods across borders, contributing to the free flow of goods within the single market.

The southern part of our region has access to rail infrastructure and is connected to EUs TEN-T ScanMed Corridor, respectively through the Nordland Line and the Ofotbanen Railroad. However, the largest part of North Norway lacks this access and is relying solely on road, sea, and air transport. Furthermore, our region does not have any inland waterways. Much of the region's value creation occurs along the coast, far from

the nearest multimodal rail hub. We are experiencing a slow population growth and, in some regions, a decline in recent years, with levels remaining below the national average. Labor-intensive industries in the region face a relatively higher proportion of labour-related costs. Consequently, service sector companies are likely to be more sensitive to changes in policy measures.

The transport and logistics sector plays a significant role in North Norway, both in terms of employment and as a share of national employment. This sector affects a large number of micro, small, and medium-sized enterprises (SMEs), many of which are based in smaller, rural municipalities. Studies show that the profitability of the land transport sector is under pressure, both from international competitors and from operators based in more central regions of the country. Ensuring the survival of these companies is therefore of critical importance, including from a security perspective.

The European Green Deal has set ambitious goals for reducing emissions in freight transport. Achieving these objectives will require substantial financial support and incentive schemes that stimulates goods owners to increase the transfer of goods from road to rail and sea, including infrastructure adapted to heavy-duty vehicles.

In larger parts of North Norway, land transport serves as a vital feeder and extension link to leverage rail connections in neighbouring countries and in the southern part of the region – the Ofotbanen Railroad (TEN-T core network) and the Nordland Line, which acts as a multimodal hub. This is particularly important for fish exports and other types of freight. Strengthening green land transport as a feeder service by removing bureaucratic obstacles to support will ensure the development of charging stations and other climate-friendly fuel infrastructure along transport corridors.

Electric trucks are significantly more expensive than diesel or hydrogen trucks, and support schemes are essential for regions such as ours to remain competitive in the green transition. We therefore encourage a more efficient and targeted support framework for the purchase of electric and hydrogen trucks. We welcome less bureaucracy than today, and additional support for small, medium, and large transport companies.



If electric trucks and hydrogen trucks are to be viable for long-distance transport, it will be necessary to evaluate support mechanisms for operational costs. The costs of fast charging for heavy-duty vehicles can reach up to 8 NOK (0,80 euros) per kilowatt-hour, and the time spent on charging reduces the efficiency of transport operations.

Furthermore, consideration should be given to supporting interim solutions, as today's technology is not yet capable of meeting all needs. We are therefore somewhat concerned about the removal of support for biogas refuelling stations. Electric trucks are not yet a feasible option for the long and heavy transport routes that characterize much of Northern Norway. A network of biogas stations could provide a valuable contribution to the green transition in the meantime.

Best regards



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