

**IRU CONTRIBUTION  
TO DRAFT LAND AND MULTIMODAL TRANSPORT GUIDELINES (LMTG) AND DRAFT TRANSPORT  
BLOCK EXEMPTION REGULATION (TBER)**

**Contribution of the International Road Transport Union (IRU) to DG Competition consultation on the draft revised State Aid rules for land and multimodal transport.**

The International Road Transport Union (IRU) welcomes and supports the European Commission's proposal to streamline State Aid procedures to meet decarbonisation goals and welcomes the inclusion multimodal, intermodal and combined transport in this framework. Many transport operators are also goods or passenger transport organisers. This proposal offers an opportunity for them to take advantage of incentives designed to promote sustainable transport options. Sustainable transport involving several modes, providing last-mile, door-to-door connections, combines the environmental performance of non-road transport with the accessibility and flexibility of road transport. IRU has some concerns relating to the legal certainty for the scope and the compatibility of the present proposal with other relevant EU legal acts and would like to make several recommendations:

**Intermodal versus multimodal transport**

The present proposal defines intermodal and multimodal transport and uses the two terms throughout the proposal. From a goods transport perspective, the incentives for combining modes is primarily covered by the Combined Transport Directive 92/106 which limits the scope to intermodal and combined transport involving road, rail, inland waterway or maritime transport. Multimodal transport is not covered by this Directive as it does not involve the use of intermodal loading units. To improve legal certainty for goods transport, IRU suggests limiting the scope to intermodal transport of goods involving road, rail, inland waterways or short-sea shipping. This should be indicated throughout the proposal. It is also important to limit the scope to intra-EU intermodal transport involving at least one intra-EU border crossing and to incentivise the fact that the non-road part of the journey should be predominant.

IRU suggests improving the definition of intermodal goods transport in the following way:

- *“Transport between EU Member States, with or without transit through a third country, of one or more intermodal loading unit(s) between their loading point and unloading point over two or more transport legs, where at least one leg takes place by rail, inland waterway or short-sea shipping for at least 50% of the total distance of the intermodal loading unit(s) and the initial or final leg, or both, take place by road, without the handling of the goods during transshipment between the different transport legs, whether or not covered by a single multimodal transport contract or consecutive mode specific transport contracts. The 50% should change to 60% non-road mode infrastructure development. The intra-EU part of an operation to or from a third country also falls within scope, providing an internal EU border crossing is included.”*

TBER and LMTG set out conditions for operating aid, such as the rules on aid to reduce external costs of transport that applies to sustainable transport involving several modes, as well as specific conditions for granting aid for setting up new commercial connections. However, the proposed definition lacks clarity and could be improved in terms of legal certainty. IRU suggests improving the definition as such:

- ‘Sustainable intermodal or multimodal transport’ means the carriage of goods or passengers by at least two different modes of transport where at least one of the used transport modes is rail, short-sea shipping or inland waterway and the other is road. For goods transport, the *leg taking place by rail, inland waterway or short-sea shipping should be at least 50% of the total distance.*”

## Definition of a ‘transport organiser’

Quite a few natural and legal persons can be involved in the organisation of passenger or goods transport operations. IRU suggests to further improve the definition of “transport organiser” as such: “A natural or legal person who has contracted collective passenger or goods transport to a transport undertaking, including a subcontractor, who makes the choice of transport mode, or both.”

## Compatibility of the external costs scope

The proposal aims to provide aid to reduce external costs. IRU notes that the main legal tool to reduce commercial road transport’s external costs is the Eurovignette Directive, which includes the following externalities in its scope: Air pollution, noise and CO2 emissions. To ensure compatibility between the current proposal and the “Eurovignette Directive”, IRU suggests improving Article 2 (i) as follows:

- *“External costs of transport’ means costs generated by transport users which are not borne by them but by society as whole, notably related to greenhouse gas emissions, air pollution and noise”*

## Support modal cooperation, not modal shift

IRU is concerned about the EC’s modal shift objectives based on the environmental performance of the different modes. Multimodal, intermodal and combined transport can only be encouraged if the different modes cooperate better horizontally and if an enabling legal framework is created. Establishing an environmental hierarchy between the modes will not help and could harm efficient intermodal cooperation. Given that road transport accounts for nearly half of the EU’s transport sector, its exclusion constitutes a substantial oversight that could undermine the broader goals of the European Green Deal. The draft TBER and LMT guidelines fail to consider that unimodal road freight and passenger transport will further decarbonise and continue to reduce their environmental footprint.

## Improve accessibility of aid for the acquisition of vehicles in rail and inland waterways

Article 14 deals with aid for the acquisition of vehicles in inland waterways and rail. To ensure compatibility with other legal acts, IRU suggests to also add short-sea shipping. Point 3 of the article should also be broadened and made compatible with the other provisions in Article 14. It could be improved as follows:

- *“The aid shall be provided to:*
  - (a) New entrants or incumbents in the rail, inland waterway or short-sea shipping sector or active in intermodal or multimodal operations combining road and one of the three former modes;*
  - (b) Railway undertakings, inland waterway transport or short-sea shipping operators or leasing operators in the rail, inland waterway or short-sea shipping sectors – where they qualify as SMEs. These undertakings or leasing operators include those active in intermodal or multimodal transport operations involving road transport combined with one or more of the three former transport modes.”*

## Recognise collective passenger transport as sustainable, and include road-only passenger transport in EU support schemes

The goal of European transport policies should be to achieve sustainable, competitive and safe mobility that improve quality of life, enhances public health and safety, raises air quality, and reduces noise pollution. The EU’s decarbonisation objectives should fully consider the potential of all sustainable mobility options, especially collective transport, where buses and coaches are key contributors. Unfortunately, this initiative does not adequately reflect their strategic role, despite their importance for territorial cohesion.

Buses and coaches are essential to reducing congestion and emissions. They are often the only affordable means of transport in rural areas, fostering territorial cohesion. A single bus can replace up to 30 cars, cutting CO2 emissions by up to 6.7 million tons annually. According to Germany’s Federal Environment Agency, buses and coaches have the lowest greenhouse gas emissions per passenger-kilometre (31 g/km), compared to 32 g/km for long-distance rail, 147 g/km for passenger cars, and 230 g/km for airplanes. Promoting zero-emission buses and coaches is crucial to meeting the EU’s climate goals.

The main issue in academic research on emissions and external costs of long-distance bus services lies in the inaccurate assessment of vehicle occupancy rates. Since emissions are typically calculated per passenger-kilometre (pkm), an incorrect estimation of vehicle load directly affects these calculations. The EU’s official methodology<sup>1</sup>, which informs the Commission’s Handbook, estimates average bus occupancy at 12-15

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<sup>1</sup> Final Report on the Methodology for GHG Efficiency of Transport Modes

passengers, or less than 25% if we consider single deck bus, even less if we consider a double-decker, which doesn't reflect the actual occupancy rates for long-distance buses.

National data suggests much higher occupancy rates:

- Germany: 52%, equivalent to 31 g of CO<sub>2</sub> per passenger-km, the same as trains<sup>2</sup>.
- Spain: 55%, also 32 g of CO<sub>2</sub> per passenger-km, same as trains<sup>3</sup>.
- France: Over 50%, resulting in emissions below 25 g of CO<sub>2</sub> per passenger-km.

This data highlights that long-distance buses, due to high occupancy, have low CO<sub>2</sub> emissions per passenger and should be treated fairly in policy considerations and aid measures.

Additionally, in the long-distance coach sector, zero-emission vehicles (battery-electric and hydrogen) are scarce and costly, requiring support through incentives to make sustainable buses and coaches even more accessible and affordable.

Excluding road-only transport from subsidies creates competitive imbalances. Road transport-focused operators would be disadvantaged compared to those engaged in multimodal transport, resulting in an uneven playing field. Incentives should apply to all, ensuring fairness and supporting the broader transition to sustainable mobility.

IRU calls for a more inclusive approach to state aid exemptions, recognising the vital role of collective road-only transport:

- Inclusion of Road-Only Transport in Operating Aid Schemes to Reduce External Costs

Aid aimed at reducing the external costs of road transport should be included in the scope of TBER and LMTG. For instance, support could be provided for the adoption of cleaner vehicles, or for improving the efficiency of passenger routes. These measures would significantly lower the environmental impact of road transport.

- Inclusion of Road-Only Transport in Operating Aid Schemes to Launch New Commercial Connections

New commercial connections should be incentivised if zero-emission vehicles are used. Excluding road-only transport from such incentives could unintentionally penalise businesses or passengers who rely on road transport due to a lack of alternatives.

- Inclusion of Road-Only Transport in Investment Aid for Vehicle Acquisition

High purchase prices present significant barriers, particularly in economies with high interest rates. Road transport operators, who often face difficulties accessing credit due to their high-risk profiles (characterised by very small margins and short-term contracts), are especially impacted. Uncertainty about residual values further complicates financing, particularly given the novelty and limited market presence of electric bus and coach technology. Access to state aid, particularly for SMEs, is essential for this transition.

- Inclusion of Road-Only Transport in Investment Aid for the Construction and Upgrade of Transport Facilities

Electric vehicles require the installation of expensive depot chargers to be fully operational for transport operators. The current alternative fuels infrastructure is insufficient for both national and international operations. Even though some EU countries are advancing, a uniform deployment of supportive infrastructure across the EU is essential for seamless road transport. Patches of good infrastructure alone will not facilitate smooth cross-border movements.

Municipalities often prioritise investments in infrastructure for private cars and local public buses, leaving the burden of investment on transport operators. This exacerbates the financing issues previously mentioned.

Additionally, to promote the uptake of multimodal transport, long-distance coach services should be integrated into multimodal terminals in urban nodes. These terminals must also be equipped with adequate charging infrastructure to support electric coaches.

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<sup>2</sup> [Handbuch für Emissionsfaktoren des Strassenverkehrs](#)

<sup>3</sup> [Emisiones de CO<sub>2</sub> por modos de transporte motorizado](#)

- Inclusion of Road-Only Transport in Investment Aid for Interoperability, Technical Adaptation and Modernisation

In addition to adopting zero-emission vehicles, the road transport industry can reduce its environmental footprint through various other measures. These include measures such as improved driver training and increased digitalisation. Implementing these improvements involves additional costs, and government support may be necessary to encourage industry adoption. Investment in these areas should be included in aid schemes to facilitate the transition towards a more sustainable and efficient road transport sector.

## Conclusion

IRU strongly advocates for a more inclusive approach to state aid exemptions that fully recognises the indispensable role of road transport in achieving the EU's decarbonisation goals. Historical evidence shows that aid schemes focused solely on non-road modes have achieved minimal results.<sup>4</sup> While the IRU supports the European Commission's proposal to streamline State Aid procedures and welcomes the focus on multimodal and intermodal transport, we underline that the exclusion of road transport from these initiatives risks undermining the success of the European Green Deal and creating unfair competitive imbalances within the transport sector.

To promote sustainable multimodal transport effectively, it is crucial that all transport organisers, including those focused on road transport, have access to State Aid. This requires eliminating any form of modal discrimination in aid schemes and ensuring that road operators who choose combined or multimodal options receive the same incentives as their non-road counterparts. Furthermore, harmonising the definitions of multimodal, intermodal and combined transport across EU legislative acts is essential to provide legal certainty and foster better cooperation between different transport modes.

IRU calls on the legislators to address these critical issues, emphasising that road transport operators are committed to sustainability and seek a balanced approach that supports their transition to greener practices without compromising their competitiveness. Only through such an inclusive and cooperative framework can the broader goals of the European Green Deal be fully realised.

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<sup>4</sup> As shown by a recent report of the European Court of Auditors, *Special report on Intermodal freight transport*, European Court of Auditors (2023).