

**CONTRIBUTIONS TO THE DRAFT LAND AND MULTIMODAL
TRANSPORT GUIDELINES (LMTG) AND DRAFT TRANSPORT
BLOCK EXEMPTION REGULATION (TBER)**

CONFEBUS takes note of the revised draft of the European Commission on State aid for land and multimodal transport. It can be seen from the available documentation that the Commission intends to simplify the procedures for State aid in the land transport sector, in accordance with the Railway Guidelines and, in particular, by adopting a new Regulation on block exemption for this transport.

The problem that is intended to be corrected is that all State aid measures intended to promote sustainable land transport are subject to the obligation of notification to the Commission and each notification represents a burden for both the Member States and the sector, despite the fact that in certain categories of cases in rail transport and other sustainable land transport sectors (such as inland waterways and some multimodal transport solutions), no-objection decisions have been systematically issued without raising problems.

The intention is that the adoption of the new block exemption Regulation for transport will enable Member States to grant aid that encourages an efficient modal shift towards sustainable land transport modes. For all these reasons, CONFEBUS has the following comments:

- The objective of European transport policy must be to achieve sustainable, competitive and safe mobility that contributes to a better quality of life, higher levels of health, safety and air quality and less noise pollution, as well as producing social benefits and a positive economic impact. In the EU objectives on decarbonisation, the role and potential that EU initiatives should conceive for all sustainable mobility and public transport, of which buses and coaches are the greatest exponent, is eagerly awaited. But this does not seem to be the case in this initiative, even though bus and coach transport is a sustainable and strategic mode for territorial cohesion and balance.
- Buses and coaches can play a role in the decarbonisation of the economy, but they need significant real incentives. The price of these types of more energy-sustainable vehicles, and in particular electric and hydrogen buses, remains one of the main barriers to their acquisition and deployment. In addition, for

long-distance buses, zero-emission technologies do not yet exist or are at a very early stage.

Therefore, it is important that the Commission also assesses the environmental contribution in this way and the lack of viable alternatives when assessing the aid designed by national authorities, allowing for the simplification of procedures and exempting certain practices from these general competition rules as a key factor when making this assessment. Therefore, it is urgent to review the thresholds established in European regulations that limit or in some cases even restrict the incorporation of more sustainable bus fleets to adapt them to the new reality of technological change.

Article 17 of the Taxonomy Regulation (Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards the public disclosure of specific information relating to those economic activities) establishes the 'do no significant harm' (DNSH) principle for the purposes of considering an economic activity as causing significant harm, which was put in place for the purposes of the Recovery and Resilience Facility and is relevant for the purposes of complying with and qualifying for support under the National Recovery, Transformation and Resilience Plans. Similarly, the European Commission's technical guidance on the application of the DNSH principle within the framework of the Mechanism, points out that the DNSH principle must be interpreted within the meaning of Article 17 of the Taxonomy Regulation. Article 17 establishes that an economic activity will be considered sustainable if, among other conditions, it makes a substantial contribution to any of the six environmental objectives set out in the Regulation without at the same time causing significant harm to the remaining objectives (namely: climate change mitigation, adaptation to climate change, sustainable use and protection of water and marine resources, circular economy, prevention and control of pollution and protection and restoration of biodiversity and ecosystems). Based on this, it is clear that bus and coach transport respects this principle in general.

- The premise is that the road transport sector has a significant share of emissions. However, the negative externalities associated with road transport do not apply to buses and coaches, as, for example, they only represent 0.2% of all road vehicles in countries such as Spain, despite the fact that

practically half of all inter-city collective transport journeys are made by buses and coaches in that country. Therefore, EU initiatives must position public transport by bus and coach as a key agent against pollution and climate change due to its proven value and environmental effectiveness:

- In terms of passenger-km, a passenger in a car or plane pollutes 2.4 times more than a passenger in a bus or coach.
 - Buses and coaches are the mode of transport that generates the least greenhouse gases, being 3.7 times less polluting than the plane, 5.5 times less than the car and 13% less than the train.
 - Buses and coaches have the capacity to replace between 14-30 private vehicles on roads and avoid the emission of 6.7 million tons of CO₂ that would have been emitted if the same passengers had travelled in their own vehicle, with the consequent increase in congestion. To put this data into context, 6.7 million tons of CO₂ would be what almost seven European citizens need on average to heat themselves, feed themselves and travel for more than a month.
 - All this without forgetting that buses and coaches generate four times less noise pollution than the private vehicle in terms of passenger-km and statistically has the lowest accident rate on roads.
- All technologies that under the principle of technological neutrality best enable sustainable mobility and transport services to be guaranteed should be included. As a form of public and collective transport, buses and coaches are a key player in achieving more sustainable mobility, contributing to the reduction of CO₂ and NO_x particles emitted into the atmosphere and therefore to the reduction of pollution, as well as to the improvement of traffic congestion in cities and on roads, since each bus and coach replaces an average of 14-30 private vehicles. Unfortunately, zero-emission technologies have not yet been developed for intercity coach transport, which relies on diesel technology. In public aid systems for the purchase of buses and coaches, compliance with the DNSH principle mentioned above is required. To determine whether a technology for purchasing vehicles is compatible with the DNSH principle, the measure will be assessed according to the guiding principles for the assessment of DNSH. As also mentioned above, it is clear that bus and coach transport generally complies with this principle.

- A distinction must be made between company and group of companies: A company and a group of companies are the same for the purposes of EU Competition Law with regard to State aid. This is important because it limits the amount of State aid that a business group can access, equating it to the same amount that an individual company can access. It is important to correct and differentiate this issue in order to facilitate and accelerate Europe's ecological transition in order to achieve greater deployment of the technologies that are intended to be implemented to facilitate the achievement of these objectives and that are substantially more expensive than conventional propulsion technologies in the case of road passenger transport. Otherwise, investment in technological change would be limited and it will be difficult to achieve the deployment of clean technologies to decarbonise mobility in the current context.
- The amendment of the 2022 Guidelines on State aid for climate, environmental protection and energy should be emphasized, allowing Member States to support environmental protection projects under certain conditions and including aid that goes beyond Union standards or increases the level of environmental protection, including aid for the acquisition of new transport vehicles.

For example, in the case of clean mobility aid, aid for investments in light and heavy road vehicles using gas (in particular LNG, CNG and biogas) and in the corresponding gas refuelling infrastructure for roads are excluded from the scope, except for LNG infrastructure exclusively intended for the refuelling of heavy road vehicles. However, Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards the public disclosure of specific information on those economic activities (the Taxonomy Regulation) subsequently includes gas as green energy in the classification establishing which investments may be considered sustainable. The aforementioned Guidelines must be adapted to the content of this new regulation to allow aid to be considered for the acquisition of gas-powered vehicles.

- Finally, it should be considered that the decarbonisation of transport activity involves promoting different measures through the deployment of certain technologies without limitations and tax incentives for the use of other mature technologies that contribute to the efficient provision of low-emission transport and

mobility services. In this regard, it should be noted that hybrid vehicles contribute to decarbonising mobility and it should be considered that aid may be granted for the acquisition of this type of vehicle without conditions as is the case until now. Likewise, the promotion of technologies that also contribute to cleaner and more environmentally friendly mobility should be considered, such as the establishment of tax incentives for the use of renewable fuels.