

Brussels, 7 July 2021

Dear Madam, Dear Sir,

Following the conclusions of the latest CEF committee and the agreement reached between the European Commission and Member states, it is now obvious that the CEF2 programme will not cover public transport vehicles or rail rolling stock procurement.

That given, the EU does not hold any centrally managed programme in its MFF 2021-2027 that will support the acceleration of public transport and rolling stock renewal as promoted by the European Commission in its Smart and Sustainable Mobility Strategy.

We, ALLRAIL, EMTA, LOHR, POLIS, UITP, UNIFE, call upon the Commission to ensure that the renewal of bus fleets and passenger rolling stock – both on mainline as well as urban, local and regional networks – is supported by European funding and financing programmes available in the 2021-2027 multi-annual framework programme and other than CEF2.

The selection of projects under the CEF1 blending facility has demonstrated that grants have had a strong leverage effect in accelerating the deployment of clean vehicles in Europe. Nowadays, the impact of the current COVID-19 crisis has strong implications on the capacity to invest by both public (transport) authorities and private operators. This lack of investment will have repercussions on the pace of decarbonisation of the transport sector, publicly and privately owned transport providers in the industry (operators and suppliers), and more broadly on European competitiveness in general.

The Recovery and Resilience Facility, within NextGenerationEU, is welcome and will be of great help in supporting rolling stock renewal in several Member States. However, it will not be sufficient to fully answer to the challenge of the necessary fleet renewal required to achieve the ambitious EU climate targets. Publicly and privately owned transport providers need the perspective of a long-term financial instrument that can help accelerate investments in bus and rail across the full duration of the MFF period.

As already emphasised by our letter from 9 February 2021, for our European associations, the transition towards clean fleets and rolling stock in general in suburban, local, regional, and national transport for passengers and goods, is crucial in view of reaching the Green Deal objectives. Not only are we looking at a replacement of older vehicles and rolling stock, but we also need growth in collective transport capacity.

Therefore, we, local, regional and transport authorities, transport organisations and industries have been fighting for strong EU investment to create a clean, safe and well-functioning transport system that is accessible to all and contributes to better health and air quality for Europe's citizens.

Clean fleets and the digital, energy and mobility systems that support them, allow cities and regions to offer citizens public transport services without environmental harm. We are fully committed to the deployment of:

- Clean and zero-emission bus vehicles and rolling stock for tram, light rail, metro as well as suburban, regional and mainline networks;
- Alternative fuel infrastructure for all transport modes, which is compliant with the Clean Vehicles Directive.

However, we need a well-defined support mechanism at the EU level to address the extra costs entailed by such investments in bus and rail vehicles, as well as in charging/fueling infrastructure.

Publicly and privately owned transport providers, in collaboration with manufacturers, would like to discuss the following alternatives for funding and financing with the European Commission:

- On the one hand, the Commission must make sure that Member States include rolling stock investments under the **Structural Funds**, namely, the ERDF and the Cohesion Fund.
- On the other hand, the Commission should facilitate a larger uptake of the EU budgetary guarantees of **InvestEU** to mobilise public and private investment for the acquisition of rolling stock.
- Additionally, the **innovation fund**, one of the world's largest funding programmes for the demonstration of innovative low-carbon technologies, should also be designed to support clean vehicle deployment.

Finally, the Green Deal, the Sustainable and Smart Mobility Strategy and the shift towards alternative modes of road transport (e.g., as advocated in the European Year of Rail) should also trigger funding measures in rail freight. To enhance the competitive advantage of rail on medium and long distances, the funding of rolling stock allowing for a seamless transfer of semi-trailers on rail is of the essence. We are welcoming EU programmes dedicated to financing terminal development, but those programmes should be supplemented to finance a dedicated rolling stock.

With this letter, we repeat our genuine commitment and interest to make the transition to clean fleets a success for the years to come. However, this will not be possible without adequate European funding.

Yours sincerely,

Thomas Avanzata, Spokesperson of the European Union Committee, UITP

Nick Brooks, Secretary General, ALLRAIL

Philippe Citroën, Director General, UNIFE

Marie-José Navarre, Vice-President, LOHR

Karen Vancluysen, Secretary General, POLIS

Ruud van der Ploeg, Secretary General, EMTA