# OPTIC final Workshop

## Optimal policies for transport in combination

Frederik Rasmussen
DG Mobility and Transport
Unit A3: Economic Analysis, Impact Assessment and Evaluation

08/06/2011

Directorate-General for Mobility and Transport

EUROPEAN COMMISSION

# Outline

- Background/expected outcome
- White Paper and its Impact Assessment

Directorate-General for Mobility and Transport

EUROPEAN COMMISSION

# Background/expected outcome

- Measures taken in isolation may encounter perverse effects or unintended consequences
- Research is needed:
  - into ways of identifying in advance possible negative side effects of individual measures
  - Into potential barriers to the implementation and territorial adaptation of policy packages
  - to develop:
    - tools/models capable of performing the necessary evaluation of innovative transport packages
    - policy packages that underpin the competitiveness of the EU economy
- All transport modes shall be covered

Directorate-General for Mobility and Transport

EUROPEAN COMMISSION

# White Paper and its Impact Assessment

- Problem definition
- General/specific/(operational) objectives
- Definition of policy options
- (Assessment and comparison of options)
- (Monitoring and evaluation)
- Conclusions from the Impact Assessment

Directorate-General for Mobility and Transport

EUROPEAN COMMISSION

# Problem definition: mobility of people and businesses today is not sustainable

A deteriorating climate and local environment

Growing congestion and poorer accessibility. An infrastructure gap in the enlarged EU

Increasing oil price and persistent oil dependency

Directorate-General for Mobility and Transport

EUROPEAN COMMISSION

# Objectives of the White Paper

- **General policy objective:** to define a long-term strategy that would transform the EU transport system into a sustainable system by 2050
- **Specific objectives:**
  - 60% reduction of GHG emissions by 2050 compared to 1990, according to the cost-efficient path for the reduction of EU GHG emissions by 80% by 2050 identified in the “Roadmap for moving to a competitive low-carbon economy in 2050”
  - A drastic decrease in the oil dependency ratio
  - Limit the growth of congestion

Directorate-General for Mobility and Transport

EUROPEAN COMMISSION

# Policy Options

- **Seven policy areas**: pricing, taxation, research and innovation, efficiency standards, internal market, infrastructure and transport planning
  - In isolation, not capable of tackling all the various problem drivers and all the elements of the specific policy objective
- **Policy options** retained for detailed assessment:
  - Policy Option 1 - “no new policy” option (the Reference scenario)
  - Policy Options 2 to 4 - designed to reach the same 60% $CO_2$ emissions reduction target:
    - *Policy Option 2* - designed to show the effect of policies that rely more on managing mobility and on carbon pricing and less on performance standards and active technological deployment
    - *Policy Option 3* - designed to show the effect of policies that emphasise the rapid deployment of new powertrains
    - *Policy Option 4* - represents an intermediate approach

Directorate-General for Mobility and Transport

EUROPEAN COMMISSION

# Assessment of impacts: conclusions

- The modelling exercise shows that several policy instruments need to be used to put the transport system on a sustainable path, lowering $CO_2$ emissions, oil dependency and congestion
- Policy Option 3: discarded less effective in reducing congestion and more uncertain regarding the technology component
- Policy Options 2 and 4: modelling results do not point to huge differences.
- However, policy Option 4 appears to offer the highest benefits at the lowest cost with moderate technology risk, and more balanced solution to the trade-offs across the economic, social, and environmental domains.

Directorate-General for Mobility and Transport

EUROPEAN COMMISSION

# How to do it – 4 “i”s and 40 actions

**Internal market:** Create a genuine Single European Transport Area by eliminating all residual barriers between modes and national systems.

**Innovation:** EU research needs to address the full cycle of research, innovation and deployment in an integrated way.

**Infrastructure:** EU transport infrastructure policy needs a common vision and sufficient resources.
The costs of transport should be reflected in its price in an undistorted way.

**International:** Opening up third country markets in transport services, products and investments continues to have high priority.

Directorate-General for Mobility and Transport

EUROPEAN COMMISSION

# Thank you for your attention!