

# POLICY BRIEF

## EUROPEAN TRANSPORT REGULATION OBSERVER

### Moving forward together: What's next for EU Mobility and transport?

#### Highlights

On 21 February 2024 the European Commission Directorate General for Mobility and Transport in cooperation with the Florence School of Regulation hosted an academic conference to explore opportunities and challenges in mobility and transport policy in the next five years. This policy brief summarises the discussion at the conference.

EU transport policy has traditionally focused on constructing the single European transport area: an interoperable, multimodal, competitive, efficient and socially fair network of networks ensuring connectivity for passengers and shippers. This historic project is still relevant as the single market has not been completed for transport and mobility, and this has proven to be a dynamic target that has evolved over time.

There was a widely shared consensus on reinforcing a systemic approach to transport and mobility, transcending the mode-specific policies and even mere intermodality/multimodality. The role of system managers was identified as key to meeting old and new policy objectives in transport. Digitalisation empowers the system approach and the role of system managers thanks to tools such as digital twins.

#### Authors

Juan Montero, EUI; Elodie Petrozziello, EUI



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The green transition is the overarching challenge that has emerged in transport policy. Decarbonisation has been integrated in the historical single market project, but not without tensions. Decarbonisation policy sometimes conflicts with the increase in mobility due to the new options and lower prices caused by competition in the single market. Incentivising innovation and efficiency to reduce emissions are measures in line with traditional policy objectives. Modal shifts are becoming more challenging, primarily due to cost divergences and the impact on competitiveness of internalising external costs and alternative fuels. Measures curbing demand pose the ultimate challenge to traditional policies, with free movement as the ultimate rationale.

While the construction of the single market and the green and digital transitions are still the main policy objectives, there are new challenges for EU mobility and transport policy, and the conference devoted time to understanding them. Tourism is a specific driver of transport that has often been neglected, even though it creates particular patterns that need to be recognised in mobility policy. Attention was devoted to the energy bottlenecks emerging as a result of decarbonisation. Energy is increasingly relevant in transport policy, underlining the need for a system approach in the green transition. Resilience is increasingly pertinent because of the shocks impacting society in general and transport in particular. Transport diplomacy has the ambition to reinforce resilience through the creation of parallel trade routes, and furthermore to cooperate with the Global South and, as an ultimate goal, to strengthen the attractiveness of the European model in a world with growing tension. This tension has demonstrated the need to consider the military angle in transport policy.

## Main takeaways from the discussions

### Introduction

Director General Magda Kopczyk opened the conference and emphasised the need to explore new territories to better liaise transport and mobility policies with societal needs of broader scope. The academic conference was an opportunity to engage with academics, practitioners and stakeholders in discussion to create a more comprehensive and practical approach to mobility and transport in the EU.

### Filling the gaps: delivering a more profound, more competitive and better-connected Union?

As the speakers described, there has been a decisive transformation of transport in Europe since the 1985 ruling of the Court of Justice which ignited EU transport policy. The single market as proposed by President Delors has been a powerful policy objective to frame competitive markets and subsequent innovations in terms of new services and lower costs within European social values, with the final objective of accelerating an ever-closer union. This strategy has proven successful, and it is still relevant today.

Liberalisation of air transport has advanced but is now facing difficulties with little appetite for airport expansion, consolidation in the sector and dealing with the legacy of the COVID-19 pandemic. While the recent state aid guidelines include a sustainability chapter, competition might not be inductive to a green transition. New measures are proposed, such as sustainability criteria for public service obligations which aim to limit air traffic where alternatives are available, and providing consumers with more information about carbon footprints, as Professor Steven Truxal pointed out.

Rail liberalisation began earlier but was achieved much later. Market opening has been recent and there is little competition in or for the market. Some stakeholders are sceptical about the liberalisation of this sector, but a more responsive and efficient sector is necessary to decarbonise transport in Europe, as was widely confirmed during the session.

Maritime transport has seen significant progress, particularly regarding liberalisation of the sector and the rules on cabotage and port service directives.

It was widely agreed in the discussion that investment in infrastructure plays a fundamental role. Transport infrastructure requires expensive maintenance, and new infrastructure is necessary to face new challenges: missing links, cross-border services, infrastructure for widening the EU, etc.

TEN-T is widely perceived to be a successful policy that provides funding, and even more importantly a shared vision for the planning and construction of transport infrastructure. This shared vision has enabled identification of missing links such as cross-border infrastructure, prioritisation of key corridors and more recently the need to reinforce urban nodes. The next stage is promoting multimodal hubs and multiplying the capacity and resilience of the European network of transport networks.

However, there are calls to give TEN-T an even more systemic approach to ensure a level playing field across the EU, for instance through wider participation by stakeholders, as Professor Thanos Pallis pointed out. Some called for common debt for infrastructure projects.

Beyond these points, it was made clear that the construction of a competitive single European transport area is a dynamic process. There is room for increased competition and more efficient markets in European transport, more in some modes than others. However, after 40 years of reform, it has been found that the single European transport area needs to constantly adapt to new challenges and opportunities. Prominent examples are the so-called green and digital transitions. Decarbonisation is a challenge that was not identified in the early days of EU transport policy but it has grown to be the paramount policy objective in recent years. Technological progress in the form of digitalisation is a challenge but mostly an opportunity to reinforce competitive multimodal markets, decarbonisation and resilience.

However, the new policy objectives, particularly decarbonisation, are creating growing tensions. Competition in the market has proved to be a powerful instrument for the construction of an efficient single European transport area for the benefit of passen-

gers and shippers in the form of broader choice and lower prices. Passengers are concerned about the impact of them travelling on climate change but seem more concerned about prices when choosing their travelling options. Most passengers prefer the low-cost options enabled by competitive markets to environmentally friendly options when they are more expensive.

Further tensions are arising as some decarbonisation policies increase transport prices: internalisation of external costs, electrification, alternative fuels, etc. Rising prices threaten traditional policy objectives such as affordability for passengers and the competitiveness of European companies, starting with transport providers but having an impact on manufacturing and beyond.

A new equilibrium has to be constructed so market mechanisms also work for the benefit of the environment and the resilience of the transport network. Competition in the market spurs innovation and efficiency. Regulation should reinforce the role of competition in delivering more environmentally friendly solutions (less-consuming engines, alternative fuels, etc.).

However, it seems increasingly clear that competition in the market is not enough in itself to face the climate emergency and other shocks (pandemic, security, etc.). Just as competition was initially framed in social structure, it now has to be framed in the new policy objectives of decarbonisation and resilience.

A broad consensus emerged in the discussion that systemic thinking in transport is necessary to reach both the old and the new policy objectives. EU transport regulation started and evolved as sector-specific regulation for each transport mode. For instance, multimodality was early identified as key in the 2011 White Paper. The green and digital transitions create horizontal challenges and opportunities across transport modes. The next step is moving from multimodality to system thinking: considering all mobility and transport infrastructure and services as a single system, a network of networks.

Professor Enrico Giovannini pointed to the need for system thinking aligning macroeconomic policies with transport investment needs and transformative resilience, and focusing on mobility rather than on managing means of transport.

The existing transport infrastructure must work properly, and without investment this will not happen. Some infrastructure is close to retirement. The new fiscal and stability rules are not fit for purpose. The focus will be on gross not net investment. Therefore, the net transport stock is likely to decline. Macroeconomic policies need to be aligned with sectoral policy needs. There is a need to replace debt sustainability analysis with investment sustainability analysis.

The transport system must respond to digitalisation and climate challenges. Transport needs to be resilient. The notion of transformative resilience (using shocks to jump forward rather than trying to get back to the previous state) needs to be integrated in EU policies. This will require both physical and human investments and injecting fresh concepts into policymaking. Delivering sustainable mobility goes beyond managing means of transport. We should move to system management. We should build a digital twin of the EU transport system and use AI to learn how to manage this system rather than merely building disconnected pieces of it.

Susanna Metsälampi from TRAFICOM emphasised that systemic thinking can be accelerated by digitalisation. Data binds the entire transport system: infrastructure, transport services, information services, traffic control services, etc. Various people pointed to the need to develop a 'digital twin' of the network of transport networks.

TEN-T is a good example of putting various transport modes in the same framework and completing it with funding. The AFIR is a good example of a comprehensive regulation that considers the multiple parts of the system. The ITS Directive provides the basis for building better services across the EU. To retain the view of the whole picture there is a need for robust impact assessments. There is a need to make systems and services interoperable across modes.

One of the main points in the discussion was the potential role of a system manager, a concept introduced in the debate by Professor Enrico Giovannini. Digitalisation, big data and artificial intelligence constitute new instruments to identify and fully exploit new complementarities in the traditionally fragmented transport ecosystem. A system manager would have the role of leading in identifying and

exploiting such opportunities. Public authorities, including the Commission, were called on to act more actively as system managers. However, they are not the only candidates to act as system managers. Infrastructure managers are in a position to more actively manage their infrastructure (more active and dynamic allocation of capacity and traffic management). New players like digital platforms also aim to act as system managers.

It is the role of transport regulation to accelerate the introduction of new technologies empowering more systemic management. There was a call for technology neutrality. At the same time, systemic management should operate in the general interest (efficiency, connectivity, decarbonisation, resilience) without creating new gatekeepers.

In her closing remarks, Mona Bjorklund, a Director in DG MOVE, pointed out that competitiveness is likely to be at the top of the next Commission's agenda. Two high-level reports are being prepared (Draghi and Letta). The transport sector is at the very heart of the EU economy. It is important to consider its share in gross added value and employment.

Transformative changes ahead – decarbonisation, digitalisation and automation – need an innovative approach to policymaking, the right incentives and regulatory and support measures. A single European transport area is not there yet. There are differences between sectors – for example, between aviation and rail. All modes need to become greener, and greener modes need to be promoted. There should be a level playing field regarding requirements for different transport modes concerning greening and passenger rights.

Resilience needs to be added to policies. In this mandate, it has been demonstrated by the COVID pandemic and Russia's invasion of Ukraine. This is likely to be on the agenda of the next Commission, together with the resilience of infrastructure and the entire system. We should pay attention to the geopolitical situation, forthcoming enlargement and the need to connect the EU to its neighbours.

There is a need for a more systematic approach. Modes need to be better interconnected and interoperable. In this endeavour, data will be key, and creating virtual transport models is an idea worth exploring.

There are labour shortages on the horizon and more upskilling might be needed. Another issue is passengers' rights and well-being.

Infrastructure is key to connectivity. TEN-T having been agreed just last year is a good basis on which to move forward. Then there is financing via the Connecting Europe Facility. The next Commission will propose a new Multiannual Financial Framework, which will be key for transport investment. The macroeconomic and fiscal agenda, and also competition policy should be brought together to create a favourable environment for investment in transport.

### **An inclusive twin transition in the field of transport: mission possible**

The green and digital transitions are the main challenges facing mobility and transport. In session two, different perspectives were shared on both transitions.

Starting with the green transition, Professor Alan McKinnon recalled the difficulty of decarbonising the freight sector and shared a series of considerations regarding the current situation. He considered that while decreased demand for freight transport would lead to a reduction of GHG emissions, this is, however, unlikely (freight transport is expected to grow by 40% by 2040). Furthermore, there is no political consensus on an effective reduction of transport.

Second, he considered that while many policymakers focus on promoting a modal shift, the set targets have proven to be too optimistic, and countries still heavily rely on road transport. A modal shift is one of the key measures to decarbonise transport, but it is proving elusive. It was emphasised in the discussion that a modal shift to rail is not happening, not only for freight but also for passenger transport.

Third, he regretted the lack of initiatives to encourage companies to use the available freight transport capacity better. In this matter, he referred to the proposal on weight and dimensions as a positive contribution to this issue. In the discussion it was pointed out that efficiency in capacity management is an obvious way forward and digitalisation and more active system management is a way to achieve it.



Fourth, he recalled the need to improve energy efficiency and the time needed to replace the existing fleet. On this, he also welcomed the electrification of highways with dynamic charging.

In his final remarks, he pointed out that we are nowhere near being on the right trajectory to achieve the targets for the reduction of GHG emissions stemming from the freight sector.

As mentioned, energy is the key factor in the green transition in transport. Furthermore, it might become a bottleneck as transport providers migrate to new forms of energy. Professor Alberto Pototschnig addressed the challenges of decarbonising energy demand. He agreed that biofuels might play a role in the transition, particularly for services which are difficult to electrify (aviation, maritime).

Electrification, however, seems to be the specific decarbonisation measure for road transport. The main bottlenecks that have emerged are: the amount of electricity needed to decarbonise a spectrum of sectors, such as transport, industry and services; improvement of storage capacity; and interoperability (or lack of it) of systems, such as charging plugs, mobile apps for payments, etc.

Electrification of road transport will add approx. 700 TWh/yr to overall electricity demand, which in itself could be easily absorbed by current targets for generation capacity. Where a challenge might arise is competition with the electricity demand from other sectors, taking into account increasingly ambitious renewable penetration targets. In particular, if we are looking at massive electrification of industry (at least for low-temperature processes) and of the residential and the service sectors – in addition to the transport sector – it is not obvious that the EU will be able to produce the electricity required with the necessary share of renewables to meet its renewable penetration target.

More specifically, electricity demand in 2030 is expected to reach somewhere around 3,500 TWh/yr with the electrification of road transport, heating and cooling, and low-temperature processes in industry and if we consider the increase in electricity demand by data centres. The renewable penetration target for 2030 is over 70% of final electricity consumption. To achieve this 70% penetration target, we would need renewable-based generation

to reach approx. 2,500 TWh/yr. The REPowerEU Plan envisages total renewable energy generation capacity to increase to 1,236 GW by 2030. In order to serve the electricity demand of a more electrified European economy and meet the renewable penetration target, the rate of utilisation of renewable capacity would have to be in the order of 2,000 hours per year, a capacity factor of 23%. Achieving this is not impossible, but it is definitely challenging.

However, we have not counted the demand for renewable electricity to produce renewable hydrogen through electrolysis. The REPowerEU Plan calls for 10 million tonnes of green hydrogen to be produced in the European Union by 2030. This would require additional renewable electricity in the order of 500 TWh, which turns the challenge into some sort of bottleneck.

Currently, the long recharging time for passenger vehicles is an issue. At the same time, Professor Alberto Pototschnig considered it easier to make people switch to electric vehicles rather than changing habits and pushing citizens more toward public transport. Charging might create two bottlenecks. First, in terms of the capacity of the local grid where charging stations are located. This is typically the distribution grid, which was historically developed to serve the electricity demand of other sectors. In industrial areas, the grid might be already strong enough to support the additional demand for vehicle charging, but this is not necessarily the case in residential areas. There is also the issue of internal electricity wiring in buildings where EV charging might be installed for overnight charging (even though charging could be done at lower power levels). Another bottleneck might arise because EV charging in specific locations might be quite peaky, for example, along main roads or motorways at busy times. It is even peakier if fast charging is used.

Specific attention was paid to tourism. Professor Nina Nesterova put the sector at the centre of the discussion. She highlighted that Europe is the most visited place in the world, with 62% of world arrivals having an EU destination. Consequently, tourism is responsible for a non-negligible share of the total emissions created by mobility, a factor that is often overlooked. For example, in 2019 the Dutch tourism and travel sector generated about 30 Mton of CO<sub>2</sub> emissions, constituting 20% of all Dutch CO<sub>2</sub>

emissions. Most of these emissions are caused by transport outside the Dutch borders, by Dutch people travelling from the Netherlands and tourists coming to the country. Transport accounts for almost 75% of the average tourism trip emissions, the rest being accommodation. If no real action is taken, the growth of emissions from tourism is incompatible with reaching a 50% emission reduction in 2030 and net zero in 2050.

The main actions she referred to included policies that can help reduce reliance on long-haul and frequent flying (e.g. the single European railway area, cycling, certification of coach transport, sustainable peri-urban and rural mobility) and rethinking of cruise shipping.

She also explained that tourism strongly influences the speed of transport (e.g. traffic congestion) and the type of cars people buy. She finally highlighted the importance of acknowledging the differences between transport for commuting and tourism purposes.

Finally, specific attention was devoted to automation in mobility and transport. Professor George Yannis reminded us that automation is not being realised as expected, mainly because technological developments do not consider real users' needs.

He considered automation to be more of a societal challenge than a technological development challenge. Finally, he considered that the fundamental issue for automation is aligning it with sustainable mobility objectives. He supported further cooperation among authorities, industry and all stakeholders, creating synergies between public and private investments. He also suggested that CEF could be used to bridge the gap between research and deployment.

In his closing remarks, DG MOVE Director Herald Ruijters welcomed the overall implicit consensus around the Fit for 55 package of measures as a solid way to address climate change.

On modal shift, he welcomed remarks on volume, such that modal shift should not be at the forefront of attention, but the focus should instead be on each transport mode individually and its need to be decarbonised. He considered that this should be accompanied by collective work to find different solutions.

He called for further reflection on the following points: 1) better understanding of the real capacity of our transport system, accompanied by data; 2) deeper analysis of the robustness and preparedness of electricity grids to support electrification of the transport system (e.g. for trucks it may be more complicated); 3) development of the link between transport and tourism policies in order to promote sustainable ways of travelling for tourism purposes; and 4) further reflection on the role of automation in the public transport sector (e.g. metro, rail, buses).

Finally, he highlighted the relevance of road safety and recalled additional initiatives and policy measures such as the EU cycling declaration, the new urban mobility policy framework and the new urban nodes in the TEN-T revision.

### **Towards a wider Europe: revisiting our transport agenda in a changed geopolitical context.**

The third session focused on new angles in mobility and transport policy, moving from the local angle to the global angle, with particular relevance to the security and military angles.

Professor Luc Ampleman addressed the “subtle aspect of transport geopolitics,” the local dimension, while considering the intricacies of transport diplomacy in four main takeaways. First, the increasing complexity of transport diplomacy. Transport diplomacy in wider Europe is increasingly intricate and is triggered by both the introduction and absence of transport initiatives. This breeds both satisfaction and discontent, sparking conflicts and “distances” between stakeholders. Transport diplomacy becomes the arena for negotiating these tensions among actors. Seventy years ago, significant projects encountered minimal resistance; today's landscape is markedly different. Even minor interventions demand widespread participation, and stakeholders are more vocal, competing for media prominence. This creates transport planning fatigue and increases tension.

Second, transport diplomacy superheroes. The good news is that in this field there are local actors and transport planners who work in small niches and sit with other people and try to negotiate the “distance” to make transport initiatives work. When local transport stakeholders come together, they are the best transport ambassadors.

Third, supporting local stakeholders. Despite the global dimension of geopolitical turbulence, smooth running of the EU transport agenda goes hand in hand with stakeholders at the local level. Whatever happens, local stakeholders need to be supported.

Finally, there is a need for a transport stability analysis. Improving the transport system means ensuring its stability, and local transport planners are the best people to support this.

Olaf Merk from the OECD focussed on linking geopolitics and transport by considering the increased price of transporting a container from Asia to Europe/North America since the start of the Houthi attacks in the Red Sea. The price of transport per container has risen considerably since the Houthi attacks (an increase of around 200%, depending on the route). There is a cascading effect of the price increase: not only have transport rates between Asia and Europe risen but also those for the routes between Asia and North America which do not pass through the Red Sea. This is due to a capacity shift from the Red Sea route to other routes, which has a cascading effect on transport prices for these different routes. Therefore, what was initially a regional crisis has become a global one.

There is also opaqueness in the price increases. Following the attacks, shippers started to impose surcharges: transit disruption charges, peak season charges, etc. This raises the question of what part of the price increase is covered by increased costs and what part of the surcharges is.

The additional costs of shipping a container are currently roughly 150 USD/TEU for the route through the Red Sea and 300 USD/TEU for going around the Cape of Good Hope. The rate for transport has, however, gone up by 3000 to 4000 USD/TEU. This raises another question about whether this crisis is being used as an opportunity to make considerable additional profits.

Dealing with these conclusions from a policy-making perspective may require combining several factors. First, alternative corridors should be considered, and the resilience of transport systems should be increased. Of course, the challenge is how to make this concrete, and there is a need to decide on the policy trade-off (resilience vs. efficiency) we are willing to make here. An example is that the aviation hub-and-spoke model is efficient but not resilient. Interconnectivity, explicitly considering the corridor approach to transport, means that if something happens to one node, the whole system collapses. Policymakers are often talking about efficiency, but efficiency also increases risk. There would not have been the same cascading effects without close global transport integration.

Second, cascading: the world has become more interconnected – so there might be a need for global policy coordination, or otherwise analysing whether globalisation has gone too far. Third, considering increasing price transparency for transport users was highlighted by G7 transport ministers in a recent declaration. Finally, profiteering should be addressed by thinking about global competition regulation. One thing these angles have in common is the need for more global policy coordination and cooperation. This is where the link between transport and foreign policy becomes apparent and will become increasingly important.

Dominik P. Jankowski from NATO addressed the military perspective on transport. First, there is a war on everything right now: Russia, the Middle East and multiple angles of securitisation. Transport is considered a key factor in ensuring the security of states. Since Russia’s aggression against Ukraine, there has been an increased focus on boosting defence – in these discussions transport corridors and logistics are crucial and they keep recurring. Providing security is moving forces, and interconnection is key.

Second, “Tanks are for show, trucks are for pros.” The new normal is to start working profoundly with the civil/private sector, including EU institutions. It is important for NATO that standards for transport corridors take account of military needs.



Transport infrastructure is a direct legitimate target in every war. Transport nodes and infrastructure are crucial and will be attacked daily. In this context, there is a rapid need to update transport plans to focus more on critical infrastructure, which goes hand in hand with boosting resilience. Guidance from the EU could ensure coherence here for EU Member State implementation at the national level, and coherence between the EU and NATO.

There is a need to look at new technology (e.g. AI) in a fashion that could help us advance the long-term strategy to ensure security in transport corridors. There is also a need to permanently include both sides of the coin – civil society and military. Task forces could be set up to gauge transport needs for both purposes.

Finally, Stefania Benaglia from CEPS considered how the EU can show that democracy can deliver in transport projects. Connectivity can aid in this, as it leverages the principal added value of the EU: economic and regulatory power. Two examples are the Global Gateway and the India-Middle East-Europe Economic Corridor.

Global Gateway is a geostrategic tool and should be used this way. The competition for Global Gateway, the Chinese Belt and Road Initiative (BRI), is attractive for third countries because it provides quick infrastructure investments with no questions asked. Therefore, the question ‘Why Global Gateway?’ needs to be answered much better by focussing on its value proposition – delivering on democracy by delivering rules-based infrastructure to the benefit of everyone. This also goes for Team Europe initiatives, where the question needs to be answered for EU companies: what is in it for me to join the initiative and possibly add the Global Gateway stamp to projects?

Coordination with other initiatives in line with the Partnership for Global Infrastructure and Investment (PGII) is essential. Coordination should also increasingly occur with different stakeholders (the World Bank, other international financing institutions, AFD, etc.), through which the EU can raise its role as a global leader in coordination with different stakeholders.

The India-Middle East-Europe economic corridor is an example of how transport can have an opportu-

nity to serve as a forum for peace and stability. The initiative provides an excellent platform for inclusive peace discussions in the Middle East, as it brings India, the US, Gulf countries and Israel to the table. This represents a great opportunity to show how connectivity can frame the discussion differently. The EU should take the lead here and show how democracy can best deliver.

In his closing remarks, DG MOVE Director Kristian Schmidt noted that enlargement is back. While DG MOVE’s sustainable and smart mobility strategy is predominantly inward-looking, leveraging the power of the internal market, the message during the session, however, was very clear: transport policy needs to be global, especially since the EU is still the world-leading global trading power. During previous enlargements, investments in transport and convergence started notably once the new Member States became part of the internal market. This time, more should be done before enlargement.

Ukraine is a compelling case study: reflecting on the past two years, are we adequately prepared? Progress in areas such as TEN-T extension, transport investments and road liberalisation agreements suggests readiness. However, a lack of infrastructure links and interoperability issues still hinder the transport system. Nevertheless, the importance of transport can be understood when considering the Solidarity Lanes, which have provided a lifeline to Ukraine since Russia’s aggression in February 2022.

Reacting to the issue of external shocks, Kristian Schmidt observed that the EU has been dealing with multiple crises, which will continue. For the next mandate, it is important to recognise the global interdependences that should be avoided where possible (e.g. the interdependence on China for electrification, batteries, etc). The EU should not weaponise standards but should engage in partnerships on equal terms.

The EU can and should engage more proactively and do central planning to preserve the expected resilience (e.g. ensuring the supply of critical materials). Regarding transport diplomacy and initiatives like the Global Gateway, it is crucial to project the EU’s transport policies through our partner instruments. Consider why supporting North African

ports matters: a clean global shipping network is ineffective if limited to Europe alone. Furthermore, EU industry needs to follow this to have a robust European transport policy as a foreign policy.

## Conclusions

Deputy Director General Herald Ruijters reflected that the conference was held to generate fresh and innovative ideas. It brought together academics, practitioners and stakeholders to explore ideas the European Commission might have overlooked. It is now up to the new Commission to set the agenda and determine what needs to be done, specifically regarding the Sustainable and Smart Mobility Strategy. The EU Fit for 55 package has been put in place by the current Commission, and it is important to ensure that the package is implemented, mainly because there is an apparent demand across sectors. Enlargement is a priority for the next commission, as DG Magda Kopczyńska announced in her introductory remarks. The next multiannual financial framework is another priority. The Connecting Europe Facility, which is already more than 80% climate-tracked, is a source of pride and it should be ensured that we have such an instrument in place. From 2026 to 2032, the social climate fund will be deployed. It is important to work on transport poverty to ensure that people in poverty can travel across the union.

DDG Herald Ruijters appreciated the diverse range of topics being discussed during the conference, including transport, energy, tourism, climate and military mobility. Indeed, transport should not be viewed in isolation, as it is also linked to foreign policy. This is crucial if we want to mainstream transport in the next commission.

During the conference, it was commented that the single European market is still not a reality. The topics of multimodal digital mobility and ticketing were also discussed, and it was emphasised that completing them would be possible to achieve the predetermined goals. Professor Enrico Giovannini highlighted the importance of using existing infrastructure better through the digital twin concept. This is a strong idea and it is necessary for building CEF and TEN-T, as the central part of infrastructure use is existing infrastructure. The idea of digitalising and automating infrastructure was also discussed,

as this could be helpful for military mobility. Surprisingly, there is no digital twin capable of monitoring the state of bridges and tunnels. During the conference, speakers discussed the importance of a system approach, which was first suggested by Susanna Metsälampi from TRAFICOM as a crucial factor. Professor Luc Ampleman stressed the significance of involving local actors in the system approach, while Professor Alberto Pototschnig discussed the link between the system approach, energy grids, and fuel choices. Additionally, the need for a system approach was emphasised in areas such as tourism and military mobility. It is important to ensure that transport offers Europe sufficient robustness and resilience. This means that transport should be able to absorb shocks, as has been shown by the response to Brexit, COVID-19, Ukraine and the Red Sea crisis.

DDG Herald Ruijters emphasised the need to be proactive and think out of the box to ensure that our citizens can travel and that the economy flourishes despite disruptions. He mentioned that if a tunnel is out of service due to a landslide and there is no alternative connection, it could lead to a reduction of 0.5 to 2% in GDP. He concluded by highlighting that we need to work together in 'Team Europe' to ensure that democracy is not hindered by the non-functioning of transport. The conference was an excellent opportunity for reflection, and it is important to continue the discussion to jointly succeed and make Europe a better place in the future.

## FSR Transport

*The Florence School of Regulation (FSR) is a project within the European University Institute (EUI) focusing on regulatory topics. It works closely with the European Commission, and is a growing point of reference for regulatory theory and practice. It covers four areas: Communications and Media, Energy (Electricity and Gas), Transport, and Water.*

*The FSR-Transport Area's main activities are the European Transport Regulation Forums, which address policy and regulatory topics in different transport sectors. They bring relevant stakeholders together to analyse and reflect upon the latest developments and important regulatory issues in the European transport sector. These Forums inspire the comments gathered in this European Transport Regulation Observer. Complete information on our activities can be found online at: [fsr.eui.eu](https://fsr.eui.eu)*

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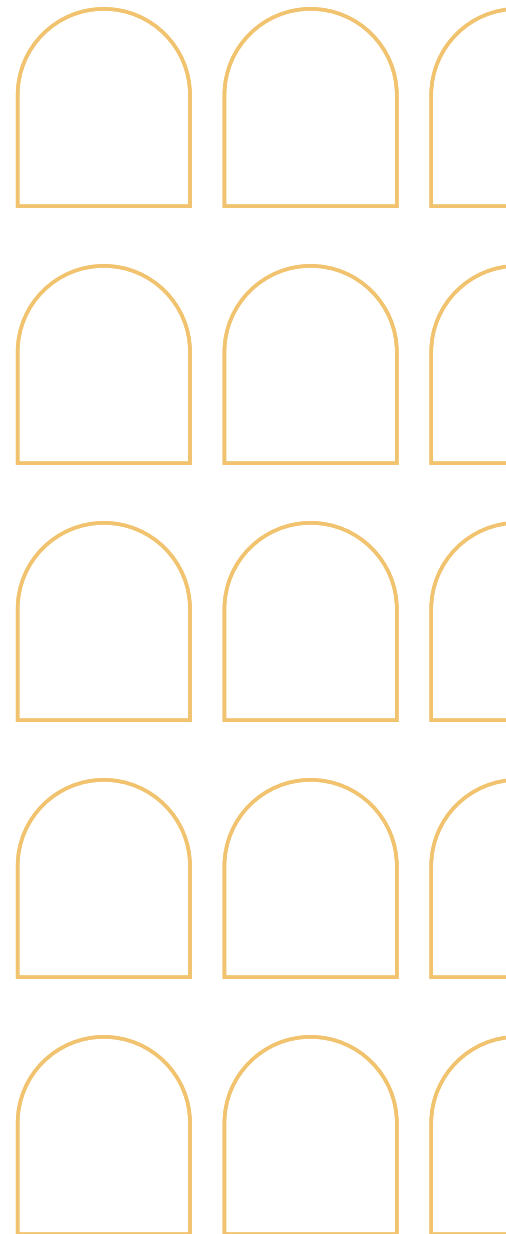
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