

AG/GE8075/MMA

Geneva, 8 April 2022

Draft emergency resolution: “Powering road transport”

This resolution will be discussed at the joint CTM-CTP meeting on the fuel crisis, to be held on Wednesday 13 April 2022.

IRU, the world road transport organisation and the voice of over 3.5 million companies operating mobility and logistics services, calls on governments to address rapid increases in fuel prices and review decarbonisation policies.

Amid growing global energy security concerns, there is no end in sight to fuel price volatility. Fuel prices have rapidly increased in many regions since the war in Ukraine began, nearly doubling in some places, especially on the European continent and in the Americas, and causing severe cash flow difficulties for road transport operators.

Shops and supply chains are announcing price increases and constraints on product availability due to supply chain issues stemming from a road transport industry struggling to meet growing demand and stay solvent. Collective mobility costs for people have dramatically increased due to inflationary pressure.

Transport operators are no longer able to run mobility and logistics services in a clear and predictable operational environment. While they struggle with long term contractual agreements, small and medium sized firms in particular are forced to stop serving their clients and will not be able to make the necessary investments needed to comply with more pressure from decarbonisation policies.

Governments must act

- 1. Support road transport operators immediately and the essential services they provide for the economies and communities that depend on them:**
 - a) Distinguish between commercial and private diesel use;
 - b) Reduce taxes (VAT, excise duties);
 - c) Balance supply by releasing strategic oil and gas reserves;
 - d) Encourage more flexible commercial terms for operator/client and operator/fuel supplier contracts;
 - e) Support operator cash flow by deferring tax and social charge payments, and encouraging deferment of private loan and leasing repayments;
 - f) Support new diesel and CNG/LNG production sources.
- 2. Revisit decarbonisation plans and timelines as outlined in IRU’s Green Compact, including alternative fuels, efficient logistics, collective passenger transport, vehicle efficiency and driver training measures:**
 - a) Ensure a level-playing field between modes via a single fuel duty applicable to all commercial transport by air, rail, road, sea and inland waterways;
 - b) Support all alternative fuel options to reduce diesel dependency (green electricity, biofuel, bio LNG etc.); diversify and upscale renewable energy production to decarbonise existing fleets and support more sustainable second hand vehicle markets;

- c) Implement the well-to-wheel (wtw) principle to measure and account for CO2 emissions correctly;
- d) Revisit national and regional decarbonisation measures such as pricing and standardisation of CO2 emissions to reduce the financial burden and volatility faced by operators;
- e) Scale back market distortion policies (road user charging, zero emission zones etc.) if feasible alternative solutions for operators cannot be guaranteed;
- f) Invest in collective passenger transport and widen eco-truck use to boost mobility and logistics efficiency;
- g) Transfer renewable energy subsidies to commercial road transport from other sectors that are easier to decarbonise (e.g. combined heat and power);
- h) Develop green hydrogen networks for longer distances; invest in hydrogen production in regions with high renewable energy potential;
- i) Establish long-term rescue funds to protect road transport operators from future fuel spikes and any other crises.

IRU stands ready, with its members, to work with governments, regional bodies and international organisations to implement the above actions.

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