

Cycling Industries Europe response to the EU Commission request for feedback on the Roadmap for that the EU Strategy for a Sustainable and Smart Mobility.

Supporting Document.

1. Summary of CIE's position on the Roadmap

More cycling across the EU is by far the most effective measure to fast-track the EU Green Deal. There is no conceivable way for the EU to achieve a 90% reduction in transport emissions without a major shift towards more cycling. In the period to 2030 cycling will deliver a fast start to the EU Green Deal, building on the rapid transition to cycling already seen in the COVID19 recovery.

The European Strategy for a Sustainable and Smart Mobility needs to commit to cycling with ambitious targets, effective policies and substantial funding for investments in safe, high quality cycling infrastructure throughout Europe and to address barriers to uptake of cycling including affordability of new technologies, especially in EU countries with low (e-)bike uptake.

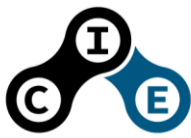
For the Coordination of all cycling related actions the EU should develop a genuine European Commission EU Cycling Strategy.

Specific cycling actions should include:

- 1) funding at least €6bn in investments in, high quality cycling infrastructure in the 2021-27 MFF;
- 2) improving the EU Urban Mobility policy framework by making access to EU funding for safe and attractive transport infrastructure conditional on the implementation of Sustainable Urban Mobility Plans (SUMP) and the collection of urban mobility data;
- 3) A centralised €5.5 bn EU E-bike Access Fund that will make the benefits of e-bikes available in all countries in the EU and stimulate further job creation;
- 4) Ensure that the success of e-bikes is maintained across the single market by maintaining the current regulations that give most e-bikes exactly the same treatment as bicycles, including no insurance requirement, exclusion from type approval and equal VAT status;
- 5) In all EU funding relating to road transport cycling must be treated as part of the private road mobility system with the automotive sector, with no exclusion of cycling from any EU road transport funding or policy instruments. This includes the full inclusion of the Eurovelo network in T-ENT.

2. Introduction.

Cycling Industries Europe (CIE) represents many of the EU and the world's leading cycling companies. Our members are global leaders, together with the suppliers of equipment, accessories and services that support these markets. They are operating in an industrial eco-system that is attracting global investment in new factories while stimulating innovative and fast-growing SMEs.



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These include companies that have recently invested millions of Euros in the EU, creating jobs and developing new technologies such as e-bikes, the most successful e-mobility solution in the EU. These investments are spread across the EU, especially bringing new jobs to countries in all regions.

The post-COVID recovery in mobility is being led by cycling. Pledges of new funding for cycling by national governments, regions and cities have almost reached the €1billion level, all being announced since May. This is money to support recovery from COVID19, but also it is the opening funding for the EU Green Deal, a live example of a green and sustainable recovery.

This should be seen as a success for EU mobility and be further supported by the Commission. By supporting cycling the EU supports all mobility. Cycling is fast and low-cost way to help the public transport sector recover from coronavirus and cycling helps keep down congestion on the roads, freeing up capacity for other modes. Cycling is an integrated part of the multi-modal transport system, providing first and last mile solutions that support other modes. For example, bike share integrated in public transport can play an increasingly important role in a city's mass transit system. In a 2019 study 42 percent of bike share trips were combined with public transport.

3. About the industry

Over 130 million EU citizens cycle regularly, generating external benefits of €150 billion per year in the EU and provide over 650,000 EU jobs.

Other mobility sectors are currently losing jobs and struggling to transition to the sustainable and green products demanded by the green deal. Cycling is the only EU mobility industry consistently adding jobs, with new factories and production lines. The investment rate up to 2019 was €1billion per year in new jobs, and it is increasing.

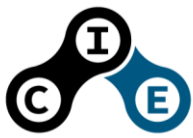
The EU is the world's most important cycling market with the biggest penetration of technologies such as e-bikes, bike sharing and cargo delivery bikes. E-bikes and cycling are already moving the EU towards sustainable urban mobility and our climate goals, they are proven technologies that are supported by citizens and governments at all levels in the EU.

The EU Green Deal calls for industrial leadership. The EU Industrial Strategy needs "European Champion" companies and Smart Value Chains that can be world leaders in their field. That is what cycling provides. Hubs of new development are growing rapidly in countries like Portugal, Belgium, Bulgaria and Romania and Italy.

Post-COVID we see cycling levels in some cities that have more than doubled. Our contribution to a green EU Recovery Plan is having a rapid impact on employment recovery. This will be highly effective because it also moves towards objectives such as the EU Green Deal, it is an investment not a bail-out.

4. Supporting a Strategy for a Sustainable and Smart Mobility that leads the EU Green Deal and a green COVID-recovery.

The European Commission states that the EU Strategy for a Sustainable and Smart Mobility "will focus on measures to reduce the impact on greenhouse gases emissions, on the environment and on the health of our citizens in general, and accelerate the shift towards more sustainable mobility."



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CIE Supports this initiative. Transport accounts for more than a quarter of the European Union's greenhouse gas emissions. The EU has an ambition to become the world's first climate-neutral continent by 2050. This means a 90% reduction in transport emissions is needed by 2050. The transport sector is the fastest-growing source of global emissions and the transformation of transport systems for an equitable 1.5°C Planet must be prioritized.

Additionally, CIE believes that the focus on transport emissions needs an even stronger focus on urban mobility. More than 70% of Europeans live in cities and therefore transforming the way we move is critical in achieving the goal. Shifting to cycling combined with public transport in the urban mobility system will be crucial if Europe is to meet its long-term sustainability goals and policy objectives under the European Green Deal. Digitalisation and smart mobility apps can develop urban mobility systems even further.

The early results of the environmental impact of the lockdown during covid19 are impressive and it becomes clear that there's no return to car-centric cities after the coronavirus crises. In Paris alone, according to the city's Airparif association air quality was better than it had been in at least 40 years. The World Health Organization estimates that air pollution kills approximately 7 million people worldwide every year. An increasing number of frontrunning cities are limiting car use, installing more bike lanes and opening up the streets for walking and cycling, with incredible results.

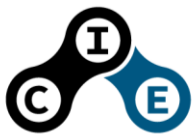
For example, over 50% of motorised vehicle trips for moving goods in our cities could be switched to (e-)bikes. A cargo bike replacing a diesel van saves 5 tons of CO2 emissions per year, a key tool for achieving the EU goal of CO2 free city logistics by 2030.

In addition to its contribution to these climate and environmental goals cycling meets the needs of the EU Strategy for a Sustainable and Smart Mobility Roadmap in many other areas. The cycling sector provides industrial leadership and sets new milestones for Europe to be a leading industrial force in transport, in both sustainable and connected mobility. More cycling reduces air and noise pollution, improving both the environment and citizens' health.

Investment in cycling provides an immediate return on investment for the EU Green Deal. Each extra cyclist delivers reductions in CO2 emissions, air pollution, noise and congestion, especially in cities where 70% of EU citizens live. There are consequential benefits in improved public health and road safety, while improved environmental conditions stimulate local economies. Each Euro spent on a bicycle creates more green employment than the same Euro spent on cars and similarly each Euro spent on cycling infrastructure creates more jobs than similar expenditure on road highways so these investments are exceptional value for money. A benchmark for cycling investment is 10% of total transport investments, so this is low cost and high impact.

Therefore, CIE believes cycling and the role of cycling businesses is completely aligned to the Roadmap because:

- Bikes, e-bikes, bike sharing and cycle logistics are helping to repair the short-term damage from the crisis in a way that invests in the long-term future of mobility and provides more affordable, accessible, cleaner and healthier transport alternatives. E-bikes have opened up cycling to more people and are a proven alternative to trips by car.



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- We are investing in protecting and creating jobs and the competitive sustainability of the transport sector and we support similar investments by cities, regions, governments and the EU that support cycling right across the EU.
- Large scale deployment of new technologies such as e-bikes, cargo bikes and Mobility as a Service supports a shift towards low-emission transport modes by moving passengers and freight to more sustainable alternatives and multimodality.
- Our companies are forerunners in using digitalisation to achieve sustainable, efficient, seamless, smart and safe mobility, including digital services and safety through vehicle to bike connectivity.

5. What is needed in the EU Strategy for a Sustainable and Smart Mobility.

1) funding at least €6bn in investments in, high quality cycling infrastructure in the 2021-27 MFF;

During the 2014 – 2020 Multi-annual Financial Framework, about 2 billion Euro will have been invested into active mobility, mostly through the ERDF and Cohesion Funds. This is almost triple the amount invested in the 2007 – 2013 MFF, when about 700 million Euro were invested.

While this increase is welcome, it is still only a tiny fraction of the EU's overall transport spending: about 2.5%. Road investments are about 15 times higher which will partly explain why transport emissions continue to rise. This investment gap is a long way-off from a level-playing field for walking and cycling, not to mention the preferential treatment necessary to deliver any meaningful modal shift.

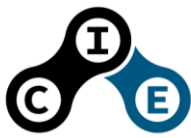
As for the EU 2021 – 2027 MFF, CIE demands investments of at least 6 billion Euro. The Strategy for Sustainable and Smart Mobility must strongly encourage Member States and its regions to spend this money through its ERDF and Cohesion funds.

2) improving the EU Urban Mobility policy framework by making access to EU funding for safe and attractive transport infrastructure conditional on the implementation of Sustainable Urban Mobility Plans (SUMPs) and the collection of urban mobility data; public transport budgets that include a percentage for bike share to ensure affordable user fees and economic sustainability.

During the 2014 – 2020 MFF, the EU will have invested about 12.7 billion Euro into urban mobility. While ECF welcomes the promotion of sustainable urban mobility as such and acknowledges the important work that has been done through the SUMP guidelines, we also share the concerns of the European Court of Auditors (ECA). In a recent report it recommended to the Commission:

- i. publish better data on urban mobility and the extent to which the EU's most important cities have sustainable urban mobility plans in place; and
- ii. link access to EU funding to sustainable urban mobility plans. It would be helpful to use the environmental legislation already in place to ensure action directly from Member States for SUMPs.

Achieving a 90 % GHG emission reduction for the transport sector by 2050, will likely be easier for urban transport, compared to aviation and maritime. It is therefore important to develop comprehensive and effective policies across the EU. Continuing with non-binding recommendations –



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as welcome and as helpful as they are – is not adequate. It is only fair that EU funding comes with some strings (SUMP) attached and that the impact of interventions will be measured through the systematic collection of data.

Within an effective SUMP it is important that bike sharing becomes an integrated part of the public transport network, and as such has a level playing field with public transport operators in terms of public subsidy. The current system is in effect a lottery, with every city or region taking a different approach.

3) A centralised €5.5 bn EU E-bike Access Fund that will make the benefits of purchased or shared e-bikes available in all countries in the EU and stimulate further job creation;

E-bikes are a proven, viable alternative to motorised vehicle trips, reducing CO2 emissions, noise pollution and congestion and producing public health benefits. Cycling is the most sustainable transport option and greatly increased E-bike transport is essential to delivering the EU Green Deal

We know that subsidy schemes for e-bike purchases are very effective:

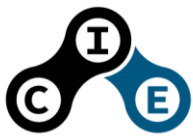
France introduced an e-bike subsidy in 2017, leading to an increase in sales of 90% compared to the previous year. Sweden introduced an e-bike subsidy in 2018, leading to an increase in sales of 53% compared to the previous year.

This proposal and calculated need complements growth in countries where e-bike demand is already strong and growing. To create an EU level playing field the biggest subsidies would be for the 23 EU countries with the lowest e-bike use. Raising the 23 EU countries to half the e-bike usage rate of the top 4 EU countries for e-bikes would create a market value of EUR 3.7 billion per year. This will generate an additional 16,000 jobs in the European bicycle industry.

4) Ensure that the success of e-bikes is maintained across the single market by maintaining the current regulations that give most e-bikes exactly the same treatment as bicycles, including no insurance requirement, exclusion from type approval and equal VAT status; Implement standards for bike sharing bikes and a common EU data standard to enable bike share providers to integrate their systems with public transit without having to adapt their systems to each member state.

The regulations for e-bikes (technically EPACs Electrically Power Assisted Cycles up to 25km/h of max assistance and 250W) have been stable since 2011. These give these e-bikes the status of bicycles in production, sale and use across the EU. This is the underpinning foundation of the success of the e-bike in transforming mobility, bringing electrically assisted personal mobility to many more citizens than any other mode. However, there are initiatives within the EU Commission that could be highly disruptive to this success if they were to be implemented, such as insurance, VAT and type approval that could separate the e-bikes from the bicycle in the marketplace. This will be highly damaging, as it will add complexity and cost which will discourage consumers who can cycle from accessing e-bikes as an extension of the bicycle market.

Bike share should be integrated with transit smart access and subscriptions. Mobility as a Service – where applications can be used to manage a user's entire journey throughout different transportation modes, including payment modalities, is a great opportunity to integrate bikeshare as a means to expand the reach of public transit. Bike share data should be used and shared appropriately to



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improve interoperability, Mobility as a Service initiatives, and planning of city infrastructure. This should be done in compliance with GDPR, which is the overarching principle for data sharing between Cities and Bike Share operators in Europe.

5) In all EU funding relating to road transport cycling must be treated as part of the private road mobility system with the automotive sector, freight and public transport, with no exclusion of cycling from any EU road transport funding or policy instruments. This includes the full inclusion of the Eurovelo network in TEN-T.

There are numerous examples of EU funding initiatives that have unfairly excluded cycling and acted as a competitive distortion between actors in the mobility market. We fully understand the EU's effort to decarbonize the whole transport system which will include cars and freight. However, exclusion of cycling is unacceptable, the EU recognises that mobility is now a multi-modal sector and therefore these market distortions should be avoided to maintain a level playing field between industries.

For example, the COVID-19 recovery packages in many member states support so called "car scrappage" schemes. In all cases where any EU funding is used these schemes should give consumers the opportunity to exchange cars for subsidies to take up other road transport modes by purchasing bikes or exchange for public transport tickets.

In other EU funding programmes the Commission should not exclude cycling or the cycling industries from any source that could be seen to support other road transport modes exclusively. Historically this included Horizon 2020 programmes that included automotive but excluded cycling (e.g. Smart Cities Lighthouse projects, Green Vehicles Initiative). In Horizon Europe we call for all these artificial restrictions to be removed.

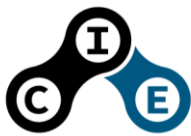
Cycling in TEN-T

EU transport policy has historically facilitated long-distance cross-border transport. The TEN-T network with its focus on roads, railways and waterways was created in this context. On 17 July 2020, the Commission issued a press release announcing that 2 billion Euro would be allocated to 140 transport projects. Not one of these projects will invest in active mobility such as walking and cycling.

The majority of car trips are neither long-distance nor cross-border. Indeed, 40 % of car trips are shorter than 5 km, and about two thirds are within a 10 km range. Most car trips, in fact, are urban or peri-urban – as it is the case with cycling.

In the face of the climate emergency as well as the COVID-19 crisis, we must completely reset EU transport investment decisions. Adjusting TEN-T policies will be essential to such a reset. We, therefore, demand that EuroVelo, the European network of 17 long-distance cycle routes, be acknowledged as a 4th TEN-T.

6. For the Coordination of these and associated actions the EU should develop a genuine European Commission EU Cycling Strategy



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In 2015, EU transport ministers endorsed the Declaration of Luxembourg asking for a 'EU-level strategic document on cycling'. In 2018, EU transport ministers repeated that call through the Graz Declaration. The European Parliament as well as the Committee of the Region joined that call.

In 2017, a wide set of stakeholders developed and submitted to the European Commission the EU Cycling Strategy: Recommendations for Delivering Green Growth and an Effective Mobility in 2030.

Over the last three years, the acquis has been developing. The development is most notable in the extension of the scope of the Road Infrastructure Safety Management Directive to primary roads (connecting major cities and regions) and through the legislation to take the needs Vulnerable Road Users (VRUs) into account, including the provision to develop guidance on VRUs.

Over the next decade, the European Commission will also be forced to pay attention to road safety for VRUs. While the EU failed to meet its objective of halving road fatalities between 2010 – 2020, the trend is particularly worrisome regarding cyclists. In fact, the road safety gap between car passengers and cyclists is continuously widening.

As overall road safety is very likely to improve through the implementation of the Road Infrastructure Safety Management Directive and General Safety Regulation, more dedicated focus is needed – with regards to cyclists and other VRUs – if the EU wants to honour its renewed commitment to halve the number of killed and seriously injured between 2020 and 2030.

The Commission should also be reminded that already more than half of the EU Member States have a national cycling strategy in place and that a pan-European Master Plan for Cycle Promotion will be adopted in 2021. The absence of a genuine Commission EU Cycling Strategy signals that EU transport policy is increasingly out of sync with policies set at local, regional, national and even trans-national level.