RESOLUTION

Geneva, 6 May 2022

Emergency resolution: "Powering road transport"

The General Assembly of 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.

In addition to making best use of existing legislation, governments must act now.

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 energy taxes and excise duties;

c) Balance supply by releasing strategic oil and gas reserves;

d) Support operator cash flow by deferring tax and social charge payments, and encouraging deferment of private loan and leasing repayments;

e) Support new diesel and CNG/LNG production, particularly from renewable sources;

f) Establish rescue funds to protect road transport operators from the fuel crisis;

g) Encourage more flexible commercial terms for operator/client and operator/fuel supplier contracts; and

h) Ensure access to innovative and latest fuel efficiency technology.

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, synthetic fuels, 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 CO_2 emissions correctly;

d) Revisit national and regional decarbonisation measures such as pricing and standardisation of CO_2 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) Prioritise renewable energy subsidies for 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; and

i) In the longer term, use taxation as a means to support the market uptake of low and zero carbon fuels or energy carriers by not applying energy taxes and excise duties on the renewable component of the fuel.

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

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