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**By email**

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**Ensuring that a differentiated energy taxation system treats all forms of collective passenger transport fairly**

Dear Ambassador Grønbech-Jensen,

The International Road Transport Union (IRU), representing over 3.5 million passenger and goods road transport companies worldwide, including one million in the EU, calls on Member States to ensure that the revised Energy Taxation Directive gives governments the flexibility to apply a reduced energy taxation rate to all collective passenger transport modes, both regular and occasional, as well as taxis.

**Issues**

Collective passenger transport by road – including all its subcategories (urban public transport, regional scheduled lines, school transport, hospital shuttles, regional on-demand services, occasional coach trips, urban taxis, etc) – is one of Europe's most sustainable and socially inclusive mobility solutions. By replacing private cars, it reduces congestion, noise and emissions, while ensuring affordable mobility for large groups of EU citizens.

The latest Danish Presidency compromise text (22 September 2025) restricts the application of reductions for transport, under Article 16a of the Energy Taxation Directive, to only certain types of services. This creates an arbitrary distinction. Those included may benefit from reduced rates, while others – for example, occasional coach services, which deliver the same environmental and social value – would not.

Occasional coach transport is a particularly important category that risks exclusion. Whether to transport tourists or as an on-demand service for large events, occasional coach transport is among the cleanest modes of travel. Data from the German Environment Agency confirm that long-distance coach travel is comparable to rail in terms of emissions per passenger-kilometre and generates only about 13% of the emissions produced by aviation.

Beyond their environmental performance, coaches face unique challenges in the green transition. They are one of the last vehicle categories to be electrified. Until this year, no EU manufacturer offered an electric coach. Market entry is only the beginning. Large-scale deployment will take years, not least because the required charging infrastructure – entirely different from that for trucks – is still lacking. As a result, occasional coach

services will depend on conventional fuels for the foreseeable future, much like aviation and maritime. Two modes that already enjoy exemptions.

The sector is also structurally vulnerable: over 80% of bus and coach companies are micro-enterprises with fewer than ten employees. They already face fiscal disadvantages compared to aviation and maritime, which benefit from VAT exemptions. Soon, they will face additional costs under ETS2.

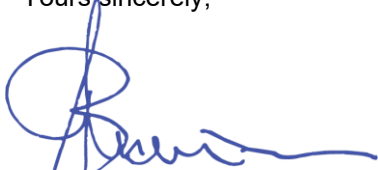
Additionally, setting a different level of taxation based on the nature of the service would create legal uncertainty and administrative burden, as the same vehicle can be used for regular or occasional services.

### **Solution**

To ensure fairness, non-discrimination, and consistency with EU decarbonisation objectives, Article 16a (Reductions for transport) should apply to all modes of collective passenger transport, whether regular or occasional, and more specifically all type of travel by bus, coach and taxi. This will give Member States the flexibility to support the most sustainable and socially inclusive road passenger transport services, without arbitrarily excluding one part of the sector.

We remain at your disposal should you wish to discuss any points in further detail.

Yours sincerely,



Raluca Marian

Director EU Advocacy

General Delegate, IRU Permanent Delegation to the EU