



European Federation of Inland Ports

Position of the European Federation of Inland Ports (EFIP) on the Energy Taxation Directive

Europe's inland ports, as **Enablers of Green Logistics**, welcome the opportunity to comment on the Energy Taxation Directive. As the unique representative of inland ports in Europe since 1994 – constituting of nearly 200 inland ports located in 18 Member States of the EU and Switzerland, Serbia and Ukraine – we believe that the revision of the Energy Taxation Directive is a hugely important step in clearing the path for the use of alternative fuels in inland waterway transport, and in the green transition more broadly.

Inland ports believe that the Energy Taxation Directive must be aligned to sustainable development targets and to the European Green Deal goals as a matter of urgency, due to **the role inland ports play as green energy hubs**. Inland ports have not only the potential to supply energy to IWT and other transport modes such as road transport, but also to industry and citizens more generally. Their strategic geographical locations close to urban centres and their integral role in a wide number of industrial supply chains make them key in the energy transition. This role has, however, been restricted due to the regressive taxation signals in the Energy Taxation Directive.

Although the sector has demonstrated its willingness and ambition to make headway in the transition towards sustainable fuels, one of the **largest legislative barriers hindering the uptake of alternative fuels infrastructure is currently the Energy Taxation Directive**. At the moment this legislation means that no taxation is paid for red diesel, in spite of its high SOx emissions, while electricity for vessels at berth is taxed. Moreover, although many of our members are enthusiastic to support the growth of sustainable fuel alternatives such as hydrogen and see particular potential for its generation and storage in inland ports, the fiscal burden placed on hydrogen by the Energy Taxation Directive have delayed the commercial viability of hydrogen as a fuel. This situation is clearly inefficient and must be remedied as soon as possible with a revision of the Energy Taxation Directive to render it consistent with the European Green Deal objectives.

Because of this, inland ports believe that the current Directive does not fulfil a core tenets of European transport policy: technology neutrality. In order to achieve the objectives of the Green Deal, any legal barriers that distort the uptake of low and zero-emission fuel need to be removed.

Moreover, the current legislation places the responsibility on the Member State to apply for exemption or reduction in the level of taxation for fuels used in inland waterway transport. This has led to reduced competitiveness of sustainable carriers as Member States avoid the often-heavy administrative burden of applying for exemptions and renewals of those exemptions. It also sends out the incorrect signals in making exemptions only case-specific. **EFIP thus calls for a permanent tax exemption for all alternative fuels and shore side electricity** to complement the aims of the Alternative Fuels Infrastructure Directive and encourage the uptake of sustainable fuels.