Greenpeace

CLIMATE TICKETS ACROSS EUROPE

How climate tickets for public transport should look like and how they can help to fight the climate, energy and cost of living crises

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Climate ticket – the idea in a nutshell

> We define 'climate tickets' as affordable long-term public transport tickets that are valid on all means of public transport in a country or a defined region. By making public transport affordable for all, people can switch from private cars to greener forms of mobility, helping to tackle the climate crisis.

'Climate tickets' promoting public transport use are gaining ground in Europe. Schemes that made rail and public transport free or more affordable in Europe have eased the financial burden on passengers amid high inflation and sharply rising energy costs, thus sparking waves of excitement among people, and counting as some of the most popular policy interventions. This is no surprise, as mobility is the second largest expense of European households.

Transport also accounts for 25% of the EU's greenhouse gas emissions and almost 70% of all oil in the EU. Shifting from car and air to public transport is a crucial strategy to reduce greenhouse gas emissions and oil demand in Europe. If only five percent of car trips, equivalent to five per cent of kilometres driven or one in 20 car journeys, were shifted to public transport throughout the EU, oil demand could be reduced by around 7.9 million tonnes, equivalent to 25 million tonnes of CO_2.

The price of public transport is a key decision factor for people who can choose between cars and public transport. Reducing prices is the quickest possible improvement which could be done within weeks with a strong political will. All other important and necessary improvements in public transport take much longer, such as procuring new vehicles, refurbishing lines or hiring new staff to increase frequency of services.

The time is right for political measures to tackle the cost-of-living crisis that people can rally behind, and that draw on common European values of peace, equality, freedom of movement, and sustainability.

European climate tickets are an answer to the climate, energy and cost-of-living crises. These fair and affordable public transport tickets would be covering all means of public transport, thus ensuring that the daily mobility needs of all people in the EU can be met promptly and quickly, in a climate-friendly manner.

Together with good public transport services and a dense rail network across the EU that leaves nobody behind, they could be the hopeful vision for the future of Europe that we need right now, that draws on our joint values and makes an actual difference in the lives of millions of Europeans who make mobility-related choices every day.

Greenpeace's vision for climate tickets

For Greenpeace, the following criteria are the minimum standards that should be met across Europe. They are central to the design of a fair and affordable climate ticket. Greenpeace considers the introduction of national climate tickets to be a crucial first step. Ultimately, however, one affordable climate ticket valid for all EU countries and all means of public transport should be available.

- **Simple.** Climate tickets must be simple – one ticket for all means of transport.
- **Wide-ranging.** Climate tickets – likely to start at the national level – should be valid for a large geographic area, such as a country or at least larger regions. They should not only facilitate people to get to work, but also to connect with family, friends and nature. They should also include cross-border public transport at least to connect neighbouring cities and regions.[1] Provisions like these primarily cover the needs of cross-border commuters, but also support cross-border cooperation in all sectors.
- **Multi-modal.** Climate tickets must be valid for all means of public transport: local, regional and interregional trains; urban, local, regional and long-distance buses (regular and on-demand); underground trains and tramways; water buses and ferries[2] used for regular transport, and an offer for the last mile for people with disabilities hindering them from reaching the closest stop/station.
- **Reliable.** Climate tickets must be long-term offers, not time-bound 'projects'; only with long-term planning security can the switch from the car succeed.
- **Long-term.** The climate ticket is typically a ticket valid for a longer period, usually a year or a month (often also called 'seasonal tickets'). Ideally both options would be available, to allow use by temporary residents and tourists as well.
- **Available for all.** Climate tickets must be available for all people in Europe, including non-EU residents and tourists, without restrictions. Restrictions based on nationality or other discriminatory restrictions on access would contradict the idea of a united Europe.
- **Affordable for all.** The costs should be affordable for all. The price should depend on the income and GDP/PLI (price level index) position of a country, e.g. for Germany, Greenpeace considers a price of €1 per day for a regular ticket affordable.
- **Fair and inclusive.** Groups with special needs and socially disadvantaged groups should receive discounts on, or free access to, climate tickets. This includes low-income households, unemployed people, pensioners, children, students and youths up to 26 years, people with disabilities and their carers, asylum seekers, refugees, etc. Traditional offline ticket options should be available for people who cannot afford or are unable to operate smartphones.

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[1] Examples are: Strasbourg and Karlsruhe to be reached with the French and German Climate ticket, Bratislava and Vienna to be reached with the Slovak and Austrian ticket, Katowice and Ostrava to be reached with the Polish and Czech ticket.

[2] Such as they are typically used as mass means of transport in Venice, Amsterdam or Rotterdam. The climate ticket does not need to include tourism services, if other means of public transport are available and quicker, even though they might have a regular schedule or legally are defined as "public transport". Cable cars only need to be included if they are used by the local population as the best means of public transport.

Best practice examples

The ideal climate ticket does not exist anywhere yet, but there are several best practice examples across countries.

- **Austria – "Klimaticket"** ('climate ticket'), was introduced permanently in Austria for the price of around €3 per day – valid for all means of public transport except touristic offers. In all nine provinces, in addition, regional tickets are available for €1–€1.50 per day. Most disadvantaged groups receive discounts of at least 25%. While its price on the regional level is quite affordable, the Austrian-wide ticket excludes certain groups of people due to its price and the need to buy it for a full year. Until now, more than 200,000 climate tickets have been sold (around 2.5% of the Austrian adult population).

- **Germany – "Deutschlandticket", formerly known as the "€9 Ticket"** – was originally a heavily discounted monthly transportation pass, letting people in Germany ride regional public transport for €9 per month in June, July and August 2022. The ticket was a huge success, over 50 million people in Germany bought it. It saved 1.8 million tonnes of CO_2 emissions, led to fewer traffic jams and lower car usage. However, the German government decided on a permanent follow-up 'climate ticket' for €49 per month, from May 2023 on – at this price many people are excluded from purchasing it. The German ticket is not valid on long-distance trains, and does not offer discounts for disadvantaged groups.

- **Spain –** From September 2022, **train travel is free** on commuter and regional services, and multi-trip tickets and passes for local transport (bus, metro, tram) are heavily discounted (30-50%). In 2023, free season tickets were extended to state bus lines. Compared with January and February 2022, the number of passengers has increased by 35.9% in Renfe[3] commuting trains. The use of regional trains ('Media Distancia') increased by 87.3% in the same period. Although some problems emerged due to mandatory seat booking: with some people booking trains but not travelling on them. As a consequence, trains were fully booked but travelled with empty seats. This prevented many people from travelling as they could not book those trains. This measure is extended to at least the end of 2023, with an extra €700 million included in the national budget, and an extra €380 million for the corresponding contribution of local transport. The government will study effects on traffic and emissions in order to design a permanent fare scheme in 2024, after the national elections.

- **Luxembourg – "free public transport for all"** – Since March 2020, no one needs to buy a ticket to use Luxembourg's public transport network. That applies to international commuters and foreign tourists as well, which comes as no surprise since some 45% of workers in Luxembourg commute

[3] Renfe is the Spanish state owned railway operator.

there from neighbouring countries. The free transport ticket in Luxembourg did not yet lead to a significant shift from car to public transport. This might be due to the fact that more than 200,000 people commute in and out of Luxembourg still needing expensive tickets for the other countries.

- **Malta** – is the second EU country to make public transport free permanently for all as of October 1, 2022. Unlike in Luxemburg, not all means of transport are included (e.g. express bus lines and ferries are excluded) and public transport users still need to show the "Tallinja ticket card" – which allows free travel after a one-off registration for a €15 fee. Malta's affordable public transport is therefore less accessible for non-residents.

- **Estonia** – as far back as 2013, Tallinn, Estonia's capital, made all public transport free. By 2018, 11 out of 14 counties were following this example. The free ticket however is only available for residents. The measure resulted in a 1.2% increase in public transport demand, but it needs to be stated that the ticket fee in Estonia has been low already before, with around 60% of the population travelling for free or discounted.

Expected effects on environment, geopolitics and social aspects

Car usage, health and climate
Public transport consumes much less energy and causes much **less greenhouse gas emissions** (GHG) than cars or aircraft. According to data from the EEA, trains emit in the EU average 33 grams of GHG per passenger kilometre, buses 80g, cars 143g and flights 160g. The emissions of trains can be further reduced by the use of renewable electricity by railway companies, as the Austrian and Dutch railways already do. GHG emissions of buses can be reduced by shifting to electric buses powered with renewable electricity.

For people, who can choose between public transport and their car, the price of public transport tickets compared with the price of car usage (fuel, toll & parking costs) is usually a key factor for choosing the means of transport. Data from the German €9 ticket, which was introduced for three months in summer 2022, showed that it has saved 1.8 million tonnes of CO_2 emissions, led to fewer traffic jams and less car usage.

Offering climate tickets for all in the EU could save 25 million tonnes of CO_2 emissions[4], equivalent to all the emissions of Latvia and Lithuania. And this is if only 5% of car trips were shifted to public transport throughout the EU.

Energy security and peace
Transport is the largest oil consuming sector: it consumes almost 70% of all oil in the EU, and road transport accounts for around 90% of this. This oil is almost

[4] Calculation from Greenpeace's Transport Sector Solution report.

completely imported, with most of it coming from companies and governments engaged in fuelling regional and internal conflicts that threaten global security.

Fostering peace means being less dependent on such countries. Affordable public transport tickets would lead to the reduction of oil demand and thus support our security: climate tickets can save up to 7.9 million tonnes of oil annually – worth around 600 billion Euro at a crude oil price of 76 Euro (price on 25 April 2023). Again, this is if only 5% of car trips were shifted to public transport throughout the EU.

Transport poverty and mobility as a basic right
With 13% of all expenses, mobility constitutes the second largest expense of European households, and is a driver for the growing living-cost crisis and transport poverty. According to the EU parliament, transport poverty often correlates with social vulnerabilities, such as household poverty, unemployment, or reduced mobility. Social groups particularly impacted include women, the elderly, young people, low income earners, and disabled people. Living in a disadvantaged region (rural, peripheral or remote areas, including outermost regions or islands) also increases the risk of transport poverty.

Reduced costs for mobility – especially cheaper tickets for public transport – are therefore an easy and effective means to reduce the overall household expenses, while at the same time allowing people to fulfil basic needs in crisis times, like going to education, going to buy essentials or meeting friends and families.

Potential ways of funding

Providing more affordable public transport tickets ultimately means finding new ways of funding, at least for the beginning. Climate tickets will need public, taxpayers subsidies to start. However, the better the climate ticket is implemented, the more people will buy it, and thus, the need for public subsidies will gradually decrease.

As a short-term solution for the public funding need, taxes from windfall profits of fossil fuel companies are the best option for many[5] countries. However, a permanent financing of climate tickets shall not be based on windfall taxes only, since they are expected to fluctuate.

In the long term, the phase out of environmentally harmful subsidies and a fair taxation system based on CO_2 emissions would be the best ways to secure resources for the climate ticket – such as a quick and effective introduction of a tax on kerosene or the introduction of VAT on international flight tickets. A

[5] Most oil companies across Europe are currently highly profitable and make record profits which can be taxed. Only in a few countries such as Slovakia the potential of Windfall taxes from the oil and gas sector is low.

kerosene tax of €0.50 per litre, equivalent to average road fuel taxes, could yield an estimated €46.2 billion in a year, for example[6]. A general tax on CO_2 emissions can also contribute to fund public transport.

A massive shift from car to public transport will also reduce accidental, health and environmental costs caused by cars. External costs of car usage are estimated to be €370 billion per year equivalent to 3% of the Total Gross Domestic Product (GDP) of the EU, without costs caused by traffic congestion due to time losses – which are estimated to be another €206 billion per year. Thus, a realistic long-term 10% reduction of car usage by shifting to public transport can save at least €37 billion per year (calculation without congestion costs) or €58 billion including congestion costs[7].

Greenpeace demands for public transport and climate tickets

Greenpeace calls on the EU and governments on public transport in general

- Guarantee access to public transport in every country in Europe for the vast majority of the population.
- Develop on-demand services in low-density areas, in order to provide public transport for those who do not have access to regular services.
- Strongly increase EU, national and local public investments and spending in the rail and local public transport systems to offer a dense network across the EU that leaves nobody behind.
- Increase frequency of services to attract new users and support the growing demand.
- Increase multimodal and intermodal services, including multimodal ticketing and information systems, to improve connectivity and help people switch from one mode to another.

Greenpeace calls on national governments on climate tickets

- Countries which did not yet take any measure regarding public transport affordability must implement climate tickets as soon as possible, under the criteria defined above. If the implementation of national climate tickets take longer for technical or political reasons, governments can start with

[6] Based on 2029 data: in 2019, 64.7 million tonnes of jet fuels were used in EU28. This equals 92.4 billion litres.

[7] The external costs of public transport are on a very low scale, which are not considered relevant here. In addition, a 10% car usage reduction would lead to a lower overall congestion rate and for that, the reduction of external costs is expected to be higher than 10%. (congestion costs would be reduced by more than 10% if transport was reduced by 10%).

immediate measures to make the price of public transport more affordable (e.g. many Spanish cities reduced costs by 50% or more).

- Countries which have already introduced some climate ticketing schemes must improve their systems, eg. by including more means of transport, making joint tickets with neighbouring countries or regions, introducing lower fares for disadvantaged groups, or reducing the price. The Netherlands, Switzerland and Cyprus shall reduce the price for their existing network tickets to transform them into true “climate tickets”.
- Most countries can also reduce the VAT on public transport. Legally, the VAT on public transport tickets can be reduced to zero, as Denmark, Malta, and (temporarily) Finland already did.
- All countries need to work on harmonising social tariffs, such as ages for kids, youth, elderly people or grades of disability.

Greenpeace calls on the EU level

- The European Commission should support the introduction of climate tickets across the EU and call on member states to introduce climate tickets.
- EU governments and the EU institutions should start working towards an EU wide climate ticket available for all people in the EU across borders.
- The EU must phase out the tax exemptions on kerosene and shift the public money to solutions like trains.
- The EU has to simplify and unify the ticketing systems.