

*Brussels, 18 June 2015*

## **Break-out Session 1: Changing individual and company behaviour**

- Moderator: Clare Taylor (Pracsis)
- Rapporteur: Hugues Van Honacker, European Commission, DG Mobility and Transport
- Minutes-taker: on behalf of the European Commission - Pracsis

### **Minutes**

#### **McKinnon's speech**

Review of some 750 pieces of research on transport. Key numbers of the chapter: by 2010 7 billion tonnes of CO<sub>2</sub> emitted. By 2050 it will be 12 billion tonnes. If we do nothing about transport, then transport alone by 2050 will account for 60% of CO<sub>2</sub> emissions. To retain its 14% share, transport must reduce CO<sub>2</sub> emissions to 2.8 billions tonnes by 2050.

According to EU2011 transport white paper, there should be a reduction of 60%. Most of the policy makers do not really realise what this 60% mean - how big it is.

“When developing low carbon transport systems, behavioural change and infrastructure investment are often as important as new vehicle technology and lower carbon fuels.”

“Changing the behaviour of consumers and businesses will likely play an important role but is challenging and the possible outcomes including modal split, are difficult to quantify.”

A lot of work focuses on technology but behaviour and technology interact. Whose behaviour is it we are changing? Multi-dimensional view of the transport decision-maker: manager, tax payer, shopper, commuter, voter, parent, car buyer

We should not oversee corporate behaviour and focus only on individuals.

personal travel: shopping+embedded freight

business travel: freight movements (much higher than personal travel)

Public attitudes to climate change in the EU (2013)

50% consider it “one of the most serious problems facing the world”

16% consider it the most serious problem

Average 7,3 out of 10 rating of the seriousness of the problem.

Transport=31% of per capita CO<sub>2</sub> emissions

Motivating carbon-reducing changes in travel behaviour:

- minimising unnecessary travel
- switching to lower carbon modes
- buying more fuel-efficient vehicles
- driving and maintaining vehicles better
- sharing vehicles (ride-sharing, car-pooling, crowd shipping = essentially using social networking)
- role of companies in altering patterns of consuming: travel plans for employees
- government role:

1. Give advice and encouragement (threatening people doesn't help: get the narrative right, avoid info overload, emphasise the co-benefits)
2. Reshape the travel options
3. Impose a regulatory framework (vehicle and fuel standards, traffic management, access restrictions)
4. Provide fiscal incentives

Changing corporate behaviour: road freight=75% of EU inland tonne-kms

4 levels of logistical decision-making:

STRATEGIC: numbers, locations and capacity of factories

COMMERCIAL: links to suppliers and customers

OPERATIONAL: scheduling of production and distribution operations

FUNCTIONAL: day-to-day management of logistics assets

Logistics = 3-10% of corporate carbon freight

Bear in mind:

- internally companies must make cross-functional carbon/cost trade-offs,
- minimising corporate level CO2 may not minimise transport CO2,
- power/influence of transport/logistics managers within the corporate hierarchy is low,
- need for an environmental champion,
- industry-level schemes to promote collective action/build momentum

Close correlation between cutting carbon emissions and saving money. Doing this will not be enough to reach the reductions set out. We'll have to make more painful decisions. It's not enough to just reduce the carbon intensity in their logistics ->from cutting carbon-intensity of logistics to achieving absolute CO2 reductions.

Also the targets will be achieved if companies cooperate .

Change of mindset in part of senior management:

- new age of collaborative enlightenment
- acceptance of the "sharing economy"

Motives:

- - internal, company-level efficiency gains exhausted
- - external commercial and environmental pressures mounting

Models:

- - evolution and refinement of collaborative business models
- - mathematical models and software tools to optimise gain-sharing

Market:

- establishing mutually-supportive roles for logistics providers
- aligning collaboration with other market trends to maximise synergies

Ministries:

- - legal acceptance of collaboration as yielding wider societal benefit
- - promotion of collaboration through logistics best practice schemes

Managing consumers' expectations:

- instant gratification (e.g. Amazon DASH, smart fridge, internet of things)
- danger: abuse of technology (delivering small quantities of products per house therefore more congestion and more CO2)
- hypermobility for all (budget airlines, AirBnB, expanding "bucket-lists" of travel destinations)

Maybe we should be promoting collective self-discipline?

### Open Q&A/comments session

1. Information on CO2 is often not relative because they cannot put it in a context. If we want to engage people, we should use messages that are meaningful for them. e.g. the amount of cars a bus would replace will make more sense to people than how many CO2 tonnes they'll save. Why the Commission is speaking about engaging people but when it comes to transport, people don't get the message.

*Answer:* carbon label won't work because it's such a huge task (and because you have to audit it so that companies give you the right info) that it's not effective in the end.

Accuracy of info: indeed, the messages used are criticised very often.

2.

- standards in combination with managing consumer expectations,
- decarbonisation-> what are we really talking about? Do we want to change things without changing ourselves? Very little effort and attempt to check whether replacing a car with a slightly less polluting car actually has an effect.

*Answer:* where does travel behaviour end and lifestyle begin? The thought of absolute reductions is too scary to think about because it'll jeopardise the profitability. When you wish to change consumers' behaviour, you do not wish to make their lifestyle more difficult.

3. Ride-sharing company Bla-bla:

How to convince people to change travel behaviour? The CO2 impact doesn't help at all. This is not what drives consumers to action. Talking about the co-benefits (fuel cost saving, cheap transport for the passengers) worked. Ecological reasons also led clients to ride-share, one of the main reasons they chose the service.

4. Do you have any insight on whether you offer lessons on how to drive more efficiently (eco-driving) would have an impact?

*Answer:* There has been some research and there has been 25-30% reduction from eco-driving. But do you embed this to consumer behaviour?

5. The reason for buying a car is very important. If you buy a car for your business, then fuel efficiency is very important. If you buy a car which you park most of the time, then fuel efficiency is not that relevant.

Online offering is more advantageous than using the car to reach the shop.

### Questions by moderator:

1. What needs to change to make urban transport emissions-free?

- regulatory
- non-regulatory
- response planned from Polis, Karen

Local authorities have an important role to play. Not one-miracle solution. A package of measures needs to be implemented and the right framework is needed to do so. What we need is a combination of hard and soft measures. We need shifting from the use of private car but at the same time, highly effective public transport. E-mobility is also important but it's only a small part of the equation: replacing all cars with e-cars doesn't reduce congestion.

Changing consumer behaviour is indispensable. Make travelling more seamless. Use social media to campaign. Cities need to give the right example. Invest in innovation and instruments to transfer good experience from one city to another. Take long-term measures that at the beginning may not be very popular but are needed for the quality of life in the future.

Comments:

A. Trust is important to change behaviour. If you want people to use mechanisms like car-sharing, people need to trust the people they'll be sharing the car with.

B. Innovation indeed comes mostly from local level. There are barriers on national level though, which hamper local level initiatives. Too much emphasis on individual choice of people but we need to realise that governments stir a lot of things so if they make better ethical and moral changes to transform the world, then we can make right choices and respect personal choice, too.

Health sector is missing from this conference and the discussions.

How do we make the change? Two things are crucial that governments should do - funding and spatial planning: reinvent the development of cities for example.

C. Communication is very important. It is not very useful to say to people that they have to behave in an environmental way. A thing like "biking is modern and healthy" is more effective.

2. What can be done to achieve a step change in increasing the use of public transport?  
What are the best incentives?

3. What should national authorities do to support sustainable urban transport?  
Should support be at national or local government level? What does it look like?

A. Using public transport is not fun because it's not really reliable. It's not about quality. Company cars have so many tax advantages in Belgium, for example, so congestion is big and people do not get the right incentive. You want people to drive? The environment must be safe, e.g. Brussels is not a good example since biking and driving take place in the same area.

B. It's a combination of factors that make public transport difficult (congestion, parking restrictions regarding bus lanes, traffic lights, etc.). Political will is necessary to make such changes.

Information should be understandable when it comes to reading how to commute.

C. Travel planning systems should be clear and easy to understand for consumers.

4. What could be the role of EU on eco-driving?

A. You can take eco-driving courses but continuing to be trained is necessary. A one-time-course is not enough.

B. Speed adaptation: if we review regulation, we'll have results and solve a lot of problems (road safety, fuel reduction, money saving). Technology is there but law implementation does not take place. We come back to moral and ethical aspects.

- C. Eco-driving can be fantastic if there is continuation. Behavioural aspect is very important and how to keep consumers involved in the long-term.
  - D. Incentivise manufacturers to give free eco-driving lessons to buyers.
5. What should be the role of the EU in relation to access restrictions scheme?
- A. Give effective tools to local authorities that allow them to do their job right. Cities like London have already done that.
  - B. Sharing best practice is an important factor. Can we meet time-deliveries is the question on off-peak times for example?
  - C. The issue is to focus on the carbon aspect. We need to understand the interaction between the two policy areas. In terms of designing access restrictions, people must be heard. You do not design vehicles only for the city. You get the right people to get the right vehicles.

6. Car sharing: what are the real barriers?

Does anyone here car-share or car-pool? Does anyone here have the option to car-share and hasn't used it?

- A. Increase the motivation (marketing messages important), lower the barriers: trust, safety. At eu level, energy obligations scheme has helped a lot. The mechanism gives an economical value to savings. Encourage for this kind of legislation.
- B. 15-20% less fuel consumption following a survey done in the NL according to consumers. According to the "Green Deal" signed in the country, from 11.000 cars used for car-sharing we'll reach 100.000 within 2 years.

7. How can Europe help to raise awareness on smart travel information (smart card, seamless travel)

A. Don't call it smart. Make it smart and then you don't need to raise awareness. People will use it once it's already smart.

8. Should public transport be subsidised? Or should it compete economically with other transport modes? Or should it be free?

- A. It's a question of definition. Society pays for car use. Maybe not subsidising but reshaping legislation. The question is not about paying but what kind of world we want.
- B. Relative cost-effectiveness of saving carbon by different means. Under some circumstances yes but be careful why you do this. There must be measurable effectiveness.

9. What kind of information will influence buyers to purchase clean and more efficient vehicles? We know that when fuel efficiency standards will influence buyers when linked to fiscal incentives. What else do consumers need to know? Is total cost of ownership an important factor for example?

A. Easy and understandable labelling is a good way. The scale of A-G with green-red colour has been very efficient.

- B. Use these cars for car-sharing as city cars because they are not as “fancy” and modern as consumers wish for their individual car use.
- C. E-vehicle: how to deal with anxiety and the fear that people may not be able to charge it or they may run out of battery during the trip. However, reality is they don't use it that much and for too long distances. So implementation of legislation and managing their anxiety are important.
- D. When e-vehicles taxation changed in Ireland, it had a big impact on consumers' buying choice.
- E. We must link the CO2 values and thinking of the consumer with the economy of the consumer. If there is an App in your car showing how much fuel you use but also how much money you save by changing the route for example, it will have an impact on their choice. Incentivise therefore, manufacturers to implement this kind of technology/Apps in the cars but you need to give them credit since the cost is high.

### **Additional remarks**

*1. BlaBla Car in France is in partnership with Total. This partnership enables Total to fulfil its requirements of the energy efficiency obligation scheme - a consequence of the Energy Efficiency Directive. <http://ec.europa.eu/energy/en/topics/energy-efficiency-directive/obligation-schemes-and-alternative-measures>*

*Article 7 is very challenging and a topic of much discussion among energy suppliers (normally utilities) and I believe this to be an innovative response to fulfilling the obligation. Also shows joined up thinking across the energy sector as a whole.*

*2. Mentioned towards the end of the session - a successful shift in purchasing patterns in favour of low emission vehicles was achieved in Ireland:*

*'Changes to the taxation of private cars introduced in 2008 together with obligations on car manufacturers to improve the efficiency of their new car fleets have contributed to a profound change in the purchasing patterns of new cars.'*

*Full report*

*at [http://www.seai.ie/Publications/Statistics\\_Publications/Energy\\_in\\_Transport/Energy-in-Transport-2014-report.pdf](http://www.seai.ie/Publications/Statistics_Publications/Energy_in_Transport/Energy-in-Transport-2014-report.pdf)*