

FLEISHMANHILLARD

POLICY BRIEF GERMANY #3

FOCUS: MOBILITY

Innovations are changing traditional patterns of mobility

The proliferation of digital and technological innovation is transforming mobility as we know it. The number of car owners is dwindling and innovations in the form of electrification and alternative powertrains as well as connected and autonomous vehicles are disrupting the automotive industry. In addition, providers of new mobility services are blurring the lines between public and private transportation. Having neglected these trends for many years, policy-makers have recently become much more active amidst a vivacious public debate about future mobility products and services. They are under pressure to increase efficiency of urban traffic systems and avoid costly payments for emissions allocations, which has brought transport and climate protection policy to the forefront of today's political and public debate.

Federal transport policy still mostly focused on private car use

At the federal level, transport policy today is still mostly focused on private car use. This has led to a regulatory framework characterized by short-sightedness and oriented towards the past, with political decisions focused on quick solutions instead of revolutionary change. Discussions about amendments of current regulations and driving restrictions for certain vehicles have more than once shown how the Grand Coalition is blocking progressive policies and seems uncertain about further actions. More forward-looking policies are needed but concerns about exploitation due to the admission of new mobility concepts and about discrimination against individual road users usually dominate the debate.

Distribution of powers impedes decisive action

Transport policy in Germany is characterized by a strong interconnection of local, state and federal level and a distribution of powers among the Federal Ministry of Transport and Digital Infrastructure, the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety and the Federal Chancellery. Hence, responsibilities are divided and any action requires interdepartmental coordination. To improve cooperation amongst federal states, the Federal Government as well as relevant stakeholders throughout Germany, the Federal Ministry for Transport, the federal states and the German Association of Cities and Towns have recently

founded a "National Competence Network for Sustainable Urban Mobility". The added value of such a network is still up for assessment.



Steffen Bilger

Parliamentary State Secretary at the
Federal Ministry of Transport and
Digital Infrastructure

"In order to achieve the goals of the Federal Government in the area of climate protection, considerable changes for the entire mobility system are necessary."

Foto: © Steffen Bilger / Jan Kopetzky

Local governments crucial for implementation

Municipalities play a key role for the mobility sector since they are the main agents for local implementation, making them important voices in public discussions. They have to ensure accessibility along with minimizing negative impacts of urban mobility, even as they rely on state and federal politics in the implementation of innovative and creative ideas. After the arrival of large scale dockless bike sharing solutions in Europe in 2017 and the subsequent challenges, city authorities have become more skeptical towards new mobility concepts. Recent examples of companies such as Uber and Bird have also shown that companies can spend millions to implement a new service, but a local government may apply measures ranging from bidding schemes for operating licenses to total bans.



Communication is not an option but a necessity for success

With a large number of new entrants wanting to take a share of the new mobility market, communication with decision makers at all levels of government will be decisive for the success of new mobility solutions. Finally, a variety of regulations that promote new mobility concepts have been implemented such as the Car Sharing Act (CsgG) and the Electric Mobility Act (EmoG). Most recently, the Small Electric Vehicle Ordinance (eKFV), governing the use of e-scooters on public roads has been agreed to. However, the EmoG evolved differently than anticipated as local governments are barely taking advantage of the opportunities offered to them and the CsgG still requires further legislative action, as the labelling of authorized carsharing vehicles and a uniform traffic sign for carsharing spaces are still missing the necessary administrative regulations in the Road Traffic Act (StVG). The StVG is currently being reviewed in order to strengthen the rules for motorists and give other road users such as cyclists more rights by opening one-way streets in the opposite direction and introducing a green arrow for cyclists. In spite of protests by the taxi industry, the Federal Ministry of Transport and Digital Infrastructure is also working to amend the Passenger Transportation Act (PBefG), as the advent of app-based ride-hailing services revealed its inflexibility. The regulation already allows cities to grant permission to innovative public transportation services under the experimentation clause but there are still substantial downsides. Permissions are limited to four years, cooperation with local operators is only viable for a limited number of providers in one city and the vehicles must return to the operator's place of business when idle. Political patchwork products like those continue to hinder the penetration of new mobility services and regulations are needed that provide a larger degree of legal freedom and experimental space for new business models.



Cem Özdemir

Chairman of the Committee on Transport and Digital Infrastructure of the Federal Parliament

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“It is a matter of a profound change process in our economy, and we see the task of politics in driving forward changes, in creating the necessary framework conditions so that all market participants ultimately have an emission-free future.”

A good relationship with regulators is crucial

Service providers and other mobility players have to participate proactively in the political debate and position themselves in the mobility ecosystem to stay ahead of the competition. A good relationship with regulators and stakeholders at the local level from the very beginning is key to promoting new mobility solutions and explain their benefits while dispel remaining doubts. Municipalities enjoy high levels of autonomy in the design of traffic regulation and are able to complicate business operations massively if not taken seriously early on. In addition, entering into dialogue with stakeholders at the state and federal level is crucial to ensure balanced regulation and policy which is equally considering their objectives and the needs of mobility operators. By maintaining a productive dialogue with critical stakeholders, overly prohibitive regulatory measures can be avoided and the necessary support for new mobility concepts can be achieved.

Do you have questions about this or other topics? Don't hesitate to contact us!

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