Joint Industry Statement: CO_2 Transport infrastructure, Enabling a Pragmatic Framework for early Market Development

Industry welcomes the European Commission's work on the development of a regulatory framework for CO_2 transport infrastructure, which will be critical to achieving the EU's climate objectives and enabling the scale-up of Carbon Capture, Utilisation and Storage (CCUS) as part of an integrated value chain, including emitters, transport, storage operators, and CO2 offtakes for use in products.

However, the European CO_2 transportation market remains at an **early stage of development**, with limited infrastructure in operation and many projects still facing significant regulatory, financial, and coordination challenges. At this stage, the priority should be to **enable deployment and support the de-risking of investments for current and future projects**, rather than focus only on regulatory frameworks. A strong Industrial Carbon Management framework should also ensure that adequate incentives are in place across the value chain, recognising the high costs of CCUS projects and the need for effective de-risking and support mechanisms to enable large-scale deployment.

While regulatory clarity is important, there is a need to ensure that **policy design remains proportionate and aligned with the current maturity of the market, avoiding the introduction of strict regulatory approaches in a nascent market, and ensuring that any future regulation intervention is justified by clear market needs.** The framework should also preserve investor confidence by safeguarding first-mover projects and avoiding retroactive changes that could undermine bankability.

In this context, industry would like to **recommend** the following key principles to the current work carried out by DG ENER:

- **Adopt a phased approach to regulatory development**. The CO_2 transport market will develop progressively, and regulatory frameworks should evolve accordingly, taking into account different market conditions and levels of competition. The EU framework should strengthen legal certainty and investor confidence without prescribing a single market model for a value chain that is still developing. Current efforts should focus on enabling first-mover projects and de-risking infrastructure, while preserving adequate flexibility at the Member State level in early phases of market development. Premature introduction of complex or prescriptive rules, or introduction of rules where they are not needed, risks delaying or stopping planned investment and limiting flexibility for project developers.

- Prioritise key enabling measures to support early deployment. Immediate action should focus on removing barriers and facilitating early projects. In particular:
  - Focus the EU framework on closing current gaps in CO_2 transport and cross-border operability, while ensuring consistency with the existing CCS Directive framework.

- Remove legal and regulatory barriers to CO_2 transport, including by streamlining permitting procedures, strengthening administrative coordination, and clarifying responsibilities across Member States.
- Support industrial cluster development to aggregate volumes and reduce costs.
- Deploy targeted de-risking measures at EU and national level, including funding and financial support instruments, to enable early infrastructure and cross-chain project development.

- **Support a coordinated development of the CO_2 value chain**. CO_2 transport infrastructure must be developed in a coordinated manner, linking capture, transport and relevant interfaces with storage and utilisation. Early deployment will rely on regional clusters and cross-border corridors. Policy frameworks should therefore:
  - Facilitate coordination between projects, competent authorities, and Member States.
  - Promote the growth of clusters and enhance their connectivity with partners outside the EU.
  - Support the development of regional transport corridors.
  - Ensure a level playing field between transport modes (including pipelines and non-pipeline transport).
  - Enable efficient cross-border infrastructure development and take into account relevant EEA countries and, where appropriate, neighbouring third countries.
  - Align infrastructure development with expected CCUS deployment trajectories.

- **Ensure proportionate and flexible regulation in early phases**. While more structured regulatory frameworks may be needed over time, depending on how the market evolves, early infrastructure development requires flexibility and a market-oriented approach. Policymakers should:
  - Ensure that any third-party access regimes are introduced, where appropriate, in a phased, adaptive and proportionate manner, as the market matures safeguarding first-mover investments and avoiding premature regulatory burdens in early stages.
  - Allow project-specific, negotiated commercial arrangements for existing and early first-of-a-kind projects, reflecting the early-stage nature of the market and the need to safeguard initial investments.
  - Avoid EU-wide tariff methodologies at this stage, allowing Member States flexibility to develop transparent, cost-reflective national approaches, while more structured remuneration frameworks may emerge over time for larger or cross-border CO_2 infrastructure.
  - Ensure regulatory requirements remain flexible to different market structure and maturity.
  - Gradually introduce more detailed and tailored rules only as the market scales and where necessary.
  - Support the development of high-level and, where appropriate, voluntary technical standards to facilitate interoperability over time, while avoiding premature regulatory harmonisation before sufficient operational experience is available.

Delivering Europe's CCUS ambitions requires the rapid deployment of CO_2 transport infrastructure across multiple Member States and industrial sectors.

At this stage, the regulatory framework should focus on **enabling investment**, **reducing risk**, **and supporting early projects**, while preserving the flexibility needed for the market to evolve.

A **phased, pragmatic, and proportionate approach to regulation**, combined with targeted key enabling measures and strong coordination across the value chain, will be essential to ensure the timely and cost-effective development of a European CO_2 transport infrastructure.

The Signatories: