



To
the Members of the European Parliament's
**Committee on the Environment, Public Health,
and Food Safety**

By e-mail

10 May 2022

Re: comments on CO₂ performance for cars/vans in view of ENVI Committee vote

Dear Sir/Madam,

In view of the ENVI committee vote on CO₂ performance for cars and vans, we would like to express our support for a pragmatic approach to the regulation, reconciling ambition as well as the need for a smooth transition in the automotive industry.

The business community supports the transition in the mobility sector. An ambitious, yet balanced timeline will help drive and direct investments into sustainable road transport and aid in achieving the EU climate ambitions. At the same time, there needs to be a reliable legal framework for all stakeholders. The 2030 emission reduction targets of 55% for passenger cars and 50% for vans as proposed by the European Commission are already very ambitious and should not be tightened further. Additional intermediary targets (e.g. for 2027) are not helpful in this regard.

In order to make the transition in road transport successful, several factors are needed: In addition to innovation by the manufacturers, which are already making significant strides towards decarbonisation, a massive expansion in infrastructure and favourable market developments will be necessary. A strong review clause for 2028 (at the latest) would enable policymakers to take these developments into account and take their decision on post-2030 targets based on much clearer evidence than is available right now. Currently, the usefulness of a post-2030 target remains doubtful.¹

If a target for 2035 is to be set already, we would like to express our support for setting a 90% target in emission reductions. We believe that the proposed 90% target is still implying a significant increase in ambition and will boost the uptake of electric vehicles. In doing this, it is in our view preferable to the 100% reduction suggested in the Commission proposal, for the following reasons:

- A 100%-target would mean a de-facto end for the use of internal combustion engines (ICE) in light-duty vehicles in the EU, even when run on renewable and low-carbon fuels or sustainable biofuels. This would severely impede technological neutrality, which has been a guiding principle for European climate policy so far. As Europe explores different avenues to integrate decarbonised electricity and molecules into its energy system, such a move would stymie investments into the research,

¹ VNO-NCW agrees with the Commission proposal of a 100% reduction target for 2035.



development and implementation of the technologies mentioned above. The lack of investments would have significant effects not only on automotive transport but would also lengthen the development cycles for the use of such fuels in sectors such as aviation and maritime shipping, where often good alternatives are limited in the long term.

- The 100% target would also carry significant social risks – on the supply as well as on the demand side. The switch to electric propulsion will lead to transformative changes in the automotive industry, with employment opportunities likely to be displaced, especially along the automotive value chain and with suppliers. Furthermore, there is unfortunately still an affordability gap with electric vehicles. A 100% target will likely incentivize consumers to use older, ICE-powered cars for even longer, while at the same time making it harder to decarbonise these existing fleets with cleaner fuels. This represents a severe problem particular in lower income member states, where consumers largely rely on the second-hand market for vehicles.
- Lastly, we think that the fundamental shift in the transport sector will require an equally ambitious approach when it comes to the infrastructure for alternative propulsion and fuel systems. As such we believe that the targets proposed by the Commission in the AFIR proposal are not sufficient to support the uptake of zero- and low-emission vehicles. We therefore strongly support amendments that would increase these targets, as well as strengthen the enforcement mechanisms. Additionally, the Commission should take into account the availability of raw materials.

Lastly, particular attention should be paid to small vehicle manufacturers (SMVs) by keeping the current regime of derogations and exemptions unchanged. SMVs make valuable technological contributions and represent a marginal environmental impact.

We hope you might take these concerns into consideration when you decide on your upcoming vote on CO2 performance standards. Please do not hesitate to reach out to us in case of any further questions – we are looking forward to continue the dialogue on decarbonising mobility and fostering thriving, globally competitive European industry.

Yours sincerely,

Markus J. Beyrer