

## EU ISSUES UPDATE

MAY 2022



### OPPORTUNITIES FOR DIALOGUE

#### **European Commission consultation on the cross-border enforcement of traffic rules**

In May, FIVA responded to a European Commission consultation on the cross-border enforcement of traffic rules to make the point that: *“European citizens are increasingly travelling to other countries either in their own cars or renting on arrival. The wide variety of traffic laws – and in particular, the wide variety of Urban Vehicle Access Regulations and Low Emission Zones - can make it too easy for drivers to unintentionally fall foul of the law. Hence better communication of traffic laws and UVAR/LEZ provisions and increased harmonisation of all would greatly benefit both drivers and society.”* FIVA provided ANFs with information to allow them to also respond to the consultation.

### Information

#### **Organisations and businesses publish views on electric mobility for EP CO<sub>2</sub> vote**

The vote in the European Parliament’s Environment Committee at the beginning of May on the Commission proposal on CO<sub>2</sub> emissions of new cars to be zero by 2035 (which will in effect ban the sale of combustion engine cars from that date) stimulated a flurry of lobbying from interested parties:

- A range of environmental and health lobby groups and companies, including environmental lobby group T & E and Ford Europe and Volvo Cars, were among the signatories of the open letter embracing the transition to electric mobility. The two car companies have committed to manufacture electric only cars from 2030 and 2035 respectively.
- On the other side of the debate the Natural and Bio Gas Vehicle Association (NGVA Europe) – a trade alliance whose members include energy firms Engie, ENI, Shell, Total, and Gazprom - criticised the European Commission for its proposal to stop the sale of combustion engine cars saying that “Such an approach is only able to measure and

assess the emissions of a vehicle at the tailpipe, and not the emissions saved—or emitted—when producing its fuel or energy”.

In the vote, an amendment to bring the de facto ban for new petrol and diesel cars and vans forward to 2030 was only narrowly defeated with the date of 2035 adopted instead – aligning with the Commission proposal. The Committee also just failed to adopt amendments which would call for interim CO<sub>2</sub> targets for 2027 – of 40% for cars and 35% for vans – and increasing the level of emissions cuts required by 2030 to 70% for cars and 65% for vans, compared to the European Commission’s proposal of 55% and 50% respectively. Other amendments which were adopted called for: the European Commission to publish a report in 2023 on a methodology to assess the full life-cycle CO<sub>2</sub> emissions from vans and cars; removing the incentive mechanism for zero- and low-emission vehicles – which includes plug-in hybrids – immediately rather than in 2030 as in the original proposal; and for yearly rather than two-yearly progress reports that would assess the socio-economic impacts of the targets.

The text will now go to the June European Parliament Plenary for the approval. As a result, the lobby of the Parliament has continued with a large range of organizations representing fuel and vehicle manufacturers signing a letter which notes that:

- In general they support the transition but also stress the importance of a technology-mix that embraces all relevant solutions to reduce CO<sub>2</sub> emissions without ignoring the varied realities of consumer and industry needs.
- They stress that choice will still be needed in case the electric-only approach is not yet feasible
- The focus should be put on decarbonising the electricity and fuels supply, not on banning or promoting one technology over others.
- A target of 100% CO<sub>2</sub> emission reduction measured at the tailpipe is a de facto ban on vehicles with an internal combustion engine, including plug-in hybrid vehicles. A target lower than 100%, or the recognition of CO<sub>2</sub> emission reductions from the contribution of sustainable renewable fuels would avoid such a ban.
- The voluntary crediting system for sustainable renewable fuels is a fully developed, practical solution ready for implementation in the regulation for CO<sub>2</sub> standards for cars and vans and is a first step towards a more holistic lifecycle approach which would provide a safety-net where direct electrification is not yet viable.
- The EU’s proposed approach requires a dense and capable network of charging infrastructure and sufficient additional renewable electricity – but progress in deploying charging infrastructure and renewable electricity is uneven across Member States and only meets the minimum requirements in very few of them.

- Electrification is not a one-size fits all solution for all use-cases. Requirements for long distances and transport of heavy loads exceed what electric mobility can deliver today and in the foreseeable future.
- Electrification of mobility may help reduce fossil fuel imports in the long term, but at the same time, it bears the risk of creating new dependencies on raw material and battery cell imports, keeping value creation outside of the EU.
- Sustainable renewable fuels should be used as transitional fuels for the road transport sector, while at the same time they should be made affordable for hard-to-abate sectors like aviation and shipping.
- In the automotive supply industry alone, the CO<sub>2</sub> targets already proposed by the European Commission put over 500,000 jobs in the powertrain domain at risk until 2040, with the majority of the risk occurring between 2030 and 2035.

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The FIVA Legislation Commission members are: Lars Genild (Chairman), Sébastien Berthebaud, Giuseppe Dell'Aversano, Wolfgang Eckel, Carla Fiocchi, Peeter Henning, Johann König, Stanislav Minářík, Bob Owen, Bert Pronk, Kurt Sjoberg and Andrew Turner of EPPA works with the Committee.