

Stay the course on EU climate objectives: How road vehicle CO2 standards could be a lever to support the automotive sector after the COVID-19 crisis

Ursula von der Leyen President of the European Commission B-1049 Brussels

Brussels, 7th April 2020

Dear Ms. President,

The Platform for Electromobility, comprised of European road vehicle manufacturers, train and battery producers, infrastructure managers and suppliers, electricity stakeholders, operators and users of public transport as well as cities and civil society, is committed to create a sustainable, zero-emission, multimodal transport system in Europe using low-carbon electricity. With this letter, we want to address the impact of the current COVID-19 crisis on the transport sector. We call on the European Commission to ensure that any long-term recovery measures focus on carbon neutrality in the transport sector.

Europe is experiencing an unprecedented health crisis with an equally dramatic fallout on the economy, including in the transport sector. The full economic impact of this crisis on the automotive sector, one of the biggest industries in Europe, remains to be determined, but it is already clear that it is unprecedented and that the health and safety of auto workers should be a top priority as well as their job security considering the shutdown of car factories.

The Platform insists that the recovery measures should balance economic relief of workers and long-term decarbonisation of the transport sector, which is key to achieve Europe's overarching Green Deal objectives, namely carbon neutrality by 2050. The current crisis should thus not hinder nor delay the transition towards clean mobility but rather incentivise national governments to boost the demand for decarbonised transport, through an EU-wide and coherent approach. Considering that the Chinese automotive sector may restart soon, a slow-down in the decarbonisation process in Europe to restrain the short-term effects of the pandemic could generate the broader effect that EU industry may miss an opportunity now, with heavy repercussions in the long run. Within this context, taking a step back now in the decarbonisation effort may require a long process of normative reviewing that will eventually mine the pursuit of the targets set for 2030 and 2050. Electromobility with zero tailpipe emissions contributes to meeting major environmental health challenge in the EU by improving air quality in urban areas.

In the short and medium terms, measures should be undertaken to revive the demand for clean vehicles. For instance, allowing Member States to temporarily waive VAT on low and zero emission vehicles as defined in the revised Clean Vehicles Directive (2019/1161) would be very effective. An EU-

wide scrappage scheme could be established to support the sales of zero-emission vehicles. Moreover, while the EU 2020/21 car CO2 regulations should not be weakened, all other mechanisms to temporarily help to increase the demand or attractiveness for electric cars should be pursued. Long-term targets and internal combustion engine phase-out plans should be kept in place and enforced by national governments and local administrations alike, subsidising green investments in clean mobility and energy efficiency plans. In the long run, green debt instruments could be launched by the European Investment Bank to grant bonus loans on reduced rates when green performance criteria are met.

In parallel, to revive the demand for clean vehicles, the EU should accelerate the roll-out of charging infrastructure. The crisis has put a brutal stop to both its deployment and use and will affect the sector's financing capacities. At the same time, support should be extended to the development and integration of clean energy technologies such as EV batteries and smart charging infrastructure. Finally, facilitating the installation of charging stations at home, especially in existing collective buildings, is also essential for daily recharging and should be subject to a simple procedure for drivers of electric vehicles.

Accelerating the transition towards zero-emission mobility is an opportunity for the automotive sector and transport in general, including railways, to face the current crisis and reduce the risk of encountering a new one. We would be delighted to expand on the points of this letter with the European Commission.

Arne Richters,
Chair of the Platform for Electromobility

Copy to:

- Frans Timmermans, Executive Vice President for the European Green Deal
- Margrethe Vestager, Executive Vice President for a Europe Fit for the Digital Age
- Valdis Dombrovskis, Executive Vice President for an Economy that Works for People
- Thierry Breton, Commissioner for Internal Market
- Adina Vălean, Commissioner for Transport