



RESPONSE TO THE COMMISSION PROPOSAL: CO₂ EMISSIONS POST 2020



ENVIRONMENT

Executive Summary

FIA Region I welcomes the proposal from the European Commission on CO₂ emissions targets post-2020 as we have been a long-term advocate of ambitious emission reduction targets for passenger cars over many years. In addition to their environmental benefits, the targets should also improve fuel efficiency and lower the cost of driving for car users.

The Commission's proposal should be strengthened with the following revisions:

- Setting a fleet wide average emissions target of 70g CO₂/km (NEDC) for 2025
- Reviewing the 2030 target by no later than 2022 and using life cycle analysis
- Strengthening the provisions to ensure real world benefits are delivered
- Adopting a mass neutral approach to the emission reduction targets
- Revising the labelling rules to give consumers clearer information on a vehicle's fuel consumption



FIA Region I Position

FIA Region I welcomes the proposal to continuously reduce CO₂ emissions of cars post 2020 and considers the CO₂ regulation can contribute towards achieving climate goals much more efficiently than establishing tolls and user charges according to (unprecise) emission classes (see COM(2017)275 final). However, we think the proposal could be strengthened by way of the following revisions to the proposal.

Target setting

The Commission has proposed percentage reduction targets for both 2025 and 2030 compared to the average emissions targets for 2021. This approach differs to the existing targets for 2015 and 2021 which involve fleet wide average emissions target levels. This new approach could lead to unintended consequences due to the switch in the monitoring protocol from the New European Drive Cycle (NEDC) to the Worldwide harmonized Light duty Test Cycle (WLTC). For instance, without any limit value being set (e.g. there is no maximum WLTP limit value over the existing 95 g/km target), there is the potential incentive for car makers to inflate WLTP values in 2021. Instead, FIA Region I proposes that fleet wide average targets are more robust and in line with the existing targets.

2025 target

FIA Region I is of the opinion that the proposed 15% reduction target is a step in the right direction. However, further improvement is possible. By utilising a fleetwide average emissions target instead of the percentage reduction proposal, a target could be set that is more in line with an equivalent 70g CO₂/km NEDC target (NOTE: This is not a correlated target figure, but a figure based on the NEDC test method¹)

The 2025 target should be based on a fleetwide average emissions and be in line with a 70g CO₂/km NEDC target.

2030 target

It is difficult to assess the suitability of the proposed 30% reduction target of the Commission. This is due in part to the switch to the WLTP from the NEDC but also due to the uncertainties of how the market will look by 2030. FIA Region I strongly proposes that any 2030 target agreed upon must be done on the basis that a strict review date of no later than 2022 is also agreed.

¹ The new WLTP test procedure should not change with a view to hybrid electric vehicles which will in turn provide certainty in evaluating the target levels that are developed for 2025.



70g CO₂ /Km (NEDC) target works in the consumer interest

The Commission's impact assessment demonstrates that a 30% or 50% reduction in CO₂ emissions, on WLTP basis, between 2021 and 2030 would lead to net savings for motorists. Ricardo and TNO recently highlighted that the 30% reduction does not utilise the full potential of fuel saving technologies and that further economic benefits can be achieved with higher levels of ambition. FIA Region I proposal for 2025 is based on NEDC figures, considering the relative high level of uncertainty in the transition phase between the two test cycles. 70g CO₂ /km NEDC target for 2025 corresponds to an approximate 25% reduction of CO₂ emissions by 2025. Available research has estimated that such a target could lead to an increase in purchase price of €1,000 to €2,150 per car, but that it would be paid back in three to four years owing to fuel savings amounting to around €450 per year (ICCT, 2016).

To be able to realistically assess the impact of alternatively powered cars and to allow for a direct comparison of CO₂ emissions from all types of drive system, the 2030 and post-2030 targets should be based on a life cycle assessment or at least on a well-to-wheel approach. This is the only way to consider CO₂ emissions comprehensively and prevent a shift of emissions to the energy sector. For this purpose, a tool will be needed to factor in the CO₂ emissions generated during all phases of a vehicle's life. In defining the boundaries for the LCA analysis, this should be carried out at the EU level but with close involvement of Member States and relevant agencies.

Real world effectiveness

FIA Region I welcomes the proposal for monitoring of 'real world' CO₂ and fuel consumption of cars. However, FIA Region I proposes that the text can be strengthened in order to ensure a more timely review of any differentiation between official laboratory figures and what is being achieved on the road by motorists.

*If a difference exists
between laboratory
figures and real-world
performance, then the
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This should mean that a review of developments should take place before 2024 and in the same period as the review of the 2030 targets (i.e. no later than 2022). Furthermore, the text should be strengthened, whereby if a significant differentiation (approx. 10%) exists between laboratory CO₂ figures and real-world performance, then the Commission must come forward with proposals to adapt test procedures to reflect adequately the real world CO₂ emissions and fuel consumption of cars.



Incentives for alternatively powered cars

Having in place ambitious fleet wide average emissions targets will act as an incentive towards alternatively powered cars such as battery electric vehicles.

Mass neutral approach to target setting

FIA Region I's [position](#) on reducing CO₂ emissions of cars post 2020 calls for a mass neutral approach to setting targets. This is because the existing targets and the proposal for post 2020 targets are set according to a 'mass utility' parameter which is considered an incentive for the production of heavier cars (the parameter in essence means that producing heavier cars will mean a weaker emissions target).

*The existing targets
are not mass neutral
and incentivise an
increase in vehicle
weight.*

In order to better incentivise mass neutrality, several options can be considered here:

- Not using a utility parameter or alternatively the use of a 'footprint' utility parameter. FIA Region I would favour not using a utility parameter at all as it should be fairer across vehicle models.
- Offering vehicle manufacturers an incentive to avoid increasing vehicle mass through the proposed eco-innovations scheme. If a vehicle manufacturer can prove that individual vehicle types or entire fleets have avoided mass increases in the real world, then they should be rewarded for doing so.
- A real-world test for vehicles should better account for an array of energy efficient technologies including mass reduction.

Labelling

FIA Region I is disappointed that the Commission has chosen not to reform the current car labelling Directive. This is a missed opportunity to ensure that consumers are better informed, not only through more reliable information but also by ensuring that the information is relevant and easy to understand. FIA Region I proposes that the Commission comes forward with a legislative proposal for the 3rd Mobility package.

Further information

See FIA Region I's [position paper](#) on reducing CO₂ emissions from cars

Fédération Internationale de l'Automobile (FIA) Region I office

FIA Region I is a consumer body representing 107 Mobility Clubs and their 38.5 million members from across Europe, the Middle East and Africa. The FIA represents the interests of our members as motorists, riders, pedestrians and passengers. FIA Region I is working to ensure safe, affordable, clean and efficient mobility for all. Learn more at www.fiaregion1.com