



## RESPONSE TO THE COMMISSION PROPOSAL: CO<sub>2</sub> EMISSIONS POST 2020



ENVIRONMENT

### Executive Summary

FIA Region I welcomes the proposal from the European Commission on CO<sub>2</sub> 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. To deliver cleaner cars to Europeans, the Commission can go even further to ensure that these targets have the intended impact.

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

- Setting a fleet-wide average emissions target of 70g CO<sub>2</sub>/km (NEDC) for 2025
- Reviewing the 2030 target by no-later-than 2022 and by using life cycle analysis
- Strengthening the provisions to ensure that 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 CO<sub>2</sub> emissions of cars post 2020. The CO<sub>2</sub> regulation can contribute towards achieving climate goals much more efficiently than establishing tolls and user charges according to (imprecise) emission classes (see COM(2017)275 final). However, we think the proposal could be strengthened with specific revisions of 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 from 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 believes that the proposed 15% reduction target is a step in the right direction. However, further improvement is possible. By utilising a fleet-wide average emissions target instead of the percentage reduction proposal, a target could be set that is more in line with an equivalent 70g CO<sub>2</sub>/km NEDC target (NOTE: This is not a correlated target figure, but a figure based on the NEDC test method<sup>1</sup>)

*The 2025 target should be based on fleet-wide average emissions and be in line with a 70g CO<sub>2</sub>/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 must be reviewed by no-later-than 2022.

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<sup>1</sup> 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 CO<sub>2</sub>/Km (NEDC) target works in the consumer interest

The Commission's [impact assessment](#) demonstrates that a 30% or 50% reduction in CO<sub>2</sub> emissions, on WLTP basis, between 2021 and 2030 would lead to net savings for motorists. [Ricardo](#) and [TNO](#) recently highlighted that a 30% reduction does not utilise the full potential of fuel saving technologies and that further economic benefits can be achieved with a higher reduction targets. FIA Region I's proposal for 2025 is based on NEDC figures, considering the relatively high level of uncertainty in the transition phase between the two test cycles. 70g CO<sub>2</sub>/km NEDC target for 2025 corresponds to an approximate 25% reduction of CO<sub>2</sub> emissions by 2025. It is estimated that this target could lead to an increase in purchase price of €1,000 to €2,150 per car, but this additional cost would be paid back in three to four years in fuel savings of 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 CO<sub>2</sub> emissions from all types of drive systems, 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 CO<sub>2</sub> emissions comprehensively and prevent a shift of emissions to the energy sector. For this purpose, a tool will be needed to factor in the CO<sub>2</sub> emissions generated during all phases of a vehicle's life. Defining the boundaries for the life cycle analysis 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 the monitoring of 'real world' CO<sub>2</sub> 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 Commission must adapt test procedures.*

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 CO<sub>2</sub> figures and real-world performance, then the Commission must come forward with proposals to adapt test procedures to reflect adequately the real-world CO<sub>2</sub> 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 CO<sub>2</sub> 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 to produce heavier cars (the parameter in essence means that producing heavier cars will mean a weaker emissions target). Lighter cars can produce less CO<sub>2</sub> and are a technology-neutral method for carmakers to achieve emissions reduction targets.

*The existing CO<sub>2</sub> targets are not mass neutral and incentivise an increase in vehicle weight.*

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

- 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 on labelling in the 3rd Mobility package.

*Clear labelling on emissions would ensure that consumers are better informed when purchasing a vehicle.*

## Further information

See FIA Region I's [position paper](#) on reducing CO<sub>2</sub> emissions from cars



FEDERATION INTERNATIONALE DE L'AUTOMOBILE  
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## About FIA Region I

The FIA Region I office, based in Brussels, is a consumer body representing 107 Motoring and Touring Clubs and their 38.5 million members from across Europe, the Middle East and Africa. The FIA represents the interest of these members as motorists, public transport users, pedestrians and tourists. The FIA's primary goal is to secure a mobility that is safe, affordable, sustainable and efficient. With these aims in mind, FIA Region I's work focuses on Road Safety, Consumer Protection, Environmental Protection, and the promotion of Sustainable Motoring. [www.fiaregion1.com](http://www.fiaregion1.com)