

ECCP CONFERENCE – 24 OCTOBER 2005
SUMMARY OF THE WORKSHOP ON CO₂ AND CARS

The workshop was chaired by **Gabriela Fisherova** from the Slovak Environment Ministry. After a short introduction on the need for the transport sector to take action with regard to climate change, she gave the floor to the four successive speakers.

Malcolm Fergusson (IEEP - Institute for European Environmental Policy) gave a presentation (see slides) of the current status of the EU CO₂ and cars strategy, and in particular of the progress made by car manufacturers as part of their voluntary commitment towards their 140 g CO₂/km target. He then presented possible options available to move further towards the Community target of 120 g CO₂/km, building on a recent study commissioned to IEEP by the European Commission¹, and outlined a number of questions that could be addressed in the ongoing impact assessment exercise of a future strategy to reduce CO₂ emissions from light-duty vehicles: what instruments could be used to deliver further progress on the vehicle technology side? Should N1 vehicles be included in the revised strategy? What additional measures could be envisaged and conversely which stakeholders should be brought in?

Peter Gammeltoft (European Commission, DG Environment) then presented (see slides) the background of the current review of the CO₂ and cars strategy, and specifically the mandate² of the future ECCP working group “on the integrated approach to reduce CO₂ emissions from light-duty vehicles”. He indicated that the aim of the workshop was notably to consult stakeholders on the draft mandate, and to call for expressions of interest regarding participation in the group³. Further to the workshop, the Commission services would finalise the membership list, ensuring a balanced representation of stakeholders, including Member States. As for the scope of the future strategy, he explained that the 120 g CO₂/km Community objective would be subject to an impact assessment reflecting the fact that this strategy would be based on an integrated approach to CO₂ reductions - the objective pursued in terms of greenhouse gas reductions should reflect this widening of the strategy. A Communication to the European Parliament and Council on a revised strategy is expected to be presented in September 2006. The goal of the ECCP working group is to contribute to the impact assessment carried out by the Commission services, which are *in fine* responsible for the impact assessment exercise. The working group will also allow for wide stakeholder consultation and the identification of cost-effective solutions to reduce CO₂ from light-duty vehicles (M1 & N1). The four tasks, policy deliverable (final report in April 2006) and work plan were presented as laid down in the draft mandate.

Jos Dings (T&E - European Federation for Transport and Environment) then proceeded with a presentation entitled “Towards double fuel-efficiency in a decade” (see slides). He underlined that contrary to other transport and climate change related measures that have a strong subsidiarity dimension, action on cars themselves was of a purely EU nature. It was therefore welcome that the ECCP addressed specifically this issue. According to T&E, a doubling in the energy efficiency of passenger cars in 10 years is possible, moving from circa 160 g CO₂/km now to the Community objective of 120 g CO₂/km by 2012 and beyond, to reach 80 g CO₂/km in 2015. There appears to be a market failure since fuel efficient cars do

¹ http://europa.eu.int/comm/environment/co2/pdf/cars_ia_final_report.pdf

² http://europa.eu.int/comm/environment/climat/pdf/eccp_co2_cars.pdf

³ to be sent by email to peter.gammeltoft@cec.eu.int

not seem to penetrate the market at a rate reflecting the fact that fuel savings more than compensate for the higher upfront costs of such cars. To correct this failure, Mr Dings called for an EU regulatory instrument setting mandatory fuel efficiency standards for new cars. Such an instrument should be designed to avoid side effects (e.g. weight classes could lead to perverse incentives), and reward both early action and year-on-year improvements. As regards the integrated approach to CO₂ reductions, it is considered a useful *complement* to further progress on vehicles themselves, but shouldn't come *instead* of such progress.

Finally, **Hermann Meyer** (ACEA - Association of European Car Manufacturers) presented the car industry's view on the integrated approach to CO₂ reductions (see slides). He expressed the strong industry support for the creation of the ECCP working group on the integrated approach to CO₂ reductions from light-duty vehicles, as it would answer to the industry's call for wide stakeholder consultations. According to ACEA's estimates, reaching 120 g CO₂/km through vehicle technology would imply societal costs of circa 500€/ton CO₂ reduced. The car industry considers that an integrated approach should be implemented whereby complementary measures would be identified, their potential assessed and cost-effective combination of measures proposed. Mr Meyer then presented an overview of ACEA's current views on a possible future integrated approach: voluntary approaches from car manufacturers, but also from the oil industry, should be investigated; eco-driving activities could be promoted by the car industry; the future strategy should take into account the currently high fuel costs; support from the car industry for the recent Commission proposal on car taxation.

Further to these presentations, a number of comments were made. **James Harries** (Department for Food and Rural Affairs, United Kingdom) underlined that the future integrated approach should include further progress on new vehicles' fuel efficiency, and that the impact assessment of the future strategy should notably assess whether the 120 g CO₂/km Community objective could be reached by vehicle technology only. Regarding the time horizon of the future strategy, **Mr Gammeltoft** indicated that a first milestone would be 2012, but that the future strategy would also look at how further longer term progress could be achieved. He confirmed that the future strategy would also look at "softer" measures, beyond vehicle technology, such as the promotion of public transports, cycling and walking, in reply to a comment from **Ms Ollier** (UITP – Union Internationale des Transports Publics), and that the potential interactions between CO₂ reductions and Euro 5 would be taken into account.

The chair, **Ms Fisherova**, concluded the workshop by thanking the speakers and noting that the draft mandate of the future ECCP working group had been supported by the participants.

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