Driving Clean Mobility: Questions & Answers on the initiatives that protect the planet, empower its consumers, and defend its industry and workers

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1. Overview & expected benefits

Why is the Commission proposing these new initiatives?

In 2016, the European Strategy for low-emission mobility reaffirmed the objective of reducing greenhouse gas emissions from transport by at least 60% on 1990 level by 2050. In the past 25 years however, transport emissions have steadily increased as demand for mobility grew. Today, transport accounts for around a quarter of the EU's greenhouse gas emission, with road transport alone responsible for 22%. Further emission reductions from road transport are therefore indispensable to achieve the EU's commitments under the Paris Agreement and the EU's climate and energy framework to reduce CO2 emissions by at least 40% in 2030.

The Commission's objective is to curb transport emissions to fight the dangers of climate change. At the same time, we want to improve the quality of life of our citizens and ensure that our industries create jobs, generate sustainable economic growth, and drive innovation in renewable energy technologies.With today's initiatives, the Commission aims to **increase clean, competitive and connected mobility and improve mobility services for citizens** - in particular for those on lower incomes.

What is the Commission today proposing?

This Clean Mobility package consists of:

- A political Communication outlining the long-term strategy to fight climate change while improving the quality of life for Europe citizens and fostering competitiveness for its industry.
- Legislative initiatives on road transport vehicles, infrastructures and combined transport of goods. The initiatives focus on the reduction of greenhouse gas emissions and air pollutant emissions and aim for a broad take up of low-emission alternative fuels and low-emission vehicles on the market.
- Non legislative measures presented in an Alternative Fuels Action Plan to boost investment in alternative fuel infrastructure and develop a network of fast and interoperable charging and clean refuelling stations across Europe.

This package's integrated approach is important to ensure a sustained and effective shift towards low emission mobility. Measures on demand, supply and infrastructure for low-emission and alternatively fuelled vehicles are needed. New CO2 standards will stimulate vehicle manufacturers to innovate and integrate new technologies. Targets for the procurement of clean vehicles support Member States, regions and cities to increase their clean transport offerings to citizens by stimulating an EU-wide market for these vehicles.

The proposals reaffirm Europe's leadership in fighting climate change and the Commission's endeavour to empower Europe's citizens and defend its industry. The initiatives come at a time when consumers need to regain trust in the reliability of vehicle technologies while the competitiveness of our vehicle manufacturing industry needs to be maintained.

The full list is available here. The Commission will present the third and final part of the "Europe on the Move" package in the first-half of 2018.

I am a citizen, how am I concerned by the new initiatives?

The Commission's proposals will improve health and living conditions of European citizens. They will in particular benefit from better air quality, notably in urban areas, reduced fuel consumption costs and new mobility services.

For instance, as a result of the new proposal, net savings for an 'average new car' bought in 2025 are expected to be up to about €600 and up to about €1500 when bought in 2030 considering a lifetime of 15 years. The development of a network of reliable and interoperable charging and clean refuelling stations across Europe will also allow easier travel with alternatively fuelled vehicles.

Finally, the Commission is stimulating the development of long-distance bus connections as an alternative to private cars. These services will bring economic and social benefits, being more responsive to consumers' needs and providing real options for people on lower incomes or in remote regions.

How will Member States and public authorities benefit from the initiatives?

The Commission is proposing to give Member States the necessary tools to better invest in clean vehicles and alternative fuel infrastructure. This will allow them to better tackle CO2 emissions from transport, air pollution and dependence on fossil fuels.

Organising the purchase, renting or leasing of very low or zero emission vehicles through public procurement will in particular become easier, be it for the city public transport system or any other use (waste collection, parcel or mail delivery etc.). A clear and simple definition of low and zero emissions vehicles will replace the current complex methodology to calculate lifetime costs of vehicles.

New CO2 emission standards for cars and vans will help Member States to reach their binding annual greenhouse gas emission targets for the period 2021–2030 as proposed in the Effort Sharing Regulation.

I am a transport or logistics company; how will I benefit from the initiatives?

The new initiative on Combined Transport will encourage logistics companies to increase their share of sustainable transport modes. In the past, it was difficult for companies to prove the "combined" nature of their transport operations, and hence benefit from the existing legal and economic incentives. Our proposal extends to domestic operations the benefit of the incentives foreseen by the Directive, will accelerate investments in transhipment terminals throughout Europe and provide more transparency on the financial support (such as tax reduction) operators can receive from the state. It also promotes the use of electronic documents.

Small and medium-sized enterprises usingmore efficient vans will also largely benefit from fuel savings. As a result of the proposal setting new CO2 emission standards, additional net savings for an 'average new van' bought in 2025 are expected to be up to up to about €2300 and up to about €3800 when bought in 2030 considering a lifetime of 15 years.

Finally, coaches and bus companies will be able to offer domestic long-distance passenger services. Our proposals remove legal barriers to market access and guarantees fair and non-discriminatory access to terminal infrastructure.

I work in the automotive sector, how will this impact my situation?

Given the gradual shift to zero- and low-emission powertrains until 2030, there will be sufficient time for re-skilling and up-skilling in the automotive sector. The transition to zero- and low-emission powertrains will enable the European car industry to retain technological leadership which is one important condition for future growth and jobs.

In order to support workers in the automotive industry to adjust to the transition to low emission mobility, the Commission, in partnership with Member States and stakeholders such as employers, workers' representatives and education and training providers, is addressing skill gaps and mismatches. Key initiatives include the EU Skills Agenda and the Blueprint for Sectoral Cooperation on Skills.

2. Key elements of the Commission's proposals

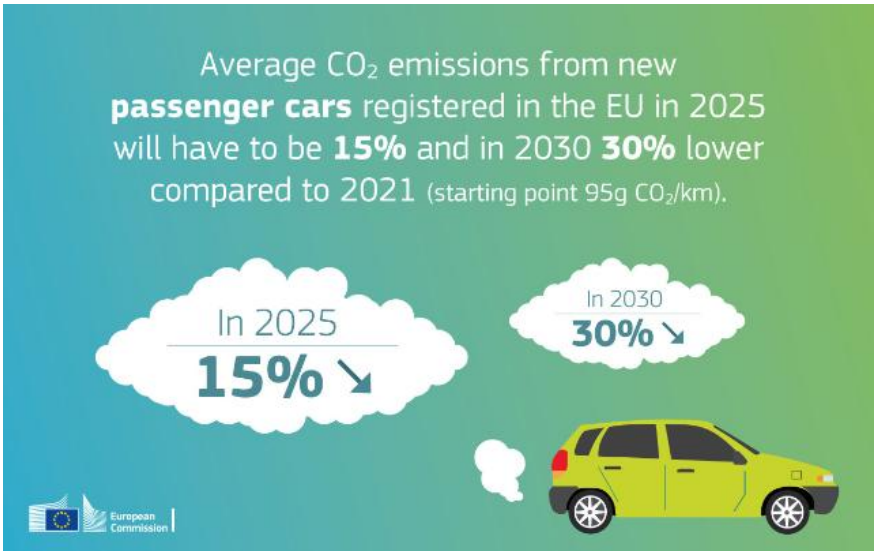
a. CO2 Standards for cars and vans

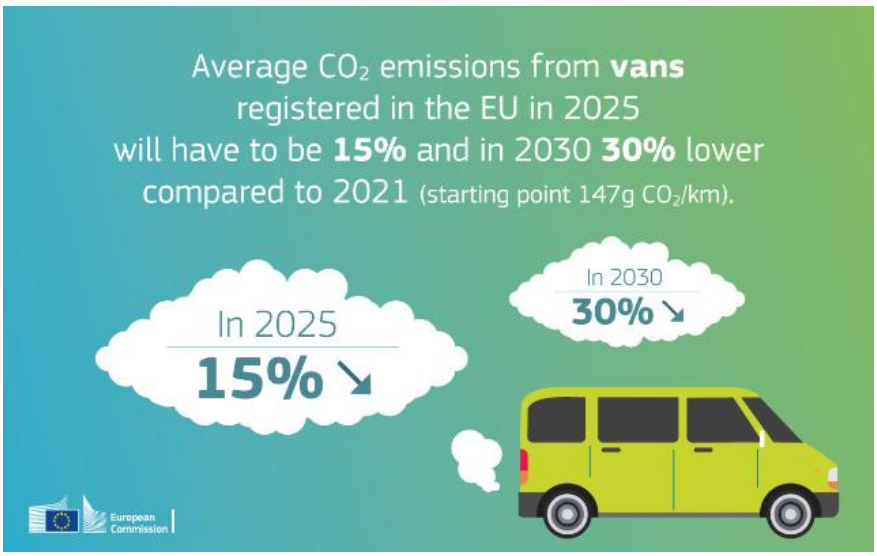
What is the Commission doing to promote clean cars?

The Commission proposes new targets for the EU fleet wide average CO2 emissions of new passenger cars and light commercial vehicles (vans) that will apply from 2025 and 2030.

Average CO2 emissions from new passenger cars registered in the EU in 2025 will have to be 15% and in 2030 30% lower compared to 2021. Average CO2 emissions from new light commercial vehicles registered in the EU in 2025 will have to be 15% and in 2030 30% lower compared to 2021. In order to increase the deployment of zero- and low-emission cars the proposal includes also a dedicated incentive mechanism for such vehicles.

This will contribute to the achievement of the EU's commitments under the Paris Agreement by reducing CO2 emissions from cars and vans cost-effectively, reduce fuel consumption costs for consumers and strengthen the competitiveness of EU automotive industry and stimulate employment.





You propose 30% in 2030. Why?

The proposed 30% reduction target for passenger cars is ambitious and realistic. It is the result of a robust and thorough impact assessment. A 30% reduction target provides benefits for the environment, for consumers and for employment:

- A 30% target for cars will help Member States in meeting their 2030 targets for the non-ETS sectors. It will deliver emissions reduction in road transport in line with its cost-effective potential, while leaving space for additional policies, in particular for trucks.

- A 30% target will bring economic benefits for all consumers. The increase in upfront cost to purchase more efficient vehicles is outweighed by increasing fuel savings. The net savings are up to around €600 for new cars bought in 2025 and up to about €1500 in 2030. The user of a second hand vehicle will benefit as much as the owner of a new car.
- The overall impact on employment of a 30% target is positive, as it allows a smooth transition to low and zero emission vehicles. More than 80% of the new vehicles will still have an internal combustion engine in 2030. Plug-in hybrid vehicles which have the highest labour intensity as they have both a classical internal combustion engine and an electric engine, are also incentivised. This approach will ensure sufficient time for the re-skilling and up-skilling of workers in the current automotive supply chain.

What is the budgetary/cost implication of 30%?

The proposed CO2 standards require vehicle manufacturers to introduce new technical measures in order to reduce the average CO2 emissions of their new fleet. In the short term, this is likely to result in increased production costs, leading to higher vehicle prices.

For an average new car registered in 2030, additional manufacturing costs are up to about €1000. For an average 2030 van, they are up to about €900. However, these additional costs are significantly lower than the fuel savings from which consumers will benefit over a vehicle's lifetime.

Does the proposal mean the end of the gasoline and diesel car?

The Commission sees a need for accelerating the uptake of zero- and low emission vehicles in an effort to improve air quality and lower CO2 emissions, while following an approach of technology neutrality. Almost all cars in the current stock are powered by an internal combustion engine. Even with a rapid increase in zero- and low-emission vehicles it is clear that conventionally fuelled vehicles will still make up an important part of the EU vehicle fleet in 2030.

While the proposal will speed up the market uptake of zero- and low-emission vehicles, accelerating innovation and reaching economies of scale, the change in the fleet composition will be gradual. It is expected that at least 80% of the new car fleet in 2030 will contain an internal combustion engine.

Why is there no negative employment effect given that the manufacturing of electric vehicles is less labour intensive compared to vehicles with an internal combustion engine?

The incentive mechanism through the crediting system includes low-emission vehicles since plug-in hybrid vehicles constitute an important stepping stone for the smooth transition towards zero-emission mobility. The higher labour intensity of the production of plug-in hybrid vehicles compared to conventional vehicles and battery electric only vehicles will be beneficial for employment in the car manufacturing sector. In the longer term, employment is expected to increase for the manufacturing of electric vehicles and related sectors, whereas it would decrease in sectors related to conventional vehicles.

Why are there no quotas for electric or hydrogen cars?

The EU legislation in this area has always been technology neutral and will continue to be so in the future. The proposal does not include any technology specific quotas or mandates. It is for manufacturers to decide which technologies to apply in order to meet their specific emissions targets. The proposal includes an incentive mechanism which will stimulate the uptake of zero- and low-emission vehicles in a technology neutral way.

Why does the proposal include an incentive mechanism for "zero- and low-emission vehicles"?

The EU automotive industry risks losing its technological leadership in particular with respect to zero- and low-emission vehicles, with the US, Japan, South Korea and China moving ahead very quickly in this segment, which will be of particular importance for future growth. China has just introduced mandatory zero- and low-emission vehicle quotas for manufacturers from 2019 on. In the US, California and nine other States have successfully established a regulatory instrument to enhance the uptake of zero- and low-emission vehicles.

A well-chosen regulatory signal on the future market size will make investors into zero- and low-emission vehicles technologies more confident. Private and public providers of charging infrastructure

will have a more credible signal on the future charging demand and can invest with less risk.

b. Action Plan on alternative fuel infrastructure

What is the Commission doing to promote the use of alternative fuels?

The Commission's initiatives support the implementation of a European Directive that requires Member States to provide a minimum infrastructure for alternative fuels such as electricity, hydrogen and natural gas. Today's Action Plan on Alternative Fuels Infrastructure provides measures to support synergies between national plans, close gaps on the most strategic transport network (the trans-European transport network or "TEN-T") and ramp up investment in urban areas. This will ensure continuity of services for citizens and businesses. Charging an alternative-fuel vehicle along the motorway should become as easy as filling up on petrol today.

This Action Plan includes new funding opportunities with up to €800 million being made available for blending of grants with loans or for financial instruments (debt, loans) under the Connecting Europe Facility. This will leverage considerable additional public and private investment into fleets and interoperable infrastructure.

In addition, the Commission has launched a flagship initiative on batteries alongside this new proposal with additional €200 million to support European battery development and innovation from 2018 to 2020.

Why is there a need for an action plan on alternative fuel infrastructure now?

The analysis of the National Policy Frameworks (NPFs)[1] show that infrastructure gaps would remain in the European Union if not further action is taken. These gaps include recharging points for electric vehicles in urban and suburban agglomerations as well as on the road of the TEN-T Core Network. The coverage of ports with LNG refuelling points is also not sufficient in view of enabling circulation of inland waterway vessels and seagoing ships throughout the TEN-T Core Network.

Moreover, there is a need to ensure interoperability of services for using the infrastructure (location, booking, access, payments) for which this plan outlines a number of actions. In addition, enabling actions in the urban environment and for promoting smart grid development are addressed.

c. Clean vehicles Directive

What is the Commission doing to promote clean and energy-efficient vehicles in public procurements?

Public procurement can act as a strong demand-side stimulus for the industry. However, public bodies have until now only purchased small volumes of clean vehicles. The Commission is therefore proposing a new initiative covering all relevant procurement practices in a simplified and effective manner. This should increase market uptake leading to lower production costs and lower prices with a positive effect also on private demand.

d. Combined Transport

What is Combined Transport?

Combined transport is a type of multimodal transport of goods where the major part of transport is carried out by rail, inland waterways or maritime transport and is served by a short road leg in the beginning or end of the transport chain. The objective is to support the shift from long distance road transport to more sustainable transport modes.

What is the Commission today proposing?

The Commission is proposing to revise the Combined Transport Directive to facilitate such operations. First, the Commission proposes to revise the definition of "combined transport", by extending its scope to domestic operations and better specifying the maximum distance of the road leg. Second, the proposal expands the economic support measures to be provided by Member States beyond tax reduction to investment in multimodal terminals and possibly other financial incentives. Third, the

proposal specifies what evidence needs to be provided to prove the existence of a combined transport operation and receive support from the state. There, the Commission also proposes to make better use of electronic documents. In all, this will make it easier for companies to claim incentives and therefore stimulate the combined use of trucks and trains, barges or ships for the transport of goods.

e. Access to the international market for coach and bus services

What is the Commission today proposing?

The Commission is proposing to amend the Regulation on passenger coach services with a view to granting access to domestic markets for regular services. This will stimulate the development of bus connections over long distances thereby offering alternative options to the use of private cars and increasing the use of sustainable transport modes.

Such services will also bring economic and social benefits, being more responsive to consumers' needs. People on lower incomes are expected to benefit from this development since their travel decisions are typically constrained by the fares on offer and lack of access to a car.

Aren't long-distance bus connections competing with train services? This could increase CO2 emissions

Our analysis shows that there will only be a limited shift of traffic from trains to buses and coaches. Most of the activity will be either new generated traffic or shifted from private cars and air travel. The combined share of sustainable transport modes (bus, coaches and trains) will therefore increase.

For more Information

Press release

List of proposals

A European Strategy for low-emission mobility (July 2016)

Europe on the MOVE: first wave of proposals (May 2017)

A renewed EU Industrial Policy Strategy (September 2017)

[1] In line with the Directive on alternative fuel infrastructure, Member States had to transmit to the Commission National Policy Frameworks (NPF) containing their national targets, objectives and actions for the development of the market as regards alternative fuels.

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