



European Economic and Social Committee

TEN/652
Clean and energy-efficient vehicles

OPINION

European Economic and Social Committee

**Proposal for a Directive of the European Parliament and of the Council amending Directive
2009/33/EU on the promotion of clean and energy-efficient road transport vehicles**
[COM(2017) 653 final - 2017/0291 (COD)]

Rapporteur: **Ulrich SAMM**

Consultation	European Parliament, 30/11/2017 Council of the European Union, 4/12/2017
Legal basis	Article 192 of the Treaty on the Functioning of the European Union
Plenary Assembly decision	DD/MM/YYYY
Section responsible	Transport, Energy, Infrastructure and the Information Society
Adopted in section	05/04/2018
Adopted at plenary	19/04/2018
Plenary session No	534
Outcome of vote (for/against/abstentions)	206/0/2

1. **Conclusions and recommendations**

- 1.1 The EESC endorses the rationale for the Clean Vehicles Directive – as part of the Clean Mobility Package – although it will have only a small impact compared to the general efforts needed to achieve the EU's climate objectives and in particular the decarbonisation of transport, since this directive is limited to **public procurement** only. The directive aims to promote certain vehicle categories (emission zero at tail-pipe) which are the cleanest (rather than merely clean) technologies via demanding minimum targets for public procurement of such vehicles.
- 1.2 The EESC would criticise the lack of clarity in this directive, in particular a **scattering of information**, with different definitions, and the complicated counting methods for "clean vehicles" over two distinct time periods during which the definitions for emission thresholds will very likely change again. This complexity will raise serious **uncertainties** among the stakeholders.
- 1.3 The EESC doubts, in view of the uncertainties about emission thresholds, that the **transition period** until 2025 will really help to bridge the technology gap until zero emissions at tail-pipe becomes broadly available and believes that this will tend more to irritate the decision-makers in public procurement. As a consequence, procurements might either be greatly delayed or even accelerated, but with old technology, which would then block possible future investments into new zero emission technology.
- 1.4 For **heavy-duty vehicles** the uncertainties are greatest. There are no emission standards available to be used in the transition period and the zero at tail-pipe technology is less mature compared to light vehicles. For the first phase of the transition period natural gas with additions from biomethane are accepted but with a reduced weighting factor, while for the subsequent phase there are no thresholds or definitions given at all and no information is given on how to derive the new emission thresholds. The EESC concludes from these facts that the directive is **premature** concerning heavy vehicles and recommends separating this part from the present proposal and dealing with it at a later stage.
- 1.5 The EESC welcomes the general **technology-neutral** approach, open towards new developments, which we can expect in view of the ongoing strong R&D efforts which are supported by the EU. But the EESC would like to note, however, that the directive does not follow this approach fully. Propulsion technologies other than electric vehicles with batteries also provide great potential for clean mobility. The EESC regrets that this is not well enough acknowledged by the directive, like for example 100% fossil-free fuels or maybe in future synthetic fuels from waste or CO₂, which are produced with excess electricity.
- 1.6 In view of the ongoing developments in modern transport technology, for the years to come the EESC recommends therefore a **more flexible approach** rather than fixed emission thresholds and procurement targets. A mid-term review of the minimum targets for example seems to be the least to be done to allow for an adaptation of the values at a later stage.
- 1.7 A major share of public procurement is related to **local public transport** bodies which are in the hands of cities and municipalities, the financial scope of which is quite limited. The EESC

would like to raise strong concerns about the **proportionality** of this approach because it does not reflect at all on the additional financial burden for these public bodies and does not compare the proposal with other industry policy options. It is not evident, therefore, that an extra burden in public procurement for mainly cities and municipalities is the most efficient way to trigger industry activities and market developments.

- 1.8 The EESC emphasises that any additional costs can lead to a significant **burden for citizens** through higher ticket prices, higher local taxes or even a reduction of the public transport offering. Moreover, the strong efforts towards clean air already made by cities and municipalities, including through extending the use of public transport, should be acknowledged and not hindered by new rules for procurement which demand minimum targets for whole Member States but are hard to meet and control at the level of municipalities with their large variety of small and large public transport bodies.
- 1.9 As sub-contracting also falls under the scope of the Commission proposal, the EESC is concerned about the consequences the proposal may have on **small and medium enterprises**; in fact, many small local bus companies contribute to the provision of transport services in larger urban areas as sub-contractors to the local public transport operators; these companies may not have the vehicles available that are requested by this directive and might then no longer qualify as a sub-contractor.
- 1.10 The EESC concludes that the main obstacle to the modernisation of public transport and the public procurement of clean vehicles is the **lack of financial support** and urges the Commission to reconsider the present proposal with a focus on financing, in particular by taking into account existing instruments. The specific financial support must take into account the diversity of countries, cities and regions in terms of economic strength and share of population living in urban areas with the overarching objective of harmonising the procurement of clean vehicles in all Member States.
- 1.11 The EESC notes that besides the need to have more clean vehicles in public transport, it is essential to convince more citizens to use this transport by making it much more attractive (connections, comfort), rather than focusing on low ticket prices.

2. **Introduction**

- 2.1 The EU is committed to a **decarbonised energy system** as described in the "**clean energy package**", which aims to accelerate, transform and consolidate the EU economy's clean energy transition in accordance with the EU's COP21 commitments, while retaining the important goals of economic growth and job creation.
- 2.2 The EU has already done a lot. **Greenhouse gas emissions** in the EU were reduced by 23% between 1990 and 2016, while the economy grew by 53% over the same period. This success has been achieved in many sectors except in **transport** – a sector which contributes about 24% of Europe's greenhouse gas emissions (in 2015) and which has even seen a growth in emissions as the economic recovery in Europe goes on. Furthermore, the urgency regarding limiting air pollution in cities puts additional pressure on the need for clean transport.

- 2.3 Consequently the EESC endorsed the **European strategy for low-emission mobility**^{1,2}, including its aims and methods, which are in line with the 2011 **EU transport policy white paper**³. Moreover, the "**Clean Energy for all Europeans**" package of November 2016 and the strategy "**Europe on the move**" (2017) included action to accelerate the deployment of clean vehicles which has been welcomed by the EESC^{4,5}.
- 2.4 The recent **Clean Mobility Package**⁶ now includes specific legal initiatives such as the **Clean Vehicles Directive** (covered by this opinion), new CO₂ standards for vehicles, an action plan for the trans-European deployment of alternative fuels infrastructure, the revision of the Combined Transport Directive, the Regulation on Passenger Coach Services and a battery initiative as an important strategy for the EU's integrated industrial policy.
- 2.5 Among the many instruments to decarbonise transport **public procurement** of clean vehicles as a demand-side stimulus can play an important role. Public procurement can provide a trigger for market development, as for example in the market segment of urban buses. Public fleet procurement of clean vehicles might also influence private purchases of clean vehicles .

3. **Shortcomings of the current (old) directive**

- 3.1 In order to promote the public procurement of clean vehicles the Commission introduced in 2009 **Directive 2009/33/EU** on the promotion of clean and energy efficient road transport vehicles, which has been welcomed by the EESC^{7,8}.
- 3.2 Public bodies in Europe, however, have purchased rather small volumes of low-and zero-emission and other alternatively fuelled vehicles under the scope of the Clean Vehicles Directive. For example for the time period of 2009-2015, an approximate average of only 1.7% of all new buses represented battery-electric, fuel-cell electric, plug-in hybrid or natural gas vehicles.
- 3.3 Some Member States or single regions or cities have already put ambitious public procurement frameworks in place that set minimum procurement requirements for clean, i.e. low- and zero-emission or other alternative fuels vehicles. However, this is not sufficient to set enough incentives and market stimulus within the whole Union.

1 [COM\(2016\) 501 final.](#)

2 [OJ C 173, 31.5.2017, p. 55](#)

3 [COM\(2011\) 144 final.](#)

4 [OJ C 246, 28.7.2017, p. 64.](#)

5 [OJ C 81, 2.3.2018, p. 195–200](#)

6 [COM\(2017\) 675 final](#)

7 [OJ C 51, 17.2.2011, p. 37](#)

8 [OJ C 424, 26.11.2014, p. 58](#)

3.4 An ex-post evaluation carried out in 2015 identified significant shortcomings in the directive. The directive had little effect on the market uptake of clean vehicles across the EU because it has so far not stimulated the public procurement of clean vehicles. The main shortcomings identified are:

- The directive does not clearly define "clean vehicles".
- The directive does not cover practices other than direct purchase by public bodies and does not address the renting, leasing or hire-purchase of vehicles, nor transport service contracts other than for public passenger transport.
- The monetisation methodology described in the directive has been rarely used by public bodies because it is too complex.

3.5 As part of the impact assessment, stakeholders were consulted in 2016 and 2017 about various options proposed to improve the directive. As a result, a set of amendments have been proposed to provide a definition of clean vehicles, and minimum procurement targets for light-duty vehicles as well as for heavy-duty vehicles. Such harmonised criteria applied at EU level are not in place yet.

4. **Proposals for a revised directive**

4.1 The revision ensures that the new directive provides a definition of clean vehicles and now covers all relevant procurement practices with more simplified and effective procedures. The important new elements are:

- definition of clean vehicles based on a zero-emission at tail-pipe approach for light-duty vehicles and on alternative fuels for heavy-duty vehicles;
- a transition period until 2025 during which low-emission vehicles are also considered as clean vehicles, however counted only with a weighting factor of 0.5;
- provision to adopt a delegated act under this directive to adopt the same approach for heavy-duty vehicles as for light duty vehicles after legislation about emission standards for such vehicles has been adopted at EU level in the future;
- extension to forms of procurement other than purchase, namely vehicle lease, public service contracts for public road transport services, non-scheduled passenger transport and hire of buses and coaches with driver;
- definition of minimum procurement targets at Member State level differentiated by Member State and by vehicle segment categories;
- discarding of the methodology for monetisation of external effects;
- introduction of a reporting scheme for Member States on the implementation of the directive every three years, starting with an intermediate report in 2023 and full reporting in 2026 on the implementation of the target for 2025.

5. Specific comments

- 5.1 The EESC endorses the rationale for the Clean Vehicles Directive, although it will have only a small impact compared to the overall efforts needed to achieve the EU's climate objectives, since this directive aims only at public procurement and not the private or commercial purchase of vehicles. Nevertheless, the directive might play an important role since public investments can provide a role model and help to develop the infrastructure, which could also be used by the private sector and thus also trigger private investments. Public investments in clean vehicles also have an immediate impact on clean air for citizens, in particular in city centres (for example in the vicinity of bus terminals).
- 5.2 The EESC would criticise the **lack of clarity** in this directive⁹, in particular the scattering of information, with different definitions, and the complicated counting methods for "clean vehicles" over two distinct time periods (until 2025 and 2025-2030), during which the definitions for emission thresholds will very likely change again. This complexity will raise serious uncertainties among the stakeholders.
- 5.3 The only simple rule in the directive is the definition and counting of vehicles with **zero emissions at tail-pipe**. This mainly relates to 100% electric vehicles; however, it also allows for a deviation from this principle by accepting gas-fuelled heavy vehicles as "clean" provided this gas is 100% biomethane. All of the other rules are more complex like the counting of certain vehicles only as half a vehicle and the variety of fuel types depending on vehicle category and emission standards which are subject to changes in the near future.
- 5.4 For a **transition period** (until 2025), **light-duty vehicles** below a certain threshold of emissions at tail-pipe are considered also as "clean vehicles"; however, they are counted only with the weighting factor 0.5. The thresholds are 40 CO₂ g/km for vans and 25 CO₂ g/km for passenger vans, which at present can only be achieved by plug-in hybrids. These thresholds will be changed as soon as the new Worldwide Harmonized Light Vehicles Test Procedure (WLTP) is implemented, which will be well before 2025. Thus the transition period is split into two parts. The consequences of such a change are unpredictable for the stakeholders based on the information given in the directive. The EESC doubts, in view of these uncertainties, that the transition period until 2025 will really help to bridge the technology gap until zero emissions at tail-pipe becomes broadly available and believes that this will tend more to irritate the decision-makers in public procurement. As a consequence, procurements might either be greatly delayed or even accelerated, but with old technology, which would then block possible future investments in new zero emission technology.
- 5.5 For **heavy-duty vehicles** the uncertainties are even greater. There are no emission standards available to be used in the transition period and the zero at tail-pipe technology is less mature compared to light vehicles. For the first phase of the transition period, natural gas with additions from biomethane are accepted but with a reduced weighting factor, while for the subsequent phase there are no thresholds or definitions given at all. The Commission wants to implement these thresholds via a delegated act once they are defined, but there is no information given

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[COM\(2017\) 653 final](#) Annex 1.

about the criteria for deriving these new emission thresholds. The EESC concludes from these facts that the directive is **premature** concerning heavy vehicles and recommends separating this part from the current proposal and dealing with it at a later stage.

- 5.6 The EESC welcomes the general **technology-neutral** approach, open to new developments, which we can expect in view of the ongoing strong R&D efforts which are supported by the EU. But the EESC would like to note, however, that the directive does not follow this approach fully, as, for example, liquid fossil-free fuels are excluded.
- 5.7 The promotion of battery driven **electric vehicles** (EV) is currently being strongly pushed forward in many countries worldwide together with an increasing number of car manufacturers. The ramping up of the market for electric vehicles, however, depends on many factors that the automotive industry can only influence to a limited extent like battery costs, battery recycling, charging infrastructure, fuel prices and public-sector procurement, as promoted by this directive.
- 5.8 Propulsion technologies other than EVs with batteries also provide great potential for clean mobility. The EESC regrets that this is not well enough acknowledged by the directive. For example, **100% fossil-free fuels** (like bio-diesel HVO100 widely used in Sweden and other countries) or maybe in future **synthetic fuels** from waste or CO₂, which are produced with excess electricity available in increasing amounts with the ongoing extension of fluctuating renewable energy sources.
- 5.9 In view of the ongoing developments in modern transport technology, for the years to come the EESC recommends, therefore, a more **flexible approach** rather than fixed emission thresholds and procurement targets. A mid-term review of the minimum targets for example seems to be the least to be done to allow for an adaptation of the values at a later stage.

6. **Climate protection or industry policy**

- 6.1 It is obvious that this directive – in spite of its title – is not primarily targeting clean vehicles, climate protection and clean air; rather it is aimed at public procurement and industry policy, with a view to promoting certain vehicle categories which are the cleanest (rather than merely clean) technologies to be procured. A closer look at the various types of "clean vehicles" and alternative fuels as defined in this directive unveils this discrepancy. Some types of fuels may help to improve the air quality in cities but they are not beneficial for the climate, for example when the electricity or the hydrogen for EVs comes from coal power plants. Vice versa, low emission vehicles with natural gas from biomethane, while being climate friendly, may nevertheless contribute to local air pollution. In the 2030 timeframe of the directive, completely fossil-free biofuels, although not accepted in this directive, will play a crucial role in fulfilling the EU's climate targets. Moreover, the zero at tail-pipe approach does not at all reflect the carbon footprint of a vehicle over its whole lifetime.
- 6.2 The main focus of the directive is on **industry policy by using the public procurement** of clean vehicles as a demand-side stimulus to provide a trigger for market development, as for example in the market segment of urban buses. The Commission assumes that public fleet procurement of clean vehicles can also influence private purchases of clean light vehicles since

consumers will be influenced by an increase in citizens' confidence that the technologies are mature and trustworthy and most importantly by an improved public recharging and refuelling infrastructure (smart charging) available for private users, in particular for people who do not have a private garage.

6.3 The EESC would, however, like to raise strong concerns about the **proportionality of this approach**. The proposal claims to be in accordance with the principle of proportionality. It does, however, not reflect at all on the **additional financial burden** for the public bodies and does not compare the proposal with other industry policy options. It is not evident, therefore, that an extra burden in public procurement for mainly cities and municipalities is the most efficient way to trigger industry activities and market developments. Strong concerns have been expressed by local public transport organisations as well as representatives from cities and municipalities. The main points raised by these stakeholders are:

- significant additional money is necessary for investments, which is far beyond their capacities
- many cities have already done a lot for clean transport, but the directive ignores all these efforts
- modern Euro VI diesel buses are ignored, although they have been set as a new standard in 2011¹⁰ and can bring cost-efficient reductions of public transport emissions
- plug-in hybrids are not accepted after 2025
- the infrastructure for electric charging of buses and trucks is quite distinct from charging light vehicles like private cars, therefore the synergy is rather limited
- exemptions have to be made for fire brigades, police, ambulance vehicles
- in some municipalities, public procurement involves rather low numbers of vehicles (fewer than 10) with which the minimum targets are hardly likely to be met
- the proposed reporting can only be realised with acceptable administrative efforts when a "clean vehicles" category would be introduced into the official car registers.

6.4 A major share of public procurement is related to **local public transport** bodies which are in the hands of cities and municipalities, the financial scope of which is quite limited. Any additional investment in the most advanced technology at higher costs (and risks) can lead to a significant burden for citizens through higher ticket prices, higher local taxes or even a reduction of the public transport offering. Moreover, the strong efforts towards clean air already made by cities and municipalities, including through extending the use of public transport, should be acknowledged and not hindered by new rules for procurement which demand minimum targets for whole Member States but are hard to meet and control at the level of municipalities with their large variety of small and large public transport bodies.

6.5 As sub-contracting also falls under the scope of the Commission proposal, the EESC is concerned about the consequences the proposal may have on **small and medium enterprises**; in fact, many small local bus companies contribute to the provision of transport services in larger urban areas as sub-contractors to the local public transport operators; these companies

¹⁰ [Commission Regulation \(EU\) No 582/2011](#)

may not have the vehicles available that are requested by this directive and might then no longer qualify as a sub-contractor.

- 6.6 The EESC concludes that the main obstacle to the modernisation of public transport and the public procurement of clean vehicles is the **lack of financial support** and urges the Commission to reconsider the present proposal with a focus on financing, in particular by taking into account existing instruments like the strategic and structural funds (EFSI, ESIF) and the Connecting Europe Facility (CEF) and, most importantly, to define the right priorities for the next MFF. This specific financial support must take into account the diversity of countries, cities and regions in terms of economic strength and share of population living in urban areas with the overarching objective of harmonising the procurement of clean vehicles in all Member States. The EESC also notes that besides the need to have more clean vehicles in public transport, it is essential to convince more citizens to use this transport by making it much more attractive (connections, comfort), rather than focusing on low ticket prices.

Brussels, 19 April 2018

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The president of the European Economic and Social Committee
