



European Commission Proposal for a Regulation of the
European Parliament and of the Council on
**CO₂ emission performance standards for
new heavy-duty vehicles**

COM(2023) 88 final ([Link](#))

Position Paper
Austrian Federal Economic Chamber (WKO)
EU Transparency Register No 10405322962-08

September 2023

European Commission Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 2019/1242 as regards strengthening the CO₂ emission performance standards for new heavy-duty vehicles and integrating reporting obligations, and repealing Regulation (EU) 2018/956

The Commission's proposal aims to further tighten the CO₂ emission limits for heavy-duty vehicles, which were previously regulated in the 2019 Regulation (EU 2019/1242) (in principle minus 15% by 2025 and minus 30% by 2030). WKO supports the green transformation and related decarbonisation measures. However, these must also be designed in such a way that they can be realistically implemented, whereas targets alone are not sufficient, but measures to achieve the targets and, in particular, suitable legal framework conditions must also be created. In the following, we will therefore address the critical points.

At the outset, it is important to emphasise a special feature in connection with heavy commercial vehicles: heavy duty vehicles are mainly sold in **the B2B market** and are selected according to **profitability considerations**. As a result, **manufacturers have already made great efforts to reduce fuel consumption - and thus CO₂ emissions - to an absolute minimum.**

On the emission targets for heavy-duty vehicles in detail:

Openness to technology

The development and production of zero-emission vehicles (hydrogen, e-battery, zero-emission vehicles) and climate-neutral fuels on a large scale should be supported in principle, but it will take considerable time. Therefore, internal combustion engines based **on low-carbon fuels that enable immediate CO₂ reductions should also be promoted, and then the switch to climate-neutral fuels should be made possible step by step.** In addition, technology neutrality is essential: **all available options** (zero-emission vehicles and vehicles based on climate-neutral fuels) must be supported.

Development of appropriate infrastructure

Alternative systems such as e-vehicles or hydrogen-powered vehicles require an expansion of the infrastructure so that the refuelling of the vehicles can be ensured. Decarbonisation of the commercial vehicle fleet is not feasible as long as the corresponding infrastructure is missing. **It is doubtful whether the expansion of the infrastructure will and can happen at the pace required under the proposed regulation.** The new proposed target would require more than 400,000 zero-emission vehicles to be in operation within less than seven years and nearly 100,000 zero-emission vehicles to be registered annually from 2030. This fleet would require over **50,000 publicly accessible charging stations**, 35,000 of which would need to be high-powered megawatt charging models. In addition, about **700 hydrogen refuelling stations** would be required. A massive expansion of the charging and refuelling infrastructure is as necessary as an implementation of the adopted European-wide ETS II avoiding additional red tape.

Annual review of the framework conditions

A thorough analysis of the state of the framework conditions, especially the charging and refuelling infrastructure, must become the subject of an annual review process **from 2025 onwards**, based on mandatory performance indicators. **The proposed 2028 review is far too late and also risks being delayed** due to the change of EU legislation in 2029. The annual review process must address, among other things: 1) the development of **appropriate infrastructure**, 2) **uniform Europe-wide measures on CO₂ pricing** (such as ETS II) and road pricing, and 3) other **demand-side measures regarding investment in**

zero-emission vehicles by transport operators. If, during the annual review, crucial elements of the framework conditions are not in line with the proposed CO2 targets, the **targets need to be reviewed and sanctions for manufacturers in case of non-compliance reconsidered** and, if necessary, removed.

Alignment of Euro 7 and CO2 fleet targets.

Close alignment between the recent CO2 and Euro 7 proposals for heavy duty vehicles is essential in terms of content, deadlines and implementation dates. While the Euro 7 regulation forecasts a share of new diesel vehicles of more than 41% in 2040, the CO2 regulation would allow a maximum of 12% new diesel vehicles. These projections are **obviously contradictory** and lead to an unjustified stringency for Euro 7. Therefore, the **European Commission needs to re-evaluate its assumptions for the Euro 7 Regulation and revise the proposed stringency of Euro 7 emission standards** (including the corresponding test procedures) to a level that does not distort the huge efforts and investments that need to be made in relation to the CO2 Regulation.

Target values for new vehicle groups

The inclusion of new vehicle segments in the CO2 standards regulation, (e.g. medium-duty trucks and heavy buses) makes sense as long as their targets are based on the CO2 certification framework (EU) 2017/2400. However, setting a 45% reduction target for these new vehicle segments based on 2025, i.e. in less than five years, is **unrealistic**. This would require a massive introduction of zero-emission vehicles in vehicle configurations that have a much lower share (<25%) of the sector's CO2 emissions than the vehicle groups currently concerned. The regulation should provide for a **reasonable lead time and set the same annual reduction rate for the new vehicle groups as is set for the currently regulated vehicle groups**.

Deletion of exemption provisions for emergency vehicles according to Art 2 para 6

Emergency vehicles should not - as proposed - be exempted from the Regulation if Member States confirm that the objectives associated with the procurement are not achieved with zero emission vehicles. This is, among other reasons, essential for both **EU-wide uniformity** and for a level playing field, so that manufacturers are not forced to adapt products to the individual Member State regulations.

Removal of small series manufacturer exemption

Manufacturers with less than 100 vehicles within the EU per year are currently exempted from the relevant provisions. However, this **distorts competition**, especially in the production and cross-border distribution of special vehicles.

Regarding Art 3a: Special provisions for certain categories of vehicles

In Austria, a lot of **research** has been invested in the field of "off-road", "special purpose" and "off-road special purpose" in recent years in order to decarbonise these vehicles. Hence, these vehicles shall be **included** in the proposed regulation.

Extension of the credit/debit system beyond 2030 positive

In principle, the proposed extension of the credit/debit system beyond 2030 is welcome but calls for **further improvements**. Despite being an important, albeit small, element supporting manufacturers in the early stages of introducing zero-emission vehicles, it cannot address the shortcomings in creating **effective framework conditions** and is therefore not able to effectively **mitigating the uncertainties of the transition**.

On the emission targets for city buses

With the planned requirement that from 2030 onwards only zero-emission buses for urban transport are to be offered on the market by the manufacturers, it should be noted, among other things:

- **Tightening of the procurement quota:** The requirement would correspond to a tightening of the CVD (Clean Vehicles Directive) procurement quota from 32.5% zero-emission vehicles (65% clean vehicles) to 100% zero-emission vehicles, other **new vehicles would then de facto no longer (be allowed to) exist on the market**. From the point of view of the transport industry, this considerable increase **does not seem appropriate in view of the short transition period**, and the **enormous cost increases** to be expected for the procurement of zero-emission city buses should also be pointed out.
- **Subsidies for the procurement and expansion of infrastructure:** Funding at both national and EU level for vehicles but also for the construction and maintenance of infrastructure is essential. The EU's Recovery and Resilience Facility (RRF) provides money for this purpose. The RRF budget for Austria (a total of 340 million until the end of 2026) provided for in a third call for tenders is far too low in view of the necessary infrastructure investments. Therefore, Austrian budget has to complement the RRF subsidy. The further procedure of disbursement and tenders cannot be estimated either. **The effectiveness of the funding programmes must be ensured.**

Regarding Article 3c "Public procurement procedures

The fact that the regulation, which is **primarily aimed at manufacturers of heavy duty vehicles**, contains provisions that are relevant to **public procurement law** and directly applicable, is surprising and **does not appear to be an appropriate place** for such a provision and should therefore be deleted. An appropriate transitional period should be provided due to the direct applicability. The concrete percentage requirement in Art 3c point 3, for the evaluation of the quality criterion interferes too much with the private autonomy of the contracting authority and should represent a mere recommendation or at least be significantly reduced.

Concluding Remarks:

In principle, it is positive to note that only a 90% reduction target by 2040 is envisaged, and not a 100% target, such as for commercial vehicles by 2035. That would be very unrealistic to achieve with heavy duty vehicles. It is important to emphasise that climate change must take place in a technology-open manner and under competition-guaranteeing framework conditions. Therefore, all alternatives that do not have a fossil basis must be given fair access to markets. It must therefore be ensured that a 90% target offers a real chance for climate-neutral fuels (e.g. e-fuels, hydrogen) to remain on the market after 2040.



Contact WKO:

Juergen Streitner, WKO, Director of Environment and Energy Policy Department
+43 590 900 4195, juergen.streitner@wko.at

Markus Oyrer, WKO, Climate Policy Expert, Environment and Energy Policy Department
+43 5 90 900 3581, markus.oyrer@wko.at

Barbara Lehmann, WKO EUREP, EU Representation of Austrian Federal Economic Chamber (WKO), Brussels, +32 2 286 58 80, barbara.lehmann@eu.austria.be

