

H.E. Mr. Pierre Cartuyvels
Deputy Permanent Representative
Permanent Representation of Belgium to the EU
Rue Belliard 65
1040 Brussels
BELGIUM



By email

BR1060160/RMA

Brussels, 16 January 2024

Re: Call to reject the imposition of mandatory zero-emission purchasing targets within the framework of the revision of CO₂ emission standards for heavy-duty vehicles

Dear Ambassador Cartuyvels,

The International Road Transport Union (IRU), representing over 3.5 million passenger and goods road transport companies worldwide, including one million in the European Union, urges you to firmly reject the European Parliament's proposal to impose mandatory purchasing targets for zero-emission heavy-duty vehicles (HDVs) on transport operators as part of the revision of the CO₂ emission standards for HDVs.

Context

On 21 November 2023, the European Parliament adopted its negotiating position on the European Commission's proposal on CO₂ standards for HDVs, introducing a new article titled "Additional measures to support the demand for zero-emission heavy-duty vehicles in the Union market". The article mandates the Commission to present a legislative proposal to increase the share of zero-emission heavy-duty motor vehicles owned or leased by large fleet operators within the next six months. It is specified that this proposal includes binding zero-emission mandates on large fleet operators.

Issues

Placing mandatory purchasing targets for zero-emission vehicles (ZEVs) on private operators would be in opposition to a basic right, the right to property, which is guaranteed by the EU Charter. This is intrinsically related to the freedom to conduct business, an essential economic liberty that safeguards the ability to own property and freely use resources to pursue economic possibilities. Such rights are followed by responsibilities: private operators are solely responsible for the efficiency, operational sustainability, and, ultimately, for the survival of their business.

The mandate to purchase ZEVs may not only violate the right to property and the right to conduct business, but it may also lead to market distortions since the Parliament's version envisages that such restrictions on capital use will only apply to large operators. As both larger and smaller transport operators have razor-thin margins, the obligation to buy vehicles that are potentially not suited to their type of operations and are two to

three times more expensive would unavoidably place some players at a competitive disadvantage.

A requirement to purchase ZEVs with private capital is fundamentally different from an obligation to purchase ZEVs with the support of public capital, which is, for example, the case under the Clean Vehicle Directive. As opposed to transport performed under public service obligations, private transport is run exclusively at the operator's financial risk. Operators bear the burden of the source of capital investments, and the consequences of how they are managed, including the purpose for which they are used.

Last but not least, there is currently a significant lack of alternative fuels infrastructure across the EU and the Alternative Fuels Infrastructure Regulation (AFIR) will only become applicable starting this year. The imposition of mandatory zero-emission purchasing targets would cause an inevitable imbalance between the scarce availability of infrastructure and the number of zero-emission heavy-duty vehicles on the road. This would lead to serious and negative repercussions for businesses and the wider EU economy.

Solution

The purchase of ZEVs should be supported by ***financial incentives for the uptake of the new technologies and by creating the enabling conditions, including the infrastructure, to run such vehicles.***

Any proposal to oblige transport operators to purchase certain types of vehicles should be firmly rejected as it would amount to a state-controlled economy.

Yours sincerely,



Raluca Marian

Director EU Advocacy and General Delegate, IRU Permanent Delegation to the EU