



Apostolos Tzitzikostas
Commissioner for Sustainable Transport and Tourism
Rue de la Loi 200 – 1049 Brussels

16 December 2024

Re. legislation on the Greening Corporate Fleets – “Electric Vehicle Mandates”

Dear Commissioner Tzitzikostas,

On behalf of the Network for Sustainable Mobility¹, we would like to congratulate you on taking up your post as European Commissioner for Sustainable Transport and Tourism. We wish you every success over the next five years in a sector that is critical in enabling European competitiveness, growth and jobs.

We are concerned to learn that the “Greening of Corporate Fleet” initiative will now take the form of a legislative proposal. We understand that the public consultation run by your Services in DG MOVE during the first half of this year, which many of the Network members participated in, produced inconclusive results as to the need for a regulatory intervention. There is no clearly identified market failure, nor a proven case that regulation will accelerate greening.

In fact, we believe that a regulatory proposal as promoted by some stakeholders in Brussels – via mandatory BEV purchase targets for corporate fleets – is likely to slow greening and is in contradiction with the market-driven principles of the EU and the technology neutral approach for vehicles that President von der Leyen set out very clearly in her Political Guidelines in July of this year.² Such mandates implicitly limit zero-emission vehicles (ZEVs) to purely battery electric vehicles (BEVs) and vehicles with hydrogen fuel cells (FCVs). Instead, the Greening of Corporate Fleets initiative should be guided by

¹ The Network for Sustainable Mobility is a voluntary and informal gathering of stakeholders along the value chain representing the transport, engineering, fuel manufacturing and energy sectors supporting the role of sustainable renewable fuels in a climate-neutral road transport system.

² “For instance, the 2035 climate neutrality target for cars creates predictability for investors and manufacturers. Getting there will require a technology-neutral approach.” *POLITICAL GUIDELINES FOR THE NEXT EUROPEAN COMMISSION, 2024–2029*, page 9.

technology neutrality. It should also recognise the role of RED-compliant CO₂ neutral fuels³ in view of the planned targeted amendment of the CO₂ regulation for passenger cars and vans.

Moreover, BEV purchase mandates targets for corporate fleets will create market distortions and bring with it a multitude of unintended consequences. In particular, we fear that targets could artificially inflate or maintain high prices of BEVs. Mandates do nothing to address customer demand. Forcing fleet operators to buy expensive vehicles that they can neither sell nor lease to customers is financially harmful, and will further exacerbate the already damaging effects of the collapse in residual values of EVs throughout Europe. As a consequence, fleet operators would very likely refrain from buying new, more energy-efficient, vehicles, while retaining older vehicles for longer – the precise opposite outcome to that which the Commission intends. By shrinking their fleets, mobility options for Europe's citizens, businesses and public authorities will be reduced, at a time when good affordable mobility is central to economic growth. Some fleet operators, rather than choosing to shrink their fleets, may instead opt to purchase cheaper – imported – zero emission vehicles, thereby further undermining both the competitive position of European vehicle manufacturers and the fleet decarbonisation given the higher carbon production footprint.

Last but not least, the light- nor the heavy-duty vehicle segment has neither the required zero-emissions vehicles available nor the necessary enabling conditions for an accelerated uptake – recharging & refuelling infrastructure, grid capacity, service capacity etc. This jeopardises the existence of transport companies and would threaten logistics and supply-chains. To truly help the competitiveness of the EU automotive industry and the wider ecosystem we strongly urge you to focus on a holistic mix of proven policies and incentives. This includes putting in place the necessary enabling conditions, such as the swift build-up of alternative recharging and refuelling infrastructure, the development of a framework for the upgrade of the EU electricity grid, as well as developing a robust EU industrial action plan for the automotive sector. In addition, we suggest recommending Member States to put in place fiscal incentives that will increase access to and the affordability of **all** zero-emissions vehicle technologies, including the combustion of renewable and low carbon fuels (both e-fuels and sustainable biofuels). These are the measures that will accelerate the greening of corporate fleets on an environmentally, economically and socially sustainable basis.

We hope you will take into consideration our concerns and focus on viable and effective measures not those that are superficially attractive but highly damaging in practice and would also be interested in a meeting with you to discuss this crucial topic in further detail.

We remain at your disposal for direct dialogue on these issues and any follow-up questions you may have.

Kind regards,

The undersigned associations

³ CO₂ neutral fuel' means all fuels defined by the Renewable Energy Directive (EU) 2018/2001, provided that they meet the sustainability criteria of that Directive and associated delegated acts, where the same amount of CO₂ from biomass, ambient air or recycled carbon sources is bound in the fuel production as is released during combustion in the use phase. Those fuels shall include renewable and/or synthetic fuels, such as biofuel, biogas, biomass fuel, renewable liquid and gaseous transport fuel of non- biological origin (RFNBO) or a recycled carbon fuel (RCF).

AECC, the Association for Emissions Control and Climate is an international non-profit scientific association of European companies operating worldwide in the research, development, testing and manufacture of key sustainable technologies for mobile and stationary applications. Their products include substrates for catalysts and filters; catalysts (substrates with catalytic materials incorporated or coated); adsorbers; filter-based technologies; fuel cells and electrolyzers.

BGL is the leading association of road haulage, logistics and disposal in Germany with 7.000 affiliated member companies.”

CLEPA, the European Association of Automotive Suppliers based in Brussels, represents over 3,000 companies, from multi-nationals to SMEs, supplying state-of-the-art components and innovative technology for safe, smart and sustainable mobility, investing over €30 billion yearly in research and development. Automotive suppliers in Europe directly employ 1.7 million people in the EU.

EBA, the European Biogas Association, as the voice of sustainable biogas and biomethane in Europe is committed to work with European institutions and stakeholders to develop policies which can enable large-scale deployment and utilisation in all end-uses of these renewable biogases. EBA counts today on a well-established network of over 300 members from 35 countries, covering the whole biogas and biomethane value chain.

The European Biodiesel Board (**EBB**) is a non-profit organization established in January 1997. The EBB gathers over 37 members across 21 Member-States, representing over 65% of the European output. Biodiesel is the main European solution to reduce emissions from transport and dependence on imported oil. The EBB promotes the use of biodiesel (FAME and HVO) in the European Union in all transport modes, and is committed to fulfil international standards for sustainability in GHG emissions and sustainable feedstock. The EBB is constantly working towards the development of improved and greener technologies.

The **eFuel Alliance** is a stakeholder initiative committed to promoting the political and social acceptance of eFuels and to securing their regulatory approval. We represent more than 170 companies, associations and consumer organizations along the value chain of eFuel production. We stand for fair competition and a level-playing field for all relevant emission reduction solutions. We are clearly committed to more climate protection and aim to win broader recognition of the significant contribution eFuels can make in the drive for sustainability and climate protection. Our goal is to facilitate the industrial production and widespread use of carbon neutral fuels made from renewable energy sources.

ePURE - the European renewable ethanol association represents the interests of European renewable ethanol producers to the European institutions, industry stakeholders, the media, academia, and the general public. The organisation, established in 2010, promotes the beneficial uses of ethanol throughout Europe, including renewable fuel that reduces greenhouse-gas emissions by an average of 79.1% compared to fossil fuels. Based in Brussels, ePURE speaks for 41 member companies and associations (including 21 producers), with around 50 production plants in 16 member states and the UK, accounting for about 85% of the renewable ethanol production in Europe.

EWABA represents the interests of European waste-based and advanced biofuels industry by promoting the inclusion of waste-based and advanced biofuels in the EU fuel mix as a sustainable means of reducing greenhouse gas emissions in EU transport. Our 55+ members active in most EU Member States collect and use waste and advanced feedstocks listed in parts A and B of Annex IX of the Renewable Energy Directive (REDII) to produce sustainable biodiesel with the highest GHG savings (up to +90%) when compared with fossil fuels, thus enabling “near-term decarbonization” of the EU road and maritime transport sectors.

FinMobility is a Brussels-based, leading voice in the EU for the Finnish employers’ and business organizations in the mobility sector.

La Fédération Nationale des Transports Routiers (FNTR) is the leading association of road haulage in France with 5.300 members companies.

FuelsEurope, the voice of the European fuel manufacturing industry. FuelsEurope represents, within the EU institutions, the interest of 41 companies manufacturing and distributing conventional and renewable fuels and products for mobility, energy & feedstocks for industrial value chains in the EU.

IRU is the world road transport organisation, helping connect societies with safe, efficient and green mobility and logistics. As the voice of more than 3.5 million companies operating road and multimodal transport services in all global regions, IRU helps keep the world in motion.

Leaseurope, the European Federation of Leasing Company Associations, is an umbrella body bringing together 46 national associations throughout 31 European countries representing bank-owned, captives and independent lessors as well as long and short-term automotive rental companies.

The **Mittelstandsverband abfallbasierter Kraftstoffe e.V.** (German waste-based biofuels association - MVaK) represents 29 members from Germany, Austria and The Netherlands which collect and prepare suitable vegetable waste oils and residues, mainly used cooking oil, process them into waste-based and advanced biodiesel or trade feedstocks and finished products.

The **NBAA** is an alliance of five waste-based biodiesel producers with a production site or facility in the Netherlands: *Argent Energy, Bio Oil, Chevron Renewable Energy Group, Greenergy and Muenzer*. The alliance cooperates closely with European and German / Austrian industry associations for waste-based biodiesel: *EWABA and MVaK*. The NBAA has a joint mission to highlight the advantages and opportunities of this sustainable biofuel and actively represents these views to (political) stakeholders.

The Association of the German Biofuel Industry (**VDB**) represents the interests of 16 biofuel producers in Germany, which have a production capacity of 2.5 million tons of biodiesel and 900 GWh of biomethane.