

## Emission performance standards for light commercial vehicles (LCVs) – Support the acceleration of fleet renewal through financial incentives

Position of the European Express Association (EEA) on the proposal for a regulation setting emission performance standards for new light commercial vehicles (LCVs)

The Regulation in discussion has the potential to contribute to the reduction of CO<sub>2</sub> emissions from road transport. With its large fleet of LCVs, the express industry can participate to this effort.

In this respect, the EEA supports actions aiming to:

1. **Stimulate investments in low-carbon vehicles** without jeopardising competitiveness
2. **Ensure deployment of LCVs with stricter CO<sub>2</sub> emission limits through financial incentives**
3. **Avoid non-cost-effective measures** to the road transport industry

Therefore the EEA calls on members of the Environment committee:

- ▶ To **adopt** ENVI Amendment 47 and TRAN Amendments 14-17 on **financial incentives**
- ▶ To **reject** ENVI Amendments 6, 20, 48-54, 145, 146, 148, 149, 156 and 157 on **speed limiters**, as well as TRAN Amendments 4, 5, 5(a) and 23 and ITRE Amendment 20
- ▶ To **adopt** ITRE Amendment 10 on speed limiters

**With its large fleet of LCVs, the express industry already plays a key role in investments in low-carbon technologies for transport**

- ▶ The express industry currently has more than 10,000 LCVs circulating on EU roads, mainly in urban areas.
- ▶ The express industry is keen to reduce emissions of road transport, notably through investments in new technologies such as electric and hybrid vehicles and alternative fuels. The express industry already has operational electric vans across Europe (notably in the UK) and is now participating in a Dutch tender consortium to purchase 3000 electric vans.
- ▶ However, before electric and hybrid vehicles become available on a large scale, sustainability of transport necessarily comes with an upgrade of the current fleet.

**Financial incentives are needed to ensure rapid deployment of LCVs with stricter CO<sub>2</sub> emission limits**

- ▶ New CO<sub>2</sub> limits will result in **increased procurement costs** for operators and buyers. The average retail price of new LCVs meeting the 175g/km limit is expected to increase by 10%. According to estimations done by manufacturers, price increase will range between 1,650 and 2,000 Euros per unit (excluding tax).

- ▶ In order to compensate operators and buyers for these extra costs, **incentives for the demand side** should be foreseen to stimulate a quicker substitution of the older vehicles in operation by operators/buyers. **Thus the environmental goals pursued by this regulation can be achieved quicker.**
- ▶ Such incentives could take the form of direct subsidies (to the purchasing price, one-time or recurring tax reductions, on the vehicle tax) or of benefits in kind (use of quick lanes for bus or taxi in urban areas).
- ▶ **As some Members States have provided financial incentives to stimulate the rapid deployment of individual cars with stricter CO<sub>2</sub> limits, similar conditions should be introduced for LCVs.**

**Provisions on speed limiters question the cost-effectiveness of the regulation, without bringing significant benefits regarding reduction in CO<sub>2</sub> emissions and road safety**

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- ▶ Studies do not demonstrate that speed limiters would entail a significant reduction of CO<sub>2</sub> emissions.
- ▶ Considering the relatively low share of accidents involving LCVs compare to the entirety of road accidents, speed limiters for LCVs would not substantially contribute to road safety.
- ▶ Benefits brought by speed limiters are not significant enough to impose additional obligations and costs on economic operators.
- ▶ **The provision introducing speed limiters for LCVs is disproportionate, inefficient and not cost-effective.**
- ▶ From the perspective of the express industry, speed limiters could lead to a reverse modal shift from road to air or to using more passenger cars instead of LCVs, which would have a negative impact on CO<sub>2</sub> emissions.