The European Commission has proposed the EU's first-ever fuel economy standards for new trucks. The Commission has proposed a **15% reduction in CO2 emissions by 2025** compared to 2019 levels, and **an indicative 2030 target of -30%** (to be reviewed in 2022).

CO2 limits for new trucks

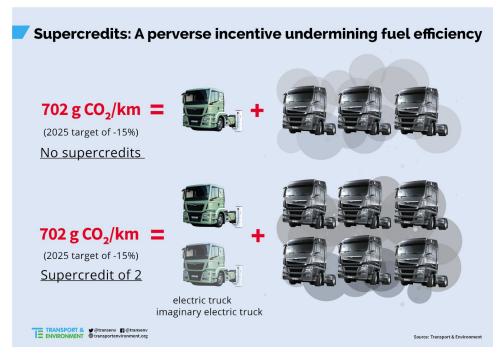
Big businesses like <u>IKEA</u>, <u>Unilever</u>, <u>Carrefour and Nestlé</u>, trucking companies, as well as <u>a</u> <u>group of EU countries</u>, including truck-producing nations France and the Netherlands, have asked for maximum cost-effective ambition to reduce emissions from trucks by 2025 (-24% on 2015 emissions levels; - 21% on a 2019 baseline). A 24% cut in CO2 by 2025 (compared to 2015) would save businesses €7,700 per year, per truck, in reduced fuel bills. [1]

Transport is Europe's biggest climate problem. Trucks account for 22% of vehicle emissions in the EU while making up less than 5% of the vehicles on the road. Unlike the US, Canada, Japan and China, trucks are not yet subject to fuel efficiency standards in Europe. European hauliers spend on average €32,000 a year per truck on fuel. The fuel efficiency of trucks in Europe improved little for the past 20 years whilst all EU truckmakers engaged in a <u>price fixing cartel</u>.

An important issue is that headline target can be weakened by the application of supercredits.

Supercredits

The Commission has proposed so-called supercredits, an accounting trick that undermines the effectiveness of the standard, promoted by the truckmakers' lobby. Truck-makers, including Daimler, Volvo, MAN, Renault



and Scania, are already going to make some e-trucks. Therefore, it doesn't make sense to reward truck-makers from the very first e-truck (following the basic principle that incentives should not reward the inevitable).

That's why stakeholders from companies to truckers and Member States to NGOs have asked for a benchmark - i.e. a threshold sales target for zero-emission vehicles which truckmakers must first achieve before the incentive kicks in.

However, the incentive to be proposed by the Commission would involve the multiple-counting of low-emission trucks from the very first e-trucks and e-buses. This would allow truckmakers to generate supercredits by selling buses only. This is an ineffective incentive measure given that Europe needs to decarbonise buses and trucks. A separate zero emission vehicle mandate for buses is needed.

First, a benchmark of 5% could be applied, meaning the incentive only applies after e-trucks account for 5% of sales. Second, lower supercredit figures, e.g. 1.2 or 1.5, rather than 2, could actually see far more e-trucks sold. This is because a high super-credit level typically has the perverse effect of reducing ZEV sales because vehicle makers don't need to sell many e-trucks to gain high benefits.

In the car CO2 proposal the Commission stepped back from the supercredits approach and introduced a benchmark. This is a major improvement compared to the 2009 and 2014 regulations. After moving away from supercredits for cars and vans, to have supercredits in the final legislation for trucks - particularly without a benchmark - would be a big (and unnecessary) step backwards.

While the Commission has proposed a cap of 3% to limit the weakening effect of supercredits, the fundamental problem of allowing too much weakening to get too few e-trucks remains.

In short, the EU should not introduce super-credits but a <u>benchmark for zero emission</u> <u>trucks</u> of at least 5% by 2025 and signal a range target of 25-35% by 2030. Only after meeting this 5% sales target should vehicle-makers be allowed increase fleet average emissions (which is itself a form of supercredit, but with safeguards and the assurance that OEMs perform beyond business as usual).

General Safety Regulation: Direct Vision Standards

A proposal to review the General Safety Regulation is part of the Commission's 3rd Mobility Package. This revision aims to ensure that new vehicles sold in Europe are built to be safer than those on the road today.

The proposal includes the world's first direct vision standard for trucks, which should see new trucks being designed in such a way that allows the driver to see more of the road around them. A direct vision standard means that truck drivers will become more aware of cyclists and pedestrians who would be in the blindspot of today's trucks. However, the draft text requires improvement to ensure meaningful safety gains are in fact realised. The Commission proposes a 'one size fits all' direct vision standard for all trucks and fails to set the ambition level. Furthermore, the proposal outsources defining the ambition level to a body of the UN, the UN-ECE, which has a reputation of setting standards at a level that the worst performing manufacturers are happy with. Unless Parliament and Member States recognise that the smaller trucks that spend most of their time in urban areas can achieve better direct vision (than long-distance trucks travelling mainly on motorways), a huge opportunity will be lost. This is why a differentiated approach is needed - one that ensures trucks that travel mainly in urban areas can better see pedestrians and cyclists.

Around 1,000 cyclists and pedestrians die every year due to truck collisions, which is particularly a problem in cities where trucks are in close contact with such road users. This problem inspired London to introduce a system whereby trucks that are unsafe (e.g. perform badly on the city's own test for direct vision) cannot enter the city from 2024. It's possible that London's example will be followed by more cities which are fed up with so many preventable road deaths. If well defined, a direct vision standard will press truckmakers to start selling safer trucks as standard. This would help cities in their efforts to become safer places to live and work.

<u>Cities, safety campaigners, and more</u> have called on the Commission to introduce differentiated and well defined direct vision standards. The idea of outsourcing the development of the EU's direct vision standard to a body of the UN, the UN-ECE, is put forward in the Commission's draft.

The legislative package also includes a plan to accelerate the deployment of slightly **longer, more streamlined cab designs**, which could hit EU roads as early as 2020. New truck designs could cut truck emissions by 3-5% whilst improving safety and driver comfort.

<u>3,850 people died</u> in road accidents involving trucks in 2014.

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Footnotes:

[1] The average long-haul truck travels around 100,000 km a year (<u>source; see page 5</u>). Approx <u>32 litres of diesel is required per 100 km</u>, giving an annual requirement for 32,000 litres. We assume €1 per litre as the net cost of diesel, a figure that assumes VAT is recouped (and striking a balance between very large operators which may secure lower costs and smaller haulage firms which may face higher unit costs). A 24% saving is €7,680.