

Joint Letter on extension of the ETS to road transport & buildings

Dear Commission President von der Leyen,
Dear Commission Vice President Timmermans,

4 December 2019

As you and your services develop proposals for the keenly anticipated European Green Deal, we are writing on behalf of our millions of members and supporters across the EU to urge you to reject the idea of extending the Emissions Trading System (EU ETS) to **road transport and buildings** for the following reasons:

- **This is a high-risk, low-reward measure.** Not only is it a complex, politically sensitive policy that would take years to implement, but even in the best case scenario it would have little to no impact on emissions. Even if properly implemented the resulting price signal is unlikely to encourage citizens to switch to cleaner technologies and it would do nothing to address the real barriers to the low carbon transition. It is a distraction from active decarbonisation measures in those two sectors, such as tighter CO2 standards or accelerated energy efficiency improvements, both at EU and national level.
- **It is a socially regressive tool:** the burden of the required transition in those sectors would be transferred on to citizens, many of whom would just be forced to pay higher prices without having the possibility of choosing cleaner alternatives. At a time when the Commission is seeking to galvanise citizen support for the European project, proposing higher transport fuel and heating costs could spectacularly backfire.
- **It absolves Member State governments of responsibility:** by removing these sectors from the Climate Action Regulation, national governments would no longer be incentivised to take national action to tackle decarbonisation of road transport and buildings, such as implementing fiscal measures, modal shift, demand reduction or building renovation – precisely the measures that are required to achieve the needed emissions reductions.
- **Industrial and innovation policy** in those sectors would not be promoted by their inclusion in the ETS, as it does not provide a specific pathway for these industries to decarbonise.

For all of the reasons above, we strongly advise you not to include the extension of the ETS to road transport and buildings as a proposal in the European Green Deal communication.

Yours sincerely,

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