



**TO:** José-Manuel Barroso

**CC:** Joaquin Alumia, Siim Kallas, Antonio Tajani, Connie Hedegaard, László Andor

Re: Linking car industry restructuring to environmental goals

21<sup>st</sup> March 2012

Dear Commission President Barroso,

In recent weeks, the motor industry, through the European Automobile Manufacturers Association (ACEA), has called for a “strong industrial policy” and assistance to counter the production overcapacity that is leading to thin profit margins - particularly in smaller vehicle segments. Parallels have been drawn to the problems afflicting the US automotive market in 2007-8.

Greenpeace and Transport and Environment recognize the need for a competitive European automotive sector. However, the industry also needs to manufacture vehicles that progressively reduce and ultimately eliminate both their negative environmental impact and dependence upon oil. The restructuring and financial support given to the US Big Three carmakers in 2008 explicitly linked these needs with the stated aim to “...produce a new generation of clean vehicles”<sup>1</sup>. As a consequence, the entire US Automotive industry has agreed to massively improving fuel economy over the next 15 years.

The steps taken by the Obama administration turned the automotive crisis into an opportunity. We believe the EU should adopt a similar strategy.

For now, the EU is still leading in the ‘green race’ for greater car fuel economy. This has principally been achieved through vehicle emission standards that have stimulated the largest innovation wave in the sector since the Second World War.<sup>2</sup> These more efficient vehicles are also, to a degree, insulating consumers from high oil prices. But the EU leadership in producing fuel efficient vehicles is presently being eroded. The proposed US target for 2025, translated to European conditions, will lower fleet-average emissions of new vehicles to an estimated 70-80

---

<sup>1</sup> United States Environmental Protection Agency, Fact Sheet, ‘EPA and NHTSA Propose to Extend the National Program to Reduce Greenhouse Gases and Improve Fuel Economy for Cars and Trucks’, November 2011, <http://www.epa.gov/otaq/climate/documents/420f11038.pdf>

<sup>2</sup> Dudenhöffer, Ferdinand, Press Release, ‘Autobauer erreichen CO2-Vorgaben vor 2012. Größte Innovationswelle seit dem zweiten Weltkrieg’, November 2010, [http://www.finanzen.net/mediacenter/unsortiert/autobauer\\_und\\_co2.pdf](http://www.finanzen.net/mediacenter/unsortiert/autobauer_und_co2.pdf)

grammes of CO<sub>2</sub> per kilometre driven (gCO<sub>2</sub>/km) by 2025.<sup>3</sup> The forthcoming Commission proposal for passenger cars will only confirm the EU's target of 95 gCO<sub>2</sub>/km by 2020. To date there has been no serious debate about 2025 targets despite the need to meet Europe's climate goals and the long lead times and policy clarity demanded by the industry.

**Greenpeace and Transport and Environment ask that any support for restructuring the automotive sector be explicitly linked to reducing vehicle CO<sub>2</sub> emissions and oil dependence.** As a first step, we ask for a tightening of legislative standards for fleet average emissions to 80 gCO<sub>2</sub>/km by 2020 and the inclusion of a new target of 60 gCO<sub>2</sub>/ km by 2025.

We would welcome an opportunity to meet with you to discuss these matters further.

Yours sincerely,



Jos Dings  
Director  
Transport & Environment



Jorgo Riss  
Director  
Greenpeace EU Unit

---

<sup>3</sup> Mock, Peter, 'Thought experiment: Applying the proposed U.S. 2025 PV standards to the EU fleet', December 2011, <http://www.theicct.org/blogs/staff/thought-experiment-applying-proposed-us-2025-pv-standards-eu-fleet>