



Ref.: L2013_180/MGO/cm

Brussels, 11 July 2013

Re: Delay of agreement on 2020 CO₂ emissions target for cars

Dear Deputy Permanent Representatives,

We are writing with regards to the recently unsuccessful attempt to agree on setting CO₂ emissions targets for cars.

Trilogue negotiations on June 24, 2013 between the Irish Presidency, the European Parliament and the European Commission led to an informal agreement on a package of compromises to the Commission proposal on setting CO₂ emission targets for new cars for 2020. Even though we would have hoped for more ambition, we recognise that the outcome of the last trilogue represents a reasonable political agreement.

For this reason we are very disappointed that several countries have managed at the last minute to withdraw the vote from the agenda of the COREPER meeting which was scheduled for June 27.

German chancellor Angela Merkel has openly admitted that the vote was delayed in order *"to ensure that in our drive to protect the environment we are not damaging our own industrial base"*¹. Recent studies on the impact of CO₂ targets on employment, however, tell another tale, finding that emissions targets would actually create millions of jobs up to 2030 by generating demand for highly-skilled technicians and by a shift in spending away from imported fossil fuels and back towards other areas of the European economy.²

It is important to stress that the discussion on setting the appropriate level of CO₂ emissions targets for cars is not only a question about counterbalancing environmental and industry interests. Equally, if not even more important, should be the consequences of such targets on consumer welfare. Consumers today are in a very vulnerable position when fuel prices soar. Fuel prices know only one direction and projections expect them to continue rising. As consumers often depend on their cars to get to work or bring their kids to school, they see their purchasing power eroding by having to spend more and more of their income on fuel. The effect of rising fuel prices on consumers living in rural areas, where there is a lack of public transportation infrastructure, is even higher. This is of major concern as an increasing number of drivers are at risk to become socially excluded.

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¹ See Reuters article from June 28: <http://www.reuters.com/article/2013/06/28/eu-cars-germany-idUSL5N0F425620130628>.

² See research undertaken by Cambridge Econometrics, in collaboration with Ricardo-AEA, Element Energy and a number of independent experts to assess the economic impact of decarbonising cars and vans. The project was commissioned by the European Climate Foundation:
<http://www.europeanclimate.org/index.php/en/news/116-fuelling-europe-s-future>.

The European Commission has estimated that the 2020 target for cars of 95g CO₂/km implies reductions in annual fuel consumption to private users and business owners of 27% compared with the 2015 mandatory target of 130g. For an average car, the Commission has said the consumer can expect to save some €340 in the first year, and a total of €2904-3836 (depending on the price of fuel) over the car's lifetime (13 years), as compared with the 2015 target.

Therefore, we urge you to ensure that consumers will not suffer a significant financial setback as a result of any watering-down of the proposal, for instance through a more generous system of super-credits.

We call on you to adopt in the COREPER as soon as possible the final compromises as agreed in the trilogue on June 24 to ensure that ambitious CO₂ emission targets for cars will be set. The concerns of a few companies must not take precedence over consumers' interests. In times of growing public concern about increasing fuel costs and its burden on household budgets, policy-makers must provide a clear signal to ensure that mobility stays affordable in the long-term.

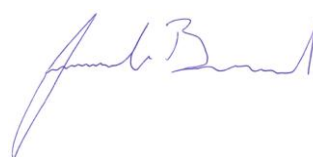
We trust that you will take into account consumers' interests when negotiating this legislative proposal.

Please feel free to contact Stefanie Heinzle (stefanie.heinzle@beuc.eu) or Victor Brangeon (vbrangeon@fia.com) for any further questions.

Yours sincerely,



Monique Goyens
BEUC Director-General



Jacob Bangsgaard
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