

Ms Elisabeth Köstinger
Minister of Sustainability and Tourism
Federal Ministry for Sustainability and Tourism
Stubenring 1
AT-1010 Vienna
AUSTRIA

08 October 2018

Dear Minister,

Europe's transport sector is at the beginning of a huge transition that will help drive Europe's economy to a low-carbon future and reach the objectives of the Paris Agreement. This Tuesday you will have a significant opportunity to help define the course of that transition with the general approach on Emissions Performance Standards for new passenger cars and new light commercial vehicles. BusinessEurope also supports Europe's intentions to do so, while at the same time making sure that our economy stays competitive and while making sure that most of the investments in new low-emission technologies, fuels and efficiencies are done within Europe's borders. In particular:

- **Safeguard technology and fuel neutrality.** Some proposed targets might be difficult to achieve for some technologies and fuels within the proposed timelines, even though these technologies and fuels could achieve a similar emission reduction over the longer term. Intermediate solutions should remain part of the transition and amendments should not promote one technology over the other.
- **Apply an integrated approach,** with impact assessments covering environmental costs and benefits, job implications for the 12.6 million people working directly and indirectly in Europe's automotive sector, and security of supply. Furthermore, BusinessEurope supports efforts to develop a proper methodology to measure lifecycle CO₂ emissions, but the decision to make this mandatory for manufacturers by 2025 cannot be made already now.
- **Safeguard innovation.** New legislation should focus on applying the Innovation Principle and sufficient financing should be made available to create a critical mass for new ideas, including targeted programmes for re-skilling and up-skilling the workforce, as well as the timely rollout of fuelling and charging infrastructure. For example, whereas the Commission in its Alternative Fuels Infrastructure proposal aims to have 799,000 publicly-accessible electric recharging points in Member States by 2020, the current number of points as of 2018 only stands at about 150,000.^[1]
- **Continue stakeholder engagement.** We support calls to include social partners and other stakeholders into the transition, given the scale of the environmental, socio-economical and geopolitical challenges of the transition. This includes the importance of converging climate ambitions of other major economies, many of whom we are in direct competition with to receive the many billions of euros of investments into low-emission mobility.

^[1] European Alternative Fuels Observatory (EAFO), URL: <http://www.eafo.eu/electric-vehicle-charging-infrastructure>



In light of the above we would also like to draw your attention to the challenging international environment that the EU automotive industry is currently facing. The lingering threat of additional duties on our exports of cars to the US and the increase in local value added to 75 % from the current 62,5 % included in the United States, Mexico and Canada agreement USMCA or Nafta2 will have an impact on supply chains and the ability to serve the North-American market from Europe.

I hope you can consider these key principles ahead of your general approach this Tuesday. BusinessEurope stands ready to continue the constructive dialogue with you this and other files.

Yours sincerely,

Markus J. Beyrer