

Position Paper

CO₂ Emissions Performance Standards for New Heavy-Duty Vehicles

The European Commission published on 17 May 2018 its Proposal for a Regulation setting CO₂ Emission Performance Standards for New Heavy-Duty Vehicles. This forms part of the third Europe on the Move package, and follows earlier legislation establishing the VECTO Tool and on the Certification, Monitoring and Reporting of HDV CO₂ Emissions. CLECAT, the European Freight Forwarders Association, welcomes the proposal and is pleased to provide detailed comments in order to see the swift adoption of a Regulation which will drive innovation and emissions reduction, based on a realistic and ambitious framework which will boost European competitiveness.

Summary

- As the architects of an efficient logistics network, freight forwarders have a clear interest in measuring and reducing the emissions and fuel consumption of their operations. The Commission proposal on CO₂ emission performance standards for new heavy-duty vehicles is therefore the right step in enabling access to transparent, accurate emissions data.
- The proposed Regulation will enable the widespread adoption of standardised technologies which will improve vehicles' fuel and emissions performance, driving down costs in the industry and contributing to an efficient, low-carbon logistics system.
- The proposed two-step approach, with targets for 2025 and 2030, is appropriate to drive innovation and ensure early progress while remaining respectful of the investment cycle and the time required to bring new technologies to market. However, CLECAT recommends increasing the ambition of the 2025 and 2030 targets in order to fully boost the shift to efficient, low-carbon vehicle technologies.
- CLECAT would advocate the following steps to firm up the target system:
 - Increasing the 2025 target to 20%
 - Increasing the minimum 2030 target to between 30 and 35%
 - Decreasing the cap on reductions by means of the zero- and low-emission factor to 2%
 - Decreasing the maximum 'value' of a low-emission vehicle to 1.5 vehicles
- We question the appropriateness of tonne-kilometres for the purpose of the HDV emission standards and would instead advocate grams of CO₂ per kilometre as the correct metric.
- The 2022 review must be appropriately ambitious and ensure that the target set for 2030 is enacted as a minimum, but with an assumption that a higher target will be set.
- Amendments to the manufacturer-specific emission target, following verification of vehicle emissions, must appropriately reflect the divergences found while respecting the fact that all HDVs are different, even within the same vehicle class.
- Regular revision of VECTO to account for the impact of new technologies is an integral part of maintaining the solidity of the standards.



Introduction

CLECAT is the Brussels based organization representing the interest of freight forwarders and logistics service providers. Through the membership of 25 national associations, It has a collective membership of around 19000 members. The majority of freight forwarders and LSP's do not own assets but organise the logistics for their clients, the owners of the cargo. As such they depend heavily on reliable and efficient transport operations, including fuel-efficient vehicles.

CLECAT has consistently supported the development of the VECTO tool and called for access to output data to be opened up to transport buyers and operators in order to facilitate the measurement of road transport emissions. CO₂ emissions are an increasingly important factor in decision-making for freight forwarders and their customers, making transparency over emissions performance an essential element in efficient logistics planning.

As such, CLECAT has been supportive of the previous Commission proposals on certification and monitoring & reporting of HDV emissions as the basis for improving efficiency in the transportation of goods by road.

The Commission proposal on CO₂ emission performance standards for new heavy-duty vehicles is therefore a right and logical result of the work to date in enabling access to transparent, accurate emissions data.

Emission performance standards for European HDVs will open the door to the widespread adoption of standardised technologies which will improve vehicles' fuel and emissions performance, driving down costs in the industry and contributing to an efficient, low-carbon logistics system.

Furthermore, it will increase the competitiveness of European transport and logistics by driving down fuel costs and maintaining the technological leadership of the European transport industry.

Emissions Standards to Drive Efficient Logistics

Freight forwarders have a clear interest in measuring and reducing the emissions and fuel consumption of their operations. This begins with having access to reliable, accurate data on a vehicle's actual emissions performance, which logistics planners may use to compare options and to make requirements of carriers and subcontractors. Action by the freight forwarder to construct an efficient logistics chain is therefore an essential part of efforts to reduce freight transport emissions, as asked for by their shipper clients, which is amplified by access to emissions-efficient vehicle technologies.

The introduction of CO₂ emission performance standards is an important step in increasing the efficiency of the logistics system, by making widely available technologies which can greatly improve the fuel economy and emissions performance of heavy-duty vehicles transporting goods.



Experience in the United States has shown that the introduction of emission performance standards, with a two-phased approach allowing manufacturers a reasonable lead-in time, has increased the uptake of technologies enabling lower HDV emissions and alternative fuel options.¹

Emission performance standards have the effect of giving a push to innovation, making the technologies to reduce vehicle emissions available on a wide basis, thus pushing down their cost and resulting in fuel savings and emission reduction. Small and medium transport companies have access to efficient technologies without the prohibitive cost which would otherwise be associated.

Standards can bring security to manufacturers by guaranteeing uptake of technologies and return on their R&D investment. Moreover, the experience of standards in the US has shown that even if the vehicle's purchase price is increased as a result of regulation on CO₂ efficiency, this does not constitute a barrier where it is more than offset by the reduction in fuel costs which result from standards.

The Commission proposal is therefore a move in the right direction which can give a push to fuel-efficient vehicles as part of an efficient logistics system.

The Commission proposal takes a two-phase approach, setting emission reduction targets for 2025 (binding) and 2030 (indicative at present, pending a review in 2022) of 15% and 30% respectively, relative to 2019 figures. Manufacturers would receive specific emission targets on an annual basis from 2025, based on their officially monitored emissions data obtained using VECTO, in order to reach the overall targets for 2025 and 2030.

The proposal also allows manufacturers to “bank” and “borrow” emissions between different years and vehicle classes, as well as multiple counting of low- and zero-emission vehicles towards the annual targets. This would appear to be a sensible measure to ensure flexibility, but requires refinement to avoid the possibility of manufacturers introducing a limited number of lower-emission vehicles in order to “buy” the right to produce higher-emitting vehicles later on.

We believe that this two-step approach is appropriate to drive innovation and ensure early progress while remaining respectful of the investment cycle and the time required to bring new technologies to market.

Nonetheless, it would be advisable to consider increasing the ambition of the 2025 and 2030 targets in order to fully boost the shift to efficient, low-carbon vehicle technologies. With alternative fuels expected to become more mainstream in any case over the coming decade, especially for urban distribution, the 15% and 30% targets should be relatively easy for manufacturers to meet. Furthermore, the interaction of supercredits and the headline target level may result in ‘net’ targets which are well below the EU level of ambition.

To this end, CLECAT would advocate the following steps to firm up the target system:

- Increase the 2025 target to 20%
- Increase the minimum 2030 target to between 30 and 35%
- Decrease the cap on reductions by means of the zero- and low-emission factor to 2%

¹ [European Commission Impact Assessment accompanying the Proposed Regulation; US EPA and NHTSA Regulatory Impact Analysis](#)



- Decrease the maximum 'value' of a low-emission vehicle to 1.5 vehicles

These steps would have the effect of increasing the headline ambition of the standards, and maintaining their integrity given the numbers of zero- and low-emission vehicles which are likely to be entering into the fleet regardless of whether new legislation is put into place.

Metrics

CLECAT advocates the use of tonne-kilometres for some purposes, notably for an operator's carbon footprinting, as this gives a comparable picture of the relation between emissions and asset usage. This is the approach advocated by the [GLEC Framework](#), an initiative of the Global Logistics Emissions Council of which CLECAT is a member.

However, we question the appropriateness of tonne kilometres for the purpose of the HDV emission standards. The 'tonne' variable within a tkm is dependent upon the work performed, which is in the control of the operator and not the manufacturer. A logistics operator will endeavour to make the optimum use of a vehicle's capacity, but the tonnage transported will obviously fluctuate from one operation to another.

As such, it is not feasible to expect a manufacturer to accurately meet a target expressed in g/tkm of CO₂, when they have no control over the 'tonne' part of the equation. Furthermore, as the regulation rightly applies to manufacturers and not operators, the operator may not influence this outcome. We therefore believe that the metric should be amended to g/km of CO₂.

Maintaining oversight

The 2022 review must be appropriately ambitious and ensure that the target set for 2030 is enacted as a minimum, but with an assumption that a higher target will be set. As well as the effectiveness of the zero- and low-emission vehicle modalities, the impact and functioning of the emission credits scheme must be addressed, with the possibility of revising this scheme if it is found to be too generous.

Verification of monitoring data is extremely important in order to maintain the integrity of the targets regime. As such it is essential that the verification provided for in Article 9 be rigorous and also that it takes into account the divergences between different types of heavy-duty vehicle. Amendments to the manufacturer-specific emission target must appropriately reflect the divergences found while respecting the fact that all HDVs are different, even within the same vehicle class.

Regular revision of VECTO is also an integral part of maintaining the solidity of the standards. As new technologies are developed to meet the standards and targets, VECTO should be able to properly account for their role in reducing vehicle emissions.

CLECAT remains at the disposal of interested parties for any further information about our views.

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