



**Commissioner Carlos Moedas**

**Meeting with** [REDACTED],

[REDACTED]

**Tuesday 5 June 2018**

**09:00 – 09:30**

Contributors:

[REDACTED] ☎ [REDACTED], RTD-H2, ORBN

[REDACTED] ☎ [REDACTED], RTD-H2, ORBN

# 1. STEERING BRIEF

## Scene Setter

You will meet [REDACTED] to discuss how the future EU **R&I funding can help industry to remain competitive**, also in a view of recent **regulations on CO<sub>2</sub> emissions and safety**.

The European Automobile Manufacturers' Association (ACEA) represents 15 major Europe-based car, van, truck and bus makers.<sup>1</sup> ACEA is proactive in following market and policy developments, and has a strong voice in representing interests of the industry. The sector employs 12.6 million people (5.7% of the EU employed population), generating EU annual trade surplus of EUR 90 billion. Automotive sector is also a key driver of knowledge and innovation, being Europe's largest private contributor to R&D, with more than EUR 50 billion invested annually.

PSA Group, [REDACTED] is a French multinational manufacturer of automobiles and motorcycles sold under the Peugeot, Citroën, DS, Opel and Vauxhall brands.

The Commission's 3<sup>rd</sup> **Mobility Package** (May 2018) included a series of legislative initiatives establishing measures for vehicles and infrastructure safety; the first ever CO<sub>2</sub> standards for heavy-duty vehicles; a strategic Action Plan for the development and manufacturing of batteries in Europe and a forward-looking strategy on connected and automated mobility. The 2<sup>nd</sup> Mobility package (November 2017) among others presented legislation on post-2020 standards on CO<sub>2</sub> emissions for cars and vans.

ACEA has welcomed Commission's actions in the area of vehicle safety and connected and automated mobility, and furthermore encourages the Commission to remove regulatory barriers and to allow automated driving to be deployed on European roads, as well as pay specific attention to cybersecurity issues in connected and automated driving.

However, it has, with a particular criticism, reacted to the CO<sub>2</sub> regulations. It claims that the CO<sub>2</sub> reduction levels proposed are too aggressive and cannot be achieved. While new regulation on trucks foresees 15% reduction by 2025, and 30% reduction by 2030, ACEA proposed 7% reduction by 2025 and 16% by 2030. At the same time, NGOs claim that the ambitious targets should have been put at 40% reduction by 2030. ACEA had a similar position on CO<sub>2</sub> emissions from cars and vans, urging lawmakers to "come up with realistic figures, taking into account market realities".

## Objectives

- To hear about the position of ACEA on the future of transport R&I priorities;
- To hear about the position of ACEA on the recent regulations, incl. on CO<sub>2</sub> emissions;
- To explain how the Commission is supporting competitiveness through current and future R&I funding programmes for transport.

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<sup>1</sup> BMW Group, DAF Trucks, Daimler, Fiat Chrysler Automobiles, Ford of Europe, Honda Motor Europe, Hyundai Motor Europe, Iveco, Jaguar Land Rover, PSA Group, Renault Group, Toyota Motor Europe, Volkswagen Group, Volvo Cars, and Volvo Group.

## Line to Take

- Confirm that Europe's vision is **clean, connected and competitive transport**. Therefore main R&I priorities in Horizon 2020 are the transport **automation** and **electrification**, including **batteries**. Alternative powertrains are supported through the European Green Vehicles Initiative Public-Private Partnership (EU funding EUR 700 million), automation has a dedicated call in the transport Work Programme (EUR 220 million), and the EU has already invested or allocated more than EUR 450 million for projects on batteries. Moreover the **EU Batteries Alliance**, established by VP Šefčovič, aims at increasing competitiveness of European automotive sector through establishing battery cell manufacturing base in Europe.
- Stress the importance of automotive industry in Europe for creating jobs and growth. However, it shall **ensure the transformation** and **secure large investments** towards developing and deploying **digitalised and clean technologies** to remain competitive. We have to confront the fact that China is about to lead the transition towards electric vehicles in the future.
- On the other hand, acknowledge the fact that even the most optimistic forecasts estimate **only a half** of the new cars and vans sold in 2040 to be fully or partially **electric**. The reliance on conventional fuels and internal combustion engines in the truck and coach sector will remain especially significant. Therefore, it is of a crucial importance that industry mobilises forces to **deploy recent technologies and innovations** (coming also from EU-funded projects), which have demonstrated ways to increase powertrain efficiency and reduce emissions.
- Stress that recently published stricter regulations on the post-2020 CO<sub>2</sub> standards for light duty vehicles and the first ever CO<sub>2</sub> standards for heavy duty vehicles are absolutely needed to ensure the obtainment of climate targets in Europe.
- Challenge ACEA with the argument that **nations worldwide have already implemented strong regulatory measures** (United States, Canada, Japan and China) and, in order for European manufacturers to access these markets and remain competitive, the emissions performance of vehicles has to be improved. Moreover it is considered that the widespread use of **already available technologies** to reduce CO<sub>2</sub> from trucks could bring about 15 to 20% CO<sub>2</sub> emission savings by 2025 (as defined in the Impact Assessment of the regulation).
- Inform that the **future R&I Framework Programme Horizon Europe** will continue support for transport. One of the five thematic clusters "Climate, Energy and Mobility" will include several intervention areas focusing on transport competitiveness, decarbonisation, digitalisation and batteries. Ask ACEA's views regarding which areas shall be further supported within the European R&I projects.
- Positively welcome the fact that ACEA partners are active in participating in EU funded projects. Emphasise the importance to **bring project results to market** and encourage ACEA to continue their work on closing this gap between researchers and industry.
- The future form of co-designed and co-programmed **partnerships** within Horizon Europe is still under discussion. Enquire about ACEA's views on the future collaboration in research and forms of partnerships.

## 2. BACKGROUND NOTES

CV

[REDACTED]

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