



Brussels, 17th March 2022

Dear President,

The European Union has decided to reach climate neutrality by 2050. This highly commendable objective, that we wholeheartedly support, will only be met thanks to common efforts of citizens, academia, industry and all the actors of the different energy value chains.

Europe's transport sector represents 27% of the EU's total CO₂ emissions and road transport alone represents almost 19% of the emissions. This is an immense challenge, and rapidly reaching climate neutrality in this sector will require the combined efforts of all stakeholders.

At this stage, the European Commission proposals, seem to exclusively consider electrification as the technology for reaching climate neutrality in road transport, despite disparities and insufficient low and zero-carbon electricity production and charging infrastructure between Member States, in addition to geopolitical uncertainties especially with regards to the access and availability of raw materials.

Like France, the EU Commission supports an ambitious strategy for the development of hydrogen as an alternative technology, but surprisingly ignores any significant contribution of renewable and low-carbon fuels to the decarbonisation of the road transport.

The internal combustion engine (ICE) in combination with low-carbon fuels is a necessary complement to the electrification of road transport. We believe hence the following key questions should be addressed, and the existing solutions duly considered:

Why is not the EU integrating in its policy approach the contribution of renewable and low-carbon fuels to achieve climate neutrality? Indeed, whether it is biofuels produced exclusively from sustainable sources¹ or e-Fuels produced from low carbon energy and recycled CO₂, all these alternatives used in an efficient internal combustion car offer CO₂ emission reduction performances at least equivalent to those of an electric car charged with renewable electricity.

Why is the EU not taking into consideration the reality of more than 300 million existing vehicles with an internal combustion engine to accelerate the decarbonisation of road transport and prevent potential social uncertainty in a number of Member States?

These fuels will allow an immediate contribution to the reduction of CO₂ emissions from vehicles in circulation, thereby accelerating the emission reduction potential compared to the reductions expected from the sole progressive renewal of the vehicle fleet.

¹ We refer to sustainable biomass such as crops, agricultural and forestry residues, or bio-waste such as used oils, animal fats, or sustainable vegetable oils.



Why would the EU take the risk of losing 500,000 jobs in the European automotive value chain by banning the internal combustion engine instead of progressively phasing out fossil fuels and replacing these through the uptake of renewable and low-carbon fuels in all modes of transports?

The internal combustion engine, even more in its hybrid version, is a necessary complement to the electrification of road transport and its future, conditional to the use of renewable and low-carbon fuels, will be a profitable strategy in the long term. The ICE's production and integration in vehicles is part of the wider automotive assembly industry, responsible for a large share of the EU's total employment. The latest engines meet the most stringent standards in terms of emissions of pollutants: real-driving emissions tests carried out with renewable and low-carbon fuels demonstrate that emissions are well below the limit values set by the EU.

Why would the EU give up its technology and industrial leadership on internal combustion engine for the benefit of other regions such as China where technology openness remains the leading principle?

The signatories of this letter are concerned – but remain committed. We represent millions of jobs in the EU and France in the broader automotive value chain, in particular carmakers, suppliers, and all the businesses related to road transport.

Why we require long term regulatory visibility and predictability for the inclusion and use of renewable and low-carbon fuels in the energy mix for transport?

Scaling up the production of renewable and low-carbon fuels will require massive investments from the full industrial value chain and the investors community.

Industry needs a strategic framework of interdependent and coherent policies, building and going further than what the Renewable Energy Directive (RED) can achieve. Of course, the RED for transport so far has focused mainly on road transport. But now the strategy for road transport is exclusively driven by the Commission's tank-to-wheel vehicle CO₂ policy, which by design is unable to recognise any biogenic or circular carbon.

Why the actors of the road transport value chain urgently recommend introducing a methodology for the accounting of renewable and low-carbon fuels in the CO₂ emission standards for new cars and vans?

Turning our back on the existing successes of renewable fuels policies in road transport, is not a wise move. We strongly believe that only a strategic approach, that takes a long-term view of the need for large volumes of fuel for aviation and maritime in the long term, and recognises a significant role in road transport in the medium term, complementary to the key technologies of electrification, and also hydrogen, will drive Europe towards success.

This scheme, voluntary in nature, allows automotive manufactures to sell vehicles like hybrids even beyond 2035, while guaranteeing their climate neutrality. Also, customers would benefit of a broader range of carbon neutral and affordable mobility options.



Under France's Presidency of the European Union and your personal leadership, there is an ideal opportunity to call for an open and fair debate on the essential role of renewable and low-carbon fuels, in particular in road transport, to design a strategy that will fit into a political and legislative framework to create the lead market required to mobilise the necessary investments. But also, to reject any form of ban or technology exclusivity and mobilise instead all existing technologies to achieve climate neutrality in 2050.

We trust that the French Presidency of the European Union will be instrumental in achieving political progress in this matter. We remain at your disposal and that of your services to advance on a European strategy for renewable and low-carbon fuels.

Respectfully yours,

John Cooper *on behalf of all signatories*
Director General
FuelsEurope

Who are we:

The signatories represent the "road transport" value chain, in particular equipment manufacturers, energy producers, logistics, services and businesses, and finally transport users. The sectors and actors mentioned above are all concerned and involved in the effort to decarbonise the economy, and European society as a whole. Each has produced a roadmap or a strategy that will enable achieving carbon neutrality, and thereby collectively meeting the zero-emission objective set by the European Union for 2050.