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To:

President of the European Commission Mr. Jean Claude Juncker

Cc:

First Vice-President of the European Commission, Frans Timmermans, Vice-Presidents Maroš Šefčovič, Jyrki Katainen Commissioners Miguel Arias Cañete, Violeta Bulc, Elżbieta Bieńkowska, Karmenu Vella, Carlos Moedas, Margrethe Vestager

Brussels, 26 May 2016

Dear President of the European Commission, Mr. Jean-Claude Juncker

In December 2015 195 countries adopted the first-ever universal, legally binding global climate deal. As part of the Paris Agreement the European Union has committed to reduce carbon dioxide emissions by 40% by 2030.

The transport sector has an important role to play in meeting these targets. Road transport currently accounts for a fifth of Europe's carbon emissions. And while trucks make up less than 5 percent of all vehicles on the road, they are responsible for 25 percent of road transport's fuel use and carbon emissions. Meeting the EU's 2030 climate targets as well as the more challenging targets agreed in Paris, will require major efforts in the transport and road freight sector.

The freight transport industry is committed to meeting that challenge. Many big shippers, freight forwarders and hauliers have already voluntarily committed to reducing their carbon emissions, at company level or as part of green freight programmes. The companies that sign this letter are aware of their responsibility and are willing to scale up their commitment to help the EU meet its ambitious climate goals.

However, this is a challenge business cannot meet alone and policy makers need to create the right environment for this transition to take place. One area where the EU can make a major contribution is the fuel efficiency and  $CO_2$  emissions of new trucks.

Indeed, despite progress on reducing pollutant emissions (thanks to the EURO-standards), new truck fuel consumption has remained stable for almost two decades. We do not believe that introducing a truck CO<sub>2</sub> test procedure and monitoring truck CO<sub>2</sub> emissions would be sufficient to kick start the market for ultra-fuel efficient trucks in Europe.

We therefore call on you to propose post-2020 standards that reduce the CO<sub>2</sub> emissions and fuel consumption of new trucks and trailers. Europe should follow the example of Japan, China and most notably the United States, that have successfully introduced fuel economy regulation for trucks.

Better truck fuel economy will benefit both the economy and the environment. Businesses and consumers across all sectors of the economy rely on trucks to move materials and products. Fuel is a major cost of owning and operating heavy-duty trucks. It costs about €35.000 per year to fuel tractor trailers, which consume around 60% of all truck fuel in Europe. These fuel costs are then passed on to consumers through higher priced products. Realising the 35% cost-effective potential for truck fuel efficiency improvements could save businesses up to €10.000 per year, per truck, whilst avoiding 37 million tons of carbon being emitted annually by 2030.

We agree with Commissioner Arias Canete that "CO<sub>2</sub> standards for trucks are essential". We therefore urge you to use the upcoming "decarbonisation of transport communication" to commit to the introduction of fuel efficiency standards for new trucks and trailers and to make a proposal to introduce standards within the next two years.

We are convinced fuel efficiency standards would save consumers and businesses money at the pump, lessen the economic and security threats presented by oil dependence and price volatility, and help European manufacturers and suppliers develop new technologies that spur investment in research, development, and production of the ultra-efficient vehicles Europe needs to make the transition to a low carbon economy.

Yours sincerely,











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<sup>&</sup>lt;sup>i</sup> European Commission, Strategy for reducing Heavy-Duty Vehicles' fuel consumption and CO2 emissions, 2014, p3.

<sup>&</sup>quot; Tractor-trailer combination consuming 34.5l/100km on average, driving 120.000km/year, paying €0.9/litre

iii ICCT, Overview of the heavy-duty vehicle market and CO2 emissions in the European Union, 2015, p6.

<sup>&</sup>lt;sup>iv</sup> European Commission, Impact Assessment accompanying the Strategy for Reducing Heavy-Duty Vehicles Fuel Consumption and CO2 Emissions, 2014, p37.

V Statement by Commissioner Arias Canete in the European Parliament Environment Committee on 19 April http://www.politico.eu/pro/co2-standards-for-cars-and-trucks-essential-to-eu-climate-targets/

<sup>\*</sup>The Prince of Wales's Corporate Leaders Group (CLG) brings together 24 companies. Communications from the CLG benefit from the input of the entire group but do not necessarily require the formal agreement of all member companies.