



European
Automobile
Manufacturers
Association

ACEA Policy Paper Road freight transport on the way to carbon neutrality



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ROAD FREIGHT TRANSPORT ON THE WAY TO CARBON NEUTRALITY

Climate change is at the top of the agenda of the commercial vehicle industry as the most fundamental challenge for humanity and the global economy. Swiftly and determinedly, CO₂ emissions from road freight transport must be cut further globally to avoid crossing climate tipping points and to reach carbon neutrality.

Sound and fact-based decision making, based on the open exchange of ideas and collaboration, is essential to master this unprecedented challenge in the shortest possible timeframe. Therefore, European truck manufacturers – who have been proactive in this challenge for many years – together with the Potsdam Institute for Climate Impact Research (PIK), one of the world's leading institutions for integrated research on global sustainability, have embarked on a science-business dialogue on possible pathways and policy framework conditions for a sustainable, carbon-neutral road freight transport system. This dialogue was initiated at a high-level meeting of industry CEOs and the institute leadership at PIK on 24 September 2020 and is set to run throughout the year 2021.

The partnership between the European Automobile Manufacturers' Association (ACEA) and PIK will strengthen the commitment of European truck manufacturers to decarbonisation, while providing clarity to all stakeholders and policy makers of its goal. It will also identify challenges that need to be taken into account in the transformation to carbon neutrality, provide a plan to minimise risks and, most importantly, lay out the necessary actions needed to achieve zero-emissions.

To that end, the following three key building blocks were agreed by the CEOs of European truck manufacturers in October 2020 as the starting point for shaping a 'transformation roadmap' for the heavy-duty transport system. These interdependent factors are all crucial, and must be put into place simultaneously:

1. Functional, reliable and efficient vehicles

- European truck manufacturers are fully committed to carbon neutrality by 2050 at the latest. This implies that by 2040 all new commercial vehicles sold will have to be fossil-free. Important milestones have been set for 2025 and 2030 with the European fleet emission targets.
- As such, European truck manufacturers are committed to bringing zero-emission vehicles to the market. New powertrain technologies will fast become the backbone of road freight transport across all ranges and the majority of vehicle segments. Reliable and efficient battery-electric trucks are already available and will be followed by hydrogen-powered trucks. The range of zero-emission vehicle offerings will increase rapidly over the next few years.

2. A dense network of charging and refueling infrastructure suitable for trucks

- The availability of clean electricity, clean hydrogen and low- or zero-carbon fuels, such as advanced, renewable biofuels, will be crucial for the transition towards a carbon-neutral transport sector.
- A successful market deployment will only be possible if a sufficiently dense network of charging and refueling stations suitable for trucks is rolled out rapidly. The commitment of all stakeholders and policy makers on European and member state level must match the ambition set for the vehicle industry. This will require swift coordinated action and massive investments, supported by public funding. Truck manufacturers stand ready to support the infrastructure roll-out by collaborating with public and private stakeholders.

3. A coherent policy framework which enables and drives the transition to carbon neutrality

- For a successful decarbonisation of the road freight sector, zero-emission vehicles will have to become the best option and preferred choice for transport operators as soon as possible. Although efficiency gains and cost reductions can be expected over the coming years, a coherent, enabling policy framework is indispensable to shift key cost factors towards zero-emission technologies.
- As part of a broader approach touching all aspects of a well-to-wheel perspective and in line with science, an ambitious carbon price, which gradually increases to significantly higher levels than today, is crucial to drive the deployment of zero-emission technologies and adequately incorporate the total costs of CO₂ emissions. Several policy options – such as the inclusion of road transport in the EU emissions trading system, road charges based on CO₂ emissions, or an energy taxation system based on carbon and energy content – should be assessed. However, it is important to note that a broad market uptake of zero-emission vehicles can only be expected if the carbon content of all energy carriers and CO₂ emissions is priced appropriately.
- Driving the decarbonisation of road freight transport requires an unprecedented transformation, massive investments and a clear focus. Zero-emission vehicles will not only bring down CO₂ emissions, they will also improve air quality levels fast. All resources should therefore be devoted exclusively to reaching this target as fast as possible. Any regulatory constraints which may hinder or delay the design, construction and deployment of zero-emission vehicles must be identified and removed swiftly.

- All energy carriers, such as electricity, hydrogen and low-carbon fuels, must be decarbonised rapidly. Therefore, policy makers need to take full account of the wider perspective and also address the whole value chain, including the energy carriers.

European truck manufacturers are ready to lead the transition of transport and logistics to carbon neutrality. The transformation of the sector will be unprecedented in speed and scale. All stakeholders and partners in transport and logistics are invited to join this process, and to live up to the ambition required to bend the emissions curve now in the most sustainable way for society.

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ABOUT THE EU AUTOMOBILE INDUSTRY

- 14.6 million Europeans work in the auto industry (directly and indirectly), accounting for 6.7% of all EU jobs.
- 11.5% of EU manufacturing jobs – some 3.7 million – are in the automotive sector.
- Motor vehicles account for €440.4 billion in taxes in major European markets.
- The automobile industry generates a trade surplus of €74 billion for the EU.
- The turnover generated by the auto industry represents over 7% of EU GDP.
- Investing €60.9 billion in R&D annually, the automotive sector is Europe's largest private contributor to innovation, accounting for 29% of total EU spending.

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ACEA represents the 16 major Europe-based
car, van, truck and bus manufacturers

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