

Open letter calling to electrify new corporate fleets by 2030

May 10th, 2022

Dear Commission President,
Dear Vice-President,

As the world looks in horror at Russia's war in Ukraine, the EU is finally looking at ways to cut our reliance on Russian fossil fuels in the upcoming RePowerEU strategy. Europe's dependence on Russian oil puts \$285 million a day in Putin's pocket - two thirds of this is used in transport. The best structural solution to wean transport off oil is to electrify. And the most promising sector to electrify fast are corporate fleets.

Today, six out of 10 cars sold in Europe are **company cars**, and 80% of new company car registrations were petrol and diesel vehicles in 2021. Because company cars drive more than twice compared to private ones, they **consume double the amount of oil imports** and produce double the emissions. Electrification of corporate fleets is key to wean Europe of oil fast.

Fast electrification of corporate fleets already **makes economic sense**, and the shift will be profitable from a total cost of ownership perspective for fleets in Europe (operating a fully electric company car is 9 to 12% cheaper). In fact, some companies have already committed to 100% zero-emission vehicles for their new registrations by 2030, and some –including very large fleets, such as AstraZeneca, IKEA, Orsted, and T-Systems– have gone further, committing to an entirely zero emission fleet by 2025. But to make a significant saving on oil we need all fleet operators to act.

On behalf of 16 companies, associations and NGOs, we are calling on you to put in place measures to ensure that **all corporate fleets**, including company cars, delivery vans, taxi and ride-hailing services, as well as urban and public authority fleets **go zero emission and bring fuel savings** as soon as possible. We call on you to:

- ensure that companies with corporate fleets (20+ vehicles) acquire 50% of their new cars and vans as zero emission vehicles from 2025 and 100% from 2030;

- ensure that all high-mileage fleets (i.e. taxi, private hire & delivery vans) in urban areas, and those of public authorities, operate at least 50% of their new fleet as zero emissions vehicles by 2025 and all their fleet by 2030. Sufficient charging and support investives for high-km drivers must be made available. Such a mandate should cover a large proportion of company cars in Europe while not overly impacting smaller companies. SMEs should instead be supported to transition to ZEVs.

This can be done via proposing a dedicated European Fleets regulation¹ targeting companies directly (similar to the EU car CO2 standards for carmakers), which is the best legal means to ensure consistent and quick implementation across Europe. This can be mandated via implementing legislation under the currently discussed EU Car and Van CO2 standards.

If not, this can also be done via the EU Energy Efficiency Directive, via setting requirements on member states to put in place measures to deliver fuel savings from corporate, urban and public fleets. For this approach to be successful, consistent and quick implementation across all EU member states is paramount. Alongside enabling policies such as subsidies and charging, all countries will have to put in place either national ZEV fleet mandates or smart taxation policies to achieve the desired uptake of zero emission vehicles fast.

Millions of high-mileage fossil vehicles can be effectively targeted with only a few measures, reaping huge climate benefits while drastically reducing Europe's dependence on Russian oil. A fast penetration of electric corporate cars now means a continuous influx of relatively new and cheap zero emission vehicles on the second hand market a few years later, accelerating the affordable penetration of zero emission cars into the wider European car stock.

Electrifying fleets is possible and is one key measure that is missing today in Europe's Green Deal agenda for transport. With the current imperative to make Europe energy independent faster, its urgency has never been greater.

We hope you give a serious consideration to this recommendation and remain at your disposal for any questions or follow-up discussion.

Yours sincerely,

¹ T&E briefing on how this can be done is available here: [https://www.transportenvironment.org/wp-content/uploads/2021/07/Why%20the%20EU%20needs%20a%20ZEV%20Fleets%20Regulation%20\(2\).pdf](https://www.transportenvironment.org/wp-content/uploads/2021/07/Why%20the%20EU%20needs%20a%20ZEV%20Fleets%20Regulation%20(2).pdf)

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