



**COUNCIL OF EUROPEAN MUNICIPALITIES AND REGIONS
CONSEIL DES COMMUNES ET REGIONS D'EUROPE**

CEMR position paper

**on the proposal for a directive on the
promotion of clean and energy effi-
cient road transport vehicles**

Brussels, May 2008

Key points:

1. CEMR welcomes the Commission's proposal as one approach to promote clean and energy-efficient vehicles.
2. We wish to stress that local and regional authorities are interested in creating environmentally friendly vehicle fleets and transport solutions, and that they can and should show the example.
3. Our members appreciate that the Commission does not request mandatory quota of clean and energy efficient vehicles to be purchased, but leaves the decision to local and regional authorities what they want to buy.
4. We also appreciate the flexibility left to public authorities concerning the procurement procedure they should apply, as well as the way they use the lifetime costs for the decisions on procurement.
5. However, we believe that the directive should clarify that it is the responsibility of each public authority to prioritise the criteria and how to balance between different criteria.
6. CEMR thinks that there are many private companies such as hire / leasing companies that should also fall under the scope of the directive.
7. We wish to emphasise that difficulties could arise for local and regional authorities to force private operators to use the proposed methodology.
8. Both the values and the formula of the common methodology have to be regularly assessed, in order to ensure that they are appropriate and that no specific technology is favoured.
9. Clarification would be needed on the relation between the proposed methodology to internalise environmental costs and existing methodologies already developed at local level.
10. The potential initial administrative and financial impacts at local and regional level should be taken into account. European and national authorities could consider incentives, financial and otherwise, to convince local and regional authorities of the long term benefits of investing in clean vehicles.
11. CEMR also calls for consistency of the provisions of this directive with existing and forthcoming legislation on green public procurement.

1. The Council of European Municipalities and Regions (CEMR) is the umbrella organisation gathering 51 national associations representing local and regional government in 37 countries. CEMR has a working group on transport, which has been working on the issue of sustainable mobility for a long time. CEMR considers that sustainable mobility implies a modal shift towards more sustainable modes of transport, as well as the development of clean and energy efficient urban transport.
2. The following position, as well as the amendments proposed, is the result of the discussion within the CEMR transport working group on the proposal for a directive on the promotion of clean and energy efficient transport vehicles.

General remarks

3. Local and regional authorities support measures in favour of clean and energy efficient vehicles within municipal fleets and are committed to doing so, as part of their objectives to promote sustainable development. For instance, CEMR has actively contributed to the making of the Aalborg Commitments and to their promotion, in particular through the Sustainable Cities and Regions Campaign.
4. Local and regional authorities are increasingly faced with environmental and health problems related to inefficient and unsustainable energy use in transport. Although the scope of these problems goes far beyond the public transport fleet, local authorities can and should show the example by striving to ensure on the one hand that municipal vehicles are “environmentally friendly”, and on the other that public transport is indeed a sustainable alternative to the car by ensuring that public transport fleets have low-emissions.
5. Some local and regional authorities are already purchasing clean and energy efficient vehicles as part of Green travel plans, transportation strategies or pilot projects. These initiatives testify to the widespread interest within local and regional authorities to create environmentally friendly vehicle fleets and transport solutions.
6. CEMR considers the proposed directive as one approach to promote clean and energy-efficient vehicles, and emphasizes that other means, such as stronger investments in research and innovation or effective enforcement of EU-wide measures on vehicles emissions, in particular strong EU emission standards on light and heavy vehicles (strong Euro V and VI norms), also need to be promoted.

Aim and impact of the directive

7. CEMR welcomes the Commission’s proposal to stimulate the market for more efficient and environmentally friendly vehicles and is convinced that the proposed directive would be an efficient tool to couple environmental and economic dimensions in a sustainable procurement policy.
8. CEMR appreciates that the proposed directive does not impose any mandatory quota of clean and energy efficient vehicles purchased. In the full respect of the Subsidiarity principle, CEMR could indeed not accept legislation that would place obligation upon local and regional authorities as to what they should buy.
9. CEMR welcomes the flexibility left to public authorities concerning the procurement procedure they should apply, as well as the way they use the lifetime costs for the decision on procurement. Local and regional authorities should al-

ways be free to specify their own requirements, taking into account the local needs and circumstances.

10. However, CEMR considers that the directive lacks of clarity when it comes to the prioritisation of the award criteria. Prioritisation is the responsibility of each public authority, who can decide on the balance between different criteria such as environmental, economic or social criteria. Provisions of the directive should be clarified to specify that the lifetime costs are not the sole criteria.

Scope of the directive

11. Although it is understandable that the Commission wants to address any such proposal to public authorities because of their large fleets and societal obligations, CEMR would argue that there are many private companies such as hire/leasing companies who should fall under the scope of the directive as well.
12. CEMR would like to emphasise that potential difficulties could arise for local and regional authorities to oblige private operators to use the proposed methodology, particularly regarding contracts signed before the entry into force of the directive.

Harmonised methodology

13. CEMR believes that the methodology provided by the directive to monetise the operational lifetime costs for energy consumption, CO₂ emissions and pollutant emissions, is relatively simple to apply as examples and values are already available.
14. However, CEMR stresses that the effects of the proposed methodology have to be regularly assessed and the refinement of the formula and data considered. To this end, the use of the comitology procedure with political scrutiny is most welcome.
15. CEMR points out that some local and regional authorities have already developed their own methodology to internalise environmental costs. Therefore, the impact of the directive on existing methodologies at local level and their relation to the proposed common methodology should be clarified. Proved and elaborated local methodologies cannot be simply discarded.
16. CEMR has some doubts that the proposed directive favours a technology-neutral approach. For instance, the combination of high weight for energy consumption and the energy cost fixed to the level of petroleum-based fuels may make compressed natural gas heavy vehicles less competitive in the life-cycle cost calculation (see annex below). CEMR wishes the proposed methodology not to disadvantage such alternative fuels, in which many local and regional authorities have already invested.

Administrative and financial impacts

17. Since local and regional authorities would have to include these additional criteria in their procurement procedures, the provisions of the directive could create extra administrative costs. However, CEMR recognizes that they may be compensated in the long term. Moreover, savings on public health expenses and local environment, which fall in the responsibility of local and regional authorities, have to be considered as well.
18. In order to compensate the initial impacts such as extra investment costs or potential higher priced tickets, CEMR believes that incentives, financial or otherwise, would be useful to encourage local and regional authorities to invest extra

financial resources, as well as to convince them on the long term benefits. In this respect, awareness raising and communication play a crucial role as well.

19. For instance, CEMR suggests creating the possibility to provide public authorities with additional funds that could be paid back once it begins to profit from the use of the new procurement methodology. An other idea would be that the car industry produces an eco-label already providing the information on lifetime costs for their vehicles.
20. The promotion of clean vehicles, and more generally of sustainable urban mobility, implies a strong financial effort for local and regional authorities, so that CEMR reiterates the demand expressed in its response to the Green Paper on urban mobility, i.e. the setting up of a dedicated and flexible fund for urban transport projects.
21. Local and regional government has to follow strict rules, based on the EU public procurement directives, when purchasing products and services. Additional provisions in this field may complicate the matter further. Therefore CEMR calls for a consistency of the provisions of this directive to existing and forthcoming legislation on green public procurement, especially if general green procurement targets encompass transport procurement.

ANNEX

The proposed methodology is supposed to be technology-neutral, but in fact the combination of high weight for energy consumption and the energy cost fixed to the level of petroleum-based fuels makes compressed natural gas (CNG) heavy vehicles completely non-competitive in the lifecycle cost calculation. The example in figure 1 shows that when this method is used, a Euro 1 diesel bus from early 1990's is judged to be environmentally better than a new CNG bus with EEV emission levels. This obviously cannot be the intention and should certainly not be the result.

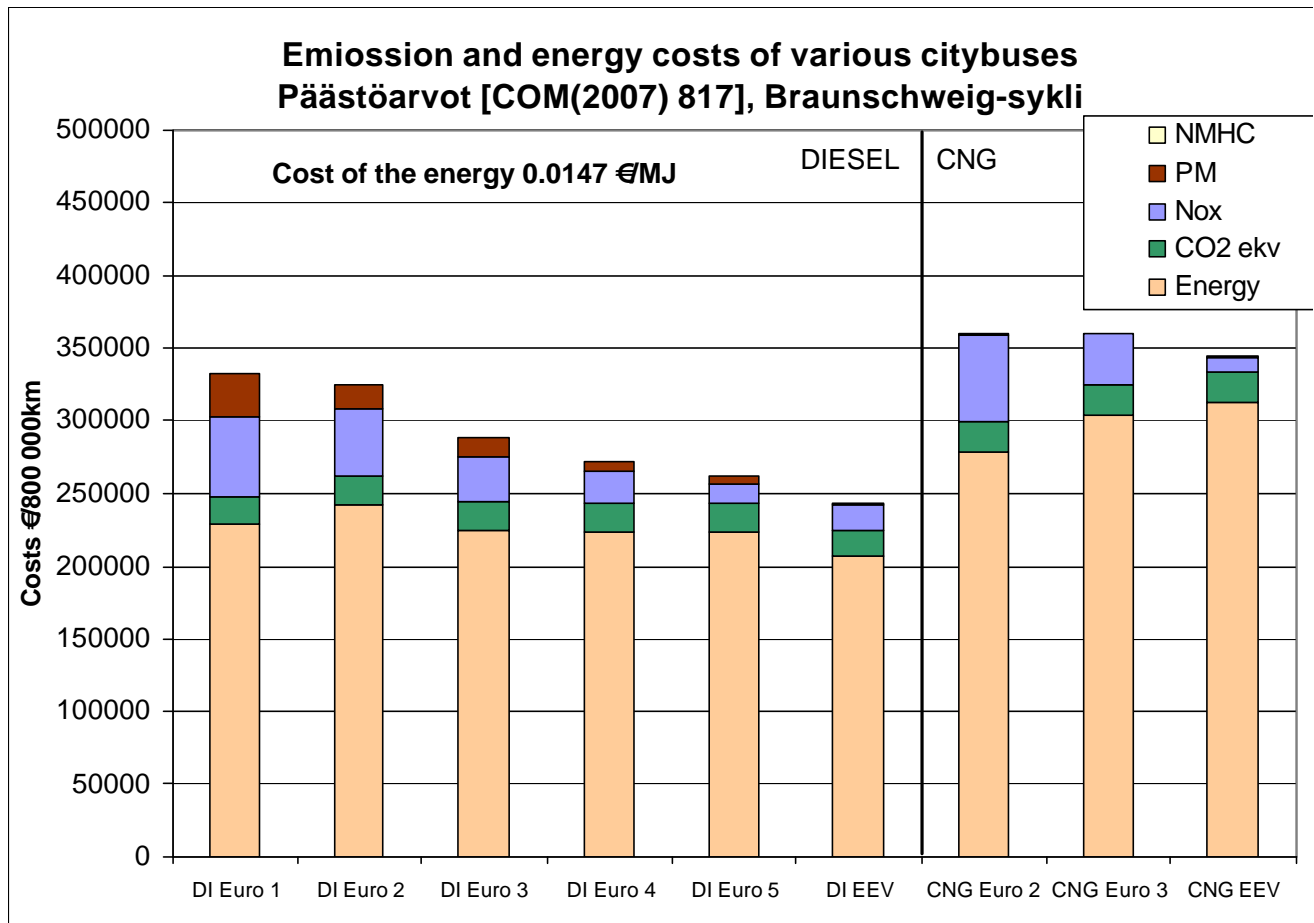


Figure 1. Life cycle costs calculated by COM(2007) 817 for various city bus types. (Kimmo Erkkilä / VTT National Technical Research Centre of Finland.)