Automotive Mobility Europe – Submission to the European Commission consultation on the revision of Regulation (EU) 2019/631 (CO_2 standards for cars and vans)

Automotive Mobility Europe (AME) brings together national associations of vehicle dealers, repairers and mobility service providers across the EU, representing a sector that sustains **4.5 million jobs**. Our members are the frontline link to Europe's drivers and small businesses. We support the EU's climate objectives and the **2035** timeline, and we seek practical, consumer-centred policies that deliver a **fair, technology-open** transition across all markets.

Executive summary – What the review must achieve

To achieve de-carbonization of the European mobility sector, Automotive Mobility Europe recommends:

- **Broaden the methodology maintaining technology neutrality:** Introduce a **Carbon Correction Factor (CCF)** to recognise renewable and climate-neutral energy carriers alongside BEVs, moving from a purely tailpipe-based approach to a system-based perspective. Include hybrid, plug-in hybrid and range extender electric vehicles, and alternative fuels to be also used as an intermediate solution for the existing vehicles in use.
- **Private demand first by putting the consumer in the center:** Extend tax exemptions for zero-emission vehicles at least until 2035; enable **accelerated depreciation/instant expensing for private purchases (new & used)**,:
    - allowing households to deduct a capped share of the purchase price from taxable income quickly, as a simple and predictable alternative to complex grants;
    - modernise company-car taxation to favour low- and zero-emission vehicles;
    - lower end-user charging costs by reducing network fees and electricity taxes, with mandatory pass-through into retail tariffs.
- Encourage the purchase of zero-emission vehicles through incentives and European funding mechanism.
- **Make the used-car market count:** Standardise battery State-of-Health (SoH), State of Certified Energy (SoCE) and State of Certified Range (SoCR) certificates EU-wide; incentivise certified second-life and quality-assured used EV sales; and complement new-vehicle targets with a "used-fleet indicator", addressing the issue on residual value.
- **Support conditions to meet the CO2 emission targets:** robust charging network across Europe, alternative fuels.
- **Cut red tape and prevent distortions:** Simplify monitoring & reporting (MRV) through digital tools and recalibrate excess-emissions premiums so that they incentivise genuine emissions reductions rather than tactical registrations.
- **Segment-specific steering:** Regulate cars and vans on distinct pathways, acknowledging their different use cases and infrastructure needs.

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I. Market reality: progress, but gaps remain

Zero-emission uptake is rising, but private households still face high upfront costs, residual-value uncertainty and uneven access to reliable charging. In H1 2025, BEVs reached ~15.6% of new EU car registrations, with strong growth in hybrids; yet EVs still represent a small share of the total fleet, and an ageing parc slows turnover. Light commercial electrification lags further behind and needs distinctive treatment. These dynamics show that a framework counting only new registrations will under-deliver unless it also addresses consumer economics, infrastructure performance and the used market.

Electric Light Commercial Vehicles Need More Support to Grow

Compared to passenger vehicles, electric light commercial vehicles (category N1) are even less present on European roads. In 2025, their share of new registrations is 8.23% for fully electric LCVs and 1.08% for plug-in hybrids. Their overall fleet share is only 1.31% for electric LCVs and 0.003% for plug-in hybrids. Although LCV registrations increased by 7.1%, they still represent just 2.6% of the total market.

To reflect market realities, Automotive Mobility Europe recommends distinct trajectories and separate regulatory frameworks for passenger vehicles (PVs) and LCVs.

II. 2035 CO2 emission target: maintain the green transition while putting the consumer in the center and enhancing the competitiveness

Automotive Mobility Europe believes that the 2035 target is not in question; rather, the focus is on the methodology for how we can achieve and meet it. The emphasis should be on practical solutions and ensuring the necessary conditions to reach the targets, such as technology neutrality, putting the consumer in the center of the debate, maintaining EU's competitiveness and the development of charging station across Europe.

Technology-open steering while ensuring the green transition: from tailpipe to system logic

Taking current market trends into account, it is important to ensure technology neutrality to meet the targets. Hybrid, plug-in hybrid, and range-extender electric vehicles have a role to play in the CO_2 emission standards for cars and vans during the transition period. In the EU, hybrid vehicles accounted for 34.8% of new car registrations in the first half of

2025. These vehicles represent transitional technologies that contribute to progress toward decarbonization targets.

A tailpipe-only metric ignores upstream emissions and discourages cost-effective alternatives. A **Carbon Correction Factor** would incorporate renewable fuels, renewable electricity and hydrogen into compliance mechanisms without diluting ambition. This signal would keep investment options open and support bridging solutions (e.g. efficient hybrids, range-extenders, ICEs operated on certified climate-neutral fuels) while the charging ecosystem matures.

Put private consumers at the centre

The transition will only succeed if households can participate at scale. AME therefore urges EU-level guidance that encourages Member States to extend zero-emission tax exemptions through 2035 and to introduce accelerated depreciation or instant expensing for private buyers—new and used—so that a capped share of the purchase price can be written off quickly via the tax return, offering a simple, predictable alternative to complex grants. Company-car taxation should be modernised so that private use of low- and zero-emission vehicles is structurally favoured. To lower running costs, network fees and electricity taxes should be reduced with mandatory pass-through to retail tariffs, and public charging should be subject to clear, comparable price disclosure. Consumer confidence in the used market requires standardised battery transparency and repairability: AME supports EU-wide certificates for State of Health (SoH), State of Certified Energy (SoCE) and State of Certified Range (SoCR), alongside requirements that enable repair down to the smallest replaceable component and guarantee access to the necessary parts and information.

Maintaining European Competitiveness

The European car industry is facing growing challenges to its global competitiveness, particularly due to increasing competition from China.

Chinese manufacturers, benefiting from strong State support, are rapidly scaling up the production and export of affordable electric vehicles (EVs), which increasingly meet or exceed EU regulatory requirements. While ambitious CO_2 targets are essential for climate goals, they must be implemented alongside policies that safeguard industrial competitiveness and prevent market distortions.

The European manufacturers need a level playing field that ensures fair competition, supports innovation, and investing in local battery and vehicle production will be key to achieving both climate and industrial objectives.

III. Financial Incentives and Subsidies for Vehicles

Automotive Mobility Europe calls on EU institutions and Member States to establish a flexible, simple EU-level transition fund that bridges any possible delay to ETS2 and the Social Climate Fund and to deploy stable, multi-year demand support that includes an EU-wide eco-bonus–type purchase incentive for zero-emission vehicles, harmonised tax and social advantages for zero- and low emission passenger cars and light commercial vehicles, and the continued availability of incentives for corporate fleets.

We further demand a consumer-centred fiscal framework: extend ZEV tax exemptions at least until 2035; enable accelerated depreciation or instant expensing for private purchases of new and used ZEVs; align company-car taxation across the EU so that private use of ZEVs is structurally favoured; and lower charging costs by cutting network fees and electricity taxes with mandatory pass-through, coupled with clear, comparable public-charging prices. These measures must be complemented by EU-wide battery transparency and repairability obligations—standardised SoH/SoCE/SoCR certificates and access to parts and repair information down to the smallest repairable item.

We ask that the CO_2 standards move from a tailpipe-only metric to a technology-neutral, system-based approach by introducing a Carbon Correction Factor that recognises verified renewable electricity, renewable hydrogen and certified climate-neutral fuels in compliance; by recognising transitional powertrains (HEV, PHEV, range-extender) during the scale-up phase; and by facilitating safe retrofitting and the use of alternative fuels to abate the existing fleet. Regulation should set distinct pathways for cars and vans, and implementation must be aligned with AFIR on reliability KPIs (uptime, roaming), transparent pricing and coverage—including rural areas, depot charging and multi-unit dwellings—while avoiding premature V2G mandates and eliminating overlapping or duplicative rules.

Finally, we urge simplification and competitiveness safeguards: fully digitise MRV, redesign excess-emissions premiums to prevent distortions and recycle their revenues into user-cost relief and infrastructure reliability; ensure a level playing field against subsidised imports; and reinforce European battery and vehicle manufacturing capacity and skills so climate ambition is matched by industrial strength.

Encouraging the Purchase of Zero-Emission Vehicles (ZEVs)

Decarbonizing the transport sector is essential to reduce greenhouse gas emissions and achieve carbon neutrality by 2050.

Automotive Mobility Europe supports these decarbonization efforts and emphasizes the importance of maintaining a **technology-neutral approach** to ensure that all innovations are included in the transition.

To enable a successful green transition, the regulatory framework must be **incentive-based**, encouraging both companies and consumers to choose zero-emission vehicles (ZEVs). This can include **purchase subsidies**, **tax advantages**, or **vehicle conversion services** such as retrofitting.

Promoting Tax Incentives

Direct subsidies for the purchase of electric vehicles are a powerful tool for fleet decarbonization. In France, the **"bonus écologique"** (eco-bonus) financially supported electric vehicle purchases but was removed for corporate fleets. In Germany, the EV funding scheme was scrapped at the start of 2024, which immediately resulted in a drop in electric vehicle registrations.

A **European-level equivalent to the eco-bonus is therefore necessary** to ensure a sustainable trajectory for fleet greening, without penalizing businesses or slowing down fleet renewal.

Another effective lever is the provision of **tax and social benefits** to companies integrating electric or hybrid vehicles into their fleets. Several EU Member States already offer such measures, although implementation varies significantly from one country to another — and is non-existent in some.

We therefore call for **harmonized tax advantages across the European Union** for both **electric passenger cars** and **electric light commercial vehicles (LCVs)**. Purchase incentives for zero-emission LCVs are currently available in 17 EU Member States, which encourages businesses to adopt ZEVs and stimulates demand from manufacturers.

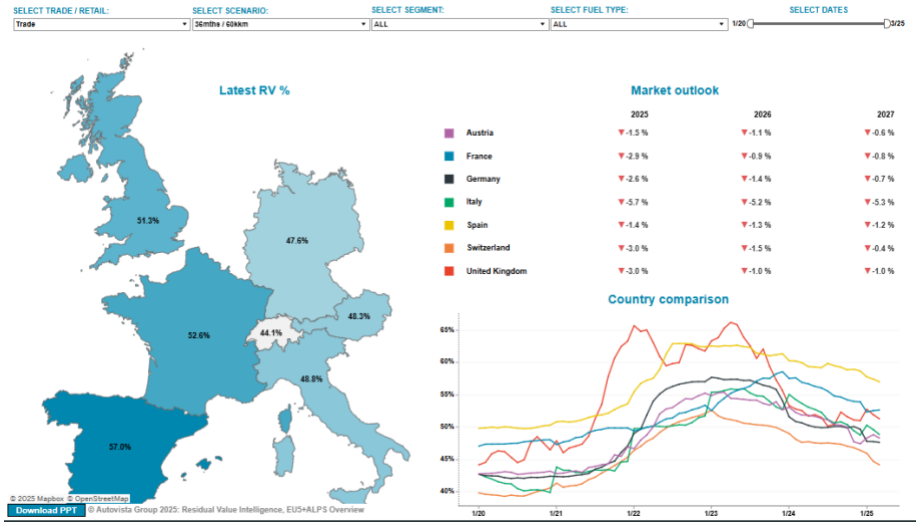
IV. Make the used-car market part of the solution

Electrification must cascade beyond first owners. Every used EV sold helps avoid the sale of another ICE car. AME therefore proposes:

- Complementing the new-fleet metric with a “used-fleet indicator” (e.g. share of low-/zero-emission vehicles in the active fleet, average CO_2 intensity per km), starting as monitor-and-disclose and evolving into incentives.
- Providing credits for certified second-life solutions, battery refurbishment and quality-assured used-EV sales.
- Encouraging VAT or acquisition-tax relief for used zero-/low-emission cars, and measures that keep young used EVs within the EU.
- Linking AFIR implementation to reliability KPIs (uptime, transparent pricing) to ensure rural areas and multi-family households have dependable access to charging.

The Issue of Residual Values

The **residual value** of an electric vehicle (EV) is a key concern for the **rental and leasing sectors**, as it represents the difference between the initial purchase price and the resale value. Dealerships **that buy back leased vehicles face increased financial risks**. The **used EV market** requires support to strengthen residual values and ensure **long-term viability**.



Evolution of Residual Values in Europe

Dealers are required to **buy back vehicles at the end of the lease term** and then **resell them at a loss** on the used market—putting their short-term **financial stability at risk**. For a **mid-sized dealership group** (20 locations, 400 employees), **exposure to EV buy-back commitments exceeds €3 million in potential losses**.

Automotive Mobility Europe therefore calls for:

- **Stronger protection for dealerships**, so they are not solely responsible for bearing the financial risk.
- **Promotion of centralized buy-back systems**, where the **manufacturer assumes the risk** by committing to repurchase the vehicles at lease-end
- **Setting residual values closer to real market levels** for moderate-volume EV leasing contracts (e.g., Renault's approach).
- A **realistic determination of residual values** and **fair buy-back commitments**.

V. Conditions to meet CO2 emission targets

Charging station rollouts depend on EV adoption: the stronger the demand, the more compelling the investments for infrastructure providers. Thus, purchase or usage incentives indirectly yet significantly accelerate deployment. The main challenge is ensuring sufficient charging stations to meet growing demand. Consumers hesitate to buy EVs due to inadequate charging networks. France, Germany, and the Netherlands currently have the most developed networks.

Expanding a Robust Charging Network Across Europe

Any measure that stimulates **electric vehicle (EV) demand** directly benefits infrastructure deployment—and vice versa. Charging station rollouts depend on EV adoption: the stronger the demand, the more compelling the investments for infrastructure providers. Thus, purchase or usage incentives indirectly yet significantly accelerate deployment.

The main challenge is ensuring sufficient charging stations to meet growing demand. Consumers hesitate to buy EVs due to inadequate charging networks. France, Germany, and the Netherlands currently have the most developed networks.

Regarding **bidirectional charging** (Vehicle-to-Grid or V2G), the technology remains immature—limited to a few pilot projects in Europe, and in France, only the Renault R5 (with its dedicated charger) supports V2G. It would therefore be premature to impose V2G mandates on fleets, especially considering that this model is only viable mostly for on-site charging, which doesn't cover all usage scenarios such as home or on-the-go charging.

Automotive Mobility Europe's members are actively working on the **issue of price transparency**, a priority area in addressing consumer needs. This includes revising the data published by operators as open data. These efforts will contribute to the standardisation of pricing information and facilitate the development of reliable and accessible charging price simulators for users.

In this light, **Automotive Mobility Europe emphasizes the importance of the AFIR regulation** as a core element in reducing the carbon footprint of the transport sector—particularly in speeding up automotive fleet electrification. Automotive Mobility Europe and stakeholders in the recharging sector welcome AFIR and its pathway as critical to market structuring.

However, implementing such obligations requires significant adjustments that could disrupt existing industrial momentum and force infrastructure operators to adapt massive rollouts already underway. Thus, Automotive Mobility Europe advocates for **strict alignment with AFIR's regulatory framework** in upcoming texts pertaining to fleet greening.

Moreover, Automotive Mobility Europe highlights that overlapping legislative proposals related to EV charging have created redundancy and confusion within the sector—especially amid government efforts to remove barriers to e-mobility and enhance user experience.

Encouraging Alternative Fuels

To green the fleet effectively, **battery-electric vehicles (BEVs)** remain the most promising long-term solution for reducing greenhouse gas, particulate, and nitrogen oxide emissions. French government studies (DGE) confirm that lifecycle environmental gains for BEVs can reach **90%** when powered by a decarbonized electrical mix.

However, **advanced biofuels** such as **HVO100** and **B100** offer immediate decarbonization levers for fleets that cannot transition to electric in the short term. According to IFPEN, **HVO** is among the least emissive liquid fuels in terms of greenhouse gases. **B100**, produced locally from rapeseed, directly enhances the EU's energy and agricultural sovereignty. Far from being a barrier to electrification, these fuels **complement** it—allowing immediate emissions reductions while preparing for zero-emission technologies.

VI. Simplify compliance and avoid perverse effects

We welcome the Commission's intention to streamline requirements. Specifically:

- **Digitise MRV** for type-approval data, fleet reporting and verification.

- **Re-design excess-emissions premiums** to prevent unintended effects (such as tactical self-registrations) and recycle revenues into measures that reduce user costs and strengthen infrastructure reliability.
- **Apply separate regulatory tracks** for cars and vans, reflecting their different duty cycles, payload requirements and charging needs.

Conclusion

Europe's transition will succeed only if ambition meets adoption. By broadening the methodology, simplifying compliance, tailoring regulation to real use cases, lowering household costs and integrating the used-car market, the revised CO_2 standards can deliver on climate objectives while safeguarding competitiveness and social fairness. Automotive Mobility Europe, representing a sector that sustains 4.5 million European jobs, stands ready to work with the European Commission and Member States to develop an effective, people-centred regulatory package.

For AME, the direction of the transition is not up for debate: the future is mainly electric driving. The discussion must focus on what is needed to achieve that transition in Europe over the coming decade. This includes European industrial and energy policy, stimulating demand, long-term fiscal support, and sufficient charging infrastructure. It must be clear and predictable for manufacturers, retailers, and consumers how the transition to electric driving will be achieved.

About Automotive Mobility Europe

Founded in 2025, the European association Automotive Mobility Europe represents authorized vehicle dealers, independent repairers, car traders and European dealer councils. And we are supporting the European associations for service stations, the recharging network of electric vehicles, vehicles recyclers and all services related to the automotive aftermarket. The sales and maintenance sector accounts for 4.5 million jobs in the EU, making it the largest sector of employment in the European Automotive sector. With great care for customer service and expertise, we are the direct link to the consumers and are the key factor to push sustainable mobility.

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