

Cefic's input on the Call for Evidence for the Clean Fleets Proposal

The European Commission plans to introduce a legislative proposal to decarbonise corporate fleets including trucks. Shippers are among the stakeholders who could potentially be covered in the legislation. It is essential to ensure that several elements are considered to avoid unwanted adverse outcomes.

Background

The European Commission is proposing an initiative targeting corporate fleets to accelerate the adoption of zero-emission vehicles (ZEVs). The plan aims to cut greenhouse gas emissions, boost ZEV demand, support Europe's automotive competitiveness, and reduce reliance on fossil fuels, while expanding the second-hand ZEV market to make clean mobility more accessible. A broad range of stakeholders are expected to be affected, including companies using transport and logistics services. Cefic has contributed insights from the shippers' perspective, highlighting key implications and recommendations.

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Compared to other transport operators, shippers follow a different *modus operandi* within the supply chain which significantly depends on **markets, products, production, and distribution networks**. As a result, shippers have different expectations for road transport regarding volumes, distances, safety, and operational requirements. Deploying ZEVs in the chemical industry presents a range of critical challenges that require careful consideration:

1. **Infrastructure:** The shift to zero-emission trucks requires ensuring sufficient **fuelling and charging infrastructure capacity** throughout the entire Trans-European Transport Network

(TEN-T) comprehensive network. The charging infrastructure area should be safe and secure to avoid any risk of incidents that could impact the truck's cargo, especially when transporting dangerous goods.

2. **Safety and Hazard:** Loading or unloading of electric or hydrogen fuel cell-powered trucks might **not be allowed in a high-risk zone, such as on a chemical plant**. In the event of an accident or fire, electric or hydrogen-powered trucks behave differently from diesel trucks due to the potential interaction between a high-voltage lithium-ion battery, which is susceptible to thermal runaway, and cargo that may be flammable, corrosive, or explosive.
3. **Demand:** Shippers opt for service providers based on supply chain performance criteria such as **safety, reliability, flexibility, cost, lead time, and emission intensity**. They therefore don't intervene in the choices of each logistics service provider (LSP) regarding vehicle technology. Technology neutrality is key to fostering innovation in the decarbonisation of transport.
4. **Transport cost:** The EU chemical sector faces significant competitiveness challenges, making cost optimisation—including transport expenses—a crucial concern. To support the decarbonisation of transport while preserving competitive advantage, it is essential to **lower the cost of zero- and low-emission road transport**. Achieving this objective requires effective incentives, such as targeted investment funding and effective regulations (e.g. on weights and dimensions, combined transport).
5. **Multimodal optimisation:** The modal shift to rail or inland waterways offers significant potential for reducing the greenhouse gas emission footprint of transport. Additionally, it results in shorter road journeys, which are more readily decarbonised. Nonetheless, the effectiveness of modal shift is limited by insufficient supporting legislation, such as the need for revision of the Combined Transport Directive and the Rail Infrastructure Capacity Management Regulation. Addressing these legislative gaps should be considered a top priority.

Key Recommendations

- Establish the necessary conditions for a viable business case or customer demand to prevent market distortion and weakened competitive supply chains triggered by a

mandated ZEV share. Shippers select logistics service providers based on key supply chain performance factors and, as a result, they refrain from influencing the providers' decisions on vehicle technologies and operational methods.

- Focus on creating the **necessary enabling conditions**, including **infrastructure, charging equipment, financial incentives, and a coherent regulatory environment** to allow long-term investment, fiscal support, and operational stability- addressing market discrepancies. It is important to understand that more ZEVs mean a greater need for alternatives, infrastructure, and legislative clarity.
- **Improve competitiveness** of ZEV trucks compared to current fleet, covering both **operational and upfront investment costs**.
- **Implement Weight & Dimensions Directive** to ensure ZEV trucks benefit from allowances for increased volume and weight capacity. **This can enable higher payloads, reducing transport costs across both regular and combined transports modes**.
- **Ensure follow-up and alignment with the Eurovignette, the Emission Trading System (ETS), and the CO₂ standards for Heavy-Duty Vehicles**. These initiatives should be coordinated to avoid regulatory gaps that could lead to increased costs, administrative burdens, and implementation delays for stakeholders.
- **Promote the shift of freight transport to rail and inland waterways** as means to significantly lower emissions and shorten decarbonisation paths for road journeys, through the **revision of the Combined Transport Directive and the Rail Infrastructure Capacity Management Regulation**.
- **Adopt a broader approach to CO₂ emission measurement** that goes beyond the current Tank-to-Wheel focus, to include alternative fuels such as Hydrotreated Vegetable Oil (HVO) and bioLNG, whose exclusion may limit the scope and effectiveness of the initiative in achieving its sustainability goals.
- Consider that **the use of electrical or fuel cell vehicles for the transport of dangerous goods requires provisions to mitigate dangers** from the electric drive to the dangerous

goods being carried, ensure the electric safety of the high-voltage system, address fire risks in the battery system, and maintain safety in hazardous areas.

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About Cefic:

Cefic, the European Chemical Industry Council, is the forum of large, medium and small chemical companies across Europe, accounting for 1.2 million jobs and 13% of world chemicals production. On behalf of its members, Cefic's experts share industry insights and trends, and offer views and input to the EU agenda. Cefic also provides members with services, like guidance and trainings on regulatory and technical matters, while also contributing to the advancement of scientific knowledge.