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E U R O P Ä I S C H E R V E R B A N D D E S K R A F T F A H R Z E U G G E W E R B E S

To the European Commission
Enterprise and Industry Directorate-general

Brussels, March 16th, 2010




Ref: European strategy on Clean and energy-efficient vehicles, Public hearing of March 11th in Brussels

Contact details and information about CECRA

The European Council for Motor Trades and Repairs (CECRA) was established in 1983 to represent the interests of automotive dealers, authorised and independent repairers and a number of related activities (motorcycle dealers and petrol stations).

The automotive trade and repair sector in Europe is composed of some 380,000 enterprises, of which around 120 000 are authorised dealers and repairers and 260,000 independent repairers. Most of these enterprises are SMEs that employ around 2.8 million people. These enterprises are all represented by CECRA and its member associations.

CECRA's members are:

-  27 national trade associations in 23 EU and EFTA countries, representing the automotive dealers, authorized and independent repairers;
-  14 European Dealer Councils representing the interests of authorized dealers and repairers of a particular brand;
-  about 110,000 fuel businesses employing 440,000 people; and some 12,000 motorcycle businesses employing 81,000 people.

CECRA is entirely financed by its membership fees.

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A/ Preliminary remarks

The EU intends to launch a European strategy on clean and energy-efficient vehicles.

*“The EU is challenged to define a clear roadmap with all stakeholders involved and ensure policy support for R&D, market introduction of such vehicles as well as the manufacturing of e-vehicles and components.”*¹ CECRA and its members association are willing to participate.

The actual economic model which serves as a support for the vehicles “life”, from their conception to their recycling through their marketing, maintenance, repair, energy consumption, etc. requires the intervention of diverse actors which are interdependent and indispensable each at his own level.² It will be the same approach in the future and the next communication on the energy strategy on clean and energy-efficient vehicles should point it out.

A balanced policy framework based on realistic market assessment is necessary to avoid excessive legislation.

In this context, CECRA thanks the European Commission that it took into account all the stakeholders’ outputs during the Hearing of March 11th 2010 and then during CARS 21 process. From our perspective, CARS 21 group is adapted to be relevant on the issue. On specific concerns (battery...), it seems appropriate to enlarge the group to have a high level of representatives of the different future market. Nevertheless, a too large extension can lead to immobility. This is why, we support a limited number of new actors within CARS 21 group on a topical approach.

B/ Last policy development

CECRA takes note of the European government’s approach for Research and Development *“which has already advanced in its work on electric (both fully electric and hybrids) vehicles’ type approval requirements and standards.”*³

¹ *Automotive-Industry.eu*, February 3rd, 2010

² *Contribution du CNPA, Plan de développement des infrastructures de recharge des véhicules électriques et hybrides rechargeables. Sous-groupe : modèles économiques*, April 28th, 2009

³ *European Strategy on Clean and Energy-efficient Vehicles Public Hearing*

It includes “standards and common interfaces (e.g. vehicles-to-grid infrastructure) [...] The goal must be to establish EU-wide standards, and if possible worldwide.”⁴ Miguel Sebastian, the Spanish minister of Industry, actual president of the EU, points out the “invention of electric motors standards, the establishment of norms for batteries and the development of infrastructures to recharge them.”⁵ The aim is to develop a European electric car industry.

The Members of Parliament approve the Commission’s action which they qualify as “a first and partial, but important step.”⁶ The Parliament and the Council expect the Commission to make a plan for transportation, respectful to environment.⁷ From the Member-States’ point of view, the Council aims for a “simpler, standardized system for the type-approval of motor vehicles, following the European Parliament adopting a report to beef up plans to introduce new rules on the registration, sale and use of cars, with the aim of improving road safety and protecting the environment better.”⁸

CECRA also wishes to stress the need for an internal market integration and supports the standpoint of the Commission which wants a global approach “to develop a dedicated policy that will remove the remaining obstacles to the internal market for electric vehicles.”⁹

Nevertheless, if CECRA agrees with the Commission about the wider approach needed by the market, still electric vehicles would be only a part of the market in 2020. Therefore, several policy options should be opened. To this end, CECRA fully supports the approach set up by the Commission:

“This European strategy for clean and energy-efficient vehicles will be composed of two pillars:

I. PILLAR: Promotion of technologically advanced, clean and fuel efficient vehicles based on the internal combustion engine, while ensuring that all available measures are taken to reduce emissions and fuel consumption. The role of bio-fuels and gaseous fuels is also considered here.

⁴ *Bulletin Quotidien*, March 3rd, 2010

⁵ *Ibid.*

⁶ *Automotive-Industry.eu*, February 3rd, 2010. Our translation.

⁷ See the press release: *Greening of transport: a proper strategy needed:*

http://www.europarl.europa.eu/news/expert/infopress_page/062-51413-068-03-11-910-20090310IPR51412-09-03-2009-2009-false/default_en.htm

⁸ *Ibid.*

⁹ *Automotive-Industry.eu*, February 3rd, 2010

II. PILLAR: Promoting and facilitating the market uptake of alternative vehicle propulsion technologies, which is expected to lead to a step change in mobility. The main focus of this pillar will be on fully electric and plug-in hybrid vehicles 3, reflecting the building momentum behind this technology both in national support programs and industrial plans.¹⁰

C/ Particular concerns for motor trade and repairs:

First, CECRA points out the fact that dealers and repairers are technologically neutral in the long-term perspective but impacted in their investment with the future policy orientation.

From our point of view, the legislator has to make sure that the **new technologies will not lead to a gap between the manufacturer and the aftermarket operator**. Whatever are the promoted technologies, our members' leitmotiv can be *“all the vehicles have to be properly sold and repaired”*.

New entrants in the market build strategies for the sales and after sales services. CECRA' member offers necessary infrastructure as well as formation and qualification for the staff and the mechanics in educational centres. It is obviously a major concern for customers too: who will buy a car which cannot be properly maintained or charged?

Various new technologies are already worked on: plug-in hybrid vehicles, battery powered vehicles, internal combustion engine which will be dominant in the future, electric and hydrogen vehicles, and fully electric vehicles which will have *“a big role in the mobility of tomorrow”¹¹* as the Commission underlines.

Specificities for electric vehicles

As already said, electric mobility is one possibility among others (hybrid car, hydrogen energy...): *“Most stakeholders assume a realistic market share for new, electrically chargeable vehicles in the range of 3 to 10% by 2020 to 2025 or between 450,000 and 1,500,000 units.”¹²*

¹⁰ http://ec.europa.eu/enterprise/sectors/automotive/competitiveness-cars21/energy-efficient/index_en.htm

¹¹ *European Strategy on Clean and Energy-efficient Vehicles Public Hearing*

¹² *Automotive-Industry.eu*, February 3rd, 2010

CECRA and its member associations wants to take part in electric car future strategy. Electronic Mobility has high potential: climate protection, ensurance of energy supply, development of Europe as technology and industry location, reduction of local emissions...

The reflection on harmonisation is fundamental today to accompany this market's development. Indeed, it is absolutely necessary to define the different standards which are necessary for the use of load systems (receptacles, electric power) and for administrative management (bank reports, bills) or financial management (method of payment) of the load systems and networks. This reflection has to be done at a European level in close collaboration with stakeholders and Member States.

We must underline here that it admits taking into consideration the electrical resources' final availability necessary to the cars' supplying. The actual electrical production in Europe is just-in-time produced and a punctual risk of withdrawal cannot be excluded if a strong increase in demand coincides with a decrease in supply (for example during repair summer period of a nuclear power station). The irregular production coming from sustainable energies (windmills, photovoltaics, etc) cannot allow today to rely on this supply.

We must as well rapidly think to the necessity of safety norms' uniformity which will be required for the load system installations in public places and all the more for supplying areas for fossil fuels.

➡ **New Skills and capital are required**

All motor vehicles, including electric vehicles, will be sold and serviced by the motor trade and repair enterprises. In order to be prepared and safeguard this goal, CECRA finds it fundamental to be involved in the **e-mobility process and discussion**, especially concerning the following topics: electric vehicle sales, electric vehicle after sales service, and staff/mechanics qualification.

A particular attention should be paid to training and skills management. Indeed, new technology will lead to new needs in term of maintenance of the future vehicles. But, it is hard to predict for an entrepreneur what will be the future business model for such new vehicles. Moreover, the cost for training and staff management on the matter is important and with a high level of uncertainty as regards the potential result in terms of business. This is

why appropriate financial incentives would be useful to support the development of such new technicians, repairers, and experts in mechanics.

Some associations at a regional level are already doing set up of training: Specialist for High-Voltage Systems in Vehicles and set up of a project concerning qualification on national level. CECRA believes that such initiative should be encouraged by specific funds.

To this end, in addition to the economic model profitability factor obvious for their enterprises, these professionals should be accompanied (formation/ information) at different levels¹³:

- Vehicles sales: this criteria will be all the more important given that trade terms for vehicles without CO2 emission will be different than current ones, especially if vehicles and batteries are sold separately.
- Vehicle maintenance and repair: new professional risks for repairers and body repairer will need to be properly comprehended and anticipated, in particular in enterprises which do not belong to any manufacturer network (independent repairers); and in which on the mid-term, vehicles without emission will have to be taken care of.
- Repair services: express supplying of loaded batteries and/or electrical energy;
- Recovery, recycling of life-ending vehicles and batteries.

Charging everywhere

Some of the CECRA's members also represent all the 110.000 fuel businesses with 440.000 employees and approximately 250 billion €turnover all over Europe. It should be noted that the working-capital necessary for a battery recharge station appears to be considerably higher than fuel gas stations' working capital: about 800,000 to one million € while the average cost for a gas station is about 60,000 €(at the rate of one euro per litre of fuel), and 200,000 €for the biggest gas stations (railway kind).¹⁴

Anyway, cars without CO2 emission viability will need its users' certainty that they can "tank it up" wherever in Europe. [...] Therefore, the notion of **network territory** is important here, as it will be for the maintenance and repair of these vehicles. A regional approach, managed at European level could be appropriate. Between Lille and Brussels you only have 115 km but you go through three regions...

¹³ *Contribution du CNPA, Plan de développement des infrastructures de recharge des véhicules électriques et hybrides rechargeables. Sous-groupe : modèles économiques, April 28th, 2009*

¹⁴ Figures based on the French market provided by CNPA www.cnpa.fr

Conclusion

CECRA considers that under a certain volume of cars in circulation, it won't be possible nor realistic to undergo a massive reorientation of the professionals represented by its association towards distribution and repairs of electric cars and rechargeable hybrids, given the importance of the necessary investments. Even at mid-term, thermal motors will be the major part of the fleet. As a consequence, both pillars approaches of the EC sound more appropriate that only one oriented electric future policy. Independently, major investments for infrastructure and charging station have to be done. At our level, a support to the investment and development of skills is a priority.

CECRA insists on the necessity of both a European framework and a common policy in regards to the people who will have to work on high-tension systems. And the same goes for responsibilities and setting up procedures to be able to maintain and sell these cars.
