

Dear Sirs,

Please find enclosed the contribution from the Netherlands on the European strategy on clean and energy efficient vehicles. Our contribution takes the form of a letter from our Minister of Economic Affairs, Minister Maria van der Hoeven, to Commissioner Tajani concerning the informal Ministerial meeting on the 19th of February on the automotive sector.

We would like to emphasize the importance of a broad, technology neutral initiative at EU-level, on clean and energy efficient vehicles. At the same time we feel that there are major hurdles and uncertainties with respect to in particular electric vehicles, which require EU-action at short notice. In our view most urgent actions are:

- standardisation of charging infrastructure and safety demands.
- stimulating European cooperation in R&D, in particular in the field of battery development.
- looking into the use of EU-regulation, for instance the CO2 standard for passenger cars, to further stimulate electric driving.
- ensuring a level playing field at EU-level

Directorate for Energytransition
Ministry of Economic Affairs



MINISTER OF ECONOMIC AFFAIRS

Mr Antonio Tajani
Vice-President of the European Commission

The Hague, 17th February 2010
10023970

Dear Mr Tajani,

Thank you very much for the invitation to the Informal Ministerial Meeting on the EU's approach to the automotive industry to be held on Friday, 19 February. Unfortunately, I will not be able to attend this meeting, but my Director for Entrepreneurship Policy will attend the meeting in my place.

These are difficult times for the automotive industry, and I feel the crisis affecting this sector is not over yet. Moreover, several other sectors are now experiencing great difficulty as well. While the Netherlands has general financial instruments available for support, we do not have specific instruments other than the scrapping scheme to promote the purchase of new cars. At EU level, we expect the measures taken by the EIB to support the Original Equipment Manufacturers (OEMs) will positively impact both their workload and the supplier industry in general. In this regard, we refer to the conclusions of the Competitiveness Council of March and May 2009, including the Commission's role in safeguarding the regulations of the internal market and state aid.

During the Competitiveness Council meeting held in San Sebastián, we took a major step forward in the domain of electric vehicles. The informal discussion among Ministers reflected a high degree of readiness for well-structured coordination with clear added value at European level. I strongly advocate the Commission's intention to come forward with a concrete and comprehensive



action plan for both electric vehicles and vehicles running on alternative fuels and/or technologies. For this reason, I am looking forward to the discussions of the Competitiveness Council in May. In addition, I feel it will be of utmost importance to have a joint meeting of the energy ministers as well as the competition ministers.

Electric vehicles are also a top priority in the Netherlands. They will create substantial opportunities for the Dutch economy and consequently that of the EU. Combined with other forms of sustainable transport, electric transport is a highly promising option for strengthening the economy of both the Netherlands and the EU. In addition, it can help to ensure the sustainability of mobility in future and to strengthen our energy position. Moreover, it is of utmost importance that we do our best to take a leading role in the world. For this reason, we need modern industrial policy to help businesses develop a large-scale market.

In terms of innovation, electric vehicles offer new opportunities for the automotive industry. Companies clearly see an interesting business case for electric transport. Vehicle and battery manufacturers, component suppliers, the IT sector, the distribution sector, energy companies, banks and leasing companies are all making concerted efforts. Major challenges and uncertainties remain and need to be overcome at both national and EU level. We need to help foster a market for electric vehicles. Cars are still expensive, there are questions concerning safety, and the infrastructure currently available to enable owners to plug in and charge cars at home or away is insufficient. We also need to promote innovation in this area, particularly in the field of batteries. Speed and range limitations continue to be issues for electric technology. In addition, there are questions concerning energy supply.

In my view, an EU action plan should focus first on standardising the infrastructure. I see a crucial role for the Commission and the Competitiveness Council to ensure the compatibility of plugs and charging systems. Development in this field is primarily market driven. However, there is clearly a key public interest involved. Market parties are currently discussing the interoperability of plugs, charging and pay systems. A regulatory framework is needed to ensure their interoperability, based on market developments.

In addition, it should promote European cooperation in R&D, particularly as regards the field of battery development. This is crucial for the success of electric vehicles. Countries like China, Japan and the US are redoubling their research efforts in this field. The EU cannot afford to lag behind. Battery development provides explicit economic opportunities. For this reason, I believe the EU has to make optimal use of existing research activities within



the framework of, for instance, the 'Green Cars Initiative'. We should avoid focusing solely on research to improve the range of batteries, we also need to pursue research into options for second-life applications and recycling. Battery standardisation can be interesting in the long run, but – at the moment – this would be premature as developments in battery technologies are still ongoing.

Third, I feel it is very important to develop European standards in order to ensure the safety of electric vehicles. Experts expect the risks associated with electric vehicles will differ from those of conventional vehicles. For this reason, we have to take a close look at how to improve the European type approval.

Furthermore, the application of EU regulations (e.g. CO₂ standard for passenger cars) needs to be assessed to further promote electric vehicles.

Last but not least, we need to ensure a level playing field for our businesses. It is of utmost importance to ensure this for our companies both within the EU and abroad. Measures should provide opportunities to both existing and new companies. Most importantly, national schemes have to comply with the regulations of the internal market and state aid.

I hope Friday's meeting will prove to be another fruitful step towards a European approach to the automotive industry. Allow me to once more wish you success in your new duties. I look forward to a productive collaborative relationship and to seeing you at the next Competitiveness Council on 1 March.

A handwritten signature in black ink, appearing to read 'M. van der Hoeven', with a horizontal line underneath.

Maria van der Hoeven