

Driving a Competitive, Clean, and Technology-Neutral Automotive Transition

Position Paper – 5 October 2026

As negotiations continue on the **Automotive Package**, policymakers have an **opportunity to establish a genuinely technology-neutral road transport decarbonisation framework** that supports industrial competitiveness, climate neutrality, and clean air. Discussions in the European Parliament and Council demonstrate growing recognition that a successful transition must underpin climate ambition with technology-neutrality, ensuring that policy objectives reflect real-world economic and technological realities.

The **Commission's proposal** represents a **welcome shift** towards greater technology-neutrality. The introduction of **fuel and steel credits** represents an important acknowledgement that vehicle life-cycle emissions must be addressed within the regulatory framework. However, the **restrictions** on timing (beyond 2035) and contribution (3-7% cap) significantly hinder their impact and **risk limiting innovation**. Therefore, important modifications are needed to ensure that all credible low- and zero-emission technologies can contribute on a level playing field to achieving the EU's climate objectives.

At the same time, proposed **changes to Euro 7 in the Automotive Omnibus risk weakening the EU's air quality objectives** at precisely the moment policymakers are moving toward a more flexible long-term approach to vehicle decarbonisation. In this context, it is essential to support ambitious pollutant emission standards to safeguard air quality and public health, as well as to enable complementary technologies.

AECC therefore calls on policymakers to ensure that the final package delivers both technology-neutral climate ambition and clean air with the following key priorities:

1. Establish a genuinely technology-neutral framework for road transport decarbonisation based on life cycle assessment considerations, providing long-term regulatory certainty for investment across all technology pathways
2. Remove the arbitrary caps on fuel and steel credits and allow these credits to apply immediately, and extend the scope of the credits to other vehicle-life-cycle emission topics
3. Establish a Vehicle category running Exclusively on Eligible Fuels (VEEF)
4. Prevent any further weakening of current Euro 7 standards in the Omnibus and consider the need for a Euro 7 reassessment within the evolving regulatory landscape

Technology-Neutrality based on Life Cycle Assessment

The Commission's proposal to introduce limited flexibilities is an acknowledgement that alternative decarbonisation pathways are credible and an **initial move toward addressing vehicle life-cycle greenhouse gas (GHG) emissions**, the real issue to tackle. However, the restrictions on timing and contribution hinder innovation and do not fully address technology-neutrality and required decarbonisation flexibility.

The long-term approach should be based on Life Cycle Assessment (LCA) considerations in line with the upcoming UNECE/EU methodology. This would allow all viable solutions to contribute across the value chain as best fits market needs, while advancing decarbonisation.

AECC studies¹⁻³ have already demonstrated that **the Internal Combustion Engine (ICE) is not the problem. The real issue is the use of fossil fuels**. All powertrains result in similarly low life cycle GHG emissions when operated on sustainable renewable fuels, renewable electricity, or renewable hydrogen. The LCA data shows that combustion becomes net-zero when sustainable renewable fuels (e-fuels or biofuels) are used. It is therefore clear that complementary technologies including efficient ICEs, PHEVs, and REEVs are credible contributors to decarbonisation when using renewable fuels. The Tour d'Europe project⁴ showed that sustainable renewable fuels today already enable a significant CO₂ reduction of -77% on a Well-to-Wheel basis.

Establish a VEEF Category as ZEV

The Automotive Package recognises for the first time that sustainable renewable fuels can make a meaningful contribution to road transport decarbonisation. However, the **restriction on the introduced credits is blocking an increase in renewable fuel volumes**, as eligible fuels on the market already fully exhaust the cap despite it only applying as of 2035. The caps should therefore be removed, and the credits should apply immediately.

Policymakers should furthermore build on the momentum by **establishing a dedicated Vehicle category running Exclusively on Eligible Fuels (VEEF) as ZEV** (Zero Emission Vehicle) to provide regulatory certainty and ensure consistent treatment of all credible decarbonisation technologies. This would:

- Support technology-neutrality across the transport policy framework
- Ensure regulatory consistency between vehicle, fuels, and fleet legislation
- Recognise the contribution of sustainable renewable fuels to life cycle GHG reductions, accelerating emissions reductions with complementary technology pathways
- Provide a pathway for continued innovation in highly efficient combustion technologies operating on renewable fuels; an area in which Europe has a competitive edge over global competitors

A VEEF category should also be recognised under related initiatives, including the Clean Corporate Vehicles proposal, to ensure consistency and a level-playing field for all net-zero technologies. The Working Group on Monitoring Methodologies has already developed a workable definition of eligible fuels⁵, which can serve as the basis for implementation in line with the Renewable Energy Directive (RED).

The upcoming RED revision should set out a progressive, realistic and economically sustainable evolution of fuel GHG saving thresholds, ensuring a predictable investment framework and allowing for continuity of existing production assets and long-term investment planning.

Safeguard Ambitious Euro 7 Standards

While seeking to simplify testing procedures, the proposed Automotive Omnibus would further weaken Euro 7 vehicle emission standards, which already fail to meet the level of ambition our industry can deliver. If adopted as proposed, the Omnibus would undermine progress on air quality and negatively impact the health of everyday Europeans.

While AECC supports simplification efforts, it is essential that the level of ambition for vehicle emission standards is not further reduced. To do so would only delay already available technologies, disrupt investments already committed, and lock high-emitting vehicles into the European fleet for years.

Ambitious vehicle pollutant emission standards are essential to enabling flexibility and technology-neutrality in CO₂ standards without compromising air quality and public health. Advanced emissions control systems can ensure real-world road transport pollutant reductions alongside decarbonisation. This will support a balanced regulatory framework that aligns flexibility with climate objectives and air quality.

AECC urges policymakers to **reject any further weakening of Euro 7 standards under the Automotive Omnibus** and to **assess the need for a future reassessment** of standards considering the evolving regulatory landscape, where the road transport decarbonisation framework is moving toward greater flexibility and technology-neutrality. Amendments in the European Parliament provide a pathway for such reassessment, ensuring that developments in the CO₂ regulatory framework do not undermine the EU's air quality and public health objectives. Pollutant emission standards should remain effective, proportionate, and fit for purpose.

As global leaders in advanced emission control technologies, European companies have already developed solutions in anticipation of a more ambitious Euro 7 than was ultimately adopted. The solutions exist and we are ready to deliver.

About AECC

The **Association for Emissions Control and Climate** (AECC) is the international, Brussels-based association of European companies operating worldwide in the research, development, testing and manufacture of key sustainable technologies for mobile and stationary applications. Our membership includes [Emitec Technologies](#), [Johnson Matthey](#), [NGK Europe](#), [Umicore](#), [Albonair](#), [BASF ECMS](#) and [W.L. GORE](#).

We have a strong and focused European footprint across our members – employing around 22 500 skilled people in Europe across 47 production sites and 20 research and development (R&D) technical sites. We are present in 11 European countries and we are proud to be an integral part of Europe's automotive ecosystem, advancing innovation in a vital industrial sector.

AECC members' emission control technologies are integrated into the exhaust systems of cars, commercial vehicles, buses, motorcycles, construction equipment and industrial installations in Europe. We work with OEMs and other industry stakeholders, providing innovative technological solutions to the pollution problem that we see today. AECC supports the European Commission's long-term ambition for zero pollution and increased greenhouse gas emission reductions. Clean air and greenhouse gas reduction are priorities for all of us.

AECC is registered in the EU Transparency Register under n° 78711786419-61.

Should you need more information, you can contact AECC at info@aecc.eu.

References

- ¹ J. Demuyne, et al., [Zero-Impact Emissions from a Gasoline Car with Advanced Emission Controls and E-Fuels](#), 43rd International Vienna Motor Symposium, 27-29 April 2022.
- ² D. Bosteels, et al., [Combination of advanced emission control technologies and sustainable renewable fuels on a long-haul demonstrator truck](#), SIA Powertrain & Energy, 15-16 June 2022.
- ³ J. Demuyne, G. Jungmeier and D. Bosteels, [Life Cycle Assessment \(LCA\) of Light- and Heavy-duty Vehicles - Focus on GHG Emissions and Primary Energy](#), SIA Powertrain Conference, 12 June 2025.
- ⁴ Tour d'Europe, [Driving Decarbonisation with Renewable Fuels](#), 2025.
- ⁵ Working Group on Monitoring Methodologies of CO₂-neutral fuels, [A Pathway to Climate Neutrality for Road transport](#), founded in 2024.