



Competition Policy supporting the Green Deal

Call for contributions

Statement by AECDR

Brussels, 13 November 2020

Part 1: State aid control

As input to the debate on how State aid control and environmental and climate policies work together – and how they could do that even better, please consider the following questions:

1. What are the main changes you would like to see in the current State aid rulebook to make sure it fully supports the Green Deal?

Where possible, please provide examples where you consider that current State aid rules do not sufficiently support the greening of the economy and/or where current State aid rules enable support that runs counter to environmental objectives.

Answer to 1.

If the current regulations do not yet provide for such a control future aid schemes should be developed with a view to be

1) technology-neutral and as far as possible independent of political considerations and

2) enable to fund technologies/projects that may not yet be fully sustainable today but which, if scaled up and/or technologically developed, could make a decisive contribution e.g. to decarbonization

A concrete example of this is the very hesitant promotion of synthetic fuels (eFuels). These could make a significant contribution to the decarbonization in the current stock of ICE vehicles but are currently given virtually no consideration especially when compared to the promotion of battery electric mobility.

2. If you consider that lower levels of State aid, or fewer State aid measures, should be approved for activities with a negative environmental impact, what are your ideas for how that should be done?
 - a. For projects that have a negative environmental impact, what ways are there for Member States or the beneficiary to mitigate the negative effects? (For instance: if a broadband/railway investment could impact biodiversity, how could it be ensured that such biodiversity is preserved during the works; or if a hydro power plant would put fish populations at risk, how could fish be protected?)

3. If you consider that more State aid to support environmental objectives should be allowed, what are your ideas on how that should be done?
 - a. Should this take the form of allowing more aid (or aid on easier terms) for environmentally beneficial projects than for comparable projects which do not bring the same benefits (“green bonus”)? If so, how should this green bonus be defined?
 - b. Which criteria should inform the assessment of a green bonus? Could you give concrete examples where, in your view, a green bonus would be justified, compared to examples where it would not be justified? Please provide reasons explaining your choice.

Answer to 2. / 3.

In our opinion a general classification of technologies/projects into positive (green) and negative (brown) cannot be made at present and thus cannot be the basis for a decision on aid.

The prominent example of battery electric mobility shows that although it has great (local) potential for a significant reduction of environmentally harmful emissions in specific fields of application, it also brings with it fundamental unsolved technical problems (e.g. raw material requirements and recycling of batteries / production of charging electricity).

Also other technologies which for various reasons are not classified as ecologically advantageous today (e.g. hydrogen) may be subject to a completely different ecological assessment in the very short term due to increasing economies of scale and/or changes in the usage behavior of industry/consumers.

A decision to grant aid especially in view of the massive technological progress that is still to be expected therefore cannot be based with sufficient certainty on classifications of technologies/projects as positive (green) and negative (brown).

4. How should we define positive environmental benefits?
- a. Should it be by reference to the EU taxonomy and, if yes, should it be by reference to all sustainability criteria of the EU taxonomy? Or would any kind of environmental benefit be sufficient?

Answer to 4.

This question requires further discussion from our side. That's why we will give our comments at a later date.

Part 2: Antitrust rules

As input to the debate on how antitrust policy and environmental and climate policies work together – and how they could do that even better, please consider the following questions:

1. Please provide actual or theoretical examples of desirable cooperation between firms to support Green Deal objectives that could not be implemented due to EU antitrust risks.

Answer to 1.

- *No examples so far.*

In particular, please explain the circumstances in which cooperation rather than competition between firms leads to greener outcomes (e.g. greener products or production processes).

Answer to paragraph above

Cooperation between companies can lead to environmentally friendly results especially if it enables the market launch of new ecological and/or sustainable technologies and products that would not be economically viable for the respective companies alone.

Especially if the market does not yet demand an economically viable volume of a product, cooperation between companies can nevertheless create an offer that provides the basis for future scalability in the market.

Even in the case of unclear legal, temporal or technical feasibility, the cooperation of companies with the goal of minimizing risks can lead to a higher willingness and ability to

innovate which then in many companies reflects mainly in research in the field of sustainable technologies.

2. Should further clarifications and comfort be given on the characteristics of agreements that serve the objectives of the Green Deal without restricting competition?

If so, in which form should such clarifications be given (general policy guidelines, case-by-case assessment, communication on enforcement priorities...)?

Answer to 2.

General policy guidelines.

3. Are there circumstances in which the pursuit of Green Deal objectives would justify restrictive agreements beyond the current enforcement practice?

If so, please explain how the current enforcement practice could be developed to accommodate such agreements (i.e. which Green Deal objectives would warrant a specific treatment of restrictive agreements? How can the pursuit of Green Deal objectives be differentiated from other important policy objectives such as job creation or other social objectives?).

Answer to 3.

With the exception of the special constellations mentioned under No. 1 / Paragraph 2 regulations restricting competition are generally not suitable for promoting innovation and/or supporting the Green Deal.

Comprehensive competition is the guarantor for the sustainable innovation and transformation capacity of companies and the overall market. Especially in the selection of new technologies, functioning competition serves as a yardstick for their success.

Political influence, e.g. through restrictions on competition, is often counterproductive for the establishment of the most ecologically advantageous technology in the long term.

Part 3: Merger control

As input to the debate on how merger policy and environmental and climate policies work together – and how they could do that even better, please consider the following questions:

1. Do you see any situations when a merger between firms could be harmful to consumers by reducing their choice of environmentally friendly products and/or technologies?

Answer to 1.

This danger is of course theoretically given but we are not aware of such a situation at this moment.

2. Do you consider that merger enforcement could better contribute to protecting the environment and the sustainability objectives of the Green Deal? If so, please explain how?

Answer to 2.

In view of the massive investments made by European companies in ecological and sustainable technologies (especially in the field of eco-innovation) a transfer of know-how through global mergers within a merger control should be specifically examined and, if necessary, prevented.

This is especially important in light of the growing interest of Asian and American companies in high-tech companies in the European economic area and the herewith associated technology transfer.

The Alliance of European Car Dealers and Repairers (AECDR) represents and promotes the interests of 57,500 franchised dealers and authorised repairers. In total these companies employ 1.175,000 people.

Contact:

Alliance of European Car Dealers and Repairers (AECDR)

Antje Woltermann

c/o ZDK Brussels

Rue Jacques de Lalaing 4

1040 Brussels

Belgium

+32 272 08296

woltermann@aecdr.eu

www.aecdr.eu