

Regarding the proposed Article 36b Investment aid for the acquisition of clean vehicles or zero-emission vehicles and for the retrofitting of vehicles Paragraph 4. we strongly oppose that competitive bidding as per Article 2 point (38) is used for the following reasons:

### **1 Misguided competition between technologies**

About two thirds of GHG emissions in road freight transport are created by heavy-duty long-range trucks. These require hydrogen technology to be operationally viable for the Transport Operators. But given that the hydrogen technology is earlier in its development cycle than battery technology, thanks to the early implementation of batteries in cars, hydrogen trucks are still more expensive than battery trucks. Competitive bidding among zero-emission trucks will drive state aid to low-duty short-haul BEV trucks and away from heavy-duty long-haul hydrogen trucks. In this way two thirds of the GHG for trucks will not be reduced and Europe will miss its GHG reduction targets for transport.

Competitive bidding may only be effective within separate lots for BEV and hydrogen trucks.

### **2 Approach favors big companies**

Competitive bidding also structurally favors big companies over small companies since big companies have a larger margin to cross-subsidize and submit a lower bid. This is not in line with the EU policy to support SMEs to have a same level playing ground. For the same reason competitive bidding will also disfavor Large Enterprises in small countries compared to Large Enterprises in large countries or multinationals (MNOs).

Trucks represent 5% of Europe's total GHG emissions. Trucks are predominantly bought by SMEs. These companies do not have the resources to conduct a detailed study to determine the lowest bid or clearing price. The complexity and the uncertainty of such a competitive bidding process will make them resign to participate and leave the terrain open to only the Largest Enterprises that do have the resources. This is not in line with the EU policy to support SMEs to have a same level playing ground. For the same reason competitive bidding will also disfavor Large Enterprises in small countries compared to Large Enterprises in large countries or MNOs.

### **3 Risk of low bidding**

Competitive bidding opens the door for strategic low bidding without the real commitment to actually use the grant and buy the vehicle. Bidders will be tempted to prioritize acquiring the grant before completing the full Total Cost of Ownership and implementation assessment. This again favors big companies with deep pockets over small companies.