Clean Corporate Fleets

Key Demands from Austrian Companies

Austrian Federal Economic Chamber (WKO)
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Position Paper: Impact Assessment for Clean Corporate Fleets

1. **General Position**

The WKO is committed to climate and nature conservation and calls for recognition of economic realities and thus a corresponding balance in energy policy. The current focus of climate and energy policy is too much on setting new and increasingly ambitious targets, rather than on the necessary practical implementation and realization of existing targets. The manner of decarbonization of corporate fleets envisaged by the European Commission (EC) underscores these concerns.
In recent years, the transport industry has reached a breaking point. Additional costs resulting from new obligations are not feasible. EU requirements for the new registration of zero-emission vehicles are extremely ambitious and cover both passenger cars and light and heavy commercial vehicles (see Regulation 2019/631 and 2019/1242). Our members have already begun implementing these targets and preparing the next steps.
Battery electric vehicles (BEVs) are already a key pillar of the mobility transition. At the same time, this technology cannot yet offer satisfactory solutions for all business models and applications. We therefore strongly recommend **refraining from setting corporate fleet targets in general and focusing on BEVs in particular** and favoring a **technology-neutral approach** instead.

2. **Demands**

Technological openness and technological neutrality

The WKO stands for free competition between business models, technologies, and ideas (innovation). Boosting economic competitiveness requires the promotion of principles such as **technological openness** and **technological neutrality**. Yet, the available documents from the EC suggest that it is primarily considering e-mobility for all company fleets and is not taking other technologies into account. The WKO calls for a **technology-open and technology-neutral approach** that gives **equal consideration to all available CO2-neutral alternatives alongside e-mobility** (hydrogen, HVO, and other renewable fuels such as e-fuels) **in all aspects** (tax policy, subsidies, etc.). The AFIR (Regulation 2023/1804), for instance, offers a good approach in Art. 2 Z 4 as to what is meant by “alternative fuels.”

Planning security through a technology-neutral legal framework

The existing CO2 standards for vehicles already provide a clear and extremely ambitious framework for the energy transition in mobility. The new measures envisaged by the EC (e.g. quotas) would **interfere with planning security** because they would impose new restrictions in addition to the existing CO2 standards for vehicles (passenger cars and commercial vehicles). This is **rejected** by the WKO. Moreover, the premature **ban on combustion engines for fleets**, which was reported by the media in the summer of 2025, is also **firmly rejected**.
The EC provides several examples of tax policy measures relating to vehicle procurement. However, **tax policy**, including the setting of tax rates and types, is the sole **responsibility of the Member States** (MS). Tax measures are highly effective for all types of fleets. For the used cars market, for example, **sales tax on used CO2-neutral vehicles** could be waived or reduced, e.g. by including it in Art. 105a (3) Annex III of the Directive 2022/542

(VAT Directive). Clarifications would also be necessary for leasing to enable subsidies for both lessors and lessees. In Austria, more than 50% of all BEV vehicles are leased.

Definition of CO2-neutral vehicles and company fleets

In the spirit of technology neutrality, we call for **regulations to be put in place for "CO2-neutral" vehicles rather than zero-emission vehicles (ZEVs)**. This is the only way to ensure that renewable liquid fuels (HVO, e-fuels) and renewable gaseous fuels (e.g. hydrogen) play their important role as enablers of the energy transition in mobility in addition to e-mobility.Currently, there is no definition of **corporate fleets**. The broad understanding of the EC ("*all vehicles registered to a legal (rather than natural) person*") would even include special-purpose vehicles (e.g. snow removal). Considerations regarding SMEs are hardly apparent in the available documents. The fact that companies have vehicles at their disposal does not make them fleets. In addition, there is an EU initiative to revise the current EU regulations on CO2 emission standards for new passenger cars and light commercial vehicles. Due to this ongoing initiative, new EU legislation on clean company fleets would be premature, as it could later conflict with the regulations on CO_2 emission standards for new passenger cars and light commercial vehicles. **We thus recommend awaiting the outcome of the revision in order to obtain uniform regulations for the term ZEVs.** We **currently see no need to develop regulations for corporate fleet targets**, which would have to be case-by-case and would threaten to create additional bureaucracy. If, however, the decision is made to proceed with the development of fleet targets, we recommend that **the above considerations** be taken into account and that the relevant **stakeholders be involved comprehensively at an early stage**.

Reflect the diversity of business models and the vehicles they require

The introduction of flat-rate quotas for CO2-neutral vehicles in company fleets would not take into account the diversity of vehicle types required to meet operational requirements. For the business models of some industries, the use of CO2-neutral **vehicles for long-distance, heavy-duty transport, special transport, and high-frequency trips** is currently not feasible, as these are not yet available on the market with CO2-neutral drives at competitive prices, or subsidies do not (yet) cover the additional costs of purchase and operation. The situation is even more acute for SMEs, as they regularly lack the financial resources to purchase expensive CO2-neutral vehicles. As the necessary conditions for adjustments within the timeframes envisaged by the EC are currently lacking and suitable vehicles are only available to a limited extent, particularly in terms of load capacity and range, binding quotas for zero-emission vehicles would hinder business models. Should the EC insist on setting corporate fleet targets, targeted **flexibility and exemptions from the binding requirements for light commercial vehicles (LCVs), vehicles for passenger transport services and rental cars, heavy commercial vehicles (HCVs), and special-purpose vehicles** should be considered. Exemptions for special-purpose vehicles could be based on existing standards (e.g. the Road Infrastructure Charge Directive 1999/62/EC or the Regulation on technical control devices 561/2006).

Voluntary incentive systems instead of binding quotas for CO2-neutral vehicles

The WKO firmly rejects quotas for all company fleet sizes. New quotas, especially for e-mobility, would require a significant expansion of the power grids that could call into question the current grid expansion plans, accelerating cost-intensity and threatening planning security. Furthermore, the EC's considerations fail to consider topography

(mountains in tourist regions) and different climatic conditions (winter temperatures further reduce the range of electric vehicles). Quotas would also mean accepting the well-known problem of deliberate depreciation of the fleet. This is because it ultimately amounts to a reduction in resale value. Quota requirements would therefore lead to a result that would be tantamount to expropriation.
Instead of quotas, EU state aid law could be designed in such a way as to reduce administrative burdens and facilitate the use of multiple EU subsidies for a single purchase and national subsidies (e.g., through increased thresholds). Access to green finance should also be facilitated, e.g. through a tailor-made green finance program for the transition to CO2-neutral mobility, which must also include the creation of infrastructure. Voluntary, technology-neutral, and open incentive systems should cover the general framework conditions, the ramp-up of infrastructure, and the purchase and operation of vehicles. For SMEs, quotas would further limit competitiveness, which is why generous exemptions would be needed here, providing a clear distinction from genuine fleets. The distinction must also differentiate between local, supraregional, and Europe-wide providers.

Consider the time frame and expand alternative infrastructure

If legal fleet requirements are considered, they must be considered in tandem with the needs-based expansion of the necessary charging and refueling infrastructure in order to give companies a choice between available technologies and ensure technological openness. The following must apply: first infrastructure and practicality, then obligations. Therefore, the time horizon is an essential criterion: the longer the period allowed for operational implementation, the more efficiently and sustainably companies can manage this transformation. The state should take the lead here, rather than shifting the responsibility for the transition to companies already burdened by the weak economy.

Ensure continued use of existing vehicle fleets

Companies must be allowed to **continue operating their existing vehicles until the end of their economic useful life**. Prematurely decommissioning intact vehicles solely on the basis of new regulations would be ecologically questionable and economically unsustainable. The successful ramp-up of HVO provides a good example of how existing fleets can be operated in a CO2-neutral manner.

Minimize bureaucracy and reporting requirements

The WKO is strongly **in favor of reducing bureaucracy and against introducing new reporting requirements**, particularly regarding company vehicles and fleets, as the added value of additional reporting requirements is not apparent from a business perspective. Companies already report on public statistics, tax purposes, employee protection, and safety measures. The limited resources of SMEs in this context must also be emphasized once again.

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