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*Committee on Transport and Tourism*

**2007/0297(COD)**

30.4.2008

## **DRAFT OPINION**

of the Committee on Transport and Tourism

for the Committee on the Environment, Public Health and Food Safety

on the proposal for a regulation of the European Parliament and of the Council setting emission performance standards for new passenger cars as part of the Community's integrated approach to reduce CO<sub>2</sub> emissions from light-duty vehicles

(COM(2007)0856 – C6-0022/2008 – 2007/0297(COD))

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## SHORT JUSTIFICATION

### I. Introduction

Following on from the International Conference on Climate Change last year, the European Union must now demonstrate its willingness to act on this issue by strengthening its strategic approach and taking concrete measures to reduce Green House Gas (GHG) emissions.

All sectors have an obligation to contribute to the reduction of GHG emissions, and in this the transport sector has a special responsibility. In its annual report for 2008 the European Environment Agency underlined that "*much is needed but too little is happening*", particularly in the transport sector. Existing policies, in addition to a voluntary commitment by industry, have not yet proved adequate in reducing CO<sub>2</sub> emissions and in improving the efficiency of new cars to a satisfactory level. In order to address this issue, the Commission, in December 2007, proposed a new Regulation on the reduction of CO<sub>2</sub> emissions from light-duty vehicles.

### II. Brief description of the Commission proposal

The proposal aims to fix rules aimed at limiting CO<sub>2</sub> emissions from the new car fleet in the Community to 130g CO<sub>2</sub>/km by 2012, to be complemented by measures aiming to deliver an additional 10g CO<sub>2</sub>/km reduction as part of the integrated approach. Furthermore, harmonisation is necessary to avoid the risk of the functioning of internal market in this regard being impaired by unilateral action by Member States. The main elements of the proposal are:

- The setting of mandatory targets for emissions of CO<sub>2</sub> from passenger cars ("M1" vehicles), as a function of their mass, from 2012 onwards.
- A calculation based on the average CO<sub>2</sub> emissions for each manufacturer registered in the EU each year.
- A pooling system.
- A monitoring and reporting system, obliging Member States to collect data on new cars registered in their territory and to transmit them to the Commission in order to assess compliance with the targets.
- A penalty system, to be implemented in with cases where a manufacturer fails to meet its target. The premium will be calculated by multiplying the excess number of grams of CO<sub>2</sub>/km by the number of cars newly registered and then by the penalty for that year. The sanctions will increase, in a phased-in approach, from 20 euros in 2012 to 95 euros in 2015 and each subsequent year.

### III. Opinion of the draftsman

Your draftsman recognises that in its proposal the Commission has sought to find a balance between the pressing environmental concerns and the economic and social interests that need to be protected. As the previous voluntary measures have not been effective in achieving a

substantial reduction in CO<sub>2</sub> emissions, the 130 g CO<sub>2</sub>/km limit in 2012 can be considered ambitious but both necessary and achievable. The Commission aims to complement this obligation with a flexible system establishing average specific emissions of CO<sub>2</sub> for each manufacturer and allowing them to avail of a pooling system.

Your draftsman supports the balanced approach of the European Commission. I particularly agree with the system and levels of fines and with the pooling system between manufacturers. As regards the former, the peak fine of 95euro will encourage manufacturers to attain the Commission's targets while the time-scale - this peak fine does not come into force until 2015 - gives the industry adequate time to achieve 100% compliance. As regards pooling, such a system offers flexibility, without obligation, for manufacturers to form a pool with other manufacturers for the purposes of achieving average emissions that meet the Commission's targets.

There are, nevertheless, areas in which the proposal could be improved:

➤ On the timetable:

A long-term perspective is absent in the Commission's proposal and I would suggest integrating into the proposal the objective of reducing CO<sub>2</sub>/km to 95g in 2020, as proposed by the European Parliament in its Resolution of 24 October 2007. For longer-term targets after 2020, your rapporteur considers that including a revision of the targets in 2018 is more worthwhile than proposing a long-term value at this stage.

➤ The choice of the parameter:

In the aforementioned Resolution, the Parliament - going against the proposal of the Commission, which utilises for calculation a parameter based on the mass of the vehicle - recommended that the limit value curve should be defined using a mathematical formula expressed as a function linking each vehicle's CO<sub>2</sub> emissions with its footprint. As there is at this time insufficient data for the correct employment of footprint as a parameter and given the need to implement this proposal as soon as possible, I propose to retain mass as the parameter at this stage. However, I have inserted in article 10 a provision for the revision, in 2015, of the formula of calculation and of the associated criteria, to take into account data that will be then available on elements such as the track width and the wheel base.

➤ The incentives to eco-innovations:

You rapporteur supports the idea, mentioned in the resolution of 24 October 2007, that there should be incentives for the industry to invest in eco-innovations and proposes to this end that the Commission put forward a proposal for a system of incentive credits.

➤ The information of the consumers:

Improvements are added in order to that the consumer can make a choice based on clear and transparent information.

## AMENDMENTS

The Committee on Transport and Tourism calls on the Committee on the Environment, Public Health and Food Safety, as the committee responsible, to incorporate the following amendments in its report:

## Amendment 1

### Proposal for a regulation

#### Recital 10 a (new)

*Text proposed by the Commission*

*Amendment*

***(10a) On 23 January 2008, the Commission adopted a set of measures to fight climate change by 2020, known as the package on climate change. To complement that package, this Regulation should set a long-term target of 95 g CO<sub>2</sub>/km by 2020 for new passenger cars. Setting such a target at this time should allow manufacturers sufficient time to adapt their production cycles accordingly.***

Or. en

#### *Justification*

*The European Parliament, in its resolution of 24 October 2007, called for average emissions to be fixed at a level of 95 g CO<sub>2</sub>/km in 2020. As the proposal for a Regulation by the Commission did not mention such corresponding long-term objective, this amendment sets a long-term objective while allowing the car industry sufficient time to adapt.*

## Amendment 2

### Proposal for a regulation

#### Recital 12

*Text proposed by the Commission*

*Amendment*

(12) In order to maintain the diversity of the car market and its ability to cater for different consumer needs, CO<sub>2</sub> targets for passenger cars should be defined as a function of the utility of the cars on a linear basis. To describe this utility, mass is the most appropriate parameter ***because it provides a satisfactory correlation with***

(12) In order to maintain the diversity of the car market and its ability to cater for different consumer needs, CO<sub>2</sub> targets for passenger cars should be defined as a function of the utility of the cars on a linear basis. To describe this utility, mass is ***currently*** the most appropriate parameter because data on mass is readily available

*present emissions and would therefore result in more realistic and competitively neutral targets and* because data on mass is readily available. Data on the alternative utility parameter of footprint (track width times wheelbase) should, however, be collected in order to facilitate *longer-term* evaluations of the utility-based approach. In the establishment of the targets, the projected evolution of new cars' mass until 2012 should be taken into account, and potential incentives to increase vehicle mass just in order to benefit from a consequential increase of the CO<sub>2</sub> reduction target should be avoided. Therefore, the possible future autonomous mass increase evolution of vehicles produced by the manufacturers and sold on the EU market should be taken into account when defining the targets for 2012. Finally, differentiation of targets should encourage emissions reductions to be made in all categories of cars while recognising that larger emission reductions can be made for heavier cars.

*and it provides a satisfactory correlation with present emissions.* Data on the alternative utility parameter of footprint (track width times wheelbase) should, however, be collected in order to facilitate *mid-term* evaluations of the utility-based approach. In the establishment of the targets, the projected evolution of new cars' mass until 2012 should be taken into account, and potential incentives to increase vehicle mass just in order to benefit from a consequential increase of the CO<sub>2</sub> reduction target should be avoided. Therefore, the possible future autonomous mass increase evolution of vehicles produced by the manufacturers and sold on the EU market should be taken into account when defining the targets for 2012. Finally, differentiation of targets should encourage emissions reductions to be made in all categories of cars while recognising that larger emission reductions can be made for heavier cars.

Or. en

#### *Justification*

*A mid-term review exercise would allow the Commission to propose a revision of the regulation, particularly of the criteria of the utility-based approach, before 2020.*

### **Amendment 3**

#### **Proposal for a regulation Recital 12 a (new)**

*Text proposed by the Commission*

*Amendment*

*(12a) While, given present data made available on a consistent basis to the Commission, mass is currently the most appropriate parameter by which to describe the utility of the cars on a linear basis, the collection of data on alternative*

*utility parameters, such as footprint (track width times wheelbase), should be improved and such data used to complete the definition of parameter criteria before 2020, in order to take into account the diversity of the car market.*

Or. en

#### *Justification*

*A mid-term review exercise shall allow the Commission to propose a revision of the regulation, particularly of the criteria of the utility-based approach, before 2020.*

#### **Amendment 4**

##### **Proposal for a regulation Recital 13 a (new)**

*Text proposed by the Commission*

*Amendment*

*(13a) As part of the integrated approach to reduce CO<sub>2</sub> emissions from light-duty vehicles, the eco-innovations have to be defined and guaranteed through quantifiable standards. The existing European type approval system does not cover all the technical options available for achieving CO<sub>2</sub> improvements. Thus, it is necessary to define an assessment process establishing provisions for assessing the CO<sub>2</sub> reduction potential attributed to the introduction of technology measures. Those technologies shall be such technologies which are not reflected, or not sufficiently reflected, when measured in accordance with Regulation (EC) N° 715/2007 and its implementing measures. Approvals for eco-innovations shall be granted as a means to provide additional incentives to manufacturers by means of counting those benefits towards the achievement of their specific CO<sub>2</sub> reduction targets. Furthermore, as these new technologies can be costly for the automobile industry,*

*they should be encouraged by the Commission through a system of specific credits.*

Or. en

*Justification*

*The competitiveness of the European automobile industry has to be preserved by encouraging the research and development of new technologies that can reduce the CO<sub>2</sub> emissions. A system of certification and of incentive credits for eco-innovations should be created to encourage the industry to invest in new sustainable technologies.*

**Amendment 5**

**Proposal for a regulation**  
**Recital 26 a (new)**

*Text proposed by the Commission*

*Amendment*

*(26a) Furthermore, the Commission shall re-examine, on the basis of the monitoring and reporting system of average emissions, the level of average emissions in the long-term perspective after 2020, the criteria for defining a utility parameter and the incentive methods to encourage the automobile sector to produce more efficient cars in terms of CO<sub>2</sub> emissions.*

Or. en

*Justification*

*Mid-term and long-term review exercises would allow the Commission to propose a revision of the regulation before 2020 on the long-term targets, the utility parameter and the incentive methods to encourage the car industry to reduce CO<sub>2</sub> emissions.*



## Amendment 6

### Proposal for a regulation Article 1

#### *Text proposed by the Commission*

This Regulation establishes CO<sub>2</sub> emission performance requirements for new passenger cars in order to ensure proper functioning of the internal market and achieve the EU's overall objective that the average new car fleet should achieve CO<sub>2</sub> emissions of 120 g CO<sub>2</sub>/km. The Regulation sets the average CO<sub>2</sub> emissions for new passenger cars at 130 g CO<sub>2</sub>/km by means of improvement in vehicle motor technology as measured in accordance with Regulation (EC) No 715/2007 and its implementing measures. This Regulation will be complemented by additional measures corresponding to 10 g/km as part of the Community's integrated approach.

#### *Amendment*

This Regulation establishes CO<sub>2</sub> emission performance requirements for new passenger cars, ***as part of the EU integrated approach to combating climate change***, in order to ensure proper functioning of the internal market and achieve the EU's overall objective that the average new car fleet should achieve CO<sub>2</sub> emissions of 120 g CO<sub>2</sub>/km ***in 2012 and of 95 g CO<sub>2</sub>/km in 2020***. The Regulation sets the average CO<sub>2</sub> emissions for new passenger cars at 130 g CO<sub>2</sub>/km ***in 2012 and at 95 g CO<sub>2</sub>/km in 2020*** by means of improvement in vehicle motor technology as measured in accordance with Regulation (EC) N° 715/2007 and its implementing measures. This Regulation will be complemented by additional measures corresponding to 10 g/km as part of the Community's integrated approach.

Or. en

#### *Justification*

*The European Parliament called, in its resolution of 24 October 2007, for average emissions to be fixed at the level of 95 g CO<sub>2</sub>/km in 2020. This amendment sets a long-term target in order to stimulate the technological changes needed to achieve low-emission cars, while allowing the car industry sufficient time to adapt, and recalls the objective of prevention of climate change. Rising oil prices and challenges to individual mobility require fixing a long-term target in order to optimise the car's potential in purchasing the objectives of clean and efficient transport systems.*

## Amendment 7

### Proposal for a regulation

#### Article 3 – paragraph 1 – point f a (new)

*Text proposed by the Commission*

*Amendment*

***(fa) ‘eco-innovation’ means any measure or technological innovation proven to deliver a quantifiable contribution to reducing CO<sub>2</sub> emissions that is not included in the definitions in Regulation (EC) No 715/2007 nor covered in the additional measures mentioned in Article 1.***

Or. en

#### *Justification*

*Further reduction of CO<sub>2</sub> emissions should be promoted through the development of eco-innovations that improve the CO<sub>2</sub> performance of a car. This contribution to the reduction of emissions should be supported by the European Union in such a way as to encourage research and development and to preserve and promote the competitiveness of the European car industry.*

## Amendment 8

### Proposal for a regulation

#### Article 4 – subparagraph 1

*Text proposed by the Commission*

*Amendment*

For the calendar year commencing 1 January 2012 and each subsequent calendar year, each manufacturer of passenger cars shall ensure that its average specific emissions of CO<sub>2</sub> do not exceed its specific emissions target determined in accordance with Annex I or, where a manufacturer is granted a derogation under Article 9, in accordance with that derogation.

For the calendar year commencing 1 January 2012 and each subsequent calendar year, each manufacturer of passenger cars shall ensure that its average specific emissions of CO<sub>2</sub> do not exceed its specific ***annual*** emissions target determined in accordance with ***point 1 of*** Annex I or, where a manufacturer is granted a derogation under Article 9, in accordance with that derogation.

Or. en

### *Justification*

*This amendment clarifies the provision of the Regulation by recalling the annual objective of the Regulation.*

## **Amendment 9**

### **Proposal for a regulation**

#### **Article 4 – subparagraph 1 a (new)**

*Text proposed by the Commission*

*Amendment*

***For the calendar year commencing 1 January 2020 and each subsequent calendar year, each manufacturer of passenger cars shall ensure that its average specific emissions of CO<sub>2</sub> do not exceed its specific emissions target determined in accordance with point 3 of Annex I or, where a manufacturer is granted a derogation under Article 9, in accordance with that derogation.***

Or. en

### *Justification*

*The European Parliament called, in its resolution of 24 October 2007, for average emissions to be fixed at the level of 95 g CO<sub>2</sub>/km in 2020. As the proposal for a Regulation by the Commission did not mention any long-term objective, this amendment introduces such a long-term target while allowing the car industry sufficient time to adapt.*

## **Amendment 10**

### **Proposal for a regulation**

#### **Article 7 – paragraph 5**

*Text proposed by the Commission*

*Amendment*

5. The amounts of the excess emissions premium shall be ***considered as revenue for the budget of the European Union.***

5. The amounts of the excess emissions premium shall be ***dedicated to financing sustainable and non-CO<sub>2</sub> -emitting modes of transport, in particular projects under the Trans-European Transport Network, and research on renewable energies in the***

*field of transport.*

Or. en

*Justification*

*The amount of the collected excess emissions premium should be dedicated to actions, projects and research dedicated to prevent climate change and reduce CO2 emissions, like for example financing alternative modes of transport to the road and or the research on renewable energies.*

**Amendment 11**

**Proposal for a regulation**

**Article 8 – paragraph 1 – introductory part**

*Text proposed by the Commission*

1. By 31 October 2011 and each subsequent year, the Commission shall publish a list indicating for each manufacturer:

*Amendment*

1. By 31 October 2011 and ***on the same date*** each subsequent year, the Commission shall publish, ***including on its website***, a list indicating for each manufacturer:

Or. en

*Justification*

*A clearer reference should be made available for the consumers if the car manufacturer has reached or not its specific CO2 emissions target. These informations should be available for the public on the web site of the European Commission.*

**Amendment 12**

**Proposal for a regulation**

**Article 8 – paragraph 1 – point c a (new)**

*Text proposed by the Commission*

*Amendment*

***(ca) whether the manufacturer has reached or exceeded, and by what percentage, the specific emissions targets permitted under the Regulation; and***

*Justification*

*A clearer reference should be made available for the consumers if the car manufacturer has reached or not its specific CO2 emissions target.*

**Amendment 13**

**Proposal for a regulation**

**Article 9 – paragraph 1 – point b**

*Text proposed by the Commission*

(b) is not connected to another manufacturer.

*Amendment*

(b) is not **a** connected **undertaking** to another manufacturer.

*Justification*

*This amendment aims to clarify the meaning of a connected undertaking by referring in a clearer way to the definition in article 3 paragraph 2.*

**Amendment 14**

**Proposal for a regulation**

**Article 10 – paragraph 1**

*Text proposed by the Commission*

1. In 2010, the Commission shall submit a report to the European Parliament and the Council reviewing the progress made to implement the Community's Integrated Approach to reduce the CO<sub>2</sub> emissions from light-duty vehicles.

*Amendment*

1. In 2010, the Commission shall submit a report to the European Parliament and the Council reviewing the progress made to implement the Community's Integrated Approach to reduce the CO<sub>2</sub> emissions from light-duty vehicles. ***The Commission shall, in the same report, submit proposals on a system of credits and certification for the introduction of eco -innovations.***

### *Justification*

*A mid-term review exercise shall allow the Commission to propose before 2020 a revision of the regulation and to add a system of certification and of incentive credits for eco-innovations, in order to help the industry to invest in more sustainable technologies.*

### **Amendment 15**

#### **Proposal for a regulation**

#### **Article 10 – paragraph 3 a (new)**

*Text proposed by the Commission*

*Amendment*

***3a. On the basis of data reported and transmitted by Member States in accordance with Article 6, paragraph 2, the Commission shall review in 2015 the formula for calculation set out in Annex I with a view to taking into account criteria other than the mass of the vehicle.***

***Such amendment, designed to amend the non-essential elements of this Regulation shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 12(3).***

Or. en

### *Justification*

*A mid-term review exercise would allow the Commission to propose a revision of the regulation, particularly of the criteria of the utility-based approach, before 2020. The European Parliament should be involved in this revision process through the regulatory procedure created by the Decision 1999/468/EC.*

### **Amendment 16**

#### **Proposal for a regulation**

#### **Article 10 – paragraph 3 b (new)**

*Text proposed by the Commission*

*Amendment*

***3b. From 2018 onwards, the Commission shall submit a review every five years of the planned average CO<sub>2</sub> emissions target***

*for new passenger cars. Similar reviews shall be undertaken every seven years, with any change in emissions target scheduled to enter into force seven years from the date of an announcement to this effect.*

*After this review, should an amendment be deemed necessary, such an amendment, designed to modify non-essential elements of this Regulation, shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 12(3).*

Or. en

#### *Justification*

*A revision of the targets has to be incorporated for a long-term perspective. The European Parliament should be involved in this revision process through the regulatory procedure created by the Decision 1999/468/EC.*

#### **Amendment 17**

##### **Proposal for a regulation**

##### **Article 10 – paragraph 3 c (new)**

*Text proposed by the Commission*

*Amendment*

***3c. On the basis of data reported and transmitted by Member States in accordance with Article 6, paragraph 2, and if the reporting system reveals that the manufacturers do not comply with their permitted specific emissions, the Commission shall review the excess emissions premium in 2016 in order to increase the level.***

***Such amendment, designed to amend the non-essential elements of this Regulation shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 12(3).***

Or. en

### *Justification*

*One year after the excess emissions premium have reached their maximum level, and in the case that the car manufacturers would not achieve their reduction targets, the Commission should be able to propose an increase of financial penalties.*

### **Amendment 18**

#### **Proposal for a regulation**

#### **Article 11 – subparagraph 1 a (new)**

*Text proposed by the Commission*

*Amendment*

***This information should be provided as follows:***

***(a) “This car emits X g CO<sub>2</sub>/km. It is by X% over the average specific CO<sub>2</sub> emissions targets permitted by Regulation (EC) N° XX/XX”; or***

***(b) “This car emits X g CO<sub>2</sub>/km. It is by Y% under the average specific CO<sub>2</sub> emissions targets permitted by Regulation (EC) N° XX/XX”; or***

***(c) “This car emits X g CO<sub>2</sub>/km. It is within the average specific CO<sub>2</sub> emissions target range permitted by Regulation (EC) N° XX/XX.”***

Or. en

### *Justification*

*A clear reference should be made, in order to inform the consumer, on the compliance of the objective of the Regulation by car manufacturers.*

### **Amendment 19**

#### **Proposal for a regulation**

#### **Annex I – point 2 a (new)**

*Text proposed by the Commission*

*Amendment*

***2a. By 1 January 2020, the formula determining the permitted specific***



*emissions of CO<sub>2</sub> will be updated as follows in accordance with the objective of 95 g CO<sub>2</sub>/km :*

*Permitted specific emissions of CO<sub>2</sub> = 95 + a × (M – M<sub>0</sub>).*

Or. en

#### *Justification*

*The European Parliament insisted, in its resolution of 24 October 2007, to fix average emissions at the level of 95 g CO<sub>2</sub>/km in 2020. As the proposal of the Commission did not mention any long-term objective, this amendment adds this value in the Annex I of the Regulation.*