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**A5-0293/2002**

11 September 2002

**\*\*\*II**

## **RECOMMENDATION FOR SECOND READING**

on the Council common position for adopting a directive of the European Parliament and of the Council on the quality of petrol and diesel fuels and amending Directive 98/70/EC.  
(5117/1/2002 – C5-0183/2002 – 2001/0107(COD))

Committee on the Environment, Public Health and Consumer Policy

Rapporteur: Heidi Anneli Hautala

***Symbols for procedures***

- \* Consultation procedure  
*majority of the votes cast*
- \*\*I Cooperation procedure (first reading)  
*majority of the votes cast*
- \*\*II Cooperation procedure (second reading)  
*majority of the votes cast, to approve the common position  
majority of Parliament's component Members, to reject or amend  
the common position*
- \*\*\* Assent procedure  
*majority of Parliament's component Members except in cases  
covered by Articles 105, 107, 161 and 300 of the EC Treaty and  
Article 7 of the EU Treaty*
- \*\*\*I Codecision procedure (first reading)  
*majority of the votes cast*
- \*\*\*II Codecision procedure (second reading)  
*majority of the votes cast, to approve the common position  
majority of Parliament's component Members, to reject or amend  
the common position*
- \*\*\*III Codecision procedure (third reading)  
*majority of the votes cast, to approve the joint text*

(The type of procedure depends on the legal basis proposed by the Commission)

***Amendments to a legislative text***

In amendments by Parliament, amended text is highlighted in ***bold italics***. Highlighting in *normal italics* is an indication for the relevant departments showing parts of the legislative text for which a correction is proposed, to assist preparation of the final text (for instance, obvious errors or omissions in a given language version). These suggested corrections are subject to the agreement of the departments concerned.

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## PROCEDURAL PAGE

At the sitting of 29 November 2001 Parliament adopted its position at first reading on the proposal for a European Parliament and Council directive on the quality of petrol and diesel fuels and amending Directive 98/70/EC (COM(2001) 241 – 2001/0107 (COD)).

At the sitting of 30 May 2002 the President of Parliament announced that the common position had been received and referred to the Committee on the Environment, Public Health and Consumer Policy (5117/1/2002 – C5-0183/2002).

The committee had appointed Heidi Anneli Hautala rapporteur at its meeting of 29 May 2001.

The committee considered the common position and draft recommendation for second reading at its meetings of 9 July 2002 and 10 September 2002.

At the last meeting it adopted the draft legislative resolution by 36 votes to 10, with 1 abstention.

The following were present for the vote: Caroline F. Jackson, chairman; Mauro Nobilia and Alexander de Roo, vice-chairmen; Heidi Anneli Hautala, rapporteur; María del Pilar Ayuso González, Jean-Louis Bernié, Hans Blokland, David Robert Bowe, John Bowis, Martin Callanan, Dorette Corbey, Avril Doyle, Jillian Evans (for Patricia McKenna), Anne Ferreira, Jim Fitzsimons, Karl-Heinz Florenz, Pernille Frahm, Cristina García-Orcoyen Tormo, Laura González Álvarez, Robert Goodwill, Françoise Grossetête, Christa Klaß, Eija-Riitta Anneli Korhola, Bernd Lange, Paul A.A.J.G. Lannoye (for Marie Anne Isler Béguin), Peter Liese, Rolf Linkohr (for María Sornosa Martínez), Giorgio Lisi (for Per-Arne Arvidsson), Torben Lund, Minerva Melpomeni Malliori, Emilia Franziska Müller, Rosemarie Müller, Giuseppe Nisticò, Neil Parish (for Raffaele Costa), Béatrice Patrie, Dagmar Roth-Behrendt, Guido Sacconi, Karin Scheele, Inger Schörling, Jonas Sjöstedt, Renate Sommer (for Horst Schnellhardt), Dirk Sterckx (for Jules Maaten), Catherine Stihler, Astrid Thors, Antonios Trakatellis, Kathleen Van Brempt, Phillip Whitehead.

The recommendation for second reading was tabled on 11 September 2002.

The deadline for tabling amendments will be indicated in the draft agenda for the relevant part-session.

## DRAFT LEGISLATIVE RESOLUTION

**European Parliament legislative resolution on the Council common position for adopting a directive of the European Parliament and of the Council on the quality of petrol and diesel fuels and amending Directive 98/70/EC. (5117/1/2002 – C5-0183/2002 – 2001/0107(COD))**

**(Codecision procedure: second reading)**

*The European Parliament,*

- having regard to the Council common position (5117/1/2002 – C5-0183/2002),
  - having regard to its position at first reading<sup>1</sup> on the Commission proposal to Parliament and the Council (COM(2001) 241<sup>2</sup>),
  - having regard to Article 251(2) of the EC Treaty,
  - having regard to Rule 80 of its Rules of Procedure,
  - having regard to the recommendation for second reading of the Committee on the Environment, Public Health and Consumer Policy (A5-0293/2002),
1. Amends the common position as follows;
  2. Instructs its President to forward its position to the Council and Commission.

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<sup>1</sup> See Texts Adopted of 29.11.2001, item 9.

<sup>2</sup> OJ C 213 E, 31.7.2001, p.255.

## Amendment 1

## Recital 8

(8) It is therefore appropriate to lay down measures ensuring the introduction and availability of fuels with a maximum sulphur content of 10 mg/kg. In this regard fiscal incentives have been shown to be effective in promoting the early introduction of higher quality fuels according to national needs and priorities and to shorten the transition period where two different qualities are distributed in the market.

(8) It is therefore appropriate to lay down measures ensuring the introduction and availability of fuels with a maximum sulphur content of 10 mg/kg. In this regard fiscal incentives have been shown to be effective in promoting the early introduction of higher quality fuels according to national needs and priorities and to shorten the transition period where two different qualities are distributed in the market. ***The introduction of fiscal incentives should be supported for both cleaner conventional fuels and alternative fuels.***

*Justification*

*This amendment stresses the importance of fiscal incentives for both cleaner conventional fuels such as 50ppm and 10ppm sulphur fuels and alternative fuels. It replaces amendments 19, 26 and 27 related to fiscal incentives adopted in 1st reading.*

## Amendment 2

## Recital 11

(11) The complete penetration of petrol and diesel fuels with a maximum sulphur content of 10 mg/kg should be provided for from 1 January 2009 in order to allow the fuel manufacturing industry enough time to make the necessary investments to adapt its production plans. In addition, the full introduction of petrol and diesel fuels with a maximum sulphur content of 10 mg/kg from 1 January 2009 will reduce emissions of conventional pollutants from the existing fleet of vehicles leading to an improvement in air quality, whilst ensuring that there is no overall increase in

(11) The complete penetration of petrol and diesel fuels with a maximum sulphur content of 10 mg/kg should be provided for from 1 January 2009 in order to allow the fuel manufacturing industry enough time to make the necessary investments to adapt its production plans. In addition, the full introduction of petrol and diesel fuels with a maximum sulphur content of 10 mg/kg from 1 January 2009 will reduce emissions of conventional pollutants from the existing fleet of vehicles leading to an improvement in air quality, whilst ensuring that there is no overall increase in

greenhouse gas emissions. ***In this context it will be necessary to confirm this date in the case of diesel fuels no later than 31 December 2005.***

greenhouse gas emissions.

### *Justification*

*This amendment is consistent with the deletion of the review possibility in article 1, point 5, point (a). The benefits from the introduction of 10ppm diesel fuels by 2009 are already known, therefore there is no need to postpone the introduction of such fuels. In addition, the automotive and refining industry need time to plan their investments and therefore the introduction date for 10ppm diesel should be set now to allow for investment certainty.*

### Amendment 3

#### Recital 13

(13) The emissions from engines installed in non-road mobile machinery and agricultural and forestry tractors must comply with the limits stipulated in Directive 97/68/EC of the European Parliament and of the Council of 16 December 1997 on the approximation of the laws of the Member States relating to measures against the emission of gaseous and particulate pollutants from internal combustion engines to be installed in non-road mobile machinery <sup>1</sup> and in Directive 2000/25/EC of the European Parliament and of the Council of 22 May 2000 on action to be taken against the emission of gaseous and particulate pollutants by engines intended to power agricultural or forestry tractors and amending Council Directive 74/150/EEC <sup>2</sup>. Attainment of these emissions limits ***will become*** increasingly dependent upon the quality of the ***gas oils*** used by these engines and so it is important to include a definition for such fuels in Directive 98/70/EC.

(13) The emissions from engines installed in non-road mobile machinery and agricultural and forestry tractors must comply with the limits stipulated in Directive 97/68/EC of the European Parliament and of the Council of 16 December 1997 on the approximation of the laws of the Member States relating to measures against the emission of gaseous and particulate pollutants from internal combustion engines to be installed in non-road mobile machinery <sup>1</sup> and in Directive 2000/25/EC of the European Parliament and of the Council of 22 May 2000 on action to be taken against the emission of gaseous and particulate pollutants by engines intended to power agricultural or forestry tractors and amending Council Directive 74/150/EEC <sup>2</sup>. Attainment of these emissions limits ***is becoming*** increasingly dependent upon the quality of the ***fuels*** used by these engines ***and for this reason they are included in the scope of this directive from 1 January 2005 on.***

<sup>1</sup> OJ L 59, 27.2.1998, p. 1. Directive as amended by Commission Directive 2001/63/EC (OJ L 227, 23.8.2001, p. 41).

<sup>2</sup> OJ L 173, 12.7.2000, p.1.

### *Justification*

*This amendment is consistent with the deletion of the review possibility in article 1, point 5, point (a). Recent studies in the US and Germany have substantiated the severe health and environmental effects from high sulphur non-road diesel fuels. In addition, the non-road engine manufacturers and refining industry need time to plan their investments and therefore the introduction date for 10ppm diesel should be set now to allow for investment certainty.*

#### Amendment 4

#### ARTICLE 1, POINT 2

#### Article 3, paragraph 2, point (d) (Directive 98/70/EC)

(d) Without prejudice to the provisions of subparagraph (c), Member States shall take all necessary measures to ensure that in due time and no later than 1 January 2005, unleaded petrol with a maximum sulphur content of 10 mg/kg is marketed within their territories. Member States shall ensure that such unleaded petrol is available on ***an appropriate*** geographic basis and complies in all other respects with the specifications in Annex III.

However, Member States may, for the Outermost Regions, make specific provisions for the introduction of petrol of a maximum sulphur content of 10 mg/kg. Member States making use of this provision will inform the Commission accordingly.

(d) Without prejudice to the provisions of subparagraph (c), Member States shall take all necessary measures to ensure that in due time and no later than 1 January 2005, unleaded petrol with a maximum sulphur content of 10 mg/kg is marketed within their territories. Member States shall ensure that such unleaded petrol is available on ***a balanced*** geographic basis and complies in all other respects with the specifications in Annex III.

However, Member States may, for the Outermost Regions, make specific provisions for the introduction of petrol of a maximum sulphur content of 10 mg/kg. Member States making use of this provision will inform the Commission accordingly. ***Acting in accordance with the procedure referred to in Article 11, the Commission shall establish criteria for determining what, for the purposes of this subparagraph, constitutes availability on a balanced geographic basis.***

### *Justification*

*The availability of sulphur-free fuel must be clearly defined. The purchasers of new vehicles with fuel-efficient engines must in particular have access to sulphur-free fuel within a reasonable radius, so that savings can genuinely be made. Reinstatement of Amendments 42 and 45 from first reading.*



Amendment 5  
ARTICLE 1, POINT 2, POINT (ab) (new)  
Article 3, paragraph 5 (Directive 98/70/EC)

***(ab) Paragraph 5 is deleted.***

*Justification*

*The derogation's to permit the marketing of unleaded petrol with a high sulphur content until 2007 shall no longer be applicable (re-tabling am. 20 from first reading).*

Amendment 6  
ARTICLE 1, POINT 2, POINT (ac) (new)  
Article 3, paragraph 6 (Directive 98/70/EC)

***(ac) Paragraph 6 is replaced by the following:***

***"6. The Commission may authorise the derogations referred to in paragraphs 3 and 4 in accordance with the Treaty."***

*Justification*

*Technical adjustment linked to amendment to Article 3 paragraph 5 (Directive 98/70/EC) (re-tabling am. 21 from first reading).*

Amendment 7  
ARTICLE 1, POINT 3  
Article 4, paragraph 1, point (d) (Directive 98/70/EC)

(d) Without prejudice to the provisions of subparagraph (c), Member States shall take all necessary measures to ensure that in due time and no later than 1 January 2005, diesel fuel with a maximum sulphur content of 10 mg/kg is marketed within their territories. Member States shall ensure that such diesel fuel is available on ***an appropriate*** geographic basis and complies in all other respects with the specifications in Annex IV.

(d) Without prejudice to the provisions of subparagraph (c), Member States shall take all necessary measures to ensure that in due time and no later than 1 January 2005, diesel fuel with a maximum sulphur content of 10 mg/kg is marketed within their territories. Member States shall ensure that such diesel fuel is available on ***a balanced*** geographic basis and complies in all other respects with the specifications in Annex IV.

However, Member States may, for the Outermost regions, make specific provisions for the introduction of diesel fuel of a maximum sulphur content of 10 mg/kg. Member States making use of this provision will inform the Commission accordingly.

However, Member States may, for the Outermost regions, make specific provisions for the introduction of diesel fuel of a maximum sulphur content of 10 mg/kg. Member States making use of this provision will inform the Commission accordingly. ***Acting in accordance with the procedure referred to in Article 11, the Commission shall establish criteria for determining what, for the purposes of this subparagraph, constitutes availability on a balanced geographic basis.***

#### *Justification*

*The availability of sulphur-free fuel must be clearly defined. The purchasers of new vehicles with fuel-efficient engines must in particular have access to sulphur-free fuel within a reasonable radius, so that savings can genuinely be made. In addition, there is a risk in the case of diesel engines (on account of low exhaust temperatures) that fuel containing sulphur will damage exhaust purification devices. Reinstatement of Amendments 43 and 46 from first reading.*

#### Amendment 8

ARTICLE 1, POINT 3, POINT (aa) (new)  
Article 4, paragraph 3 (Directive 98/70/EC)

***(aa) Paragraph 3 is deleted.***

#### *Justification*

*The derogations to permit the marketing of diesel fuel with a high sulphur content until 2007 shall no longer be applicable (re-tabling am. 24 from first reading).*

#### Amendment 9

ARTICLE 1, POINT 3, POINT (ab) (new)  
Article 4, paragraph 4 (Directive 98/70/EC)

***(ab) Paragraph 4 is replaced by the following:***

***"4. The Commission may authorise the***

***derogation referred to in paragraph 2 in accordance with the Treaty."***

*Justification*

*Technical adjustment linked to amendment to Article 4 paragraph 3 (Directive 98/70/EC) (re-tabling am. 25 from first reading).*

Amendment 10

ARTICLE 1, POINT 3, POINT (b)

Article 4, paragraph 5 (Directive 98/70/EC)

5. Member States shall ensure that **gas oils** intended for use by non-road mobile machinery and agricultural and forestry tractors marketed within their territory **contain less than 2000 mg/kg of sulphur**. By **1 January 2008** at the latest the maximum permissible sulphur content of **gas oils** intended for use by non-road mobile machinery and agricultural and forestry tractors shall be **1000 mg/kg**. However, Member States may require **a lower limit or** the same sulphur content for diesel fuels stipulated in this Directive.

5. Member States shall ensure that **fuels** intended for use by non-road mobile machinery and agricultural and forestry tractors marketed within their territory **meet the specifications set out in Annex IV by 1 January 2009 at the latest**. By **1 January 2005** at the latest the maximum permissible sulphur content of **fuels** intended for use by non-road mobile machinery and agricultural and forestry -tractors shall be **350 mg/kg**. However, Member States may require the same sulphur content for diesel fuels stipulated in this Directive **prior to 2005**.

***The possibility for Member States to offer special tax treatment or incentives in respect of fuels intended for non-road mobile machinery and agricultural and forestry tractors shall remain unaffected by the quality requirements.***

*Justification*

*1. The reduction of the sulphur content of fuels (and not of gas oils) for non-road mobile machinery and agricultural and forestry tractors shall be harmonised, in the medium term, with road vehicles under this Directive. Recent studies in the U.S. and in Germany have shown that the high sulphur concentration of fuels used in tractors have negative effects on both health and environment. Non-road fuels amount to only 8.5% of the fuel pool yet the impact on the environment is increasing in significance due to the current use of high sulphur heating oil.*

*The limit of 350 mg/kg (as stipulated in Annex II for road vehicles) or less seems to be a good compromise in the short-term, as by 2005 it is already in application in 8 Member States (Austria, Denmark, Germany, Greece, Italy, Luxembourg, Portugal and Sweden), and Denmark and Sweden will already be below 50ppm at that time.*

*(based on am. 26 from first reading and a draft compromise proposal by Mrs Ayuso Gonzalez)*

#### Amendment 11

##### ARTICLE 1, POINT 5, POINT (a)

Article 9, paragraph 1, point (a) (Directive 98/70/EC)

*(a) the necessity of any change to the end date for the full introduction of diesel fuel, with a maximum sulphur content of 10 mg/kg, in order to ensure that there is no overall increase in greenhouse gas emissions. This analysis shall consider developments in refinery processing technologies, expected fuel economy improvements of vehicles and the rate that new fuel-efficient technologies are introduced into the vehicle fleet;*

*(a) the emission benefits provided by the improvement of environmental fuel parameters, including deposit-forming tendency, fuel cleanliness, total aromatics, lubricity, phosphorus, silicon, and metallic additives in petrol and diesel fuels;*

#### *Justification*

*The rapporteur can only accept the date of 1. January 2009 as final introduction of fuels with a maximum sulphur content of 10 mg/kg, if the industry gets long-term investment certainty. For this reason, the possibility for a review of the diesel specifications during the 2005 review should be deleted. (re-tabling am. 47 from first reading).*

#### Amendment 12

##### ARTICLE 1, POINT 5, POINT (a)

Article 9, paragraph 1, point (g) (Directive 98/70/EC)

*(g) the need to change other parameters in the fuel specifications as well as the need to encourage the introduction of alternative fuels, including biofuels.*

*(g) the need to encourage the introduction of alternative fuels, including biofuels, as well as the need to change other parameters in the fuel specifications, both for conventional and alternative fuels, particularly the modifications to the maximum volatility limits for petrol contained in both this Directive and in standard CEN EN 228*

*required for their application to blends of bioethanol with petrol.*

### *Justification*

*This amendment is related to the recent discussions in the context of the proposal for a directive on the use of biofuels for the transport sector (COM(2001)547). The rewording should make sure that fuel specifications are both studied for alternative and conventional fuels.*

*Although bioethanol has a lower volatility than petrol, direct blends of bioethanol with petrol produce an increase in the volatility of the final fuel which may exceed the limits laid down in Directive 98/70/EC, particularly in countries with high temperatures.*

*The preferred biofuel for blending with petrol is bioETBE. This is produced through a reaction between isobutene (a refining by-product) and bioethanol. It has lower volatility than bioethanol and produces good results when blended with petrol. However, new vehicle engines are less sensitive to volatility and keep possible environmental effects to a minimum, so that bioethanol can be blended directly with petrol (without the need to blend it with isobutene).*

*The problem therefore is not the volatility of bioethanol and petrol blends, but rather the limits laid down in Directive 98/70/EC. The United States allows additional vapour pressure of approximately 7kPa for bioethanol and petrol blends, and the European automobile and oil industries acknowledge that there are no problems with higher vapour pressures.*

### Amendment 13

#### ANNEX

#### Annex IV, Title (Directive 98/70/EC)

ENVIRONMENTAL SPECIFICATIONS  
FOR MARKET FUELS TO BE USED  
FOR VEHICLES EQUIPPED WITH  
COMPRESSION IGNITION ENGINES

ENVIRONMENTAL SPECIFICATIONS  
FOR MARKET FUELS TO BE USED  
FOR VEHICLES EQUIPPED WITH  
COMPRESSION IGNITION ENGINES  
**AND FOR NON-ROAD MOBILE  
MACHINERY AND AGRICULTURAL  
TRACTORS<sup>1</sup>**

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<sup>1</sup> In accordance with the provisions of Article 4(5), fuels used for non-road mobile machinery and agricultural tractors shall be included in Annex IV from 1 January 2009 on.

*Justification*

*As amended under Article 4, paragraph 5 (Directive 98/70/EC), for non-road mobile machinery (re-tabling am. 37 from first reading).*

## EXPLANATORY STATEMENT

The Council proposes, under its Common Position, to advance the complete penetration of petrol and diesel fuels with a maximum sulphur content of 10 mg/kg from 1 January 2011 as in the Commission's proposal to 1 January 2009. This goes in the direction of the European Parliament that proposed in first reading a full penetration date of 1 January 2008.

The Rapporteur proposes to accept the 2009 date, with two conditions:

- 1) The deletion of the 2005 derogations from the old Directive 98/70/EC which now seem obsolete,
- 2) The deletion of the 2005 review possibility for diesel, as the benefits from the introduction of 10ppm diesel fuels by 2009 are already known.

For non-road mobile machinery and agricultural and forestry tractors, recent studies in the US and Germany have substantiated the severe health and environmental effects from high sulphur non-road diesel fuels.

Seeking for a possible compromise with the Council, the rapporteur proposes a progressive reduction on the sulphur content, with a maximum sulphur content of 350 mg/kg in 2005, which is already in application in 8 Member States. In a second stage, non-road mobile machinery will be fully included in the scope of this Directive from 1 January 2009 on. The rapporteur also stresses the possibility of special tax treatment or incentives in respect of fuels intended for non-road mobile machinery and agricultural tractor in this context.

The rapporteur also includes the need to further study: alternative fuels including bio-fuels, and the possible need to set fuel quality specifications, the different fuel quality parameters for conventional fuels not currently amended, and the emission benefits provided by the improvement of environmental fuel parameters, including deposit-forming tendency, fuel cleanliness, total aromatics, lubricity, phosphorus, silicon, and metallic additives in petrol and diesel fuels, stressing that Directive 98/70/EC is the right place for reviewing these issues in the context of the 2005 revision.