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Committee on the Environment, Public Health and Food Safety

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DRAFT REPORT

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 CO₂ emissions from light-duty vehicles

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

Committee on the Environment, Public Health and Food Safety

Rapporteur: Guido Sacconi

Draftsman (*): Werner Langen, Committee on Industry, Research and Energy

(*): Associated committees - Rule 47 of the Rules of Procedure

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***. In the case of amending acts, passages in an existing provision that the Commission has left unchanged, but that Parliament wishes to amend, are highlighted in **bold**. Any deletions that Parliament wishes to make in passages of this kind are indicated thus: [...]. 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). Suggested corrections of this kind are subject to the agreement of the departments concerned.

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

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 CO₂ emissions from light-duty vehicles (COM(2007)0856 – C6-0022/2008 – 2007/0297(COD))

(Codecision procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to the European Parliament and the Council (COM(2007)0856),
 - having regard to Articles 251(2) and 95 of the EC Treaty, pursuant to which the Commission submitted the proposal to Parliament (C6-0022/2008),
 - having regard to Rule 51 of its Rules of Procedure,
 - having regard to the report of the Committee on the Environment, Public Health and Food Safety and the opinions of the Committee on Industry, Research and Energy, the Committee on Transport and Tourism and the Committee on Legal Affairs (A6-0000/2008),
1. Approves the Commission proposal as amended;
 2. Calls on the Commission to refer the matter to Parliament again if it intends to amend the proposal substantially or replace it with another text;
 3. Instructs its President to forward its position to the Council and Commission.

Amendment 1

Proposal for a regulation

Recital 13

Text proposed by the Commission

(13) The aim of this Regulation is to create incentives for the car industry to invest in new technologies. The Regulation actively promotes eco-innovation and takes into account future technological developments. In this way, the competitiveness of the European Industry is enhanced and more high-quality jobs created.

Amendment

(13) The aim of this Regulation is to create incentives for the car industry to invest in new technologies. The Regulation actively promotes eco-innovation and takes into account future technological developments. In this way, the competitiveness of the European Industry is enhanced and more high-quality jobs created. ***The Commission may consider the possibility of including eco-innovation measures in the review of***

*test procedures pursuant to Article 14(3)
of Regulation (EC) No 715/2007.*

Or. it

Justification

Acknowledges the importance of such measures and calls on the Commission to take them into account in the review of the test procedures.

Amendment 2

Proposal for a regulation

Recital 22

Text proposed by the Commission

(22) Manufacturers' compliance with the targets under this Regulation should be assessed at the Community level. Manufacturers whose average specific emissions of CO₂ exceed those permitted under this Regulation should pay an excess emissions premium in respect of each calendar year from 2012 onwards. The premium should be modulated as a function of the extent to which manufacturers fail to comply with their target. It should increase over time. In order to provide a sufficient incentive to take measures to reduce specific emissions of CO₂ from passenger cars, the premium should reflect technological costs. The amounts of the excess emissions premium should be considered as revenue for the budget of the European Union.

Amendment

(22) Manufacturers' compliance with the targets under this Regulation should be assessed at the Community level. Manufacturers whose average specific emissions of CO₂ exceed those permitted under this Regulation should pay an excess emissions premium in respect of each calendar year from 2012 onwards. The premium should be modulated as a function of the extent to which manufacturers fail to comply with their target. It should increase over time. In order to provide a sufficient incentive to take measures to reduce specific emissions of CO₂ from passenger cars, the premium should reflect technological costs. The amounts of the excess emissions premium should be considered as revenue for the budget of the European Union ***and used to increase support for CO₂ reduction research and innovation activities in the automotive sector.***

Or. it

Justification

It is important for the funds in question to be channelled into research and innovation

activities in the automotive sector.

Amendment 3

Proposal for a regulation

Article 1

Text proposed by the Commission

Subject matter *and* objectives

This Regulation establishes CO₂ 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 CO₂ emissions of 120 g CO₂/km.*** The Regulation sets the average CO₂ emissions for new passenger cars at 130 g CO₂/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

Subject matter, objectives *and targets*

This Regulation establishes CO₂ emission performance requirements for new passenger cars in order to ensure proper functioning of the internal market and achieve the overall objective ***of reducing CO₂ emissions in the EU, including in the transport sector. The Regulation sets a target, for the new car fleet, of an average 120 g CO₂/km as from 1 January 2012.*** The Regulation sets the average CO₂ emissions for new passenger cars at 130 g CO₂/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. ***The Regulation also sets a target, for the new car fleet, of average emissions of no more than 95 g CO₂/km as from 1 January 2020.***

Or. it

Justification

The car industry sector must fit in with the overall targets for the reduction of CO₂ emissions. An average level of emissions of no more than 95 CO₂/km as from 2020 is proposed, which is in line with Parliament's position in its resolution on the Community strategy to reduce CO₂ emissions, adopted on 24 October 2007.

Amendment 4

Proposal for a regulation Article 2 - paragraph 1

Text proposed by the Commission

1. This Regulation shall apply to motor vehicles of category M₁ as defined in Annex II to Directive 2007/46/EC **with a reference mass not exceeding 2 610 kg** and vehicles to which type-approval is extended in accordance with Article 2(2) of Regulation (EC) No 715/2007 ('passenger cars') which are registered in the Community for the first time and which have not previously been registered outside the Community ('new passenger cars').

Amendment

1. This Regulation shall apply to motor vehicles of category M₁ as defined in Annex II to Directive 2007/46/EC **(deletion)** and vehicles to which type-approval is extended in accordance with Article 2(2) of Regulation (EC) No 715/2007 ('passenger cars') which are registered in the Community for the first time and which have not previously been registered outside the Community ('new passenger cars').

Or. it

Justification

Eliminating mass as a reference for the scope of the Regulation will prevent very heavy vehicles from being exempt from it.

Amendment 5

Proposal for a regulation Article 4

Text proposed by the Commission

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 CO₂ 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

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 CO₂ 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^o January 2020 and each subsequent calendar year, the average specific

emissions of CO₂ for passenger cars will be established on the basis of the review pursuant to Article 10.

Or. it

Justification

The specific emissions target will be established by the Commission at the time the Regulation is reviewed.

Amendment 6

Proposal for a regulation
Article 7 - paragraph 5

Text proposed by the Commission

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

Amendment

5. The amounts of the excess emissions premium shall be considered as revenue for the budget of the European Union ***and used to increment research activities in support of the development of technological innovations for the reduction of vehicle CO₂ emissions and the development of zero emissions vehicles.***

Or. it

Justification

It is important for the funds in question to be channelled into research and innovation.

Amendment 7

Proposal for a regulation
Article 8 - paragraph 1 - point d a (new)

Text proposed by the Commission

(da) the average mass for all new passenger cars in the Community in the preceding calendar year.

Justification

It is proposed that the average mass for all new passenger cars also be published.

Amendment 8

Proposal for a regulation

Article 10 - paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. By 30 June 2016 and 30 June every three years thereafter, the Commission shall amend Annex I to provide for the figure M_0 to be the average of the average mass of new passenger cars in the last three calendar years for which an average mass has been published in accordance with Article 8(1)(da). The amendment shall take effect from 1 January in the following year.

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).

Justification

Enables the Commission to amend Annex I every three years, under the comitology procedure, on the basis of changes in the average mass of all new passenger cars.

Amendment 9

Proposal for a regulation

Article 10 - paragraph 3 a (new)

Text proposed by the Commission

Amendment

(3a) By 31 December 2014, the Commission shall present a proposal for a

regulation setting the average emissions level, which may not in any case be higher than 95 g, to be achieved by the new car fleet by 1 January 2020.

That proposal shall be preceded by an overall assessment of the impact on the car industry and its allied industries, coupled with a precise cost-benefit analysis, taking into account the development of technological innovations for CO₂ reduction. When setting the average emissions level, the Commission shall take into account the developments concerning international agreements relating to the post-2012 period.

The Commission shall also consider the possibility of dispensing with the current distinction between the various measures that contribute to achieving the specific reduction target, particularly as regards measures relating to motor vehicles and other complementary measures.

Or. it

Justification

The Commission will set the average emissions level when reviewing this Regulation. That level, which may not in any case exceed 95 g/km, will be established in the light of the development of technological innovations and the outcome of international negotiations. The rapporteur hopes that after 2020 the Commission will scrap the current distinction between complementary measures and the advances relating to motor vehicles.

Amendment 10

Proposal for a regulation

Article 11

Text proposed by the Commission

From 1 January 2010, **manufacturers shall ensure that labels, posters or promotional literature and material of the type referred to in articles 3, 5 and 6 of Directive 1999/94/EC indicate the extent to which**

Amendment

From 1 January 2010, **the information provided to consumers concerning the specific CO₂ emissions of passenger cars shall be governed by Directive 1999/94/EC.**

the specific emissions of CO₂ of the passenger car offered for sale differ from the specific emissions target for that passenger car under Annex I.

Or. it

Justification

The provision of information to consumers is best governed within the framework of Directive 1999/94/EC.

EXPLANATORY STATEMENT

The proposal for a regulation, which sets CO₂ emission performance requirements for new passenger cars, forms part of a more ambitious strategy, under which the EU has resolutely and unilaterally committed itself to slashing greenhouse gas emission levels by at least 20% by 2020.

The road transport sector is the second highest source of greenhouse gas emissions in the EU, being responsible for 12% of all carbon dioxide emissions and, more importantly, is a sector in which emissions are continuing to increase. The significant progress made thanks to automotive technology has not been enough to neutralise the effect of the increase in traffic volumes and car sizes.

The events leading up to the drafting of this regulation are well known. Back in 1998, voluntary agreements between the Commission and the car industry helped towards a 13.5% reduction in CO₂ compared with 1995, even if they were viewed as insufficient to achieve the results that were needed. In February 2007, the Commission proposed that an integrated approach be adopted, centring on two components: emission reductions obtained through the improvement of engine technology with a view to meeting the target of an average 130g CO₂/km for the new car fleet, and reduction by another 10g CO₂/ km through further technological improvements and an increase in the use of biofuels by 2012. In October 2007, Parliament adopted a resolution welcoming the integrated approach in principle, but advocated more ambitious and longer-term targets: a reduction to 125g CO₂/km by 2015 and a long-term outlook target of 95g CO₂/km by 2020, and hopefully of 70g CO₂/km by 2025.

The proposal for a regulation adheres to the spirit and targets of the previous Communication, especially as regards targets, timescales and the adoption of an integrated approach. It also provides for the splitting of the specific target for each manufacturer on the basis on the utility parameter of 'mass'. The proposal provides for a system of penalties, calculated on a base amount and increasing as from 2012, in the event of the set targets not being achieved. An exemption mechanism is envisaged for manufacturers whose sales within the EU do not exceed 10 000 units, with their nevertheless being assigned an 'ad hoc' specific target that would be negotiated with the Commission. Lastly, the proposal allows manufacturers the possibility of forming pools and hence of collectively meeting the targets set.

Your rapporteur can but express his overall approval of the proposal for a regulation as a whole, and in particular supports its subject matter, targets and objectives. He believes that the car industry should fit in with the overall targets for the reduction of CO₂ emissions, despite acknowledging its special characteristics (driver behaviour, car fleet renewal, infrastructure conditions). Therefore, while approving the targets and the timescales established by the Commission, he considers it a priority to revert to the position adopted by Parliament on long-term targets and to propose an average level of emissions of no more than 95 g CO₂/km by 2020. The precise target – which your rapporteur hopes will become more ambitious – will be set by the Commission following a review of the Regulation that is to be conducted by 2014, and which will be preceded by an overall impact assessment coupled with an analysis of the economic, environmental and social effects on the entire production chain.

Your rapporteur fully supports the choice of the integrated approach in the launch phase of the

system; he nevertheless wonders whether it would not be more appropriate to allow the car industry to decide on the arrangements for meeting the specific targets assigned. Whether that industry achieves the targets it has been set by way of technical advances, complementary measures or any other means, should not enter into the legislative debate, provided that those targets are quantifiable and can be assessed using the existing test cycles and those to be implemented in the future. Your rapporteur therefore calls on the Commission to consider the possibility of scrapping, in the long term, the current distinction between complementary measures and measures relating to motor vehicles.

Your rapporteur also supports the choice of the utility parameter: in its proposal, the Commission has opted for the mass parameter, which is, in its own words, provides '*a satisfactory correlation with present emissions and would therefore result in more realistic and competitively neutral targets and ... data on mass is readily available*'.

However, the Commission does not automatically exclude the possibility of using an alternative parameter, to the extent that in its proposal it considers it appropriate for '*Data on the alternative utility parameter of footprint (track width times wheelbase)... to be collected*'. In its October resolution, Parliament rejected by a large majority the introduction of the mass parameter, advocating the footprint option. Your rapporteur is aware that the footprint parameter provides greater guarantees from an environmental viewpoint as it is less prone to undesirable effects (increase in mass in order to have a less stringent reduction target).

Your rapporteur has not at this stage proposed any amendment to the Commission proposal as regards changing the utility parameter, but reserves the right to review Parliament's position at the subsequent stages of the legislative process.

As regards excess emissions premiums, your rapporteur proposes that these be used to finance both incremental research (e.g. clean and energy efficient thermal engines, integrated safety systems) and innovative technologies (e.g. hydrogen and fuel cells, development of rechargeable hybrids, second generation biofuels).

Your rapporteur agrees with the Commission proposal as regards the issue of the penalties applicable in the event of the set targets not being met, despite expressing willingness to consider solutions that would make the system more flexible in the first phase of its application (2012-2015) while at the same time rewarding and encouraging a better approach from manufacturers.

Your rapporteur also suggests a series of technical adjustments to the Commission proposal, and in particular withdrawal of the reference mass of 2 610, as he believes that this would exclude too many heavy vehicles from the scope of the regulation.

Finally, your rapporteur had amended the article on the information to be provided to consumers, as he feels that this area should be governed by Directive 1999/94/EC.