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## REPORT

on the Community Strategy to reduce CO<sub>2</sub> emissions from passenger cars and light-commercial vehicles  
(2007/2119(INI))

Committee on the Environment, Public Health and Food Safety

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(\* ) Procedure with associated committees - Rule 47 of the Rules of Procedure

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## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

### on the Community Strategy to reduce CO<sub>2</sub> emissions from passenger cars and light-commercial vehicles (2007/2119(INI))

*The European Parliament,*

- having regard to the Communication from the Commission to the Council and the European Parliament on the results of the review of the Community Strategy to reduce CO<sub>2</sub> emissions from passenger cars and light-commercial vehicles (COM(2007)0019),
- having regard to the impact assessment (IA) relating to the abovementioned Communication (SEC(2007)0060),
- having regard to the Sixth Community Environmental Action Programme (6th EAP)<sup>1</sup>,
- having regard to the Sixth<sup>2</sup> and Seventh<sup>3</sup> Framework Programmes for Research, Technological Development and Demonstration Activities,
- having regard to its resolution of 16 November 2005 on “Winning the Battle Against Global Climate Change”<sup>4</sup>,
- having regard to the Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions on “Limiting Global Climate Change to 2 degrees Celsius: The way ahead for 2020 and beyond” (COM(2007)0002),
- having regard to its resolution of 14 February 2007 on climate change<sup>5</sup>,
- having regard to the Presidency Conclusions of the European Council of 8 and 9 March 2007 on the Renewed EU Sustainable Development Strategy (June 2006) and on the role of environmental technologies and eco-innovation in achieving the aims of the Lisbon Strategy for Growth and Jobs,
- having regard to the report of the European Climate Change Programme of 31 October 2006 entitled “Review and analysis of the reduction potential and costs of technological and other measures to reduce CO<sub>2</sub> emissions from passenger cars”<sup>6</sup>,
- having regard to Directive 1999/94/EC of the European Parliament and of the Council of 13 December 1999 relating to the availability of consumer information on fuel economy

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<sup>1</sup> OJ L 242, 10.9.2002, p. 1.

<sup>2</sup> OJ L 232, 29.8.2002, p. 1.

<sup>3</sup> OJ L 412, 30.12.2006, p.1.

<sup>4</sup> OJ C 280 E, 18.11.2006, p. 120.

<sup>5</sup> *Texts Adopted*, P6\_TA(2007)0038.

<sup>6</sup> [http://ec.europa.eu/enterprise/automotive/projects/report\\_co2\\_reduction.pdf](http://ec.europa.eu/enterprise/automotive/projects/report_co2_reduction.pdf)

and CO<sub>2</sub> emissions in respect of the marketing of new passenger cars<sup>1</sup>,

- having regard to Directive 98/70/EC of the European Parliament and of the Council of 13 October 1998 relating to the quality of petrol and diesel fuels<sup>2</sup> and the Commission proposal for a Directive of the European Parliament and of the Council amending Directive 98/70/EC and introducing a mechanism to monitor and reduce greenhouse gas emissions from the use of road transport fuels (COM(2007)0018),
  - having regard to Rule 45 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 and the Committee on the Internal Market and Consumer Protection (A6-0000/2007),
- A. whereas some 19% of European Union CO<sub>2</sub> emissions are produced by passenger cars and light-commercial vehicles, with absolute volumes continuing to grow principally because of the increasing number and growing power of new cars,
- B. whereas the most cost-efficient and effective policy option for reducing overall CO<sub>2</sub> emissions from passenger transport is to increase the share of public transport; whereas it is therefore important that measures are taken to stimulate and to improve the quality and scope of public transport, in order to make the switch from personal vehicles to public transport more attractive and thereby decrease total CO<sub>2</sub> emissions made by commuters;
- C. whereas driver behaviour and infrastructure measures have until now been neglected in EU strategy to reduce CO<sub>2</sub> from cars, but have a high potential in terms of CO<sub>2</sub> avoidance,
- D. whereas road transport accounts for 60% of all the oil used in the EU, with inefficient use of fuel increasing the threat to energy security and contributing to high running costs and the depletion of world oil reserves, E. whereas legislative measures are now required in order to promote the design and technological changes necessary if the sector is to help the EU meet its target of reducing CO<sub>2</sub> emissions by at least 20% by 2020 compared to 1990 levels,
- F. whereas the voluntary approach has proved a failure as it seems clear that the car industry will fail to meet its voluntary commitment of 140 g/km in 2008; whereas the target of 120 g CO<sub>2</sub>/km was first proposed in 1995 and endorsed by Council and Parliament in 1996, with a deadline for delivery in 2005 and by 2010 at the latest,
- G. whereas, in its communication entitled 'A Competitive Automotive Regulatory Framework for the 21st Century' (COM(2007)0022), the Commission outlines the key elements for the future strategy for reducing CO<sub>2</sub> emissions from motor vehicles on the basis of an integrated approach aimed at achieving the EU's target of 120 g/km of CO<sub>2</sub> by 2012 via a combination of interventions by the Union and the Member States,

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<sup>1</sup> OJ L 12, 18.1.2000, p. 16. Directive as last amended by Regulation (EC) No 1882/2003 (OJ L 284, 31.10.2003, p. 1).

<sup>2</sup> OJ L 350, 28.12.1998, p. 58. Directive as last amended by Regulation (EC) No 1882/2003.

- H. whereas action is required in order to reduce CO<sub>2</sub> emissions from passenger cars through an integrated approach comprising engine measures, complementary measures, biofuels, eco-driving and infrastructure measures,
- I. whereas absolute CO<sub>2</sub> emissions from cars depend on the complex interplay between engine efficiency, carbon intensity of fuels, driver behaviour, mileage driven, infrastructure quality/congestion and CO<sub>2</sub> efficiency of components,
- J. whereas it has been shown that a significant reduction in CO<sub>2</sub> emissions would be achieved by consistent compliance with speed limits in all Member States,
- K. whereas affordability and fleet renewal are absolutely key to improving the CO<sub>2</sub>, air quality and safety performance of cars on the road,
- L. whereas taxation and labelling have failed to contribute to the EU's 3-pillar strategy to reduce CO<sub>2</sub> emissions from cars,
- M. whereas it is of key importance to adopt binding and clearly defined CO<sub>2</sub> passenger car emission objectives in the interest both of the smooth functioning of the internal market in the motor industry and of providing consumers with comprehensive information enabling them to make an informed decision regarding vehicle purchases, thereby contributing significantly to the reduction of CO<sub>2</sub> emissions,
- N. whereas Directive 1999/94/EC has been insufficiently effective and Member States have failed to transpose it in a uniform manner,
- O. whereas it can be noted that for a number of products (e.g. electrical and household equipment) energy efficiency categories have been introduced successfully, which offer European consumers practical assistance in their purchasing decisions through easily understandable letter or colour coding, thereby enabling them to save energy and reduce CO<sub>2</sub> emissions,
- P. whereas a contribution towards CO<sub>2</sub> reduction must be made by all classes of vehicle categories, since market volume too, above all, is significant in terms of reducing CO<sub>2</sub>,

### ***Timetable and targets***

1. Recognises that manufacturers require between five and seven years to make changes to vehicle design in the most economical manner and, acknowledging that average emissions from cars placed on the EU market in 2008 are likely to be in excess of 150g CO<sub>2</sub>/km, therefore welcomes the Commission's plan to submit an EU legislative framework for CO<sub>2</sub> emissions reduction including binding measures for improving the fuel economy of light vehicles by improving engine technology, other technological improvements and the use of biofuels; recalls that the EU average fleet target of 120 g CO<sub>2</sub>/km per passenger car was endorsed by the Council in 1996 and Parliament in 1997, with an initial target date of 2005 and a final deadline in 2010;
2. Insists that the proposed use of 'complementary measures' to achieve the previously agreed emissions target of 120g CO<sub>2</sub>/km be made possible through quantifiable standards

and believes that legislation should set clear and measurable targets for emissions reductions to be achieved through technical means;

3. Proposes that binding annual emissions targets should be set with effect from 1 January 2009 with the objective of promoting technical improvements to vehicles in order to ensure that, by these means alone, average emissions from all passenger cars placed on the EU market from 1 January 2012 do not exceed 120g CO<sub>2</sub>/km;
4. Calls on the Commission to present concrete actions and legislative proposals in order to make sure that 'complementary measures' are put in place and reduce the emissions from passenger cars by an extra 10g CO<sub>2</sub>/km;
5. Insists that from 1 January 2020 average emissions should not exceed 95g CO<sub>2</sub>/km, and believes that the EU should provide support for the necessary promotion of innovation through the Seventh Framework Programme for Research; emphasises the need for intensive promotion of research and development of zero-emission vehicles, such as electrically propelled vehicles;
6. Recalls its abovementioned resolution of 16 November 2005 on Winning the Battle against Global Climate Change, calling for 'mandatory limits for CO<sub>2</sub> emissions from new vehicles in the order of 80-100 g CO<sub>2</sub>/km for new vehicles in the medium term'; supports the Commission's intention of promoting research, development and demonstration of advanced technologies, particularly to achieve more ambitious targets in 2020; calls on the Commission to evaluate the possibility of gradual reductions beyond 2012 through the use of lighter materials in vehicle manufacture, while ensuring that the current law is complied with and road safety for passengers and vulnerable users is not compromised;
7. Points out that there is already high-volume series production of low-emission space-saving cars for local use ('Gentlecars'), with values lower than 90g CO<sub>2</sub>/km, and therefore calls on the Commission to support, in tandem with all other measures, action to ensure that Gentlecars are used as often as possible, instead of high CO<sub>2</sub> emission vehicles;
8. Believes that longer term targets should be confirmed or reviewed by the Commission no later than 2016, following a detailed cost-benefit impact assessment and owing to the post-Kyoto agreement, and anticipates that these targets will possibly require further emissions reductions to 70g CO<sub>2</sub>/km or less by 2025;
9. Calls on the Commission to take into account technical feasibility, cost-efficiency, environmental impact and affordability over the vehicle life-cycle of new cars when adopting any binding legislative measures which might influence the pace of vehicle fleet renewal;
10. Notes that Community law regulates a market of 17 to 18 million vehicles per year, which is equivalent to the passenger car market in the United States; expects that an ambitious EU greenhouse gas emissions reduction policy will stimulate knowledge-based economic growth and job creation in the automotive supply industry and will have a positive influence worldwide in terms of reducing transport emissions;

11. Recommends, in view of the difficulty that some specialist manufacturers may have in reducing average emissions across the limited range of cars they produce within the timescales envisaged, that each manufacturer or importer should have the right to exclude 500 identified vehicles annually from inclusion in the data used to determine average emissions, subject to the emissions and fuel economy of such vehicles being labelled and advertised to consumers in accordance with the usual legal requirements;
12. Recommends, in addition, in view of the difficulty that some low-volume manufacturers and new entrants with a market share of less than 0.5% may have in reducing average emissions across the limited range of cars they produce within the time-schedule envisaged, that the Commission should consider incorporating proposals in the legislation that will provide those specialist manufacturers with ambitious reduction targets;
13. Notes the important role played by specialist manufacturers of premium and high performance cars in pioneering advanced technologies, in sustaining high quality employment, in generating global sales and in benefiting the European economy, and notes that the know-how of such manufacturers should contribute substantially to reducing CO<sub>2</sub> emissions from cars;
14. Insists that any rules must safeguard the internal market and that Member States should implement EU rules on a common date and with common methods so as to avoid market disruption and fragmentation.

#### *Sharing the task between manufacturers*

15. Recognises the large variation in consumer preferences regarding passenger cars and the different composition of manufacturers' fleets; insists that CO<sub>2</sub> reductions must be achieved for all cars placed on the market and therefore some differentiation based on a utility parameter should be allowed but that this should not neutralise the incentive to shift towards lower emission vehicles or disadvantage early achievers;
16. Stresses the importance of allowing particular vehicles to exceed emission limits to avoid excessive disruptions to the car market but seeks to provide strong incentives to bring about emission reductions, and therefore proposes that the setting of 2012 and 2020 targets for the reduction of average emissions, and interim annual targets, shall be achieved by reference to a limit value curve for all vehicles sold by manufacturers and importers that should take, as its starting point, the profile of the new passenger car fleet as of 1 January 2009;
17. Recommends that the limit value curve be defined by a mathematical formula expressed as a function linking each vehicle's CO<sub>2</sub> emissions with its footprint (track width times wheel base);
18. Calls on the Commission to ensure adequate efforts for all manufacturers and incentives for reducing greenhouse gas emissions across the vehicle fleet; considers, however, that any future scheme should not reward, either directly or indirectly, manufacturers of historically more polluting vehicles, that vehicles with higher CO<sub>2</sub> emissions must also be required to make a greater contribution to reducing CO<sub>2</sub>, and that the scheme should reward the most advanced technologies and alternative fuels according to their

greenhouse gas performance (hybrids, hydrogen, electric vehicles or other alternative fuels);

19. Calls on the Commission after having taken account of the views of stakeholders to present proposals for consideration by Parliament and the Council to ensure that the design of the curve takes into account the differences between car sizes and the technological costs of achieving emission reductions and the affordability of new cars for different types of customers ensuring both diversity and social equity;
20. Notes the different legislative options for achieving the target; considers it essential, as the Commission states in its Communication, 'to ensure ... reduction targets which are equitable to the diversity of the European automobile manufacturers' but also to effectively reward best performance in vehicle efficiency;
21. Proposes the introduction on 1 January 2011 of a new closed market mechanism, the Carbon Allowance Reductions System (CARS), through which manufacturers and importers will be required to pay financial penalties in proportion to any exceedance per car sold of the emissions limits and that these penalties may be offset by redeemable credits awarded to newly registered passenger cars of the same manufacturer with emissions below the limit value curve; considers that the penalties/excess g/km should be higher than the rewards;
22. Insists that any system of tradable quotas between vehicle manufacturers should be kept separate from the EU emission trading scheme, or any other outside carbon credit or compensation scheme;
23. Believes that the penalties should be set in a predictable and stringent way for industry and suggests that the Commission should make appropriate proposals for the level of penalties/credits expressed in EURO/g CO<sub>2</sub>;
24. Accepts that the limit value curve and the level of penalties may have to be adjusted periodically, both to take account of developments in vehicle technology and to curb any slackening in the rate of emissions reductions;
25. Recommends that the receipts from financial penalties be used both for research and development for CO<sub>2</sub> emissions reduction and for aiding local public transport;
26. Believes that the price of credits, after initial setting by the Commission, shall be determined by the market and that, in order to provide manufacturers and importers with more flexibility and a wider range of options, credits may be carried forward into following years or sold or transferred to other companies or business units within the scheme;
27. Calls for the information on emission performance per vehicle and per manufacturer to be made available to the public in an easily accessible format to ensure transparency and facilitate comparison between vehicles and manufacturers;
28. Recommends that manufacturers and importers should be able to make use of flexibilities such as group averaging, credits for renewable fuel vehicles and banking, and determine

whether they wish the recognised trading entity to be the corporate body or the various subsidiary companies or business units directly responsible for production of the vehicles concerned;

29. Suggests that in its first year the CARS scheme should be a shadow operation requiring only the collection of data, the transfer of certificates and the publication of balances, and that the financial regime should commence only with effect from 1 January 2012;

#### ***Testing, data monitoring and vehicle specifications***

30. Insists that total greenhouse gas emissions per vehicle should be addressed, including emissions attributable to air conditioning systems; furthermore, urges the Commission to make proposals to update test cycles to reflect better real driving conditions;
31. Advocates the revision of the test procedures to better imitate actual driving conditions, and calls for amendments to the European drive cycle to take account of technological developments such as the installation of sixth gears;
32. Encourages the Commission to introduce new measurements and standards that can allow a fixed value to be attached for the purpose of associating CO<sub>2</sub> emissions reduction with helpful improvements such as gear shift indicators, use of econometers, high efficiency air conditioning, improved lubricants, "start /stop systems at idle", low rolling resistance tyres and tyre pressure monitoring systems the use of which may depend upon individual driver behaviour; also recommends the introduction of technology in vehicles to encourage environmentally aware driver behaviour such as displays showing fuel consumption and cost for the current journey alongside the corresponding figures for frequently travelled routes, active speed limit warning devices and driver aids to control speeds, including speed-limiters;
33. Calls on the Council to review testing procedures to determine whether conformity of production rules are being respected and to ensure that there can be no variance in the approach taken by the certified bodies in different Member States;
34. Stresses the priority of addressing the urgent issues of energy security and the need to reduce Europe's dependency on imported fuel, to cut CO<sub>2</sub> emissions through improvements in vehicle efficiency, and to improve road safety;
35. Considers that any energy-saving measure that involves lower fuel consumption will have highly beneficial effects for the security of energy supply, by reducing both Community dependence on imports of primary energy sources and the international prices of hydrocarbons;

#### ***Advertising and labelling***

36. Having no confidence in the likely effectiveness of the proposed voluntary agreement on the advertising of new cars, calls on the Commission to make a proposal to amend Directive 1999/94/EC and introduce legal requirements for the labelling, advertising and

marketing of new cars within the EU single market, particularly with a view to ensuring that it is properly transposed so as to provide comprehensive and comprehensible consumer information;

37. Recommends that mandatory and uniform minimum requirements should be set for the display of information relating to the fuel economy (l/100 km) and CO<sub>2</sub> emissions (g/km) of new cars in advertising, in all marketing and promotional literature and in showrooms in a conspicuous, user-friendly and possibly colour-coded format for the purposes of comparison; regards the A-G format used for comparing the energy efficiency of certain electrical products as a model for the information displays required;
38. Calls on the Commission to propose rules with similar objectives to cover areas not covered by current legislation, such as TV, radio and Internet-based material as well as advertisements for nearly new cars;
39. Suggests that legislation requiring health warnings to be displayed on cigarette packs provides a useful example, and proposes that a minimum of 20% of the space devoted to the promotion of new cars through advertising, marketing literature, or point-of-sale displays in showrooms, should provide information on fuel economy and CO<sub>2</sub> emissions in an approved format;
40. Recommends that air conditioning test results be included in the fuel consumption information in all marketing and promotional literature and in showrooms;
41. Suggests that a binding code for advertising be introduced which outlaws false green claims and, in order to promote strong consumer demand for vehicles with low CO<sub>2</sub> emissions, recommends the introduction of an environmental performance “green star” rating system taking into account all aspects of environmental performance, including CO<sub>2</sub> emissions (g/km) and emissions of other pollutants, fuel consumption (l/100 km), weight, aerodynamics, space efficiency, noise and environmental driving aids;

### ***Promoting consumer demand***

42. Recognises the considerable role that Member States can play in encouraging consumer demand for lower emissions public-transport and private vehicles, and calls for the preparation of national action plans indicating measures intended to be taken in this regard;
43. Supports in particular the use of fiscal measures, and encourages Member States to introduce both purchase and circulation taxes on vehicles with above average emissions;
44. Recognises that the age of car fleets and driving at excessive speeds affect emissions; calls on the Commission and Member States to introduce economic incentives for retiring old cars and to ensure that part of vehicle taxes is variable depending on CO<sub>2</sub> emissions and other pollutants; points out that, with the gradual introduction of technologies with zero CO<sub>2</sub> emissions, the CO<sub>2</sub>-related tax component should, in the long term, disappear;
45. Calls, with a view to preventing the fragmentation of the internal market, for EU-wide definitions of CO<sub>2</sub> emission values, which can be used by Member States in setting

emission-related tax incentives, to be established;

46. Supports CO<sub>2</sub>-based taxation of cars and alternative fuels so as to set the right incentives for consumers and industry;

#### ***Light-commercial duty vehicles (N1) and other categories***

47. Supports the Commission's intention to regulate CO<sub>2</sub> emissions of light-commercial vehicles and urges the Commission to bring forward proposals at the same time as those planned for passenger cars;
48. Recognises that light-commercial vehicles have different characteristics and a different market compared to passenger cars; notes the lack of data on average emissions from this sector and the costs of bringing about reductions but believes that so far as possible the standards and requirements should match those required of passenger cars;
49. Recalls that the European Parliament has invited the Commission on several occasions to consider CO<sub>2</sub>-limiting measures for all road vehicle categories and therefore urges the Commission to put forward appropriate regulatory proposals for heavy duty vehicles and two wheelers by 1 January 2009 at the latest;

#### ***Complementary measures***

50. Believes that measures that may help reduce vehicle CO<sub>2</sub> emissions, but for which an absolute value cannot be attached, should be regarded as entirely supplementary and should not be included within the legislation currently proposed;
51. Believes that flanking measures involving encouragement of more efficient driving, biofuels and, in particular, improvement of traffic management systems can make a contribution towards minimising CO<sub>2</sub> emissions;
52. Encourages Member States to reduce the volume of goods carried by heavy goods vehicles in favour of rail and waterway transport, which would have an impact in terms of lower pollutant emissions and would also reduce demand for oil;
53. Fears that the increased use of biofuels risks increasing the price of food and feed, seriously affecting people on very low incomes and accelerating the destruction of tropical rainforests, and calls on the Commission to propose strict certification rules for imported biofuels so as to avoid any negative social and ecological impact;
54. Believes in any case that the benefits of biofuels in reducing CO<sub>2</sub> emissions should be considered within the context of revisions to Directive 98/70/EC;
55. Insists that certification be developed for sustainably produced biofuels; calls on the Commission, in a legislative proposal, to allow only sustainable-status-certified biofuels to count towards meeting emission limit targets; stresses that second-generation biofuels derived from plants or plant fractions which are not in direct competition with food uses and provide greater efficiency must be expanded and given even more support;
56. Recommends that further fuel efficiency targets be set beyond 2012 to continue reducing

- vehicle emissions whilst providing greater certainty to all stakeholders;
57. Calls on the Commission to consider the role and potential of gaseous alternative fuels, such as liquefied petroleum gas and natural gas, which can contribute to the immediate reduction of CO<sub>2</sub> emissions and to the diversification of the energy supply;
  58. Calls on the Commission and the Member States to bear in mind the need for in-depth knowledge of the new technologies for motor vehicles and, in particular, to provide training courses for specific groups (such as engineering workshops and technical services);
  59. Calls on the Commission to immediately start preparing an EU-wide eco-driving campaign as part of the strategy to reduce CO<sub>2</sub> from cars;
  60. Calls on the Commission to report to the European Parliament on how the CO<sub>2</sub> benefits from eco-driving can be made monitorable and, if the Commission believes that this is not the case, explain why the Commission is financing the ECODRIVEN project that aims at quantified CO<sub>2</sub> reductions through eco-driving;
  61. Supports the principle that undergoing a course in eco-driving should become a mandatory requirement for possession of a driving licence;
  62. Instructs its President to forward this resolution to the Council and the Commission, and the governments and parliaments of the Member States.

## EXPLANATORY STATEMENT

Some 19% of all carbon dioxide emissions in the European Union stem from passenger cars and light-commercial vehicles, and absolute volumes continue to grow despite the fact that average reductions of 12.4% per new car were achieved in the decade to 2004.

The cause of this growth lies principally with the increasing number of cars and the congestion they generate, (registrations in the EU25 having risen by 36% between 1990-2003 from 156 to 212 million), and with the power of new cars which grew by an average of 28% over the decade to 2004, greatly exceeding the 15% increase in their weight although no government has raised road speed limits,

Clearly this does not assist the EU in meeting its target of reducing CO<sub>2</sub> emissions by at least 20% by 2020 compared to 1990 levels, let alone the target of a 30% reduction if an international agreement is secured.

The issues of CO<sub>2</sub> emissions and fuel economy are inextricably linked. Road transport accounts for 60% of all the oil used in the EU, and the inefficient use of fuel in cars not only results in unnecessarily high emissions but increases the threat to Europe's energy security and depletes world oil reserves, as well as forcing drivers to pay high running costs.

In 1998 the motor industry made a voluntary commitment to reduce average emissions from new cars manufactured in Europe to a maximum of 140g CO<sub>2</sub>/km by 2008. Although 25% of manufacturers are set to meet this target the overall situation is less impressive. Average emissions from all new cars sold within the EU 25 market amounted to 162g CO<sub>2</sub>/km in 2004 and are unlikely to be less than 150g CO<sub>2</sub>/km by the end of 2008,

It was not until January 2007 that the Commission agreed in principle to introduce binding legislation, proposing that manufacturers should be required by technical means to reduce emissions to 130g CO<sub>2</sub>/km by 2012, with various complementary measures being introduced to ensure that overall emissions did not exceed 120g CO<sub>2</sub>/km by this date.

The 2012 target date is something of a chimera. It reflects various political decisions, most recently adopted unanimously by the Council in June last year, that have paid little heed to the actual situation. The Commission has tried to bridge the gap between desire and reality by proposing that the 120g CO<sub>2</sub>/km target should be achieved with the assistance of a range of 'complementary measures,' such as the use of biofuels, that could be taken into account in addition to technological improvements, even though these are likely to be affected by such variables as driver behaviour and the availability of alternative fuels.

The rapporteur believes that car makers should be given absolute certainty about the technical standards they are required to meet, and while the potential exists for introducing and incorporating some values for the CO<sub>2</sub> reductions that can be achieved through use of improved tyres, lubricants or air conditioning, other measures outside the direct control of the manufacturers should be regarded as supplementary and should not be included within this legislation.

The rapporteur proposes that the most cost-effective means of achieving the same goal is to set a more ambitious emissions reduction target, but to allow the car industry a longer period in which to comply with the mandatory requirements.

Fortunately major reductions in emissions can now be achieved through technical and design improvements. Already more than one million cars sold annually within the EU emit less than 120g CO<sub>2</sub>/km, and some top-of-the-range hybrid vehicles on the market produce 25% less emissions (60g CO<sub>2</sub>/km) than commercial rivals selling at comparable prices. According to the Chairman of ACEA, the European car manufacturers' association, the industry has introduced some fifty CO<sub>2</sub> reducing technologies in the past decade, although their application is not yet as extensive as could be wished.

The reductions can be secured by using alternative fuels and propulsion systems but also through greater use of hybrid engines, improved petrol engines, greater use of diesel engines and by downsizing of engines supplemented by turbo-chargers, as well as through further development of powertrains, reductions in vehicle weights through greater use of aluminium, installation of stop-start mechanisms, enhanced gearing, improved aerodynamic design, use of reduced friction lubricants and ball bearings, installation of more efficient air conditioning systems and use of low roll resistance tyres.

There is no escaping the necessity for manufacturers or importers of vehicle fleets that far exceed the average emissions requirements to face some kind of financial disincentive. Similarly it would be beneficial if producers of low emission cars, often with very tight profit margins, were to be compensated in some way.

The rapporteur proposes the creation of a new market mechanism, the Carbon Allowance Reduction System (CARS) that will take account of different segments in the car market but will require the payment by manufacturers or importers of financial penalties for overall exceedance of mandatory targets, while awarding credit payments to those whose fleets fall below the required limits.

The rapporteur proposes the creation of a new regulatory body to administer the system.

Although the market mechanism is intended to be cost neutral to the industry as a whole, achieving the emissions reductions will initially increase manufacturers' costs. Innovation and improvements come at a price, variously estimated at increasing the cost of vehicles by between €100 and €150 per gram CO<sub>2</sub>/km reduction. The expense will be less if manufacturers are given long enough to plan, make design changes, and achieve the efficiency savings to be derived from economies of scale when new technology goes into mass production.

Fortunately car manufacturers have succeeded in reducing the average price of new vehicles sold within the European Union by 9% since 1996, despite the imposition of increased safety and environmental requirements. Given the immediate savings to be derived from greater fuel economy the vast majority of vehicle purchasers are likely to be quickly compensated for the greater initial expense.

European manufacturers sometimes argue that adapting these measures would place them at a competitive disadvantage. It is a difficult argument to sustain. More new cars are bought annually in the European Union than in any other world trading bloc, and the EU Single Market requires both domestic producers and importers to meet the same standards. Far from

creating a competitive weakness the EU provides not only a level playing field but a degree of protection for domestic producers while they develop low emission cars that should help them win new business overseas.

The manufacturers also claim that the production of ever more powerful new cars is simply a response to consumer demand. There is some truth in this, but it is also the case that the manufacturers shape demand. Studies by European consumers' associations have identified that there is a bias in the advertising of new cars towards high performance, low fuel economy, high CO2 emission vehicles, which represent the most profitable sector within the industry, with little emphasis given to the promotion of fuel economy or emissions performance aspects of new vehicles.

New advertising and labelling requirements are needed to change the emphasis attached to these matters, and demand for low emission vehicles could also be greatly stimulated if Member States introduce financial incentives and impose greater purchase or circulation taxes on higher emission vehicles.

The rapporteur makes one final point. The European Union not only seeks to reduce CO2 emissions from vehicles but also wants to safeguard its energy security. It does not permit vehicles that fail to meet safety standards onto the market so why does it allow the sale of vehicles that use excessive amounts of fuel and have been designed to be able to break legal road speed limits introduced on the grounds of road safety?

The rapporteur regards this as political and environmental lunacy. The report proposes that new vehicles should not be awarded type approval if they are able to operate at speeds more than 25% in excess of the maximum authorised in almost all European countries. The result would not only be to decrease fuel use and curb emissions, but would also reduce the price of top-of-the-range vehicles by ensuring that they no longer had to be over-engineered to a ridiculous degree.

It may be that by marketing such over-the-top machines some manufacturers are giving covert encouragement to car drivers to exceed legal speed limits. It is for them to explain their position.

18.7.2007

## **OPINION OF THE COMMITTEE ON THE INTERNAL MARKET AND CONSUMER PROTECTION**

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

on the Community strategy to reduce CO<sub>2</sub> emissions from passenger cars and light-commercial vehicles  
(2007/2119(INI))

Draftsman: Wolfgang Bulfon

### **SUGGESTIONS**

The Committee on the Internal Market and Consumer Protection calls on the Committee on the Environment, Public Health and Food Safety, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

- A. having regard to the key importance of including binding and clearly defined CO<sub>2</sub> passenger car emission objectives in the interest both of the smooth functioning of the internal market in the motor industry and of providing consumers with comprehensive information enabling them to make an informed decision regarding vehicle purchases, thereby contributing significantly to the reduction of CO<sub>2</sub> emissions,
- B. whereas Directive 1999/94/EC of the European Parliament and of the Council of 13 December 1999 relating to the availability of consumer information on fuel economy and CO<sub>2</sub> emissions in respect of the marketing of new passenger cars<sup>1</sup> has been insufficiently effective and Member States have failed to transpose it in a uniform manner,
- C. having regard to the successful introduction for a number of products (e.g. electrical and household equipment) of energy efficiency categories, which offer European consumers practical assistance in their purchasing decisions through easily understandable letter or colour coding, thereby enabling them to save energy and reduce CO<sub>2</sub> emissions,
- D. whereas it has been shown that a significant reduction in CO<sub>2</sub> emissions would be achieved by consistent compliance with speed limits in all Member States,
- E. having regard to the report of the European Climate Change Programme of 31 October

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<sup>1</sup> OJ L 12, 18.1.2000, p. 16. Directive as last amended by Regulation (EC) No 1882/2003 (OJ L 284, 31.10.2003, p. 1).

2006 entitled “Review and analysis of the reduction potential and costs of technological and other measures to reduce CO<sub>2</sub>-emissions from passenger cars”,

- F. whereas it is important that, to decrease the output of CO<sub>2</sub> emissions, measures must be taken to stimulate and to improve the quality and scope of public transport, in order to make the switch from personal vehicles to public transport more attractive and thereby decrease total CO<sub>2</sub> emissions made by commuters;
- G. whereas driver behaviour and infrastructure measures have until now been neglected in EU strategy to reduce CO<sub>2</sub> from cars, but have a high potential in terms of CO<sub>2</sub> avoidance,
- H. whereas a policy that focuses exclusively on vehicle technologies is likely to lead to significant cost increases to consumers, thus delaying the car fleet renewal that is key for environmental and road safety,
  - 1. Welcomes the Commission's decision to introduce binding measures seeking to achieve the emission target of 120g CO<sub>2</sub>/km, in conjunction with complementary measures such as eco-driving, bio-fuels and tyre pressure monitoring; calls on the Commission to ensure the implementation of these measures in all Member states within 5 years of entry into force of the relevant legislative act;
  - 2. Where manufacturers are not part of a volume car maker, considers that they should have mandatory CO<sub>2</sub> reduction targets based on current performance;
  - 3. Calls on the Commission to propose suitable amendments to Directive 1999/94/EC, particularly with a view to ensuring that it is properly transposed so as to provide comprehensive and comprehensible consumer information;
  - 4. Calls for the introduction of compulsory uniform CO<sub>2</sub> efficiency categories defined by CO<sub>2</sub> emissions (g/km) and fuel consumption (l/100 km) to be displayed on vehicles in a conspicuous, user-friendly and possibly colour-coded format for the purposes of comparison;
  - 5. Calls for the following consumer information to be made compulsory for the purposes of vehicle purchase:
    - annual vehicle tax, if a CO<sub>2</sub> factor is included in the calculation thereof in the Member State of purchase;
    - deviation from average fuel consumption per vehicle category (in absolute terms and as a percentage), including resulting average fuel cost reductions or increases;
  - 6. Recommends the introduction of technology in vehicles to encourage environmentally aware driver behaviour such as displays showing fuel consumption and cost for the current journey alongside the corresponding figures for frequently travelled routes, gear-change indicators, active speed limit warning devices and driver aids to control speeds, including speed-limiters;

7. Calls, with a view to preventing the fragmentation of the internal market, for EU-wide definitions of CO<sub>2</sub> emission values, which can be used by Member States in setting emission-related tax incentives, to be established;
8. In order to promote strong consumer demand for vehicles with low CO<sub>2</sub> emissions, recommends the introduction of an environmental performance “green star” rating system taking into account all aspects of environmental performance, including CO<sub>2</sub> emissions (g/km) and emissions of other pollutants, fuel consumption (l/100 km), weight, aerodynamics, space efficiency, noise and environmental driving aids;
9. Recommends that no vehicle should be able to achieve a maximum green star rating if it has a maximum speed of greater than 180 km/h;
10. Believes that the introduction of a green star system will provide more transparent consumer information and could form the basis of the 'most efficient automobile of the year' award to the vehicle performing best in each category;
11. Notes the important role played by specialist manufacturers of premium and high performance cars in pioneering advanced technologies, in sustaining high quality employment, in generating global sales and in benefiting the European economy, and notes that the know-how of such manufacturers should contribute substantially to reducing CO<sub>2</sub> emissions from cars;
12. Calls on the Commission to include an EU-wide eco-driving campaign as part of its strategy to reduce CO<sub>2</sub> from cars;
13. Recommends that further fuel efficiency targets be set beyond 2012 to continue reducing vehicle emissions whilst providing greater certainty to all stakeholders;
14. Supports CO<sub>2</sub>-based taxation of cars and alternative fuels so as to set the right incentives for consumers and industry;
15. Insists that any rules must safeguard the internal market and that Member States should implement EU rules on a common date and with common methods so as to avoid market disruption and fragmentation.

## PROCEDURE

|   |   |
|---|---|
| <b>Title</b>  | The Community strategy to reduce CO <sub>2</sub> emissions from passenger cars and light-commercial vehicles  |
| <b>Procedure number</b>   | 2007/2119(INI)  |
| <b>Committee responsible</b>                                      | ENVI  |
| <b>Opinion by</b><br>Date announced in plenary                    | IMCO<br>6.6.2007  |
| <b>Drafts(wo)man</b><br>Date appointed                            | Wolfgang Bulfon<br>4.6.2007   |
| <b>Discussed in committee</b>                                     | 27.6.2007      16.7.2007  |
| <b>Date adopted</b>   | 17.6.2007   |
| <b>Result of final vote</b>                                       | +:            31<br>-:            0<br>0:            0  |
| <b>Members present for the final vote</b>                         | Charlotte Cederschiöld, Gabriela Crețu, Mia De Vits, Rosa Díez González, Małgorzata Handzlik, Malcolm Harbour, Anna Hedh, Iliana Malinova Iotova, Kurt Lechner, Lasse Lehtinen, Toine Manders, Nickolay Mladenov, Zita Pleštinská, Guido Podestà, Giovanni Rivera, Zuzana Roithová, Luisa Fernanda Rudi Ubeda, Heide Rühle, Leopold Józef Rutowicz, Marianne Thyssen, Horia-Victor Toma, Jacques Toubon, Barbara Weiler |
| <b>Substitute(s) present for the final vote</b>                   | André Brie, Wolfgang Bulfon, Othmar Karas, Manuel Medina Ortega, Joseph Muscat, Pier Antonio Panzeri, Béatrice Patrie   |
| <b>Substitute(s) under Rule 178(2) present for the final vote</b> | Holger Kraemer  |
| <b>Comments (available in one language only)</b>                  | ...   |

17.7.2007

## **OPINION OF THE COMMITTEE ON INDUSTRY, RESEARCH AND ENERGY (\*)**

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

on Community Strategy to reduce CO<sub>2</sub> emissions from passenger cars and light commercial vehicles  
(2007/2119(INI))

Draftswoman: (\*)Rebecca Harms

(\*) Procedure with associated committees - Rule 47 of the Rules of Procedure

### **SUGGESTIONS**

The Committee on Industry, Research and Energy calls on the Committee on the Environment, Public Health and Food Safety, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Welcomes the Commission's plans for binding measures for improving the fuel economy of light vehicles by improving engine technology, other technological improvements and the use of biofuels; recalls that the EU average fleet target of 120 g CO<sub>2</sub>/km per passenger car was endorsed by the Council in 1996 and Parliament in 1997, with an initial target date of 2005 and a final deadline in 2010;
2. Considers that any energy-saving measure that involves lower fuel consumption will have highly beneficial effects for the security of energy supply, by reducing both Community dependence on imports of primary energy sources and the international prices of hydrocarbons;
3. Notes the different legislative options for achieving the target; considers it essential, as the Commission states in its Communication, 'to ensure ... reduction targets which are equitable to the diversity of the European automobile manufacturers' but also to effectively reward best performance in vehicle efficiency;
4. Points out that if a scheme to achieve desired average fuel efficiency relies on penalties, these should be dissuasive, proportionate and non-discriminatory; considers, in any case, that a scheme of this kind should be backed up by fiscal incentives for purchasing vehicles with very low (or zero) emissions or that use specified innovative technologies (hybrids,

hydrogen or other alternative fuels);

5. Calls on the Commission to ensure adequate efforts for all manufacturers and incentives for reducing greenhouse gas emissions across the vehicle fleet; considers, however, that any future scheme should not directly or indirectly reward manufacturers of historically more polluting vehicles, that vehicles with higher CO<sub>2</sub> emissions must also be required to make a greater contribution to reducing CO<sub>2</sub>, and that the scheme should reward the most advanced technologies and alternative fuels according to their greenhouse gas performance (hybrids, hydrogen, electric vehicles or other alternative fuels);
6. Calls on the Commission and the Member States to bear in mind the need for in-depth knowledge of the new technologies for motor vehicles and, in particular, to provide training courses for specific groups (such as engineering workshops and technical services);
7. Recalls its resolution of 16 November 2005 on Winning the Battle against Global Climate Change<sup>1</sup>, calling for ‘mandatory limits for CO<sub>2</sub> emissions from new vehicles in the order of 80-100 g CO<sub>2</sub>/km for new vehicles in the medium term’; supports the Commission’s intention of promoting research, development and demonstration of advanced technologies, particularly to achieve more ambitious targets in 2020; calls on the Commission to evaluate the possibility of gradual reductions beyond 2012 through the use of lighter materials in vehicle manufacture, while ensuring that the current law is complied with and road safety for passengers and vulnerable users is not compromised;
8. Insists that total greenhouse gas emissions per vehicle should be addressed, including emissions attributable to air conditioning systems; furthermore, urges the Commission to make proposals to update test cycles to reflect better real driving conditions;
9. Recognises that the age of car fleets and driving at excessive speeds affect emissions; calls on the Commission and Member States to introduce economic incentives for retiring old cars and to ensure that part of vehicle taxes is variable depending on CO<sub>2</sub> emissions and other pollutants; points out that, with the gradual introduction of technologies with zero CO<sub>2</sub> emissions, the CO<sub>2</sub>-related tax component should, in the long term, disappear;
10. Calls for development of certification of sustainably produced biofuels; calls on the Commission to allow in its legislative proposal only for the attainment of 120g CO<sub>2</sub>/km, by sustainably produced biofuels, to be taken into account; underlines the fact that second-generation biofuels, that are obtained from plants or plant components, do not compete directly in any way with food uses and afford increased efficiency, must be extended and further promoted;
11. Calls on the Commission to take into account technical feasibility, cost-efficiency, environmental impact and affordability over the vehicle life-cycle of new cars when adopting any binding legislative measures which might influence the pace of vehicle fleet renewal;
12. Notes that Community law regulates a market of 17 to 18 million vehicles per year, which

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<sup>1</sup> OJ C 280 E, 18.11.2006, p. 120.

is equivalent to the passenger car market in the United States; expects that an ambitious EU greenhouse gas emissions reduction policy will stimulate knowledge-based economic growth and job creation in the automotive supply industry and will have a positive influence worldwide in terms of reducing transport emissions;

13. Emphasises the need for intensive promotion of research and development of zero-emission vehicles, such as electrically propelled vehicles;
14. Believes that measures should be taken in the areas of eco-driving and infrastructure so as to contribute to reaching the Community target of 120 g/km;
15. Welcomes the fact that the Commission is planning an amending proposal to improve the effectiveness of Directive 1999/94/EC on consumer information on fuel economy; calls for the proposal to go beyond merely making consumers aware of the CO<sub>2</sub> emission level and to set up proper categories aligned with and regularly adjusted to match the most efficient vehicles on the market.

## PROCEDURE

|   |  |              |           |
|---|--|--------------|-----------|
| <b>Title</b>  | Community Strategy to reduce CO <sub>2</sub> emissions from passenger cars and light commercial vehicles   |              |           |
| <b>Procedure number</b>   | 2007/2119(INI)   |              |           |
| <b>Committee responsible</b>                                      | ENVI   |              |           |
| <b>Opinion by</b><br>Date announced in plenary                    | ITRE<br>6.6.2007   |              |           |
| <b>Enhanced cooperation – date announced in plenary</b>           | 21.6.2007  |              |           |
| <b>Drafts(wo)man</b><br>Date appointed                            | Rebecca Harms<br>12.4.2007   |              |           |
| <b>Previous drafts(wo)man</b>                                     |  |              |           |
| <b>Discussed in committee</b>                                     | 3.5.2007   | 5.6.2007     | 17.7.2007 |
| <b>Date adopted</b>   | 17.7.2007  |              |           |
| <b>Result of final vote</b>                                       | +:<br>-:<br>0:   | 37<br>2<br>3 |           |
| <b>Members present for the final vote</b>                         | Jan Březina, Jerzy Buzek, Jorgo Chatzimarkakis, Giles Chichester, Silvia Ciornei, Den Dover, Adam Gierek, Umberto Guidoni, Fiona Hall, David Hammerstein Mintz, Rebecca Harms, Ján Hudacký, Werner Langen, Pia Elda Locatelli, Eugenijus Maldeikis, Angelika Niebler, Atanas Paparizov, Miloslav Ransdorf, Vladimír Remek, Herbert Reul, Teresa Riera Madurell, Mechtild Rothe, Paul Rübig, Andres Tarand, Britta Thomsen, Radu Țîrle, Patrizia Toia, Nikolaos Vakalis, Dominique Vlasto |              |           |
| <b>Substitute(s) present for the final vote</b>                   | Pilar Ayuso, Ivo Belet, Danutė Budreikaitė, Avril Doyle, Neena Gill, Matthias Groote, Eija-Riitta Korhola, Lambert van Nistelrooij, Dirk Sterckx, Silvia-Adriana Țicău   |              |           |
| <b>Substitute(s) under Rule 178(2) present for the final vote</b> | José Manuel García-Margallo y Marfil, Eva Lichtenberger, Umberto Pirilli   |              |           |
| <b>Comments (available in one language only)</b>                  |  |              |           |

## RESULT OF FINAL VOTE IN COMMITTEE

|   |  |
|---|--|
| <b>Date adopted</b>   | 12.9.2007  |
| <b>Result of final vote</b>                                       | +: 49<br>-: 3<br>0: 1  |
| <b>Members present for the final vote</b>                         | Adamos Adamou, Georgs Andrejevs, Margrete Auken, Johannes Blokland, John Bowis, Frieda Brepoels, Hiltrud Breyer, Dorette Corbey, Chris Davies, Anne Ferreira, Karl-Heinz Florenz, Matthias Groote, Satu Hassi, Gyula Hegyi, Jens Holm, Caroline Jackson, Dan Jørgensen, Eija-Riitta Korhola, Peter Liese, Linda McAvan, Marios Matsakis, Alexandru-Ioan Morțun, Riitta Myller, Péter Olajos, Miroslav Ouzký, Vladko Todorov Panayotov, Vittorio Prodi, Guido Sacconi, Daciana Octavia Sârbu, Karin Scheele, Richard Seeber, Bogusław Sonik, Antonios Trakatellis, Evangelia Tzampazi, Thomas Ulmer, Anja Weisgerber, Anders Wijkman, Glenis Willmott |
| <b>Substitute(s) present for the final vote</b>                   | Iles Braghetto, Kathalijne Maria Buitenweg, Christofer Fjellner, Duarte Freitas, Rebecca Harms, Erna Hennicot-Schoepges, Karsten Friedrich Hoppenstedt, Kartika Tamara Liotard, Caroline Lucas, Miroslav Mikolášik, Eluned Morgan, Robert Sturdy   |
| <b>Substitute(s) under Rule 178(2) present for the final vote</b> | Fausto Correia, Pia Elda Locatelli, Jacques Toubon   |