

## **EU LEGISLATION UPDATE**

**DECEMBER 2007**



### **OPPORTUNITIES FOR DIALOGUE**

#### **European Commission intends to propose new noise limits on tyres**

The European Commission is consulting with a view to amending a 2001 Directive on tyres (a part of the EU type approval of vehicles) which set the existing noise limit values for tyres. FIVA is in dialogue with both the European Commission and vintage tyre experts to determine whether the proposed limits may pose a problem for FIVA – acknowledging that the current Directive only applies to tyres to be fitted to vehicles manufactured after 1 October 1980. This date is set in the existing 2001 Directive as the EU decision makers at that time felt that providing an exemption for vehicles more than 20 years old seemed appropriate. A part of the Commission's consideration for its anticipated proposal will be to maintain the 20 year exemption for the new limits once agreed. FIVA will consider all these facts when determining its position on this initiative.

### **INFORMATION**

#### **European Commission adopts proposal for car emission plans**

Just before the Christmas break – and after internal wrangling over many months - the European Commission adopted its proposal for carbon dioxide emission limits for new cars. The core provisions are:

- the average emission target for all newly registered cars in the EU will be 130 grams per kilometre (g/km) by 2012.
- Individual targets will be set for each manufacturer based on the average mass of their EU car fleet - an average mass of 1,400kg means they must meet a target of roughly 130g/km, 700kg = 100g/km target and 3,000kg = 200g/km. This essentially means that manufacturers of larger cars will have to do more than the makers of smaller vehicles – this is designed as a disincentive to the development of increasingly heavy vehicles.
- Manufacturers will have to pay "excess emissions premiums" (penalties) for each g/km of CO<sub>2</sub> that the manufacturer's average vehicle emits above its fleet target, multiplied by the number of vehicles sold. These premiums would be set at €20 per g/km in 2012, rising to €35 in 2013, €60 in 2014 and €95 in 2015 (the average 130g/km target will remain until at least 2015).
- Subject to EU competition law, the manufacturers may link with other manufacturers to allow them to jointly meet their combined target (to create a form of “trading” on the same principle as emission trading).

- Independent manufacturers selling fewer than 10,000 vehicles per year may apply to the commission for a special individual target – which may be more lenient
- The previously discussed “complementary measures” designed to deliver a further 10g/km reduction by 2012 will be proposed next year – these will include measures on tyres and air-conditioning systems, and incentives to use of biofuels

The commission has calculated that the proposals will lead to average purchase price increases of around six per cent per car (around €1,300) – but have argued that this will be offset by an average lifetime fuel savings of €2,700.

Both sides of the policy debate have criticised the plans – the car industry believes the proposals are too punitive while environmental groups do not believe the plans put in place sufficient disincentives to the manufacture of large polluting vehicles.

### **European Commission proposes new heavy vehicle emission limits**

The European Commission has also recently adopted a new proposal for a Regulation (binding on member states once adopted) for new Euro VI emission limits for heavy trucks designed to reduce further emissions of nitrogen oxides (NO<sub>x</sub>) by 80% and particulate matter (PM) by 66% from new trucks, buses and other heavy-duty vehicles in the EU from 2013. Under the proposal, diesel and petrol-driven heavy-duty vehicles would have to emit no more than 400 milligrams per kilowatt hour (mg/kWh) of NO<sub>x</sub>, and 10mg/kWh of PM from 2013 – while total hydrocarbon emissions would be limited to 160mg/kWh, compared with the current limit of 550mg/kWh. Carbon monoxide (CO) limits would remain unchanged at 4,000mg/kWh.

### **Agreement reached on EU air quality proposal**

The Member States reached a compromise agreement with the European Parliament on the air quality proposal in December – which will establish the first ever EU-level limits on ambient concentrations of ultra-fine particles less than 2.5 microns wide (PM<sub>2.5</sub>). As a part of the agreement, the MEPs were forced to compromise by dropping their demand for a binding concentration limit of 20 micrograms per cubic metre (ug/m<sup>3</sup>) on PM<sub>2.5</sub> by 2015, in favour of the Member States’ preferred 25 ug/m<sup>3</sup> maximum concentration. However, it was agreed that a provisional binding limit of 20ug/m<sup>3</sup> should be applied by 2020. The larger particulate pollution (PM<sub>10</sub>) limit was left unchanged at 40ug/m<sup>3</sup>.

In parallel, it has been reported that 13 Member States are likely to fail to meet binding emission limits for key atmospheric pollutants in 2010 - set by the 2001 national emission ceilings (NEC) directive - unless they take extra measures to reduce pollution. The NEC Directive established binding annual emission limits for sulphur dioxide (SO<sub>2</sub>), nitrogen oxides (NO<sub>x</sub>) volatile organic compounds (VOCs) and ammonia (NH<sub>3</sub>). It also required Member States to report their emissions each year and project emission estimates for 2010. Of the four, it seems that the NO<sub>x</sub> target is proving the hardest to meet.

### **The Netherlands proposes a nationwide road charging scheme**

The Dutch Government has proposed that all vehicles on Dutch roads should have to pay a kilometre charge from 2016. The road pricing scheme is intended to replace current car and truck registration and circulation taxes and will be differentiated according to the vehicle's environmental profile and the time and place of driving. The intention is to install satellite

technology in all of the estimated eight million vehicles in the Netherlands to track their movements. The scheme will be implemented gradually – starting with trucks in 2011 followed by passenger cars from 2012 – with the objective that all vehicles will be covered by 2016.

### **EU clean vehicle procurement law proposed**

The European Commission has proposed a Directive to require all public authorities in the EU to consider the lifetime cost of pollution emissions and fuel consumption when procuring road vehicles. The proposed directive would establish a harmonised EU methodology for calculating the lifecycle costs of fuel consumption and emissions of carbon dioxide (CO<sub>2</sub>), nitrogen oxides (NO<sub>x</sub>), hydrocarbons and particulate matter (PM). The contracting authorities and public transport operators would then be required to internalise these external costs when calculating the overall price of a vehicle for procurement decisions.

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The FIVA Legislation Commission members are: Winfried Kallinger (Chairman), Tiddo Bresters (Vice Chairman), Lars Genild (Vice Chairman), Patrick Rollet (Member/Secretary), Andrew Burt (Member), David Davies (Member), Carla Fiocchi (Member), Zoltán Gárdos (Member), Adalberto Gueli (Member), Maik Hirschfeld (Member), Horst Brüning (Member coopted), Peeter Henning (Member coopted), and Andrew Turner of EPPA works with the Committee.