

EU LEGISLATION UPDATE

FEBRUARY - MARCH 2008



OPPORTUNITIES FOR DIALOGUE

FIVA makes submission to European Commission on Urban mobility policy

FIVA made a submission to the European Commission's consultation for its Green Paper on Urban Mobility in March. FIVA's submission focused on: urban vehicle bans and vehicle charging designed to reduce urban pollution and congestion, and the disproportionate impact some of these measures have had on historic vehicle owners. The submission therefore highlighted the recent positive decisions taken by the German and Danish Governments, Transport for London and the Italian cities which have exempted historic vehicles from such measures. The submission also urged the European Commission to develop guidelines highlighting best practice developed at the urban and local level in order to allow all authorities across the EU to benefit from experience – and for those guidelines to recommend that Member States/local authorities make provisions for historic vehicles to the effect that they are not disproportionately impacted by bans or charging regimes designed to reduce peak time high volume traffic and more specifically that historic vehicles are not:

- banned from entry to Zones/urban areas; or:
- penalised with excessive charges for entry to Zones/urban areas.

FIVA makes submission to European Commission on small business policy

As reported earlier this year, the European Commission's DG Enterprise launched a public consultation on the content of a European "Small Business Act" – with the objective to put small and medium sized enterprises (SMEs) at "the forefront of decision-making in the EU" and to optimise their growth potential. FIVA's Trade and Skills Director Tony Davies made a submission on behalf of the FIVA which was designed to highlight to the Commission's Enterprise Directorate the existence of this large and valuable body of businesses which services the historic vehicle movements and to explain that FIVA is currently undertaking an in-depth examination of the sector and the skills inherent in it so that FIVA can work with the sector to help ensure its continued success in the future. As FIVA's work will include a focus on maintaining and developing the skills needed to service the movement, FIVA has explained to the European Commission that it will share with it the results of the work in order to help identify any possible support for the sector from the EU.

EU proposes dichloromethane paint stripper ban

The European Commission has proposed a Directive to partially ban sales of paint strippers containing dichloromethane. FIVA is considering whether this will impact upon restoration of historic vehicles.

INFORMATION

Car safety and efficiency "can be complementary"

The European car industry is moving away from its view that EU vehicle safety requirements are a limiting factor in their efforts to reduce carbon dioxide emissions from cars. Industry commentators recently stated publicly that it is possible to improve the safety of vehicles with features such as automatic cruise control and intelligent navigation systems which would also deliver emissions reductions by limiting acceleration and avoiding congestion. However, it was also noted that the main limitation to improvements in both areas is affordability.

Governments still divided over car CO2 plan

The Member States are continuing discussions on the European Commission's proposed actions to reduce average CO2 emissions from new cars to 130 grams per kilometre (g/km) by 2012. However, agreement is not imminent as Germany is still saying that the proposal would have a negative impact on the competitiveness of makers of bigger cars, while countries manufacturing smaller cars - such as Italy and France - believe that the proposal unfairly allows larger cars to continue emitting more. Additionally, several countries which do not have a car industry have called for the proposal to include a longer term emission reduction target for 2020: Denmark called for a 2020 limit of 100g/km; while the Netherlands proposed an indicative target of 80g/km for the same year. In parallel, the European Parliament's Legal Affairs Committee is seeking legal advice on the penalties proposed: the German MEP Klaus-Heiner Lehne is claiming that the European Commission might have exceeded its powers by proposing EU-level fines against carmakers.

However, the Parliament has also just recently stated in a non-legislative resolution that the transport sector must meet the EU goal of reducing greenhouse gas emissions by 20 per cent in 2020 relative to 1990 levels – noting that emissions from the transport sector continue to increase rapidly and that urban congestion - which causes 40 per cent of carbon dioxide emissions from road transport - must be tackled more ambitiously. The Parliament believes that the cuts should be achieved through a combination of technological improvements and the use of market-based instruments such as emissions trading, congestion charges and tax incentives, and in particular, the adoption of the Commission's proposal on linking passenger car taxes to CO2 emissions which is currently being blocked by the Member States.

The European car manufacturers are also keen for the passenger car tax proposal to be adopted – as they believe that the environmental benefits of CO2-based car taxes are being undermined by a lack of harmonisation between EU countries. The European car industry association (ACEA) has undertaken a survey which has shown that 14 EU states have now introduced some form of CO2-related car taxation. However, the car manufacturers have also noted that Member States have used a variety of methods to do so: some countries use CO2 emissions as the only factor in tax calculations while others use a mix of criteria, including car price and engine size. ACEA believes that only a harmonised EU system will give the necessary market signals to deliver significant cuts in emissions.

Air quality worsening – and traffic is at fault

An air quality study has shown that EU air quality has deteriorated over the last few years with limits of large particulates (PM10), nitrogen dioxide (NO2), and ozone concentrations being exceeded by 25-44%. Other air pollutants, including sulphur dioxide (SO2), carbon monoxide, benzene and lead also exceeded legal limits in less than six per cent of zones. Road traffic is cited as the main culprit for worsening air quality in 2005 with more than 70 per cent of NO2 excesses,

over half of PM10 excesses, and at least a fifth of ozone excesses being blamed on local traffic. For SO₂, the main factor is industry and power generation.

In parallel, the European Environment Agency has stated in a Report that the EU must manage better greenhouse gas emissions from the transport sector if it wants to achieve its climate and energy objectives for 2020. The Agency has recently claimed that emissions from the transport sector will have to be reduced by a further 50 million tonnes of CO₂ equivalent over the next decade to meet these goals – and that the existing and proposed EU measures - such as the target to cut emissions from Europe's new car fleet to 130 grams per kilometre (g/km) by 2012 - will not deliver sufficient reductions. Moreover, the Agency's Report was very critical of EU transport policy with specific condemnation aimed at mid-term review of the EU's transport white paper shift from managing demand to addressing transport's environmental impacts – saying that transport emissions continue to increase despite improvements in energy efficiency and the increased use of alternative fuels. Instead, it wants to reduce road transport demand through pricing measures, greater focus on promoting eco-driving and achieving a shift away from road transport towards greener options such as sea, rail and inland waterways.

More studies question overall environmental benefit of biofuels

The US Nature Conservancy has found that converting rainforests, peatlands, savannas or grasslands to produce biofuels in Brazil, southeast Asia and the US releases up to 420 times more carbon dioxide than the carbon reductions these biofuels provide. Another study, by the US German Marshall Fund, has claimed that previous biofuel impact studies failed to consider indirect land-use changes – and when they are considered, corn-based ethanol production - the major biofuel in the US - doubles greenhouse emissions.

These studies coincide with the EU's intent to increase biofuel consumption to ten per cent of transport fuels by 2020. However, the European Commission has also set out sustainability criteria that it claims will guarantee that only biofuels with a healthy carbon balance and no negative land-use effects would count towards its target.

- 00 -

The FIVA Legislation Commission members are: Winfried Kallinger (Chairman), Tidde 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.