

EU LEGISLATION UPDATE

JUNE - JULY 2008



OPPORTUNITIES FOR DIALOGUE

European Parliament and car industry urge the EU Council to adopt the proposal for the taxation of passenger cars

The European Parliament has stated in a non-legislative resolution that the adoption of the European Commission's proposal to link passenger car taxes to CO₂ emissions is essential to help the EU meet its CO₂ emission targets. The Parliament is supported by the European car manufacturers' association (ACEA) which is also keen for the proposal to be adopted – as the manufacturers believe that the environmental benefits of CO₂-based car taxes are being undermined by a lack of harmonisation between EU countries. The association has undertaken a survey which has shown that 14 EU states have 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. However, the Commission's proposal remains a draft law as it needs to be supported by all the member states – some of which currently will not do so. FIVA has maintained dialogue with the EU Commission's Directorate General for taxation which remains of the view that historic vehicles are not passenger cars as defined by the proposed Directive and so even if this Directive were to be adopted, historic vehicles should still be able to be taxed differently to passenger cars.

INFORMATION

EU to propose greener EU road tolling rules

The European Commission has announced that it will revise the Directive which determines the charges paid by lorries using the European road network. The new initiative is designed to ensure that the charges take greater account of the environmental cost of the transport. Under the existing Directive, Member States can already "internalise" these costs but there is no uniform approach by the Member States. The new proposal will be designed to cover pollution and congestion costs and will vary by road type, vehicle emission class and driving time; and counted in the cost of the charges would be the health, lost productivity and welfare costs of air and noise pollution as well as crop losses and damage to ecosystems. In parallel, the proposal will encourage Member States to hypothecate the revenues from the charges for projects designed to reduce the external costs of transport – such as traffic management systems, measures to reduce pollution at sources, and the development of alternative infrastructure. The proposed Directive would also cover the use of all European roads, not just motorways. Private transport will not be impacted by the anticipated proposals as the principle of subsidiarity prevents such action. However, the European Commission will encourage Member States to implement a charging system for all road transport (not just heavy goods vehicles) in order to create incentives for all road users to change their behavior.

In parallel, an action plan on Intelligent Transport Systems for Road, will set out a common approach designed to bring existing technologies into use. The initiative will help identify a set of Europe-wide ITS applications, work out their business case, organise the necessary research and validation, and manage their implementation across Europe by road operators, industry, service providers and road users with the medium-long term objective for road tolling to be managed by harmonized intelligent transport systems.

Car CO2 emission limits closer to adoption

The European institutions are continuing their discussions on the European Commission's proposed actions to reduce average CO2 emissions from new cars – and are now focussing on the detail of the implementation of the emission limits rather than the principle. In the European Parliament, the rapporteur on the proposal has urged MEPs to vote on the issue rather than on nationalist concerns, while a Liberal Democrat MEP who earlier suggested that measures impacting new cars should be complimented by incentives to take older cars off the road – has not tabled an amendment to this effect. The whole parliament will vote on its report in the Autumn. At the Council level, the German Environment Minister has said that the German manufacturers may not be able to fully meet their share of a proposed EU target to cut carbon dioxide emissions from new cars by 2012, and has therefore proposed that the limit be gradually phased-in from 2012.

ECJ challenges Poland about imported second-hand cars

The European Court of Justice has condemned Poland for imposing technical inspections on all second-hand cars imported from other EU member states. Poland imposed the measure as a way to ensure that imported vehicles are environmentally clean and safe. However, the ECJ has ruled that the measure breaches EU internal market rules and claimed that there are other – less stringent - ways to perform checks, such as requiring information from exporting countries.

Germany agrees a CO2 emission-based vehicle tax

The German Government has agreed a CO2-based vehicle tax for new vehicles to replace the existing motor capacity-based charge. The new tax will come into force in January 2010 and will only apply to all new vehicles. Some parties in the coalition government had called for including older vehicles.

End of life Vehicle Directive amended

The EU is revising the list of exemptions from the general ban on heavy metals in car manufacture introduced under the 2000 End-of Life vehicles (ELV) Directive. The Directive bans cadmium, lead, mercury and hexavalent chromium in car components except for applications where alternatives are unavailable. The revised list will reduce the number of components exempted from the ban. FIVA has been advised that these changes will not impact on historic vehicles as they are already exempted from the Directive.

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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 Hurley (Member), Carla Fiocchi (Member), Zoltán Gárdos (Member), Adalberto Gueli (Member), Johann König (Member), Horst Brüning (Member coopted), Peeter Henning (Member coopted), and Andrew Turner of EPPA works with the Committee.