

Community strategy to reduce CO₂ emissions from passenger cars and light-commercial vehicles

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The European Parliament adopted a resolution based on the own-initiative report of Chris **DAVIES** (ALDE, UK) in response to the Commission's Communication on the results of the Community Strategy to reduce CO₂ emissions from passenger cars and light-commercial vehicles.

The main points are the following:

Timetable and targets: the report welcomed the Commission's plan to submit an EU legislative framework for CO₂ 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. Parliament insisted that the proposed use of "complementary measures" to achieve the previously agreed emissions target of 120g CO₂/km be made possible through quantifiable standards and believed that legislation should set clear and measurable targets for emissions reductions to be achieved through technical means. The report proposes that binding annual emissions targets should be set with effect from 2011 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 in 2015 do not exceed 125g CO₂/km. The Commission was invited to present concrete legislative proposals and measures that ensure that emission reductions of at least 10g CO₂/km could be achieved by means of the complementary measures taken as part of the integrated approach, in order to reach the overall target value of 120g CO₂/km. Parliament further insisted that from 1 January 2020, average emissions should not exceed 95g CO₂/km, and believed that the EU should provide support for the necessary promotion of innovation through the Seventh Framework Programme for Research. It stressed the need for intensive promotion of research and development of zero-emission vehicles, such as electrically propelled vehicles. It believed 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 anticipated that these targets will possibly require further emissions reductions to 70g CO₂/km or less by 2025.

Exceptions: 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, the report recommends 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. Furthermore, in view of the difficulty that some low-volume manufacturers (producing up to 300 000 units) and new entrants with a market share of less than 1% may have in reducing average emissions across the limited range of cars they produce within the time-schedule envisaged, the Commission should consider incorporating proposals in the legislation that would provide those specialist manufacturers with ambitious reduction targets.

Sharing the task between manufacturers: Parliament recognised the large variation in consumer preferences regarding passenger cars and the different composition of manufacturers' fleets. It insisted that CO₂ reductions must be achieved for all cars placed on the market and therefore some differentiation based on a utility parameter should be allowed. However, this should not neutralise the incentive to shift towards lower emission vehicles or disadvantage early achievers. The report stressed the importance of allowing particular vehicles to exceed emission limits to avoid excessive disruptions to the car market, but

sought to provide strong incentives to bring about emission reductions. It proposed that the setting of 2012 and 2020 targets for the reduction of average emissions, and interim annual targets, should 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. The Commission was asked to ensure adequate efforts for all manufacturers and incentives for reducing greenhouse gas emissions across the vehicle fleet. However, any future scheme should not reward, either directly or indirectly, manufacturers of historically more polluting vehicles. Vehicles with higher CO₂ emissions must also be required to make a greater contribution to reducing CO₂, and 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).

The report proposes the introduction, in 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 excess over the emission limits per car sold. These penalties might be offset by redeemable credits awarded to newly registered passenger cars of the same manufacturer with emissions below the limit value curve. The penalties/excess g CO₂/km should be higher than the rewards. 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. The receipts from financial penalties should be used both for research and development for CO₂ emissions reduction and for aiding local public transport.

Testing, data monitoring and vehicle specifications: the report insisted that total greenhouse gas emissions per vehicle should be addressed, including emissions attributable to air conditioning systems. It also urged the Commission to make proposals to update test cycles to reflect better real driving conditions. The Commission was encouraged to introduce new measurements and standards that could allow a fixed value to be attached for the purpose of associating CO₂ 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. It also recommends the introduction of technology in vehicles to encourage environmentally aware driver behaviour such as displays showing fuel consumption and its associated cost.

Advertising and labelling: Parliament recommended that mandatory and uniform minimum requirements be set for the display of information relating to the fuel economy (l/100 km) and CO₂ 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. Parliament also suggested that a binding code for advertising be introduced which outlaws false green claims and recommended the introduction of an environmental performance "green star" rating system taking into account all aspects of environmental performance.

Promoting consumer demand: Parliament supported the use of fiscal measures, and encouraged Member States to introduce both purchase and circulation taxes on vehicles with above average emissions. It called for the introduction of economic incentives for retiring old cars and ensuring that part of vehicle taxes was variable depending on CO₂ emissions and other pollutants. Members pointed out that, with the gradual introduction of technologies with zero CO₂ emissions, the CO₂-related tax component should, in the long term, disappear. With a view to preventing the fragmentation of the internal market, the Committee proposes the adoption of EU-wide definitions of CO₂ emission values, which can be used by Member States in setting emission-related tax incentives. Lastly, Parliament underlined its support for the CO₂-based taxation of cars and alternative fuels so as to create the right incentives for consumers and industry.