CARS 21: a competitive automotive regulatory framework

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The Committee on Industry, Research and Energy adopted the own-initiative report by Jorgo **CHATZIMARKAKIS** (ALDE, DE) in response to the Commission communication on a competitive automotive regulatory framework (CARS 21). The report highlights the economic importance of the European automotive industry as a sector producing 19 million vehicles yearly and providing 2.3 million direct jobs and a further 10 million in ancillary sectors. MEPs in the committee say that, while the industry will have to undergo substantial change, adjustments in EU policy will also be needed to ensure regulations do not lead to job losses

Completing the internal market for cars: the report calls on the Member State authorities to work closely with the Commission in implementing the CARS 21 recommendations. It notes, in particular, the need to ensure that new regulations affecting the automotive sector are introduced in a coordinated manner, avoiding distortions in the internal market. It emphasises the need to perfect the EU system for type-approval, covering all motor vehicles. The Commission is asked to propose measures guaranteeing a registration-procedure, which will allow easier cross-border sales especially for used cars.

A competitive automotive after market:the Commission is called upon to continue promoting effective competition in the automotive after-sales market by addressing consumer choice and effective access for independent market operators to technical information, training, spare parts, multi-brand diagnostic tools and test equipment in its future automotive policy. The report urges the Commission to submit proposals for the creation of an internal market for custom and tuning parts, such as special tyres, wheels and other tuning parts and spare parts, as the current diversity of national regulations obstructs the further development of this sector, which consequently would benefit from Community harmonising legislation and appropriate protection of intellectual property. Efforts are also needed to combat the import of counterfeit spare parts.

Adopting environmental standards for the 21st century: the report calls on the Commission to create an environment that ensures that road transport is environmentally sustainable. It welcomes the rapid introduction of the Euro-5 and Euro-6 standards for the reduction of emissions of pollutants from private cars and urges the Commission, without delay, to adopt an ambitious proposal for a EURO-VI standard for heavy goods vehicles. In the context of Community legislation, MEPs call on the Commission to begin the process of reassessing and revising emissions testing procedures to better reflect real life conditions of use, without prejudice to the ongoing discussion on CO2 emissions from cars.

Reducing CO2 emissions substantially: the report encourages the Commission to consider developing a common framework for a coordinated application of technology-neutral and possibly harmonised CO2 related fiscal incentives that have a significant CO2 reduction potential, while avoid distortions of competition. It urges the Council to reach an agreement on the Commission proposal to relate taxes on passenger cars to their polluting emissions such as CO2 in order to avoid further internal market fragmentation arising from varying application by Member States. As the development of new types of passenger cars takes about five to seven years, MEPs urge the Commission not to set any final mandatory targets for CO2 emissions for any date before 2015. From then on, however, an average target of 125g/km of CO2 emissions for new passenger cars should be achievable. MEPs consider it crucial in this connection that the target values should be graduated according to the weight of the vehicle.

Making road transport even safer: the report highlights that additional security systems might further increase the weight of passenger cars, thus leading to increased CO2 emissions. It also expresses concern at the negative impact on road safety resulting from increases in the speed of vehicles. The Commission is called upon to: i) improve the road safety system by requiring Member States to tighten up learner-driver training requirements, expand compulsory training and introduce rules providing for the periodic training of professional drivers; ii) carry out the announced 2007-2009 assessment of the environment required for measures to reduce the number of road accident victims; iii) develop a system allowing car manufacturers to without penalty to produce vehicles that emit extra CO2 if these additional emissions result from legally binding safety measures taken at Community level; iv) improve the regime for the cross-border inspection of vehicles and the cross-border enforcement of fines imposed for the infringement of traffic rules in a foreign Member State as a matter of priority.

Lastly, the committee does not believe that day time running lights should be obligatory throughout the EU.

Bringing fair-play to automotive trade relations: the report states that the EU automotive industry is one of the most competitive industries in the world. It believes however that unfair competition and the infringement of intellectual property rights threaten this position. The committee recalls that the successful conclusion of multilateral trade negotiations should remain a priority for the EU. The Commission is urged, in the framework of the current EU-Korea FTA negotiations, to make sure that **Korea abolishes all existing tariff and non-tariff barriers** and does not create new ones, and that it will implement more UN /ECE regulations. The committee requests that the Commission considers a strategy of phasing out EU import tariffs with safeguards and, therefore, recommends that this phasing out be connected to the lifting of non-tariff barriers on the Korean side.

The committee also emphasises the importance of a close partnership with China in the development of a regulatory framework offering a level playing field. It states that effective protection of IPR is a precondition for such a partnership. MEPs disagree with the Commission's proposal to abolish design protection rights, as this might have a negative effect on the automotive sector in the EU while not guaranteeing any customer benefits. They call on the Commission to respect the existing level playing-field in relation to Japan and certain US States, where very high standards are in force.

Research and Development in the automotive sector: the report calls on the Commission to adopt before 2012 a strategy to increase significantly and sufficiently the R&D funding for the automotive sector, paying particular attention to supply industries. The committee urges the Member States to make any increase in future R&D funding for the automotive sector conditional on the binding nature of the CO2 emission targets. Member States and the EU institutions are urged to give all necessary support to the research and development of break-through technologies, such as hydrogen motors, fuel cells or hybrids. The committee is of the opinion that the Intelligent Car Initiative, Galileo and other instruments contributing to an intelligent transport system are of the utmost importance and therefore calls on the Commission to strongly support these developments.