CARS 21: a competitive automotive regulatory framework

2007/2120(INI) - 15/01/2008 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution based on the own-initiative report drafted by Jorgo **CHATZIMARKAKIS** (ALDE, DE) in response to the Commission communication on a competitive automotive regulatory framework (CARS 21). The resolution was adopted by 607 votes for, 76 against, and 14 abstentions. It highlighted 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. Parliament hoped that the parliaments of the Member States and their regions would wish to be associated with the outcome of the CARS 21 process, and suggested that an inter-parliamentary network for the purpose of considering automotive issues.

Completing the internal market for cars: Parliament called on Member State authorities to work closely with the Commission in implementing the CARS 21 recommendations. It noted, 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 emphasised the need to perfect the EU system for type-approval, covering all motor vehicles. The Commission was 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 was 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. Parliament urged 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 were also needed to combat the import of counterfeit spare parts.

Adopting environmental standards for the 21st century: Parliament believed that individual mobility and the automotive sector should be considered in the wider context of sustainable mobility. It felt that mobility and environmental protection were not necessarily mutually exclusive and that future car technology would have to contribute to reconciling the two. Indeed, the challenge of climate change in particular presented opportunities for technological advances and innovation. Parliament called on the Commission to create an environment that ensured that road transport was environmentally sustainable. It welcomed the rapid introduction of the Euro-5 and Euro-6 standards for the reduction of emissions of pollutants from private cars. Parliament stated that improved air quality could be achieved only by a speedier renewal of the automobile fleet, in addition to the introduction of less polluting vehicles, and financial measures needed to be put in place to induce consumers to replace their old cars with less polluting vehicles. In the context of Community legislation, MEPs called 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: Parliament welcomed the Commission's plans to reduce the CO2 emissions of passenger cars. It encouraged the Commission to consider developing a common framework for a coordinated application of technology-neutral and possibly harmonised CO2-related fiscal incentives that had a significant CO2 reduction potential, while avoiding distortions of competition. It urged 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. Parliament also urged the Commission to set ambitious but realistic targets, taking into account the real situation in the EU market, where the fleet renewal rate was currently below 10% per annum. The affordability of new cars played a crucial role in achieving the Community target. The more ambitious the mandatory targets for CO2 emissions were, the more time should be granted to the automotive industry to adapt. As the development of new types of passenger cars takes about five to seven years, MEPs urged the Commission not to set any final mandatory targets for CO2 emissions for any date before 2015. An average target of 125g/km of CO2 emissions for new passenger cars for 2015 should be achievable. MEPs considered it crucial in this connection that the target values should be graduated according to the weight of the vehicle. Parliament noted the Commission's plan to set a binding agrofuels target and called for the development of a mandatory certification scheme, applicable to agrofuels placed on the EU market. The certification criteria should be designed to ensure a minimum of 50% greenhouse gas savings over the whole life cycle compared to conventional fuels in addition to environmental and social criteria.

Making road transport even safer: Parliament highlighted that additional security systems might further increase the weight of passenger cars, thus leading to increased CO2 emissions. It also expressed concern at the negative impact on road safety resulting from increases in the speed of vehicles. The Commission was 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.

Parliament did not believe that day time running lights should be obligatory throughout the EU.

Bringing fair-play to automotive trade relations: whilst the EU automotive industry was one of the most competitive industries in the world, unfair competition and the infringement of intellectual property rights threatened this position. It was important that the current negotiations in the Doha Development Round made third-country markets as accessible as possible for automobile manufacturers, especially potentially large, emerging third-country markets. Whilst the successful conclusion of multilateral trade negotiations should remain a priority for the EU, Parliament nevertheless, supported the Commission's will to negotiate new bilateral trade agreements, primarily in Asia, in order to improve market access conditions. The Commission was urged, in the framework of the current EU-Korea FTA negotiations, to make sure that Korea abolished all existing tariff and non-tariff barriers and did not create new ones, and that it would 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.

Parliament also emphasised the importance of a close partnership with China in the development of a regulatory framework offering a level playing field. It stated that effective protection of IPR was a precondition for such a partnership. It welcomed the Commission's request for the establishment of a WTO panel to resolve outstanding issues relating to the treatment of imported vehicle parts by China, which the Commission argued was inconsistent with several articles of different WTO agreements.

Research and Development in the automotive sector: the Commission was asked 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. Member States should 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 were urged to give all necessary support to the research and development of break-

through technologies, such as hydrogen motors, fuel cells or hybrids. Parliament felt that the Intelligent Car Initiative, Galileo and other instruments contributing to an intelligent transport system were of the utmost importance and therefore called on the Commission strongly to support these developments.