

# Community strategy to reduce CO<sub>2</sub> emissions from passenger cars and light-commercial vehicles

2007/2119(INI) - 12/09/2007

The Committee on the Environment, Public Health and Food Safety adopted 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 CO<sub>2</sub> emissions from passenger cars and light-commercial vehicles.

The main points raised in the report are the following:

**Timetable and targets:** the report welcomes the Commission's plan to submit an EU legislative framework for CO<sub>2</sub> 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. The Committee insists that the proposed use of 'complementary measures' to achieve the previously agreed emissions target of 120g CO<sub>2</sub>/km by 2012 be made possible through quantifiable standards and believes 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 1 January 2009 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 from 1 January 2012 do not exceed 120g CO<sub>2</sub>/km. The Commission is invited to present concrete actions and legislative proposals in order to make sure that 'complementary measures' are put in place and reduce the emissions from passenger cars by an extra 10g CO<sub>2</sub>/km. From 1 January 2020, average emissions should not exceed 95g CO<sub>2</sub>/km. Longer-term targets should be decided no later than 2016 and should reduce these emissions to 70g CO<sub>2</sub>/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.

**Sharing the task between manufacturers:** the report stresses the importance of allowing particular vehicles to exceed emission limits to avoid excessive disruptions to the car market. The Commission should ensure adequate efforts for all manufacturers and incentives for reducing greenhouse gas emissions across the vehicle fleet. However, the Committee considers that any future scheme should not reward, either directly or indirectly, manufacturers of historically more polluting vehicles, that vehicles with higher CO<sub>2</sub> emissions must also be required to make a greater contribution to reducing CO<sub>2</sub>, and that 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);

**Carbon allowances:** 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 may be offset by redeemable credits awarded to newly registered passenger cars of the same manufacturer with emissions below the limit values. Furthermore, according to the Committee, the information on emission performance per vehicle and per manufacturer should be made available to the public.

**Testing, data monitoring and vehicle specifications:** the report insists that total greenhouse gas emissions per vehicle should be addressed, including emissions attributable to air conditioning systems. It also urges the Commission to make proposals to update test cycles to reflect better real driving conditions. The Commission is encouraged to introduce new measurements and standards that can allow a fixed value to be attached for the purpose of associating CO<sub>2</sub> 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:** the report recommends that mandatory and uniform minimum requirements be set for the display of information relating to the fuel economy (l/100 km) and CO<sub>2</sub> emissions (g/km) of new cars in advertising, in all marketing and promotional literature and in showrooms in a conspicuous, user-friendly and understandable format for consumers. The Committee also suggests that a binding code for advertising be introduced which outlaws false green claims and recommends the introduction of an environmental performance "green star" rating system taking into account all aspects of environmental performance.

**Promoting consumer demand:** The Committee supports the use of fiscal measures, and encourages Member States to introduce both purchase and circulation taxes on vehicles with above average emissions. With a view to preventing the fragmentation of the internal market, the Committee proposes the adoption of EU-wide definitions of CO<sub>2</sub> emission values, which can be used by Member States in setting emission-related tax incentives. Lastly, the Committee underlines its support for the CO<sub>2</sub>-based taxation of cars and alternative fuels so as to create the right incentives for consumers and industry.