

Basic information	
2007/2119(INI) INI - Own-initiative procedure Community strategy to reduce CO2 emissions from passenger cars and light-commercial vehicles Subject 3.40.03 Motor industry, cycle and motorcycle, commercial and agricultural vehicles 3.60.02 Oil industry, motor fuels 3.70.02 Atmospheric pollution, motor vehicle pollution	Procedure completed

Key players				
European Parliament	Committee responsible		Rapporteur	Appointed
	ENVI	Environment, Public Health and Food Safety	DAVIES Chris (ALDE)	06/03/2007
	Committee for opinion		Rapporteur for opinion	Appointed
	ECON	Economic and Monetary Affairs	The committee decided not to give an opinion.	
	ITRE	Industry, Research and Energy (Associated committee)	HARMS Rebecca (Verts /ALE)	12/04/2007
	IMCO	Internal Market and Consumer Protection	BULFON Wolfgang (PSE)	04/06/2007
	TRAN	Transport and Tourism	The committee decided not to give an opinion.	
Council of the European Union	Council configuration		Meetings	Date
	Environment		2812	2007-06-28
European Commission	Commission DG		Commissioner	
	Environment		DIMAS Stavros	

Key events			

Date	Event	Reference	Summary
07/02/2007	Non-legislative basic document published	COM(2007)0019 	Summary
06/06/2007	Committee referral announced in Parliament		
21/06/2007	Referral to associated committees announced in Parliament		
28/06/2007	Resolution/conclusions adopted by Council		
12/09/2007	Vote in committee		Summary
24/09/2007	Committee report tabled for plenary	A6-0343/2007	
22/10/2007	Debate in Parliament		
24/10/2007	Decision by Parliament	T6-0469/2007	Summary
24/10/2007	Results of vote in Parliament		
24/10/2007	End of procedure in Parliament		

Technical information	
Procedure reference	2007/2119(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Strategic initiative
Legal basis	Rules of Procedure EP 55
Stage reached in procedure	Procedure completed
Committee dossier	ENVI/6/46437

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Committee draft report		PE390.556	08/06/2007	
Committee opinion	ITRE	PE388.577	17/07/2007	
Amendments tabled in committee		PE392.150	17/07/2007	
Committee opinion	IMCO	PE390.568	18/07/2007	
Committee report tabled for plenary, single reading		A6-0343/2007	24/09/2007	
Text adopted by Parliament, single reading		T6-0469/2007	24/10/2007	Summary
European Commission				
Document type	Reference	Date	Summary	
Non-legislative basic document	COM(2007)0019 	07/02/2007	Summary	

Document attached to the procedure	SEC(2007)0060 	21/02/2007	
Document attached to the procedure	SEC(2007)0061 	21/02/2007	

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

2007/2119(INI) - 24/10/2007 - Text adopted by Parliament, single reading

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.

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

2007/2119(INI) - 07/02/2007 - Non-legislative basic document

PURPOSE: to present a Commission communication regarding the review of the Community Strategy to reduce CO₂ emissions from passenger cars and light-commercial vehicles.

CONTENT: this communication provides the basis for exchanges with other European Institutions and all interested parties on implementing a next stage in the Community strategy to reduce CO₂ emissions and improve fuel efficiency from light-duty vehicles **with a view to reaching the EU objective of 120 g CO₂/km by 2012**. On the basis of the conclusions drawn from these discussions, the Commission will propose if possible in 2007 and at the latest by mid 2008 a legislative framework to the Council and European Parliament in order to reach this objective.

The Commission points out that the voluntary commitments undertaken by the European, Japanese and Korean car manufacturers associations relate to a target of 140 g CO₂/km by 2008 or 2009. In view of growing concerns regarding the progress made by the industry under this voluntary approach, the Commission has repeatedly underlined its readiness to consider legislative measures.

Car usage has significant impacts on climate change, with about 12% of the overall EU emissions of carbon dioxide (CO₂), the main greenhouse gas, coming from the fuel consumed by passenger cars. Even though there have been significant improvements in vehicle technology – in particular in fuel efficiency which also means lower CO₂ emissions - this has not been enough to neutralise the effect of increased traffic and car size. While the EU as a whole has reduced its emissions of greenhouse gases (GHG) by just under 5% over the 1990-2004 period, **the CO₂ emissions from road transport have increased by 26%**. In the absence of effective action, the growth in emissions from passenger road transport will continue in the years to come.

A number of issues can be highlighted based on the experience gained in the implementation of the current strategy:

- emissions from the average new car sold reached 163 g CO₂/km in 2004, 12.4% below the 1995 starting point of 186 g CO₂/km. Over the same period, new cars sold in the EU have become significantly bigger and more powerful, while prices increased less than inflation.
- investigations on the impact of the limited measures adopted so far by Member States on the demand side have shown that improvements in car technology have delivered the bulk of the reductions.
- the progress achieved so far goes some way towards the 140 g CO₂/km target by 2008/2009, but in the absence of additional measures, **the EU objective of 120 g CO₂/km will not be met at a 2012 horizon**. As the voluntary agreement did not succeed, the Commission considers necessary to resort to a legislative approach and underlines that in addition to the proposed legislation urgent action should also be taken by the public authorities to keep the emission reductions on track, also towards 2008/2009, for instance through fiscal incentives and green public procurement.

The Commission goes on to discuss its proposed measures.

Supply oriented measures: the Commission will pursue its integrated approach with a view to reaching the EU objective of 120 g CO₂/km by 2012 and will propose a **legislative framework**, if possible in 2007 and at the latest by mid 2008, to achieve the EU objective of 120 g CO₂/km, focusing on mandatory reductions of the emissions of CO₂ to reach the objective of 130 g CO₂/km for the average new car fleet by means of improvements in vehicle motor technology, and a further reduction of 10 g CO₂/km, or equivalent if technically necessary, by other technological improvements and by an increased use of biofuels, specifically:

- setting minimum efficiency requirements for air-conditioning systems;
- the compulsory fitting of accurate tyre pressure monitoring systems;
- setting maximum tyre rolling resistance limits in the EU for tyres fitted on passenger cars and light commercial vehicles;

- the use of gear shift indicators, taking into account the extent to which such devices are used by consumers in real driving conditions;
- fuel efficiency progress in light-commercial vehicles (vans) with the objective of reaching 175 g/km CO₂ by 2012 and 160 g/km CO₂ by 2015;
- increased use of bio fuels maximizing environmental performance.

Demand/behaviour oriented measures: beyond the legislative framework, the Commission strategy should encourage additional efforts by other means of road transport (heavy duty vehicles, etc.), by the Member States (CO₂ related taxation and other fiscal incentives, use of public procurement, traffic management, infrastructure, etc.) and by the consumers (informed choice as a buyer, responsible driving behaviour). Car taxation is a powerful instrument to influence the purchase decisions of consumers. The Commission has made a proposal for a Council Directive on passenger car taxation (COM(2005)0261) and it urged Member States to adopt this proposal as soon as possible and to adapt their car taxation policies so as to promote the purchase of fuel efficient cars throughout the EU. Taxes differentiated over the whole range of cars on the market, so as to gradually induce a switch towards relatively less emitting cars, would be an efficient way to reduce compliance costs for manufacturers.

Fiscal incentives would also be a powerful way of encouraging the cleanest light-duty vehicle classes into the market. Such incentives should refer to a common EU definition applied across the Community, to avoid a fragmentation of the internal market, and cover all relevant emissions taking into account both air pollution and greenhouse gas emissions requirements. For this purpose, a Light-duty Environmentally Enhanced Vehicle (LEEV) should be defined as a vehicle that both meets the next stage of pollutant emission limit values as laid down in the relevant legislation, and stays below a certain level of CO₂ emissions. At present, this level should be the Community objective of 120 g CO₂/km.

On **consumer information**, the Commission will adopt in 2007 an amending proposal to improve the effectiveness of the fuel efficiency labelling directive 1999/94/EC. This proposal will aim at extending the scope of the labelling scheme to light-commercial vehicles (N1), harmonising the design of the label and at introducing energy efficiency classes in order to better raise consumer awareness at the time of car purchase. Attention will also be paid to the definition of the LEEV and to the possibility of indicating on the label annual running costs and vehicle tax levels as a function of CO₂ emissions and fuel consumption.

In addition to consumer information, the way in which cars are marketed may also need to be adapted, so as to focus less on the dynamic performances of vehicles. Car manufacturers are invited to sign up before mid 2007 to **a voluntary agreement on an EU wide code of good practice regarding car marketing and advertising** aimed at the promotion of sustainable consumption patterns.

The Commission supports eco-driving dissemination through various projects and it may consider the inclusion of eco-driving requirements in future revisions of the driving licence Directive. However, eco-driving is a downstream measure subject to high uncertainties regarding its actual CO₂ savings potential. Member States are nonetheless invited to further promote eco-driving as a means to raise awareness about climate change impacts of car use.

Lastly, with a view to analysing the possibility of setting more ambitious objectives beyond the current Community target of 120 g CO₂/km at a later stage, research and development will be further promoted towards the development and demonstration of advanced CO₂ reduction technologies. The Commission will support research efforts towards reaching the European Road Transport Research Advisory Council (ERTRAC) **research target of improvements in vehicle efficiency that will deliver as much as a 40% reduction in CO₂ emissions for passenger cars for the new vehicle fleet in 2020**". This would correspond to a new car fleet average of 95 g CO₂/km.