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NOTE

from: General Secretariat
to: Delegations

Subject: Current legislative proposals

- Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EC) No 443/2009 to define the modalities for reaching the 2020 target to reduce CO₂ emissions from new passenger cars
- Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 510/2011 to define the modalities for reaching the 2020 target to reduce CO₂ emissions from new light commercial vehicles

= Information from the Presidency

Delegations will find in Annex an information note from the Presidency on the above-mentioned subject, which will be dealt with under "other business" at the Council (Environment) meeting on 17 December 2012.

**Proposal for a Regulation of the European Parliament and of the Council amending
Regulation (EC) No 443/2009 to define the modalities for reaching the 2020 target to reduce
CO₂ emissions from new passenger cars**

and

**Proposal for a Regulation of the European Parliament and of the Council amending
Regulation (EU) No 510/2011 to define the modalities for reaching the 2020 target to reduce
CO₂ emissions from new light commercial vehicles**

- Information from the Presidency -

Background

On 11 July 2012, the Commission adopted a Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EC) No 443/2009 to define the modalities for reaching the 2020 target to reduce CO₂ emissions from new passenger cars, and a Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 510/2011 to define the modalities for reaching the 2020 target to reduce CO₂ emissions from new light commercial vehicles.

The objectives of the amendments were to implement the modalities of meeting the 95g CO₂/km target for new passenger cars and to confirm the feasibility of the average target of 147g CO₂/km and its modalities for new light commercial vehicles, both to be reached in 2020.

Modalities are aspects of the implementation which impact on how the emission target is achieved. Key modalities in both current Regulations include the limit value curve which is defined by the utility parameter and the function describing the relationship between the utility parameter and CO₂ emissions (setting the shape and slope). Other modalities include the excess emissions premium scheme, eco-innovations, derogations, pooling, the phasing-in of the targets and granting of super-credits for a limited period of time.

In both proposals, the mass of the vehicle remains the utility parameter; the limit value curve remains linear with a slope of 60 % (cars) and 100% (vans) compared to the baseline fleet, to avoid market distortion; manufacturers responsible for less than 500 registrations per year within the European Union are excluded from the obligation of having a CO₂ target; eco-innovations are retained even when a revised test procedure is implemented; the excess emissions premium is maintained at 95 EUR per g/km per vehicle; and, the Commission undertakes to review both Regulations by 31 December 2014, with a view to establish the CO₂ emissions reduction targets for the period beyond 2020. Specifically, in the proposal amending Regulation No 443/2009 on new passenger cars super-credits are introduced between 2020 and 2023 with a multiplier of 1.3 for cars emitting below 35g CO₂/km and limited to a cumulative figure of 20 000 vehicles per manufacturer over the duration of the scheme; the derogation for "niche" manufacturers is updated for 2020; finally, the Committee procedure provisions are updated to be compatible with the Lisbon Treaty.

State of play

Within the European Parliament, the Committee responsible for both proposals is the Environment, Public Health and Food Safety Committee (ENVI). Mr Thomas Ulmer MEP (EPP) has been appointed Rapporteur for the proposal on new passenger cars; the Committee vote is expected on 24-25 April 2013. Mr Holger Krahmer MEP (ALDE) has been appointed Rapporteur for the proposal on light commercial vehicles; the Committee vote is expected on 6-7 May 2013.

Initially, the Working Party on the Environment (WPE) examined the proposal and its accompanying Impact Assessment on 27 July, 20 September and 17 October.

On 7 November, the Presidency presented a slightly adjusted text, following discussions at the previous WPE meetings, comments received from delegations and preliminary suggestions by the Directorate on the Quality of Legislation. These clarifications concerned mainly the super-credits, the broader considerations to be taken into account at the time of the review and the limitation of delegations to the Commission.

The WPE considered the Presidency adjusted text at its meeting on 9 November.

In general, delegations welcomed the two proposals by the Commission.

All delegations recognised the importance of a long term target for the automobile industry. However, differing views were expressed on the way this long term target is to be integrated in the revised legislation. A number of delegations would like to see already a specific target included or, at least, a specific timetable that would lead to its inclusion, which should be part of the review clause. From these delegations, some could favour, as a minimum, the inclusion of an intermediate target for 2025. However, a number of delegations consider such inclusion premature at this stage, some of them even raising questions on the feasibility of the review for the date set in the proposal (2014).

Concerning the proposal on the light commercial vehicles, a number of delegations expressed a wish to revisit the current target for 2020 and render it more ambitious. A number of delegations, however, consider it would be untimely to perform such adjustment, given the brief period of time that has elapsed from the adoption of Regulation No 510/2011 and the need to ensure legal certainty for the industry.

Relating to the slope, a number of delegations questioned the Commission's methodology for arriving at a new value for the angular coefficient "a" and the related apparent modification in the "burden-sharing" arrangements agreed during the negotiation of the basic legislation. It has to be noted that the main concerns of delegations relate to the proposal on new passenger cars. However, a few delegations have also expressed concerns relating to the proposal on light commercial vehicles.

Super-credits have also been a subject of discussion and differing views. A few delegations would see the super-credits discontinued beyond 2020; however, a number of delegations have highlighted an apparent gap in the super-credits regime for the years 2016-2020 and favoured the introduction of super-credits also for that period; some delegations can accept the Commission proposal as it stands.

Two delegations have expressed a wish to have footprint introduced as the utility parameter, or - as a minimum - to have the utility parameter appear as one of the elements to be taken into account during the next review of the Regulations.

A number of delegations have expressed general concerns on the possible link between adjusting the CO₂ emissions reduction targets and the new regulatory test cycle, expected to be introduced by 2014.

Finally, some delegations have raised scrutiny reservations on the new provisions on delegated and implementing acts in the proposal for new passenger cars.

It has to be noted that, to this date, some delegations are still scrutinising the proposals.
