



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 17 January 2014

5212/14

**Interinstitutional File:
2012/0191 (COD)**

**CODEC 55
ENV 21
ENT 7
PE 5**

INFORMATION NOTE

from:	General Secretariat of the Council
to:	Permanent Representatives Committee/Council
Subject:	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 CO ₂ emissions from new light commercial vehicles – Outcome of the European Parliament's first reading (Strasbourg, 13 to 16 January 2014)

I. INTRODUCTION

The Committee on the Environment, Public Health and Food Safety submitted 24 amendments to the proposal for a Regulation (amendments 1 - 24).

In accordance with the provisions of Article 294 of the TFEU and the joint declaration on practical arrangements for the codecision procedure ¹, a number of informal contacts took place between the Council, the European Parliament and the Commission with a view to reaching an agreement on this dossier at first reading, thereby avoiding the need for second reading and conciliation.

¹ OJ C 145, 30.6.2007, p.5

In this context, the Committee tabled a further, compromise, amendment (amendment 25). This amendment had been agreed during the informal contacts referred to above. It was intended to supersede - rather than to complement - the 24 amendments already submitted by the Committee.

II. VOTE

When it voted on 14 January 2014, the plenary adopted the compromise amendment (amendment 25) to the proposal for a Regulation. The Commission's proposal as thus amended constitutes the Parliament's first-reading position which is contained in its legislative resolution as set out in the Annex hereto ¹.

The Parliament's position reflects what had been previously agreed between the institutions. The Council should therefore be in a position to approve the Parliament's position.

The act would then be adopted in the wording which corresponds to the Parliament's position.

¹ The version of the Parliament's position in the legislative resolution has been marked up to indicate the changes made by the amendments to the Commission's proposal. Additions to the Commission's text are highlighted in *bold and italics*. The symbol "■" indicates deleted text.

CO₂ emissions from new light commercial vehicles *I**

European Parliament legislative resolution of 14 January 2014 on the 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 (COM(2012)0394 – C7-0185/2012 – 2012/0191(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2012)0394),
 - having regard to Article 294(2) and Article 192(1) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C7-0185/2012),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to the opinion of the European Economic and Social Committee of 12 December 2012¹,
 - after consulting the Committee of the Regions,
 - having regard to the undertaking given by the Council representative by letter of 4 October 2013 to approve Parliament's position, in accordance with Article 294(4) of the Treaty on the Functioning of the European Union,
 - having regard to Rule 55 of its Rules of Procedure,
 - having regard to the report of the Committee on the Environment, Public Health and Food Safety and the opinions of the Committee on Industry, Research and Energy and the Committee on Transport and Tourism (A7-0168/2013),
1. Adopts its position at first reading hereinafter set out;
 2. Calls on the Commission to refer the matter to Parliament again if it intends to amend its proposal substantially or replace it with another text;
 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

¹ OJ C 44, 15.2.2013, p. 109.

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Position of the European Parliament adopted at first reading on 14 January 2014 with a view to the adoption of Regulation (EU) No .../2014 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

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 192(1) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee¹,

After consulting the Committee of the Regions,

Acting in accordance with the ordinary legislative procedure²,

¹ OJ C 44, 15.2.2013, p. 109.

² Position of the European Parliament of 14 January 2014.

Whereas:

- (1) Pursuant to Article 13(1) of Regulation (EU) No 510/2011 of the European Parliament and of the Council¹ the Commission is, subject to confirmation of its feasibility, to review the modalities of achieving the 147 g CO₂/km target by 2020, including the formulae set out in Annex I to that Regulation and the derogations provided for in Article 11 thereof. It is appropriate that this Regulation be as neutral as possible from the point of view of competition, socially equitable and sustainable.
- (2) *In view of the link between CO₂ emissions and fuel consumption, defining modalities for reducing CO₂ emissions from light commercial vehicles could also contribute to reducing fuel consumption and related costs for owners of such vehicles in a cost-effective manner.*
- (3) It is appropriate to clarify that, for the purpose of verifying compliance with the target of 147 g CO₂/km, CO₂ emissions should continue to be measured in accordance with Regulation (EC) No 715/2007 of the European Parliament and of the Council² and its implementing measures, and innovative technologies.

¹ *Regulation (EU) No 510/2011 of the European Parliament and of the Council of 11 May 2011 setting emission performance standards for new light commercial vehicles as part of the Union's integrated approach to reduce CO₂ emissions from light-duty vehicles (OJ L 145, 31.5.2011, p. 1).*

² *Regulation (EC) No 715/2007 of the European Parliament and of the Council of 20 June 2007 on type approval of motor vehicles with respect to emissions from light passenger and commercial vehicles (Euro 5 and Euro 6) and on access to vehicle repair and maintenance information (OJ L 171, 29.6.2007, p.1).*

- (4) According to the technical analysis carried out for the impact assessment, the technologies needed to meet the target of 147 g CO₂/km are available and the required reductions can be achieved at a lower cost than estimated in the previous technical analysis carried out *prior* to the adoption of Regulation (EU) No 510/2011. In addition, the distance between the current average specific emissions of CO₂ from new light commercial vehicles and the target of 147 g CO₂/km has also decreased. Therefore, the feasibility of reaching that target by 2020 has been confirmed.
- (5) In recognition of the disproportionate impact on the smallest manufacturers resulting from compliance with the specific emissions targets defined on the basis of the utility of the vehicle, the high administrative burden of the derogation procedure, and the marginal resulting benefit in terms of CO₂ emissions reduction from the vehicles sold by those manufacturers, manufacturers responsible for fewer than **1 000** new light commercial vehicles *registered in the Union* annually should be excluded from the scope of the specific emissions target and the excess emissions premium.
- (6) The procedure for granting a derogation to small-volume manufacturers *should* be simplified to allow for more flexibility in terms of when an application for a derogation is to be submitted by such manufacturers and when the Commission is to grant such a derogation.

- (7) To enable the automotive industry to engage in long-term investment and innovation, it is desirable to provide indications as to how Regulation (EU) No 510/2011 should be amended for the period beyond 2020. Those indications should be based on an assessment of the necessary rate of reduction in line with the Union's long-term climate goals and the implications for the development of cost effective CO₂-reducing technology for light commercial vehicles. *The Commission should, by 2015, review such aspects and submit a report to the European Parliament and to the Council on its findings. That report should include, where appropriate, proposals for amending Regulation (EU) No 510/2011 in relation to establishing CO₂ emission targets for new light commercial vehicles beyond 2020, including the possible setting of a realistic and achievable target for 2025, based on a comprehensive impact assessment that would consider the continued competitiveness of the industry and its dependent industries, while pursuing a clear emissions reduction trajectory in line with the Union's long-term climate goals. When developing such proposals, the Commission should ensure they are as neutral as possible from the point of view of competition and are socially equitable and sustainable.*
- (8) *Greenhouse gas emissions related to energy supply and vehicle manufacturing and disposal are significant components of the current overall road transport carbon footprint and are likely to significantly increase in importance in the future. Policy action should therefore be taken to guide manufacturers towards optimal solutions taking account of, in particular, greenhouse gas emissions associated with the generation of energy supplied to vehicles such as electricity and alternative fuels and to ensure that those upstream emissions do not erode the benefits related to the improved operational energy use of vehicles aimed for under Regulation (EU) No 510/2011.*

- (9) Pursuant to Article 13(3) of Regulation (EU) No 510/2011, the Commission is required to publish a report on the availability of data on footprint and payload and their use as utility parameters for determining specific CO₂ emissions targets as expressed by the formulae set out in Annex I to Regulation (EU) No 510/2011. Although those data are available and their potential use has been assessed in the impact assessment, it has been concluded that it is more cost-effective to retain mass in running order as the utility parameter for the 2020 target for light commercial vehicles.
- (10) It is appropriate to retain the approach of setting the target based on a linear relationship between the utility of the light commercial vehicle and its target CO₂ emissions as expressed by the formulae set out in Annex I to Regulation (EU) No 510/2011, since this allows the diversity of the light commercial vehicle market, and the ability of manufacturers to address different consumer needs, to be maintained, thus avoiding any unjustified distortion of competition. It is however appropriate to update that approach to reflect the latest available data on registrations of new light commercial vehicles.
- (11) In its impact assessment, the Commission assessed the availability of footprint data and the use of footprint as the utility parameter in the formulae set out in Annex I to Regulation (EU) No 510/2011. On the basis of that assessment, the Commission has concluded that the utility parameter used in the formula for 2020 should be mass.

- (12) Under Regulation (EC) No 443/2009 of the European Parliament and of the Council¹ the Commission is required to carry out an impact assessment in order to review the test procedures with a view to reflecting adequately the real CO₂ emissions behaviour of cars. **Regulation (EU) No 510/2011 extends the review of the test procedures to include light commercial vehicles. There is a need to amend the currently used "New European Driving Cycle" (NEDC), to ensure its representativeness regarding real driving conditions and to avoid the underestimation of real CO₂ emissions and fuel consumption. A new, more realistic and reliable test procedure should be agreed as soon as feasible. Work in this direction** is proceeding through the development of a World Light Duty Test procedure (WLTP) in the framework of the United Nations Economic Commission for Europe but has not yet been completed. **In order to ensure that specific CO₂ emissions quoted for new passenger cars and new light commercial vehicles are brought more closely into line with the emissions actually generated during normal conditions of use, the WLTP should be applied at the earliest opportunity.** In view of that context, Annex I to Regulation (EU) No 510/2011 establishes emission limits for 2020 as measured in accordance with Regulation (EC) No 715/2007 and Annex XII to Commission Regulation (EC) No 692/2008². When the test procedures are amended, the limits set in Annex I to **Regulation (EU) No 510/2011** should be adjusted to ensure comparable stringency for manufacturers and classes of vehicles. **Accordingly, the Commission should carry out a robust correlation study between the NEDC and the new WLTP test cycles to ensure its representativeness regarding real driving conditions.**

¹ Regulation (EC) No 443/2009 of the European Parliament and of the Council of 23 April 2009 setting emission performance standards for new passenger cars as part of the Community's integrated approach to reduce CO₂ emissions from light-duty vehicles (OJ L 140, 5.6.2009, p. 1).

² Commission Regulation (EC) No 692/2008 of 18 July 2008 implementing and amending Regulation (EC) No 715/2007 of the European Parliament and of the Council on type-approval of motor vehicles with respect to emissions from light passenger and commercial vehicles (Euro 5 and Euro 6) and on access to vehicle repair and maintenance information (OJ L 199, 28.7.2008, p. 1).

- (13) *With a view to ensuring that real world emissions are adequately reflected, and measured CO₂ values are strictly comparable, the Commission should ensure that those elements in the testing procedure that have a significant influence on measured CO₂ emissions are strictly defined in order to prevent the utilisation of test cycle flexibilities by manufacturers. The deviations between type approval CO₂ emission values and emissions derived from vehicles offered for sale should be addressed, including by considering an in-service conformity test procedure that should ensure independent testing of a representative sample of vehicles for sale, as well as ways of addressing cases of demonstrated substantial divergence between survey and initial type approval CO₂ emissions.*
- (14) *Since the objective of this Regulation, namely to define the modalities for reaching the 2020 target to reduce CO₂ emissions from new light commercial vehicles, cannot be sufficiently achieved by the Member States but can rather, by reason of its scale and effects, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective.*
- (15) Regulation (EU) No 510/2011 should therefore be amended accordingly,

HAVE ADOPTED THIS REGULATION:

Article 1

Regulation (EU) No 510/2011 is amended as follows:

- (1) in Article 1, paragraph 2 is replaced by the following:

‘2. From 2020, this Regulation sets a target of 147 g CO₂/km for the average emissions of new light commercial vehicles registered in the Union, as measured in accordance with Regulation (EC) No 715/2007 and its implementing measures, and innovative technologies.’.
- (2) In Article 2, the following paragraph is added:

‘4. Article 4, Article 8(4)(b) and (c), Article 9 and Article 10(1)(a) and (c) shall not apply to a manufacturer which, together with all of its connected undertakings, is responsible for fewer than **1•000** new light commercial vehicles registered in the Union in the previous calendar year.’.
- (3) In Article 11(3), the last sentence is deleted.

(4) *Article 12 is amended as follows:*

(a) *paragraph 1 is replaced by the following:*

‘1. Upon application by a supplier or a manufacturer, CO₂ savings achieved through the use of innovative technologies or a combination of innovative technologies ("innovative technology packages") shall be considered.

The total contribution of those technologies to reducing the specific emissions target of a manufacturer may be up to 7 g CO₂/km.’;

(b) *in paragraph 2, the introductory part is replaced by the following:*

‘2. The Commission shall adopt by means of implementing acts detailed provisions for a procedure to approve the innovative technologies or innovative technology packages referred to in paragraph 1, by 31 December 2012. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 14(2) of this Regulation. Those detailed provisions shall be in accordance with the provisions established under Article 12(2) of Regulation (EC) No 443/2009, and be based on the following criteria for innovative technologies.’

(5) Article 13 is amended as follows:

(a) paragraph 1 is replaced by the following:

‘By 31 December 2015, the Commission shall review the specific emissions targets and the modalities set out herein, as well as the other aspects of this Regulation in order to establish the CO₂ emissions targets for new light commercial vehicles for the period beyond 2020. In that regard, the assessment of the necessary rate of reduction shall be in line with the Union's long-term climate goals and the implications for the development of cost effective CO₂-reducing technology for light commercial vehicles. The Commission shall submit a report to the European Parliament and to the Council with the result of that review. That report shall include any appropriate proposals for amending this Regulation, including the possible setting of a realistic and achievable target, based on a comprehensive impact assessment that will consider the continued competitiveness of the light commercial vehicle industry and its dependent industries. When developing such proposals, the Commission shall ensure they are as neutral as possible from the point of view of competition and are socially equitable and sustainable.’;

(b) paragraph 6 is amended as follows:

- (i) the second subparagraph is deleted;
- (ii) the *fourth* subparagraph is replaced by the following two subparagraphs:

‘The Commission shall, by means of implementing acts, determine the correlation parameters necessary in order to reflect any change in the regulatory test procedure for the measurement of specific CO₂ emissions referred to in Regulation (EC) No 715/2007 and Commission Regulation (EC) No 692/2008. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 14(2) of this Regulation.*

The Commission shall be empowered to adopt delegated acts in accordance with Article 15 and subject to the conditions laid down in Articles 16 and 17 in order to adapt the formulae set out in Annex I, using the methodology adopted pursuant to the first subparagraph, while ensuring that reduction requirements of comparable stringency for manufacturers and vehicles of different utility are required under the old and new test procedures.

* Commission Regulation (EC) No 692/2008 of 18 July 2008 implementing and amending Regulation (EC) No 715/2007 of the European Parliament and of the Council on type-approval of motor vehicles with respect to emissions from light passenger and commercial vehicles (Euro 5 and Euro 6) and on access to vehicle repair and maintenance information (OJ L 199, 28.7.2008, p. 1).’.

(6) *In Article 14, the following paragraph is added:*

‘2a. Where the Committee referred to in paragraph 1 delivers no opinion, the Commission shall not adopt the draft implementing act and the third subparagraph of Article 5(4) of Regulation (EU) No 182/2011 shall apply.’.

(7) In point 1 of Annex I, the following point is added:

‘(c) from 2020:

Indicative specific emissions of CO₂ = 147 + a × (M – M₀)

where:

M = mass of the vehicle in kilograms (kg)

M₀ = the value adopted pursuant to Article 13(5)

a = 0,096.’.

Article 2

This Regulation shall enter into force on the third day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at ...

For the European Parliament

For the Council

The President

The President
