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(Resolutions, recommendations and opinions)

EUROPEAN PARLIAMENT

TEXTS ADOPTED

CARS 21: A Competitive Automotive Regulatory Framework

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(2009/C 41 E/01)

The European Parliament,


— having regard to the Presidency Conclusions of the Competitiveness Council of 21 and 22 May 2007,

— having regard to the final report of the High Level Group entitled ‘CARS 21 — A Competitive Automotive Regulatory System for the 21st century',

— having regard to Rule 45 of its Rules of Procedure,

— having regard to the report of the Committee on Industry, Research and Energy and the opinions of the Committee on International Trade, the Committee on Economic and Monetary Affairs, the Committee on Employment and Social Affairs, the Committee on Environment, Public Health and Food Safety, the Committee on the Internal Market and Consumer Protection, the Committee on Transport and Tourism and the Committee on Legal Affairs (A6-0494/2007),

A. whereas the Commission has responded to the report of the CARS 21 High Level Group, a group which brought together all stakeholders in order to examine the main policy areas having an effect on the automotive industry in the European Union and to make recommendations for a future regulatory framework,

B. whereas the EU's automotive industry is one of its most important economic sectors, producing 19 million vehicles yearly and providing 2.3 million jobs directly and a further 10 million in ancillary sectors,
C. whereas the multi-brand market in vehicle spare parts, and the markets for servicing and repairing vehicles, play a vital role in providing affordable mobility, in improving the consumer choices of the EU's 270 million drivers in the after-sale care of their vehicles, in keeping the vehicles on Europe's roads safe and clean and, lastly, by employing 3.5 million people in small and medium-sized enterprises (SMEs), in maintaining a sound SME landscape in Europe,

D. whereas the Commission is promoting an integrated strategy to ensure that companies in the EU continue to be competitive within a growing global environment, and whereas that strategy is laid out in its Communication entitled 'Global Europe: Competing in the World — A Contribution to the EU's Growth and Jobs Strategy' (COM(2006)0567), in its working document entitled 'Global Europe: A stronger Partnership to deliver market access for European Exporters — Impact Assessment' (SEC(2007)0452) and in its Communication entitled 'Global Europe: Europe's trade defence instruments in a changing global economy — A Green Paper for public consultation' (COM(2006)0763),

E. whereas the strategy set out in those documents is currently being implemented in negotiations relating to several bilateral and regional free trade agreements,

F. whereas the automotive industry differs significantly from one Member State to the next in terms of strategies, structures and global outreach, and whereas those differences must be taken fully into consideration in developing a new and more globally oriented trade strategy,

G. whereas in 2006 the automotive industry in the EU exported about 20% of the motor vehicles produced by it and in 2004 exports of motor vehicles and of parts and accessories for motor vehicles accounted for 8.7% and 2.8% respectively of the EU’s industrial exports, an indication of how particularly sensitive to export conditions the automotive industry is, and whereas in 2004 the extra-EU trade surplus in respect of transport equipment was valued at EUR 60.2 billion; whereas the EU's global pre-eminence is due, in particular, to the fact that it is the world's largest producer of cars and the second largest producer of lorries, and also to the size and degree of consolidation of the internal market, the growing internationalisation of the motor vehicle sector, the reputation of European brands and the quality of European services, the strong export position which European manufacturers have managed to achieve and their substantial presence on markets with high growth potential,

1. Welcomes the final report of the CARS 21 High Level Group and the Commission’s Communication outlining the direction of future automotive policy;

2. Hopes that the parliaments of the Member States and their regions will wish to be associated with the outcome of the CARS 21 process; suggests that an inter-parliamentary network for the purpose of considering automotive issues, coordinated by Parliament, would bring real benefits in terms of road safety, environmental protection, innovation and competitiveness;

Completing the internal market for cars

3. Calls upon Member State authorities to work closely with the Commission in implementing the CARS 21 recommendations; notes, 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;

4. Emphasises the need to perfect the EU system for type-approval, covering all motor vehicles;

5. Confirms its support for an effective type-approval process, as pointed out in its position adopted at second reading on 10 May 2007 with a view to the adoption of a directive of the European Parliament and of the Council establishing a framework for the approval of motor vehicles and their trailers, and of systems, components and separate technical units intended for such vehicles (1);

6. Calls on the Commission to report annually to Parliament on the operation of type-approval procedures and on its monitoring of the comitology process;

7. Calls on the Commission to ensure the proper implementation of its Regulation (EC) No 1400/2002 of 31 July 2002 ('the Block Exemption Regulation) with regard to motor vehicle distribution throughout the EU; further believes that when that Regulation is reviewed, the Commission's Directorate-General for Competition should regard itself as being part of the integrated approach to legislation in the sector;

8. Proposes that, in order to boost the competitiveness of the motor vehicle industry in the European Union, the review of the Block Exemption Regulation should be tied to the mid-term review of CARS 21, thus facilitating cooperation between sector operators, preventing State aid from being misappropriated and promoting competition policy at international level;

9. Calls on the Commission to propose measures guaranteeing a registration procedure which will allow easier cross-border sales, especially for used cars; endorses the Commission's views on procedures for the registration of motor vehicles ('the registration procedure') and the problems that some national rules present for the functioning of the internal market; notes the impact of these national rules on economic sectors such as vehicle leasing and rental; calls on the Member States to implement the necessary changes to their rules as soon as possible;

A competitive automotive after-market

10. Draws attention to recently enacted legislative provisions concerning after-market parts that affect safety and environmental performance, and notes that the implementation of those provisions will establish a single market in such parts;

11. Welcomes the insertion of provisions in Regulation (EC) No 715/2007 of the European Parliament and 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 information ('the provisions') and in Regulation (EC) No 1400/2002, requiring unrestricted access to appropriate technical repair information, and invites the Commission to continue its efforts to enforce throughout the Community the provisions of competition law that apply to the motor vehicle sector;

12. Calls upon the Commission 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 and in any successor legislation to Regulation (EC) No 1400/2002, which will expire on 31 May 2010;

13. Notes the importance to consumers of in-service reliability and durability information based on comprehensive consumer surveys; notes that public authorities could facilitate these surveys by allowing registration authorities to provide contact details of vehicle owners who agree to participate in them;

14. Urges the Commission to properly address the issue of the 'open reparability' of vehicles in all new legislative initiatives, involving all relevant Directorates-General, in order to ensure consumer choice and competition in the after-sales market; believes that this should also be applied in the forthcoming measures relating to the promotion of new vehicle information and communication technologies and intelligent transport systems;

15. Urges 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;

16. Calls on the Commission to step up its efforts to combat the import of counterfeit spare parts;

Better lawmaking and internationalising the regulatory environment

17. Stresses the importance of cutting unnecessary red tape, including the duplication of regulations due to the existence of international conventions;

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18. Emphasises the crucial role played by the better regulation principles (i.e. proper impact assessment, the cost-effectiveness principle, appropriate lead-times, etc.) in creating a competitive regulatory framework for the automotive industry, as endorsed in the CARS 21 process; recalls that the regulatory roadmap is an integral part of the final CARS 21 report and should be respected;

19. Recognises that better designed, transparent rules that are in line with current social and environmental needs, applied without exceptions and integrated into the international automotive regulatory environment can contribute to greater competitiveness and fair competition in the industry;

20. Believes that strategic standardisation is an essential driver of competitiveness; therefore requests the Commission to work on having European standards recognised throughout the world;

21. Welcomes the Commission’s plan to replace 38 Community directives with existing UN/ECE Regulations, as well as to introduce the possibility of self- or virtual testing, and calls upon the Commission to continue the process of legislative simplification; insists that its support for these proposals is conditional on it being clearly understood that Parliament reserves the right to call for legislation independently from the UN/ECE system where it believes that this is required to meet EU obligations;

22. Welcomes the Commission’s proposal to submit an annual paper to Parliament on the progress being made at the UN/ECE and in the comitology process;

23. Welcomes the Commission’s wish to introduce a revision and review mechanism, given the technology and development-intensive nature of the motor vehicle industry; also considers, however, that greater use should be made of ‘sunset clauses’ in legislation, so as to ensure that legislation does not hinder or counteract the technological advances that research and development (R&D) and market forces are constantly bringing about;

24. Calls on the Commission to begin the process of simplifying Directives 74/297/EEC (1), 76/115/EEC (2) and 78/932/EEC (3) as well as UN/ECE Regulation No 122 as soon as possible;

**Adopting environmental standards for the 21st century**

25. Notes that Community law regulates a market in which between 17 and 18 million vehicles are sold every year, which is equivalent to the passenger car market in the United States; expects that an ambitious emissions reduction policy will have a positive influence worldwide in terms of reducing transport emissions;

26. Believes that individual mobility and the automotive sector should be considered in the wider context of sustainable mobility; believes that mobility and environmental protection are not necessarily mutually exclusive and that future car technology will have to contribute to reconciling the two; indeed, believes that the challenge of climate change in particular presents opportunities for technological advances and innovation;

27. Is conscious of the importance of vehicles for the mobility of elderly people, especially in the countryside, and of disabled people;

28. Calls on the Commission to create an environment that ensures that road transport is environmentally sustainable, that is favourable to the flexibility of production systems and that raises the skill levels of the EU’s workforce;

29. Believes that pollutant emissions standards have been truly successful and have already led to very clean passenger cars; stresses the importance of achieving this same success with heavy-duty vehicles; believes that the benefits of EU environmental regulation in the automotive sector could spread well beyond the EU market;

30. Welcomes the rapid introduction of the Euro-5 and Euro-6 standards for the reduction of emissions of pollutants from private cars;


31. Considers that improved air quality can be achieved only by a speedier renewal of the automobile fleet, in addition to the introduction of less polluting vehicles; considers that financial measures need to be put in place to induce consumers to replace their old cars with less polluting vehicles;


33. In the context of Community legislation, calls 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

35. Welcomes the Commission’s plans to reduce the CO₂ emissions of passenger cars; believes an integrated approach, taking into account all possibilities to reduce CO₂ emissions, such as infrastructure, driver behaviour, a system of incentives for people to use cleaner cars, bio-fuels and vehicle technology, to be the most appropriate; encourages the Commission to consider developing a common framework for a coordinated application of technology-neutral and possibly harmonised CO₂-related fiscal incentives that have a significant CO₂ reduction potential, while avoiding distortions of competition; urges 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;

36. Urges the Commission to set ambitious but realistic targets, taking into account the real situation in the EU market, where the fleet renewal rate is currently below 10% per annum; therefore emphasises the fact that the affordability of new cars plays a crucial role in achieving the Community target; stresses that the more ambitious the mandatory targets for CO₂ emissions are, the more time should be granted to the automotive industry to adapt;

37. Reminds the Commission that the development of new types of passenger cars takes between five and seven years; believes that mandatory targets should allow sufficient time for the automotive industry to react; therefore requests the Commission not to set any final mandatory targets for CO₂ emissions for any date before 2015;

38. Believes that an average target of 125g/km of CO₂ emissions for new passenger cars for 2015 should be achievable; stresses that the Commission should work on more ambitious long-term reduction targets for CO₂ emissions in the automotive sector; considers it crucial in this connection that the target values should be graduated according to the weight of the vehicle;

39. Notes the Commission’s plan to set a binding agrofuels target and calls on the Commission to develop a mandatory, comprehensive certification scheme, applicable to agrofuels placed on the EU market; believes that 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;

40. Notes that, in order to achieve the aim of increasing the use of bio-fuels and hydrogen to maximise environmental performance, it is vital to promote the necessary local networks to enable citizens to obtain supplies;

41. Takes the view that measures to reduce CO₂ emissions should place greater emphasis on raising driver awareness of economical driving techniques and of how best to make use of new technologies;

(2) OJ L 269, 21.10.2000, p. 34.
42. Believes that increasing consumer awareness through better labelling of fuel efficiency and better data on polluting emissions will contribute to achieving CO\textsubscript{2} reductions; therefore calls for a revision of Directive 1999/94/EC of the European Parliament and of the Council of 13 December 1999 relating to the availability of consumer information on fuel economy and CO\textsubscript{2} emissions in respect of the marketing of new passenger cars (\textsuperscript{1}), taking into account best practices currently achieved;

43. Recalls that the reduction of CO\textsubscript{2} emissions from cars can most easily be achieved by restructuring public transport systems;

44. Recognises the leading role played by the Fédération Internationale de l’Automobile (FIA) at the forefront of innovative environmental technology changes that offer potential CO\textsubscript{2} reductions and energy-efficiency spin-offs for all new cars;

45. Urges the FIA to further intensify its efforts to promote innovative road-relevant research designed, \textit{inter alia}, to improve the energy efficiency of cars;

46. Recognises the role motor sport can play in changing attitudes and customer behaviour towards environmentally friendly technology; therefore asks the FIA and others involved in Formula 1 motor racing to change their rules accordingly, so that environmentally friendly technologies such as bio-fuels, four-cylinder engines and hybrid power units can be more easily applied;

47. Calls for a study to be drawn up for the purpose of recording the additional non-technical measures which have been implemented in order to reduce CO\textsubscript{2} in the EU;

\textit{Making road transport even safer}

48. Welcomes the Commission's efforts to reduce road transport casualties, including important new technologies; urges the Commission to ensure that any vehicle safety equipment requirements be introduced in accordance with the better regulation principles agreed by the CARS 21 High-Level Group; stresses the need for an integrated approach incorporating vehicle technology improvements, infrastructure measures and education, information and enforcement to achieve the road safety objectives in a cost-effective way;

49. Acknowledges the catalytic role of the premium market in which new technologies are generally first introduced; points out, however, that additional security systems might further increase the weight of passenger cars, thus leading to increased CO\textsubscript{2} emissions;

50. Is concerned at the negative impact on road safety resulting from increases in the speed of vehicles; in this connection, recommends the implementation of recommendations of the Study for Future Options for Roadworthiness Enforcement in the European Union published by the International Motor Vehicle Inspection Committee (CITA) in 2007; recommends support for a campaign for 'safe tuning' and moves to phase in electronic stability control systems (ESC) as standard equipment as quickly as possible;

51. Calls on the Commission to 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;

52. Calls on the Commission to carry out the announced 2007-2009 assessment of the environment required for measures to reduce the number of road accident victims;

53. Requests the Commission to develop a system allowing car manufacturers without penalty to produce vehicles that emit extra CO\textsubscript{2} if these additional emissions result from legally binding safety measures taken at Community level;

54. Does not believe that daytime running lights should be obligatory throughout the EU;

\textsuperscript{1} OJ L 12, 18.1.2000, p. 16.
55. Calls on the Commission to improve as a matter of priority 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;

**Bringing fair play to automotive trade relations**

56. Submits that the EU automotive industry is one of the most competitive industries in the world; believes however that unfair competition and the infringement of intellectual property rights threaten this position;

57. Stresses the importance of the WTO for the automotive industry in an increasingly global trading environment; considers it highly important that the current negotiations in the Doha Development Round make third-country markets as accessible as possible for automobile manufacturers, especially potentially large, emerging third-country markets;

58. Stresses the importance of the WTO dispute settlement mechanism in resolving problems relating to exports to third countries; recalls the positive outcome of the disputes brought before the WTO in the cases of Canada, India and Indonesia;

59. Calls for caution in the Commission’s efforts to revise trade defence instruments in principle; recalls that the automotive industry may be subject to anti-competitive practices by third countries and urges the Commission to safeguard the basic philosophy of trade defence instruments in defending EU industry from unfair practices;

60. Recalls that the successful conclusion of multilateral trade negotiations should remain a priority for the EU; nevertheless, supports the Commission’s will to negotiate new bilateral trade agreements, primarily in Asia, in order to improve market access conditions; stresses that free trade agreements (FTAs) should always aim at a high level of access to the market of the partner country; insists that EU policy must safeguard the competitiveness of EU automobile manufacturers operating in the EU and in non-EU countries; is convinced of the importance for the automotive industry of concluding bilateral agreements between the EU and ASEAN, India and Mercosur;

61. Urges the Commission, in the framework of the current EU-Korea FTA negotiations, to make sure that Korea abolishes all existing tariff and non-tariff barriers and does not create new ones, and that it will implement more UN/ECE regulations; requests that the Commission consider 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;

62. Reiterates that Korea has signed and ratified the 1958 UN/ECE Agreement and has thus committed itself to implementing the UN/ECE regulations; urges the Commission to stress this during future negotiations and to insist on rapid implementation; notes that an FTA should in any case clearly require Korea to permit cars imported from the EU that meet UN/ECE standards to be placed on the Korean market;

63. Calls on the Commission to evaluate the possibility of setting up an Autos Working Group and a special expedited dispute settlement procedure in relation to automobile-related measures, as was introduced in the US-Korea FTA;

64. Emphasises the importance of a close partnership with China in the development of a regulatory framework offering a level playing-field; states that effective protection of intellectual property rights is a precondition for such a partnership;

65. Welcomes 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 argues is inconsistent with several articles of different WTO agreements;
66. Supports the Commission's efforts in matters relating to the Chinese regulatory environment aimed at ensuring that EU industries operating in this market enjoy fair regulations and legal certainty;

67. Points to the EU tyre industry as an important contributor to a successful European automotive sector; therefore calls on the Commission to examine closely the issue of unjustified technical trade barriers, such as local technical regulations, which the tyre industry is facing in key Asian emerging markets;

R&D in the automotive sector

68. Is encouraged by what has already been achieved with the help of Community R&D funding and cooperation under programmes such as the Seventh Framework Programme for research, technological development and demonstration activities, the Competitiveness and Innovation Framework programme and i2010; encourages the Commission to gear the work programmes more specifically towards the needs of the automotive sector arising from future legislation or mandatory targets;

69. Calls on the Commission 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;

70. Urges the Member States to make any increase in future R&D funding for the automotive sector conditional on the binding nature of the CO₂ emission targets;

71. Emphasises the importance of a shift in car use in cities; considers that, along with more fuel-efficient cars, the introduction of electric city cars is essential; therefore calls for support for R&D in respect of the necessary technologies;

72. Calls on all the Member States and the EU institutions to give all necessary support to R&D in respect of breakthrough technologies, such as hydrogen motors, fuel cells or hybrids;

73. Stresses the potential that information and communication technologies (ICT) offer for avoiding adverse effects on the environment and public health, accidents and waste of energy, when used on an EU-wide basis in intelligent traffic control and management systems designed to ensure the smooth flow of traffic; is of the opinion that, in the interests of ensuring effective vehicle-to-infrastructure communications in all Member States, communication devices should comply with an EU standard;

74. Is of the opinion that the Intelligent Car Initiative (1), Galileo and other instruments contributing to an intelligent transport system are of the utmost importance; therefore calls on the Commission to strongly support these developments;

75. Strongly supports the continuation of R&D in respect of ICT-based innovations; considers that new technological developments could be introduced under the Intelligent Car Initiative in order to help rationalise traffic flows so that, by making it easier for drivers to make the right decision and choose the fastest path to their destination, traffic will become more energy-friendly; calls on all stakeholders, particularly the Member States, to make the necessary provisions for the implementation of eCall;

76. Regards work on intelligent transport systems as key to a successful motor vehicle industry and to successful efforts to reduce the industry's environmental impact; considers that Galileo should be cited as an example, and therefore finding a solution for the funding of Galileo within a consortium where interested members make their commitments to development of the project must be a priority;

77. Believes that one of the first Knowledge and Innovation Communities of the European Institute of Innovation and Technology should be dedicated to CO₂ reduction in vehicle technology;

Restructuring policies and the way forward

78. Considers it necessary to establish general conditions to make the automotive industry in the EU sustainable and enable it to remain in the forefront of technological, ecological and social innovation with the support of a highly skilled labour force;

79. Recognises that both manufacturers and suppliers in the automobile industry in the EU have a highly skilled labour force, a factor which has played a large part in the high level of performance of the automobile industry in the EU;

80. Points to the importance of the car industry for employment, growth, innovation and competitiveness; believes that, although the car industry will have to undergo substantial change, policy adjustments also need to be made in order to ensure that Community regulations do not lead to job losses;

81. Maintains that Community environmental, road safety, and energy efficiency legislation implies a need for proper education and vocational training for workers to enable them to adapt more easily to changes, both of a technical nature and as regards regulation, and to enjoy the same or better job prospects;

82. Calls on the Commission to coordinate the efficient use of the Structural Funds and the European Globalisation Adjustment Fund where the automotive industry is concerned;

83. Calls for Community support to be withheld from companies which, having received such aid in a Member State, transfer their production operations to another country without completely fulfilling the agreements entered into with the Member State concerned;

84. Stresses that, as regards future restructuring processes, the EU and the Member States also need to focus on ways of assisting restructuring and cushioning its effects, and of offering new possibilities for workers;

85. Considers that the information and consultation channels and machinery available to workers should be strengthened by means of the necessary revision of Council Directive 94/45/EC of 22 September 1994 on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees (1);

86. Maintains that consultation of workers and their right to information must be strengthened on a Europe-wide basis, so as to enable them to become involved in decision-taking at an earlier stage and hence mitigate the adverse effects of restructuring; points accordingly to the importance of the proposal on the restructuring forum referred to in the abovementioned Commission communication on the CARS 21 report;

87. Calls on the social partners to implement appropriate policies for those who are threatened by restructuring in the industry;

88. Calls for better information for, and consultation with, workers in the process of adapting the industry to the new challenges arising from the design and production of more environmentally friendly vehicles;

89. Points to the need to review the present relationship between manufacturers and dealers, the impact of which on the competitiveness of the automotive industry in the EU is severely damaging many SMEs in the sector; believes that collaboration in the areas of R&D and industrial strategies needs to be encouraged on a more stable footing; urges the Commission and the Member States, to that end, to adopt the necessary policies or establish the framework required to stabilise the above relationship and overcome the inherent difficulties;

90. Points to the importance of making more systematic use of the European Investment Bank’s resources in order to support SMEs in the automotive sector and help them gain access to venture capital;

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91. Instructs its President to forward this resolution to the Council and the Commission.

(1) OJ L 254, 30.9.1994, p. 64.