

Opinion of the European Economic and Social Committee on the ‘Proposal for a Regulation of the European Parliament and of the Council setting emission performance standards for new light commercial vehicles as part of the Community’s integrated approach to reduce CO₂ emissions from light-duty vehicles’

COM(2009) 593 final — 2009/0173 (COD)

(2011/C 44/27)

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On 20 November 2009 the Council decided to consult the European Economic and Social Committee, under Article 251 of the Treaty establishing the European Community, on the

Proposal for a Regulation of the European Parliament and of the Council setting emission performance standards for new light commercial vehicles as part of the Community’s integrated approach to reduce CO₂ emissions from light-duty vehicles

COM(2009) 593 final — 2009/0173 (COD).

The Section for the Single Market, Production and Consumption, which was responsible for preparing the Committee’s work on the subject, adopted its opinion on 15 June 2010.

At its 464th plenary session, held on 14 and 15 July 2010 (meeting of 14 July), the European Economic and Social Committee unanimously adopted the following opinion.

1. Conclusions and recommendations

1.1 As part of the Community strategy for reducing CO₂ emissions and following the adoption of the Regulation on passenger cars in 2009, the proposal on reducing CO₂ emissions from light commercial vehicles is an appropriate complementary measure. No initiative supported by an adequate integrated approach can be overlooked when it comes to reducing greenhouse gases, as this is a key part of fighting climate change.

1.2 The new proposal is modelled on the Regulation on passenger cars, laying down mechanisms for penalties, premiums, derogations, eco-innovations, etc. for this area too.

1.3 However, the EESC fears that these arrangements do not take into sufficient account the substantial difference between cars and LCVs (light commercial vehicles): the former are consumer goods and the latter capital goods, with the result that there is a clear difference in their role and the size of their operating costs. In addition to this, the proposal on LCVs is in some respects even more ambitious than the Regulation on passenger cars, as regards timeframes, penalties, costs, etc. The EESC believes that, given the lead time⁽¹⁾ for commercial vehicles, which is at least two years longer than for passenger cars, the proposal should be reviewed, not least in the light of the severe crisis hitting the sector, which has had significant commercial impact and is continuing to do so.

⁽¹⁾ The time needed for the industry to implement any new requirement involving structural changes to a vehicle.

1.4 Furthermore, it is feared that too great an effect on industrial costs and, therefore, prices, could further weaken a market which is already in severe crisis, thereby causing job losses and further slowing down renewal of the fleet and, hence, endeavours to limit emissions.

1.5 The EESC therefore calls for the May 2009 Competitiveness Council recommendations to be taken into account, which stressed that ‘given the current economic situation in the sector, creating additional burdens for the industry needs to be avoided if possible’, and that any decision should be preceded by thorough impact assessments.

1.6 The EESC points out that the proposal is based on an impact assessment dating from before the economic crisis and calls on the European Parliament and the Council to request that the impact assessment be updated on the basis, not least, of careful monitoring of emissions following the entry into force of Euro 5.

1.7 In the light of the above, the EESC, while confirming the need to reduce CO₂ emissions, calls for the timeframes laid down by the Regulation to be revised, bringing phasing-in into line with the lead time for the sector (launch in 2015 and completion during 2018), with a more precise, up-to-date impact assessment also covering the longer-term targets beyond 2020, which, it is estimated, could gradually reach 150-160 g/km with the progress of technology, notwithstanding the need for a review in good time.

2. Introduction

2.1 Commission Communication COM(2007) 19 final of February 2007 – Results of the review of the Community Strategy to reduce CO₂ emissions from passenger cars and light commercial vehicles – announced that the Commission was going to propose a legislative framework for achieving the Community target of 120 g CO₂/km. The December 2008 Regulation on CO₂ emissions from passenger cars, intended to reduce emissions from these vehicles to an average of 130 g/km, is a key part of the Community strategy. The legislation underpinning the strategy sets out a number of complementary measures for a further 10 g/km reduction of CO₂ emissions (integrated approach); these measures include the new proposal to limit CO₂ emissions from light commercial vehicles.

2.2 The European Union has committed to a reduction in total greenhouse gas emissions by 2020 of 20 %, or 30 % if a general international agreement is achieved. Clearly, all sectors will have to contribute to this reduction. According to the Commission, emissions from light commercial vehicles account for around 1.5 % of total CO₂ emissions in the European Union.

2.3 The new proposal follows on from two Commission Communications issued in February 2007 – COM(2007) 19, mentioned above, and COM(2007) 22 on A Competitive Automotive Regulatory Framework for the 21st Century – and the call from the June 2007 Environment Council to draw up a proposal to improve energy efficiency of light commercial vehicles.

3. The Proposal for a Regulation

3.1 On 28 October 2009 the Commission adopted a Proposal for a Regulation to reduce CO₂ emissions from light commercial vehicles.

3.2 As mentioned in the Introduction, the new Regulation complements Regulation 443/2009 (CO₂ emissions from passenger cars) as part of an integrated approach to achieve the EU target of 120 g CO₂/km for all new light-duty vehicles. For the year beginning 1 January 2014, and each successive year, each light commercial vehicle (LCV) manufacturer is to ensure that average specific CO₂ emissions from their vehicles do not exceed the target laid down in the Regulation.

In particular:

3.2.1 Scope

The proposal's scope is confined to N1 vehicles. The Commission will decide whether to extend its application to N2 and M2⁽²⁾ vehicles only after the 2013 review, using the comitology procedure.

⁽²⁾ N1 = vehicles designed for the carriage of goods and having a maximum mass not exceeding 3.5 tonnes; N2 = vehicles designed for the carriage of goods and having a maximum mass not exceeding 12 tonnes; M2 = vehicles designed for the carriage of passengers, more than eight passengers, maximum mass not exceeding 5 tonnes.

3.2.2 Short-term target

The objective of the proposal is to reduce average CO₂ emissions from all new vehicles to 175 g CO₂/km by 1 January 2016, with interim targets of 75 % of vehicles in 2014 and 80 % in 2015.

3.2.3 Utility parameter

The proposal keeps the mass of the vehicle in running order as the utility parameter (the basis of the calculation for measuring emissions). However, Article 12 stipulates that the Commission is to assess whether alternative parameters could be used (footprint, payload)⁽³⁾ in 2014.

3.2.4 Penalty system

The proposal stipulates that:

- a) the penalty is to be calculated by multiplying excess g CO₂/km by the number of new vehicles registered that year;
- b) for a transitional period (up to and including 2018), a flexible arrangement is provided for, whereby the unit penalty increases according to how far the target is exceeded: i.e. EUR 5 for the first gram over the target, EUR 15 for the second, EUR 25 for the third and EUR 120 for each gram after that;
- c) after the transitional period (after 2018), the unit penalty is no longer to be calculated on the basis of by how far the target is exceeded, being fixed at EUR 120 for each gram over the target.

3.2.5 Super-credits

In calculating the average specific emissions of CO₂, allowances are laid down for manufacturers producing vehicles with exceptional performance. Each new light commercial vehicle with specific emissions of CO₂ of less than 50 g CO₂/km will be counted as 2.5 LCVs in 2014, 1.5 LCVs in 2015 and 1 LCV from 2016.

3.2.6 Derogations for certain manufacturers

A manufacturer of fewer than 22 000 new light commercial vehicles registered in the Community per calendar year may apply for a derogation from the specific emissions target (see point 3.2) if:

- a) they are not part of a group of connected manufacturers; or

⁽³⁾ Payload: the 'payload' of a vehicle is the difference between the technically permissible maximum laden mass under Annex III to Directive 2007/46/EC and the mass of the vehicle. The footprint of a vehicle is calculated by multiplying wheelbase by track width.

- b) they are part of a group of connected manufacturers that is responsible in total for fewer than 22 000 new light commercial vehicles registered in the Community per calendar year; or
- c) they are part of a group of connected manufacturers but operate their own production facilities and design centre.

3.2.7 Eco-innovation

Upon application by a supplier or a manufacturer, the Commission is to consider, according to procedures yet to be defined, CO₂ savings achieved through the use of innovative technologies, outside the normal test cycle for measuring CO₂. The total contribution of those technologies to reducing the specific emissions target of a manufacturer may be up to 7 g CO₂/km.

3.2.8 Pooling

Manufacturers of new light commercial vehicles, other than manufacturers which have been granted the derogation referred to in point 3.2.6 of this Opinion, may form a pool for the purposes of meeting their obligations.

3.2.9 Incomplete (or multistage⁽⁴⁾) vehicles

The proposal states that the specific emissions of a 'completed vehicle' are to be set equal to the highest value of those of all 'complete vehicles' that are of the same type as the base vehicle on which the completed vehicle is based.

3.2.10 Long-term target

By 1 January 2013, the Commission is to complete a review of the specific emissions targets, with the aim of defining the modalities for reaching, by the year 2020, a long-term target of 135 g CO₂/km.

4. General comments

4.1 As in previous opinions on Commission legislative proposals on reducing CO₂ emissions, the EESC confirms its support for all Community initiatives aiming to achieve specific targets in reducing greenhouse gases, as this is a key part of combating climate change. To this end, no reasonable measure to reduce LCV emissions as well can be overlooked, as these vehicles make up over 10 % of the fleet.

⁽⁴⁾ Multistage vehicles are vehicles which are sold by the manufacturer in the form of cab+chassis only (base vehicle) and are then completed by others to make them suitable for the intended use (which can vary considerably). Multistage vehicles represent around 15 % of the market. These vehicles can be type-approved in successive stages under Directive 2007/46/EC, which distinguishes between 'base vehicles' (type-approved in the first stage of a multi-stage type approval process), 'completed vehicles' (type-approved at the end of a multi-stage type approval process) and 'complete vehicles' (type-approved in a simple type approval process).

4.2 The instrument chosen – a 'regulation' – is, moreover, the most suitable to ensure immediate compliance with the provisions adopted, avoiding distortion of competition which could have implications for the internal market.

4.3 However, the EESC feels that the proposal, which is modelled on the Regulation adopted for passenger cars, underestimates the differences between passenger cars and LCVs, the most important of which are:

- a longer development and production cycle than for passenger cars;
- the function of these vehicles, which are used for a business activity in which engine efficiency and fuel consumption are often the most significant operating costs. It is no coincidence that 97 % of the LCV fleet run on diesel;
- the profile of buyers, over 90 % of which are small and micro craft businesses which are highly sensitive to any variation in cost.

4.4 The EESC would also point out the complexity of this review, which should aim to achieve further CO₂ emission reductions without jeopardising the competitiveness of the vehicle sector, which is operating on an extremely competitive world market and is experiencing a huge crisis. Total light commercial vehicle sales in 2009 were down over 30 % on 2008, and more specifically down 30 % in Western Europe (Italy -23.4 %, Germany -24.7 %, Spain -38.8 %, France -21.3 %, United Kingdom -37.1 %) and down 49 % in the new Member States (e.g. -28.0 % in Poland and - 67.0 % in the Czech Republic).

4.5 The EESC cannot overlook the concerns voiced regarding the potentially excessive impact on industrial costs and, therefore, on vehicle sale prices, with risks of output cutbacks and, therefore, job losses, on the one hand, and also of fewer buyers, slowing down renewal of the fleet with less-pollutant vehicles.

4.6 The EESC does not, of course, dispute the decision to lay down CO₂ emission standards for LCVs, not least to avoid the risk that the market will be tempted to officially categorise larger vehicles as LCVs in order to obtain lower vehicle tax or other potential benefits. What is worrying here is the practical feasibility of a proposal which, on the one hand, is based on assessments dating back to 2007 - in other words to before the crisis which struck and is continuing to affect the sector heavily - and, on the other, fails to lay down sufficient timeframes for implementation.

4.7 The current proposal makes a change to the approach previously adopted regarding targets: no longer 175 g CO₂/km by 2012 and 160 g CO₂ in 2015, but, as stated above, 175 g CO₂ by 1 January 2016, phased in from 2014, and, lastly, 135 g CO₂ by 2020. This revision, as will also be seen later on, is, regrettably, insufficient as it fails to take into account the sector's lead time and no industry launches a programme of particularly costly investments if it is not certain of the regulatory framework which will be adopted.

4.8 In this regard, the EESC refers to the Competitiveness Council conclusions on the automotive industry adopted on 29 May 2009, which warned against new rules which could lead to excessive costs for businesses in all production sectors. As regards the automotive industry in particular it stated: 'given the current economic situation in the sector, creating additional burdens for the industry needs to be avoided if possible. New legislative measures need to be taken with utmost caution and should be preceded by thorough impact assessments respecting the current conditions'.

4.9 Moreover, the EESC notes that the Commission has not taken account of parallel, 'rival' legislation making the achievement of the stated goal more difficult. Its impact assessment overlooks the fact that reducing tailpipe emissions from vehicles necessary for Euro 5 and 6 diesel in terms of nitrogen oxides (NO_x) and particulate matter (PM) has a negative impact on fuel efficiency.

4.10 Lastly, the EESC points out that, thus far, there has been no official monitoring system for light commercial vehicle emissions in force and there are therefore no official data on the subject. The danger might arise of imposing practical burdens on the industry and related sectors without having access to the necessary information.

4.11 In the light of the above, the EESC calls on the European institutions – as it has already done in the opinion on regulating CO₂ emissions from passenger cars⁽⁵⁾ – to revise the timeframes laid down in the Regulation, bringing phasing-in into line with the lead time for the sector, so that it starts in 2015 with completion in four phases, as for passenger cars, by 2018.

4.12 One target, which is still ambitious but more realistic as of 2020, could be around 150-160g/ CO₂/km, to be phased in taking into account monitoring of data which have become available in the meantime. The EESC calls for the reflection launched in the EP and the Council to lead to revision of the initial proposal on this point too.

⁽⁵⁾ Regulation (EC) No 443/2009 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 of 5.6.2009, page 1) – EESC Opinion: OJ C 77 of 31.3.2009, page 1.

5. Specific comments

5.1 The EESC points out that the proposal is more stringent than Regulation 443/2009 on passenger cars, in that:

5.1.1 The timeframes are actually shorter. Phasing-in of targets is planned to start around four years after the Commission has adopted the proposal. This is in line with Regulation 443/2009, which was adopted by the Commission in late 2007 and published half way through 2009. However, as is well known, commercial vehicles have longer design and production cycles than cars (7-10 years compared to 5-7), and they therefore need more lead time than is provided for in Regulation 443/2009. Moreover, phasing-in timeframes for LCVs are shorter than for passenger cars, and the percentage of vehicles affected at the start is higher (75 % for LCVs, 65 % for passenger cars).

5.1.2 The costs are higher. Most commercial vehicles run on diesel (around 97 %); potential for improvement is smaller, thus making abatement costs higher. Therefore, the expected impact on prices is greater (between 8 % and 10 %, as against 6 % for passenger cars), as is the marginal emissions abatement cost (around EUR 160 as against wide variation between EUR 25 and EUR 150 per car).

5.2 The EESC notes that the proposal uses mass of the vehicle in running order as the utility parameter but states also in Article 12 that the Commission is to assess whether alternative parameters could be used (footprint, payload) in 2014. The EESC calls for the European Parliament and the Council to discuss whether it might be appropriate to assess in the immediate term different parameters which would take the role of commercial vehicles into greater account. For example, the EESC feels that the gross vehicle mass specified on the registration certificate would be a more appropriate parameter for the purpose, as it would allow load capacity to be taken into account as well.

5.3 The penalties for light commercial vehicles are greater than for passenger cars: the basic unit penalty is much higher (EUR 120 as against EUR 95). The EESC stresses the need to preserve the sector's competitiveness and concludes that a level of penalties for commercial vehicles which is similar to that for passenger cars would be sufficient to ensure compliance with the rule, as the impact assessment points out. In fact, it is not clear why a given volume of CO₂ emitted by a commercial vehicle should be punished more severely than the same volume of CO₂ emitted by a passenger car.

5.4 The proposal states that using innovative technologies can help reduce specific emissions targets for manufacturers by up to a maximum of 7 g CO₂/km. The EESC advocates introduction of these technologies, which provide opportunities for jobs and development in the component sector as well.

5.5 As regards 'super-credits' for particularly efficient vehicles, the EESC notes that the super-credits provided for are less generous than those provided for in Regulation 443/2009, as the emissions limit laid down for vehicles likely to be eligible for super-credits (<50 g CO₂/km) is the same as that for passenger cars. However, average light commercial vehicle emissions (and targets) are much higher than for passenger cars and the Commission should establish figures which are closer to reality, differentiated according to the masses of the three classes of LCV N1 ⁽⁶⁾.

5.5.1 Here, too, the EESC would have preferred a more in-depth impact assessment. It feels it would be methodologically inaccurate to set an absolute figure (50 g CO₂/km) when the function of a chassis in a commercial vehicle can change completely, depending on the configuration and the weight being transported, ignoring the fact that such a low figure is not in practice achievable with current internal combustion engines but would require a 'technological break with the present' ⁽⁷⁾, which is not currently possible.

5.6 The long-term target of 135 g CO₂/km by 2020 is subject to the outcome of an updated impact assessment which will verify the feasibility of the target during the 2013 review. The EESC upholds the need to set long-term targets for LCVs as well, but the proposed figure seems, even at this stage, not to be achievable in the specified timeframes: technological progress expected in the coming years has been overestimated and, therefore, once again, the lead time for the sector and the impact of external factors which should be part of an integrated approach have been overlooked.

5.7 The EESC believes that the above comments are confirmed by the fact that the existing impact assessment is insufficient, for the following reasons:

5.7.1 The proposal fails to specify how the 135 g CO₂/km target was reached and to provide a cost assessment for this target level. The impact on prices is only specified for 160, 150, 140 and 125 g CO₂/km. The latter is discarded as it is too costly (it would increase the price by EUR 4 000, around 20 %). An increase in costs of between 15 % and 20 % of the price can therefore be expected in order to achieve 135 g CO₂.

5.7.2 It fails to take into account the fact that increasing the price could slow down the fleet renewal cycle and therefore lead to an increase in overall emissions (lower average emissions from new vehicles but higher overall emissions from the existing fleet).

5.8 The EESC supports the inclusion of derogations for small and niche manufacturers, in that particular circumstances require flexible arrangements.

5.9 With regard to incomplete vehicles, the EESC fears that the proposed system will not be capable of managing the problem, given the absence of appropriate data. The EESC therefore welcomed the initiative of the Spanish Presidency, which, together with the Member States and the Commission, is reviewing the matter. In the current revision, amendments will be made to the final text which are more in line with the situation in the sector. However, it is important that an official monitoring system for data on CO₂ emissions from multistage vehicles is put in place without delay.

5.10 The EESC welcomes the decision to limit the scope to N1 vehicles, with N2 and M2 vehicles only to be included following a specific impact assessment when emission data are available ⁽⁸⁾. However, it stresses the need to take the characteristics of these vehicles fully into account. In particular, M2 vehicles should be excluded as of now, given their particular nature as niche vehicles.

Brussels, 14 July 2010.

The President
of the European Economic and Social Committee
Mario SEPI

⁽⁶⁾ Class I: max. mass 1 305 kg and load capacity 2.5 m³; Class II: max. mass 1 760 kg and load 6 m³; Class III: > 1 760 kg and load capacity 17 m³.

⁽⁷⁾ See EESC Opinion, footnote 5.

⁽⁸⁾ Measurement of CO₂ emissions from N2 and M2 vehicles was introduced by the Euro 5 & 6 Regulation for new registrations as of January 2011 and September 2015 respectively. For vehicles type-approved under the Regulation on heavy-duty vehicles, CO₂ emissions might not be available until Euro VI emissions become mandatory (31 December 2013).