<u>Agreement on Commission proposal to tighten rules for safer and cleaner cars</u>

The EU co-legislators have reached an agreement on the <u>Commission proposal</u> <u>from January 2016</u> to fully overhaul the EU 'type-approval' framework: the rules for certifying that a vehicle meets all requirements to be placed on the market and for rigorous checking of manufacturers' ongoing compliance with EU law.

Jyrki **Katainen**, Vice-President for Jobs, Growth, Investment and Competitiveness, said: "With tighter rules which are policed more strictly, the car industry has the chance to regain consumers' trust. Just a few weeks after the Commission's clean mobility proposals, today's agreement marks yet another milestone in the EU's wider efforts to reinforce our car industry's global leadership in clean and safe vehicles."

Commissioner Elżbieta **Bieńkowska**, responsible for Internal Market, Industry, Entrepreneurship and SMEs, said: "Dieselgate has revealed the weaknesses of our regulatory and market surveillance system. We know that some car manufacturers were cheating and many others were exploiting loopholes. To put an end to this, we are overhauling the whole system. After almost two years of negotiations, I welcome that the key elements of our proposal have been upheld, including real EU oversight and enforcement powers. In the future, the Commission will be able to carry out checks on cars, trigger EU-wide recalls, and impose fines of up to €30,000 per car when the law is broken."

The main building blocks of the new rules are:

1. Raise the quality level and independence of type-approval and testing before a car is placed on the market:

Technical services will be regularly and independently audited, on the basis of stringent performance criteria, to obtain and maintain their designation by a Member State for testing and inspecting new car models. The Commission and other Member States will be able to challenge a designation when something is wrong.

National type-approval authorities will be subject to Commission audits to ensure that the relevant rules are implemented and enforced rigorously across the EU.

The Commission's proposal to modify the remuneration system to avoid that technical services are paid directly by the manufacturer was not maintained.

2. Increase checks of cars that are already on the EU market:

While the current type-approval rules deal mainly with *ex ante* controls of prototypes taken from the production line, in the future Member States will have to carry out regular spot-checks on vehicles already on their market and such results will be made publicly available.

All Member States will now be able to immediately take safeguard measures against non-compliant vehicles on their territory without having to wait for the authority that issued the type-approval to take action, as is currently still the case.

3. European oversight:

In the future, the Commission will carry out market checks independently from Member States and will have the possibility to initiate EU-wide recalls. It will have the power to challenge the designation of technical services, and to impose administrative penalties on manufacturers or technical services of up to €30,000 per non-compliant car.

The Commission will lead a new enforcement forumto ensure a more uniform interpretation of relevant EU legislation, complete transparency on cases of non-compliance, and better and more coordinated market surveillance activities by Member States.

The new Regulation maintains the current **ban on defeat devices**, which national authorities have a standing obligation to police and enforce, but goes a step further. In the future, car manufacturers will have to provide access to the car's software protocols. This measure goes hand in hand with the Real Driving Emissions package, which will make it very difficult to circumvent emission requirements and includes an obligation for manufacturers to disclose their emissions reduction strategies, as is the case in the U.S.

The Type-Approval Regulation complements a number of other important Commission initiatives for clean mobility, including new and improved car emissions tests which became mandatory on 1 September 2017, and proposals for new CO2 emissions targets to help accelerate the transition to low- and zero emission vehicles.

Next steps

The preliminary political agreement reached by the European Parliament, Council and Commission in so-called trilogue negotiations is now subject to formal approval by the European Parliament and Council. The Regulation will then be directly applicable in all Member States and will become mandatory on 1 September 2020.

Background

Under current rules, the EU sets the legal framework but national authorities are fully responsible for checking car manufacturers' compliance. Once a car is certified in one Member State, it can circulate freely throughout the EU.

Only the national authority that type approved a car can take remedial action such as ordering a recall and imposing administrative penalties in case of non-compliance.

The Commission was already reviewing the EU type-approval framework for motor vehicles prior to the Volkswagen revelations in September 2015. It then concluded on the need for more far-reaching reform to prevent cases of non-compliance from happening again, which it <u>proposed on 27 January 2016</u>.

In parallel, the Commission continues to monitor whether current rules are being correctly enforced by Member States and is closely following national authorities' efforts regarding polluting cars already in circulation.

The Commission has supported Member States' work by developing a common testing methodology to screen for defeat devices altering the results of laboratory tests and ensure consistency of results of national investigations. It has published <u>guidance</u> to help Member States' authorities assess whether a car manufacturer is using defeat devices or other strategies that lead to higher vehicle emissions outside of the test cycle and analyse whether they are technically justified.

The Commission also ensures that competition rules are respected and will continue to do so, in addition to ensuring that consumers are treated fairly.

For more information

<u>Press release: European Commission tightens rules for safer and cleaner cars</u> (27 January 2016)

FAQs: Proposal for a Regulation on the approval and market surveillance of motor vehicles, real driving emissions testing (27 January 2016)

<u>Press release: New and improved car emissions tests become mandatory on 1</u> September (31 August 2017)

FAQs: EU action to curb air pollution by cars (31 August 2017)

<u>Press release: Energy Union: Commission takes action to reinforce EU's global leadership in clean vehicles</u> (8 November 2017)

<u>Proposal for a Regulation on the approval and market surveillance of motor vehicles</u>

Commission Staff Working Document: Impact Assessment