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'I' ITEM NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee
No. Cion doc.:	COM(2020) 491 final
No. prev. doc.:	10550/20
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EU) No 168/2013 as regards specific measures on L-category end-of-series vehicles in response to the COVID-19 outbreak - Confirmation of the final compromise text with a view to agreement

I. INTRODUCTION

1. On 7 September 2020, the Commission transmitted the above-mentioned proposal for a Regulation to the European Parliament and to the Council.

2. Due to the COVID-19 pandemic and the lockdown measures that were introduced in the Member States the sales of motorcycles have been highly impacted. This crisis has lead to a situation where many Euro 4 vehicles that were in stock will not be sold by the end of the year. According to Regulation (EU) No 168/2013 covering two-or three wheel vehicles and quadricycles, the pollutant emissions Euro 5 step will apply on 1 January 2021, which means that as of that date vehicles meeting the Euro 4 requirements cannot be placed on the Union market. Regulation (EU) 168/2013 provides for the possibility for manufacturers to sell so-called end-of-series vehicles (i.e. 'old stock' vehicles that do not meet the latest requirements), the amount of such vehicles is limited in each Member State to maximum 10% of the average number of vehicles sold the two preceding years or 100 vehicles. Commission has therefore proposed to adapt the end-of-series provisions of that Regulation to allow sales of higher amounts of Euro 4 vehicles in 2021 only.

II. STATE OF PLAY

3. The proposal was presented by the Commission and examined by delegations in the Informal videoconference of the members of the Working Party on Technical Harmonisation (Motor Vehicles) on 23 September 2020. At this meeting, delegations agreed that Presidency should initiate informal contacts with the European Parliament and explore ways to reach agreement on the proposal as soon as possible.

4. On 28 October 2018 the IMCO Committee voted to proceed with the text of the proposal without adopting any amendments.

5. During the Informal videoconference of the members of the Working Party on Technical Harmonisation (Motor Vehicles) on 6 October 2020 delegations were informed about the decision made by IMCO. Presidency received support to not suggest any amendments to Commission's proposal and to proceed with the adoption of the file. It is therefore clear that Council and European Parliament agree on a final compromise text as set out in the Annex to this note.

6. After initial examination by lawyer-linguists of the European Parliament and of the Council a few amendments of the text were necessary. Those changes were introduced to give the proper presentation and to allow correct translation of amendments to Regulation (EU) No 168/2013 and in no way affect the regulatory substance of the proposal.

III. CONCLUSION

7. Against this background, the Permanent Representatives Committee is invited to:

(a) approve the final compromise text regarding the Regulation of the European Parliament and of the Council amending Regulation (EU) No 168/2013 as regards specific measures on L-category end-of-series vehicles in response to the COVID-19 outbreak, as set out in the Annex to this note,

(b) confirm that the Presidency can indicate to the European Parliament that, should the European Parliament adopt its position at first reading concerning the Regulation of the European Parliament and of the Council amending Regulation (EU) No 168/2013 as regards specific measures on L-category end-of-series vehicles in response to the COVID-19 outbreak, as set out in the Annex to this note, subject, if necessary, to revision of that text by the lawyer-linguists of both institutions, the Council would approve the European Parliament's position and the act shall be adopted in the wording which corresponds to the European Parliament's position, and

(c) authorise the Presidency to send a letter to the IMCO Committee and to inform the European Parliament thereof.

PE-CONS 39/20 - 2020/0251(COD)

REGULATION (EU) 2020/...
OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of ...

amending Regulation (EU) No 168/2013 as regards specific measures on L-category end-of-series vehicles in response to the COVID-19 pandemic

(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 114 thereof,

Having regard to the proposal from the European Commission,

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

After consulting the European Economic and Social Committee,

Acting in accordance with the ordinary legislative procedure[1],

[1] Position of the European Parliament of ... (not yet published in the Official Journal) and Decision of the Council of ... (not yet published in the Official Journal).

Whereas:

(1) The COVID-19 crisis has caused disruption to the supply chain of critical parts and components for L-category vehicles and a sizeable drop in demand for those vehicles. This has led to significant delays for manufacturers in clearing their stock of Euro 4 vehicles that, according to Annex IV to Regulation (EU) No 168/2013 of the European Parliament and of the Council[2], need to be registered before the application of the environmental Euro 5 step on 1 January 2021.

(2) The end-of-series rules laid down in Regulation (EU) No 168/2013 allow manufacturers to continue to make available on the market, register or enter into service a limited part of a stock of L-category vehicles which cannot be made available on the market, or can no longer be made available on the market, owing to the entry into force of new technical requirements against which those vehicles have not been approved.

(3) Considering the disruption caused by the COVID-19 crisis, it is apparent that the end-of-series rules in Regulation (EU) No 168/2013 do not constitute an appropriate mechanism to address the amount of Euro 4 L-category vehicles that manufacturers will have in stock following the application of the environmental Euro 5 step.

[2] Regulation (EU) No 168/2013 of the European Parliament and of the Council of 15 January 2013 on the approval and market surveillance of two- or three-wheel vehicles and quadricycles (OJ L 60, 2.3.2013, p. 52).

(4) Given the exceptional circumstances caused by the COVID-19 crisis, and to avoid potential market disruption, it is necessary to amend Regulation (EU) No 168/2013 to include specific measures on end-of-series vehicles in response to the COVID-19 crisis.

(5) In order to ensure that the application of these specific end-of-series measures is restricted to vehicles that were in stock at the moment of the national lockdowns, the amount of vehicles benefiting from these specific end-of-series measures should not exceed the number of Euro 4 L-category vehicles that were in stock on 15 March 2020.

(6) Since the objective of this Regulation, namely to amend the end-of-series rules, applicable for the year 2021, of Regulation (EU) No 168/2013 in response to the COVID-19 crisis, cannot be sufficiently achieved by the Member States but can rather, by reason of the scale and effects of the action, 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 (TEU). In accordance with the principle of proportionality, as set out in that article, this Regulation does not go beyond what is necessary to achieve that objective.

(7) In view of the urgency entailed by the exceptional circumstances caused by the COVID-19 crisis, it is considered to be appropriate to provide for an exception to the eight-week period referred to in Article 4 of Protocol No 1 on the role of national Parliaments in the European Union, annexed to the TEU, to the Treaty on the Functioning of the European Union and to the Treaty establishing the European Atomic Energy Community.

(8) Regulation (EU) No 168/2013 should therefore be amended accordingly,

(9) This Regulation should enter into force as a matter of urgency on the day following that of its publication in the *Official Journal of the European Union,*

HAVE ADOPTED THIS REGULATION:

Article 1

The following article is inserted in Chapter XI of Regulation (EU) No 168/2013:

‘Article 44a

Specific measures on end-of-series vehicles in response to the COVID-19 pandemic

1. By way of derogation from Article 44, and subject to paragraphs 2, 3 and 4 of this Article, vehicles conforming to a type of vehicle the EU type-approval of which has become invalid on 1 January 2021 pursuant to Article 37(2), point (a), may be made available on the market, registered or entered into service as end-of-series vehicles until 31 December 2021.

2. The number of end-of-series vehicles referred to in paragraph 1 of this Article shall not exceed the number of vehicles with an EU type-approval that will become invalid on 1 January 2021 pursuant to Article 37(2), point (a), and that were in stock on 15 March 2020.

3. A manufacturer who wishes to benefit from the derogation referred to in paragraph 1 shall submit a request to the national authority of each Member State where the vehicles in question are to be made available on the market, registered or entered into service, indicating the number of end-of-series vehicles for which the derogation referred to in paragraph 1 is requested.

The national authority concerned shall decide, within a month of receiving the request, whether to permit the registration of those end-of-series vehicles within its territory, and in what number.

4. A special entry qualifying the vehicles as '2021 - end-of-series' shall be made on the certificate of conformity of the vehicles put into service under paragraph 1.

5. By 1 July 2021, Member States shall inform the Commission on the number of vehicles for which end-of-series status has been granted under this Article.'.

Article 2

This Regulation shall enter into force on the 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*