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NOTE

from : General Secretariat
to : Delegations

Subject : Proposal for a Regulation of the European Parliament and of the Council setting emission performance standards for new passenger cars as part of the Community's integrated approach to reduce CO2 emissions from light-duty vehicles
– Consolidated text

Delegations will find attached the text of the consolidated Regulation, which reflects the outcome of the informal dialogues and technical meetings with the European Parliament and the Commission. The changes made to the Commission proposal are duly indicated.

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

Setting emission performance standards for new passenger cars as part of the Community's integrated approach to reduce CO₂ emissions from light-duty vehicles

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article [...] 175 thereof,

Having regard to the proposal from the Commission ¹,

Having regard to the opinion of the European Economic and Social Committee ²,

Having regard to the opinion of the Committee of the Regions ³,

Acting in accordance with the procedure laid down in Article 251 of the Treaty ⁴,

Whereas:

- (1) The objective of this Regulation is to set emission performance standards for new passenger cars registered in the Community which [...] delivers part of the Community's integrated approach to reducing CO₂ emissions from light-duty vehicles while ensuring the proper functioning of the internal market.

¹ OJ C [...], [...], p. [...].

² OJ C [...], [...], p. [...].

³ OJ C [...], [...], p. [...].

⁴ OJ C [...], [...], p. [...].

- (2) [...] Any national measures that Member States may maintain or introduce according to Article 176 of the EC Treaty should, in consideration of the purpose and structures of the current regulation, avoid imposing additional or more stringent penalties on manufacturers which fail to comply with the targets they have to meet under this Regulation.
- (3) The United Nations Framework Convention on Climate Change, which was approved on behalf of the European Community by Council Decision 94/69/EC of 15 December 1993 concerning the conclusion of the United Nations Framework Convention on Climate Change,⁵ requires all parties to formulate and implement national and, where appropriate, regional programmes containing measures to mitigate climate change. In this respect, the Commission proposed in January 2007 that, in the context of international negotiations, the EU pursues the objective of a 30% reduction in greenhouse gas emissions by developed countries by 2020 (compared to 1990 levels) and that the EU should make a firm independent commitment to achieve at least a 20% reduction of greenhouse gas emissions by 2020 (compared to 1990 levels).⁶ This objective was endorsed by the Council and the European Parliament.
- (4) One of the implications of those commitments is for all Member States to reduce significantly emissions from passenger cars. Policies and measures should be implemented at Member State and Community level across all sectors of the Community economy, and not only within the industry and energy sectors, in order to generate the substantial reductions needed. Road transport is the second largest greenhouse gas emitting sector in the EU and its emissions continue to rise. If the climate change impact of road transport continues to increase, it will significantly undermine reductions made by other sectors to combat climate change.

⁵ OJ L 33, 7.2.1994, p. 11.

⁶ COM(2007) 2.

- (5) [...] Community targets for new passenger cars provide manufacturers with more planning certainty and more flexibility to meet the CO₂ reduction requirements than would be provided by separate national reduction targets. In setting emission standards it is important to take into account the implications for markets and manufacturers' competitiveness, the direct and indirect costs imposed on business and the benefits that accrue in terms of stimulating innovation and reducing energy consumption.
- (6) This Regulation builds on a well-established process of measuring and monitoring the CO₂ emissions of vehicle manufacturers at European level in accordance with Decision 1753/2000/EC of the European Parliament and of the Council of 22 June 2000 establishing a scheme to monitor the average specific emissions of CO₂ from new passenger cars ⁷ and it is important that the setting of CO₂ reduction requirements continues to provide Community-wide predictability and planning security for vehicle manufacturers across their new car fleet in the Community.
- (7) The Commission adopted a Community Strategy for reducing CO₂ emissions from cars in 1995. ⁸ The strategy was based on three pillars: voluntary commitments from the car industry to cut emissions, improvements in consumer information and the promotion of fuel efficient cars via fiscal measures.

⁷ OJ L 202, 10.8.2000, p.1.

⁸ COM(95) 689 final.

- (8) In 1998, the European Automobile Manufacturers Association (ACEA) adopted a commitment to reduce average emissions from new cars sold to 140 g CO₂/km by 2008 and, in 1999, the Japanese Automobile Manufacturers Association (JAMA) and Korean Automobile Manufacturers Association (KAMA) adopted a commitment to reduce average emissions from new cars sold to 140 g CO₂/km by 2009. These commitments were recognised by Commission Recommendation 1999/125/EC of 5 February 1999 on the reduction of CO₂ emissions from passenger cars ⁹ (ACEA); Commission Recommendation 2000/303/EC of 13 April 2000 on the reduction of CO₂ emissions from passenger cars (KAMA) ¹⁰ and Commission Recommendation 2000/303/EC of 13 April 2000 on the reduction of CO₂ emissions from passenger cars (JAMA ¹¹).
- (9) On 7 February 2007, the Commission adopted two parallel Communications: a Communication setting out the results of the review of the Community Strategy to reduce CO₂ emissions from passenger cars and light-commercial vehicles ¹² and a Communication on a Competitive Automotive Regulatory Framework for the 21st Century CARS21. ¹³ The Communications underlined that progress had been made towards the target of 140 g CO₂/km by 2008/2009, but that the Community objective of 120 g CO₂/km would not be met by 2012 in the absence of additional measures.

⁹ C(1999) 107 OJ L 40, 13.2.1999. p. 49.

¹⁰ C(2000) 803, OJ L 100, 20.4.2000, p. 55.

¹¹ C(2000) 801, OJ L 100, 20.4.2000, p. 57.

¹² COM(2007) 19 final.

¹³ COM (2007) 22 final.

- (10) The Communications proposed an integrated approach with a view to reaching the Community target of 120 g CO₂/km by 2012 and announced that the Commission would propose a legislative framework to achieve the Community objective by focusing on mandatory reductions of emissions of CO₂ to reach the objective of 130 g CO₂/km for the average new car fleet by means of improvements in vehicle motor technology. Consistent with the approach under the voluntary commitments adopted by the manufacturers, this covers those elements that are taken into account in the measurement of the CO₂ emissions of passenger cars in accordance with 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.¹⁴ A further reduction of 10 g CO₂/km, or equivalent if technically necessary, will be delivered by other technological improvements and by an increased use of sustainable biofuels. [...]
- (11) The legislative framework for implementing the average new car fleet target should ensure competitively neutral and socially equitable and sustainable reduction targets which are equitable to the diversity of the European automobile manufacturers and avoid any unjustified distortion of competition between automobile manufacturers. The legislative framework should be compatible with the overall objective of reaching the EU's Kyoto targets and should be complemented by other more use-related instruments such as differentiating car and energy taxes.
- (11a) Appropriate funding should be ensured in the Community budget to promote the development of technologies to radically reduce CO₂ emissions from road vehicles.

¹⁴ OJ L 171, 29.6.2007, p.1.

- (12) In order to maintain the diversity of the car market and its ability to cater for different consumer needs, CO₂ targets for passenger cars should be defined as a function of the utility of the cars on a linear basis. To describe this utility, mass is [...] an appropriate parameter [...] which provides a [...] correlation with present emissions and would therefore result in more realistic and competitively neutral targets, and data [...] on mass is readily available. Data on [...] alternative utility parameters such as [...] footprint (track width times wheelbase) should [...] be collected in order to facilitate longer-term evaluations of the utility-based approach. [...] The Commission should by 2014 review the availability of data and, if appropriate, submit a proposal to the European Parliament and to the Council to adapt the utility parameter.
- (13) The aim of this Regulation is to create incentives for the car industry to invest in new technologies. The Regulation actively promotes eco-innovation and takes into account future technological developments. The development of innovative propulsion technologies should particularly be promoted, as they cause significantly lower emissions than traditional passenger cars. In this way, the long term competitiveness of the European Industry is promoted and more high-quality jobs are created. The Commission should consider the possibility of including eco-innovation measures in the review of test procedures pursuant to Article 14(3) of Regulation (EC) No 715/2007, taking into consideration technical and economic impacts.
- (13a) In recognition of the very high research and development and unit production costs of early generations of very low carbon vehicle technologies to be introduced into the marketplace following its entry into force, on an interim basis, this Regulation also incorporates specific provisions aimed at accelerating the introduction to the European Market of ultra low carbon vehicles at their initial stages of commercialisation.
- (13b) The use of certain alternative fuels can offer significant CO₂ reductions on a well-to-wheels basis. This Regulation therefore incorporates specific provisions aimed at promoting further deployment of certain alternative fuel vehicles in the European Market.

- (14) To provide consistency with the approach adopted under the Commission's CO₂ and cars strategy, in particular in relation to the voluntary commitments undertaken by the manufacturers associations, the target should be applied to new passenger cars registered in the Community for the first time and which, except for a limited period to avoid abuses, have not previously been registered outside the Community.
- (15) Directive 2007/46/EC of the European Parliament and of the Council of 5 September 2007 establishing a framework for the approval of motor vehicles and their trailers, and of systems components and separate technical units intended for such vehicles ¹⁵ establishes a harmonised framework containing the administrative provisions and general technical requirements for approval of all new vehicles within its scope. The entity responsible for complying with this Regulation should be the same as the entity responsible for all aspects of the type-approval process in accordance with that Regulation and for ensuring conformity of production.
- (16) Special purpose vehicles, as defined in Annex II of Directive 2007/46/EC for which specific requirements apply for the purposes of type-approval, [...] should be excluded from the scope of this Regulation. Whereas vehicles homologated as category M1 before the entry into force of this Regulation and built specifically for commercial purposes to accommodate wheelchair use inside the vehicle and meeting the definition of special purpose vehicle in Annex II of Directive 2007/46/EC should also be excluded in accordance with Community policy to help disabled persons.

¹⁵ OJ L 263, 9.10.2007, p. 1.

- (17) Manufacturers should have flexibility to decide how to meet their targets under this Regulation and should be allowed to average emissions over their new car fleet rather than having to respect CO₂ targets for each individual car. Manufacturers should therefore be required to ensure that the average specific emission for all the new cars registered in the Community for which they are responsible does not exceed the average of the emissions targets for those cars. This requirement should be phased in between 2012 and 2015 in order to facilitate the transition.
- (17a) It is not appropriate to use the same method to determine the emission reduction targets for large manufacturers and small volume manufacturers considered as independent on the basis of the criteria set out in the directive. Whereas those small volume manufacturers should have alternative emission reduction targets related to the technological potential of a manufacturer's vehicles to reduce their specific emissions of CO₂ and consistent with the characteristics of the market segments concerned; whereas this derogation should be covered by the review of the specific CO₂ emission targets in Annex I to be completed by the beginning of 2013 at the latest.
- (17b) Whereas niche manufacturers should be allowed to benefit from an alternative target which is a 25% reduction on their average specific emissions in 2007; whereas an equivalent target should be determined where information on a manufacturer's average specific emissions does not exist for the year 2007; whereas this derogation should be covered by the review of the specific CO₂ emission targets in Annex I to be completed by the beginning of 2013 at the latest.

- (17c) In determining the average specific emission for all the new cars registered in the Community for which manufacturers are responsible, all cars should be taken into account irrespective of their mass or other characteristics. Whereas Regulation (EC) 715/2007 does not cover passenger cars with a reference mass exceeding 2 610 kg and to which type approval is not extended in accordance with Article 2(2) of Regulation (EC) No 715/2007, the emissions for these cars should be measured in accordance with the same measurement procedure as specified for passenger cars in Commission Regulation (EC) 692/2008. The resulting CO₂ emission values should be entered in the certificate of conformity of the vehicle in order to enable their inclusion in the monitoring scheme.
- (18) In order to provide flexibility for manufacturers, manufacturers may agree to form a pool on an open, transparent and non-discriminatory basis for the purposes of meeting their targets under this proposal. An agreement to form a pool should not exceed five years but may be renewed. Where manufacturers form a pool, manufacturers should be deemed to have met their targets under this Regulation provided that the average emissions of the pool as a whole do not exceed the target emissions for the pool.
- (19) A robust compliance mechanism is necessary in order to ensure that the targets under this Regulation are met.
- (20) The specific emissions of carbon dioxide from new passenger cars are measured on a harmonised basis in the Community according to the methodology laid down in Regulation (EC) No 715/2007. To minimise the administrative burden of the scheme, compliance with the scheme should be measured by reference to data on registrations of new cars in the Community collected by Member States and reported to the Commission. To ensure the consistency of the data used to assess compliance, the rules for the collection and reporting of this data should be harmonised as far as possible.

- (21) Directive 2007/46/EC provides that manufacturers are to issue a certificate of conformity which must accompany each new passenger car and that Member States are to permit the registration and entry into service of a new passenger car only if it is accompanied by a valid certificate of conformity. Data collected by Member States should be consistent with the certificate of conformity issued by the manufacturer for the passenger car and should be based on this reference only. Should Member States, for justified reasons, not use the certificate of conformity to complete the process of registration and entry into service of a new passenger car, they should put the necessary measures in place to ensure adequate accuracy in the monitoring procedure. There should be a common European standard database for certificate of conformity data. It should be used as a single reference to enable Member States to more easily maintain their registration data when vehicles are newly registered.
- (22) Manufacturers' compliance with the targets under this Regulation should be assessed at the Community level. Manufacturers whose average specific emissions of CO₂ exceed those permitted under this Regulation should pay an excess emissions premium in respect of each calendar year from 2012 onwards. The premium should be modulated as a function of the extent to which manufacturers fail to comply with their target. It should increase over time. In order to provide a sufficient incentive to take measures to reduce specific emissions of CO₂ from passenger cars, the premium should reflect technological costs. The amounts of the excess emissions premium should be considered as revenue for the budget of the European Union.
- (23) This Regulation should be without prejudice to the full application of Community competition rules.

- (23b) For the purpose of attaining the long-term target, the Commission should consider new modalities for reaching it, in particular the slope of the curve, the utility parameter and the excess emission premium scheme.
- (24) [...]
- (25) The measures necessary for the implementation of this Regulation should be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission.¹⁶
- (26) In particular power should be conferred on the Commission to amend the monitoring and reporting requirements in the light of the experience of the application of this Regulation, to establish methods for the collection of excess emissions premiums and to adopt detailed provisions for the improvement of the specialist derogation for small volume independent manufacturers. Since those measures are of general scope and are designed to amend non-essential elements of this Regulation and to supplement this Regulation by the addition of new non-essential elements, they should be adopted in accordance with the regulatory procedure with scrutiny provided for in Article 5a of Decision 1999/468/EC.
- (27) Decision 1753/2000/EC should be repealed for reasons of simplification and legal clarity.
- (28) Since the objective of the proposed action cannot be achieved by the Member States acting individually, and can therefore, by reason of the scale and effects of the proposed action, be better achieved at Community level, the Community may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty. 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.

¹⁶ OJ L 184, 17.7.1999, p. 23. Decision as amended by Decision 2006/512/EC (OJ L 200, 22.7.2006, p. 11).

HAVE ADOPTED THIS REGULATION:

Article 1

Subject matter and objectives

This Regulation establishes CO₂ emission performance requirements for new passenger cars in order to ensure proper functioning of the internal market and achieve the EU's overall objective that the average new car fleet should achieve CO₂ emissions of 120 g CO₂/km. The Regulation sets the average CO₂ emissions for new passenger cars at 130 g CO₂/km by means of improvement in vehicle motor technology as measured in accordance with Regulation (EC) No 715/2007 and its implementing measures and innovative technologies.

From 2020 the Regulation sets a target, for the new car fleet, of average emissions of 95 g CO₂/km, in accordance with Article 10 paragraph 3b.

This Regulation will be complemented by additional measures corresponding to 10 g/km as part of the Community's integrated approach.

Article 2

Scope

1. This Regulation shall apply to motor vehicles of category M₁ as defined in Annex II to Directive 2007/46/EC [...] ('passenger cars') which are registered in the Community for the first time and which have not previously been registered outside the Community ('new passenger cars').
2. A previous registration outside the Community less than three months before registration in the Community shall not be taken into account.
3. It does not apply to special purpose vehicles as defined in paragraph 5 of Annex II to Directive 2007/46/EC.

Article 3

Definitions

1. For the purposes of this Regulation, the following definitions shall apply:
 - (a) 'average specific emissions of CO₂' means, in relation to a manufacturer, the average of the specific emissions of CO₂ of all new passenger cars for which it is the manufacturer;
 - (b) 'certificate of conformity' means the certificate referred to in Article 18 of Directive 2007/46/EC;¹⁷
 - (c) 'manufacturer' means the person or body responsible to the approval authority for all aspects of the EC type-approval procedure in accordance with Directive 2007/46/EC and for ensuring conformity of production;
 - (d) 'mass' means the mass of the car with bodywork in running order as stated in the certificate of conformity and defined in section 2.6 of Annex I to Directive 2007/46/EC;
 - (da) 'footprint' means the track width multiplied by the wheelbase as stated in the certificate of conformity and defined in section 2.1 and 2.3 of Annex I to Directive 2007/46/EC;
 - (e) 'specific emissions of CO₂' means the emissions of a passenger car measured in accordance with Regulation (EC) No 715/2007 and specified as the CO₂ mass emission (combined) in the certificate of conformity. For passenger cars which are not type-approved in accordance with Regulation (EC) No 715/2007, it means the CO₂ emissions measured in accordance with the same measurement procedure as specified for passenger cars in Commission Regulation (EC) 692/2008, or in accordance with procedures adopted by the Commission to establish the CO₂ emissions for such passenger cars;

¹⁷ OJ L 263, 9.10.2007, p. 1.

(f) 'specific emissions target' means, in relation to a manufacturer, the average of the specific emissions of CO₂ permitted in accordance with Annex I in respect of each new passenger car for which it is the manufacturer or, where the manufacturer is granted a derogation under Article 9, the specific emissions of CO₂ permitted in accordance with that derogation.

2. For the purposes of this Regulation, a 'group of connected manufacturers' means a manufacturer and its connected undertakings. Manufacturers will be considered to be connected if they are connected undertakings. 'Connected undertakings' means:

(a) undertakings in which [...] the manufacturer, directly or indirectly:

(i) has the power to exercise more than half the voting rights; or

(ii) has the power to appoint more than half the members of the supervisory board, board of management or bodies legally representing the undertaking; or

(iii) has the right to manage the undertaking's affairs;

(b) undertakings which directly or indirectly have, over [...] the manufacturer, the rights or powers listed in point (a);

(c) undertakings in which an undertaking referred to in point (b) has, directly or indirectly, the rights or powers listed in point (a);

(d) undertakings in which [...] the manufacturer together with one or more of the undertakings referred to in points (a), (b) or (c), or in which two or more of the latter undertakings, jointly have the rights or powers listed in point (a);

(e) undertakings in which the rights or the powers listed in (a) are jointly held by [...] the manufacturer or one or more of their connected undertakings referred to in points (a) to (d) and one or more third parties.

Article 4

Specific emissions targets

For the calendar year commencing 1 January 2012 and each subsequent calendar year, each manufacturer of passenger cars shall ensure that its average specific emissions of CO₂ do not exceed its specific emissions target determined in accordance with Annex I or, where a manufacturer is granted a derogation under Article 9, in accordance with that derogation. The average specific emissions of CO₂ shall be determined using the following proportions of new passenger cars registered in the relevant year:

- 65% in 2012;

- 75% in 2013;

- 80% in 2014;

- 100% from 2015 onwards.

Article 4a

Supercredits

In calculating the average specific CO₂ emissions, each new passenger car with specific CO₂ emissions of less than 50 g CO₂/km shall count as:

- 3,5 cars in 2012;

- 3,5 cars in 2013;

- 2,5 cars in 2014;

- 1,5 cars in 2015;

- 1 cars from 2016.

Article 4b

Specific emission target for alternative fuel vehicles

For the purpose of determining compliance by individual manufacturers of passenger cars with the specific emissions target referred to in article 4, the CO₂ emissions as stated in the certificate of conformity for each vehicle designed to be capable of running on a mixture of petrol with 85% ethanol (E85) which meets relevant Community legislation, registered in the European Union, shall be reduced until 31 December 2015 by a factor of 5% in recognition of the greater technological and emissions reduction capability to run on biofuels, if at least 30% of the filling stations in the Member State where the vehicle is registered provide this type of alternative fuel complying with the sustainability criteria for biofuels set out in Community legislation.

Article 5

Pooling

1. Manufacturers, other than manufacturers which have been granted a derogation under Article 9, may form a pool for the purposes of meeting their obligations under Article 4.
2. An agreement to form a pool may relate to one or more calendar years provided that the overall duration of each agreement does not exceed five calendar years and must be entered into on or before 31 December in the first calendar year for which emissions would be pooled. Manufacturers which form a pool shall file information with the Commission:
 - (a) specifying the manufacturers who will be included in the pool;
 - (b) nominating one of the manufacturers as the pool manager who will be the contact point for the pool and will be responsible for paying any excess emissions premium imposed on the pool in accordance with Article 7; and
 - (c) providing evidence that the pool manager will be able to fulfil the obligations under point (b).

3. Where the proposed pool manager fails to meet the requirements of point (c) of paragraph 2, the Commission shall notify the manufacturers.
4. Manufacturers included in a pool shall jointly inform the Commission of any change to the pool manager or its financial status so far as it may affect its ability to meet the requirements of point (c) of paragraph 2, any changes to the membership of the pool or the dissolution of the pool.
5. Manufacturers may enter into pooling arrangements provided that their agreements are in compliance with Articles 81 and 82 of the Treaty and that, they allow open, transparent and non-discriminatory participation on commercially reasonable terms by any manufacturer requesting to become a member of the pool. Without limiting the general applicability of EU Competition rules to such pools, all members of a pool shall in particular ensure that no data sharing nor information exchange may occur in the context of their pooling arrangement, except the following information:
 - (i) average specific emissions of CO₂;
 - (ii) the specific emissions target;
 - (iii) total number of vehicles registered.
6. Paragraph 5 shall not apply where all the manufacturers included in the pool are part of the same group of connected manufacturers [...].
7. Except where notification is given under paragraph 3, the manufacturers in a pool for which information is filed with the Commission shall be considered as if they were one manufacturer for the purposes of [...] meeting their obligations under Article 4. Monitoring and reporting information will be recorded, reported and available in the central register referred to in Article 6(4) for individual manufacturers as well as any pools.

Article 6

Monitoring and reporting of average emissions

1. For the year beginning 1 January 2010 and each subsequent year, each Member State shall record information for each new passenger car registered in its territory in accordance with Part A of Annex II. This information shall be made available to the manufacturers and their designated importers or representatives in each Member State. Member States shall make every effort to ensure that reporting bodies operate in a transparent manner. Each Member State shall ensure that the specific emissions of CO₂ of passenger cars which are not type-approved in accordance with regulation (EC) n° 715/2007 are measured and recorded in the certificate of conformity.
2. By 28 February 2011 and each subsequent year, the Member State shall determine and transfer to the Commission the information listed in Part B of Annex II in respect of the preceding calendar year. The data shall be transmitted in accordance with the format specified in Part C of Annex II.
3. On request from the Commission, a Member State shall also transmit the full set of data collected pursuant to paragraph 1.
4. The Commission shall keep a central register of the data reported by Member States under this Article and by 30 June 2011 and each subsequent year shall provisionally calculate for each manufacturer:
 - (a) the average specific emissions of CO₂ in the preceding calendar year in the Community;
 - (b) the specific emissions target in the preceding calendar year; and
 - (c) the difference between its average specific emissions of CO₂ in the preceding calendar year and its specific emissions target for that year.

The Commission shall notify each manufacturer of its provisional calculation for that manufacturer. The notification shall include data per Member State on the number of new passenger cars registered and their specific emissions of CO₂.

The register shall be publicly available.

5. Manufacturers may, within three months of being notified of the provisional calculation under paragraph 4, notify the Commission of any errors in the data specifying the Member State in which it considers that the error occurred.

The Commission shall consider any notifications from manufacturers and shall by 31 October either confirm or amend and confirm the provisional calculations under paragraph 4.

6. Where, on the basis of the calculations under paragraph 5, in relation to the calendar year 2010 or 2011, it appears to the Commission that a manufacturer's average specific emissions of CO₂ in that year exceeded its specific emissions target for that year, the Commission shall notify the manufacturer.
7. Member States shall designate a competent authority for the collection and communication of the monitoring data in accordance with this Regulation and shall inform the Commission of the competent authority designated no later than 6 months after the entry into force of this Regulation. The Commission shall subsequently inform the European Parliament and the Council.
- 7a. For each calendar year in which Article 4b applies, Member States shall provide information to the Commission regarding the share of filling stations and the sustainability criteria of E85 fuel in accordance with Article 4b.
8. The Commission may adopt detailed rules on the monitoring and reporting of data under this Article and on the application of Annex II in accordance with the procedure referred to in Article 12(2).

The Commission may amend Annex II in the light of the experience of the application of this Regulation. Those measures designed to amend non-essential elements of this Regulation shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 12(3).

Article 7

Excess Emissions Premium

1. In respect of each calendar year from 2012 onwards for which a manufacturer's average specific emissions of CO₂ exceed its specific emissions target in that year, the Commission shall impose an excess emissions premium on the manufacturer or, in the case of a pool, the pool manager.
2. The excess emissions premium under paragraph 1 shall be calculated using the following formula:

[...]

From 2012 until 2018:

If its average specific emissions of CO₂ exceeds its specific emission target by more than 3 g CO₂/km:

$((\text{Excess emissions} - 3 \text{ g CO}_2/\text{km}) \times 95 \text{ €/gCO}_2/\text{km} + 1 \text{ gCO}_2/\text{km} \times 25 \text{ €/gCO}_2/\text{km} + 1 \text{ gCO}_2/\text{km} \times 15 \text{ €/gCO}_2/\text{km}) + 1 \text{ gCO}_2/\text{km} \times 5 \text{ €/gCO}_2/\text{km}$ x number of new passenger cars.

If its average specific emissions of CO₂ exceeds its specific emission target by more than 2 g CO₂/km but no more than 3 gCO₂/km:

$((\text{Excess emissions} - 2 \text{ g CO}_2/\text{km}) \times 25 \text{ €/gCO}_2/\text{km} + 1 \text{ gCO}_2/\text{km} \times 15 \text{ €/gCO}_2/\text{km}) + 1 \text{ gCO}_2/\text{km} \times 5 \text{ €/gCO}_2/\text{km}$ x number of new passenger cars.

If its average specific emissions of CO₂ exceeds its specific emission target by more than 1 but no more than 2 gCO₂/km:

((Excess emissions – 1 g CO₂/km) x 15 €/gCO₂/km + 1 gCO₂/km* 5 €/gCO₂/km) x number of new passenger cars.

If its average specific emissions of CO₂ exceeds its specific emission target by no more than 1 g CO₂/km:

(Excess emissions x 5 €/gCO₂/km) x number of new passenger cars.

From 2019:

((Excess emissions x 95 €/gCO₂/km) x number of new passenger cars.

Where:

'Excess emissions', assessed at set out in article 4, means the positive number of grams per kilometre by which the manufacturer's average specific emissions – CO₂ emission reductions due to approved innovative technologies being taken into account – exceeded its specific emissions target in the calendar year rounded to the nearest three decimal places; and

'Number of new passenger cars' means the number of new passenger cars for which it is the manufacturer and which were registered in that year according to the phase-in criteria.

3. [...]
4. The Commission shall establish methods for the collection of excess emissions premiums under paragraph 1.

Those measures designed to amend non-essential elements of this Regulation, by supplementing it, shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 12(3).

5. The amounts of the excess emissions premium shall be considered as revenue for the budget of the European Union.

Article 8

Publication of performance of manufacturers

1. By 31 October 2011 and each subsequent year, the Commission shall publish a list indicating for each manufacturer:
- (a) its specific emission target for the preceding calendar year;
 - (b) its average specific emissions of CO₂ in the preceding calendar year;
 - (c) the difference between its average specific emissions of CO₂ in the preceding calendar year and its specific emissions target in that year; and
 - (d) the average specific emissions of CO₂ for all new passenger cars in the Community in the previous calendar year.
- (da) the average mass for all new passenger cars in the Community in the preceding calendar year.
2. From the 31 October 2013, the list published under paragraph 1 shall also indicate whether or not the manufacturer has complied with the requirements of Article 4 in respect of the preceding calendar year.

Article 9

Specialist derogation for small volume independent manufacturers

1. An application for a derogation from the specific emissions target calculated in accordance with Annex I may be made by a manufacturer which:
 - (a) is responsible for less than 10,000 new passenger cars registered in the Community per calendar year; and
 - (b) is not part of a group of connected manufacturers, or has connected undertakings, and these in total are responsible for less than 10 000 new passenger cars registered in the Community per calendar year; or
 - (c) is connected to another manufacturer but operates its own production facilities and design centre.

2. An application for a derogation under paragraph 1 may relate to a maximum of five calendar years. An application shall be made to the Commission and shall include:
 - (a) name and contact person for the manufacturer;
 - (b) evidence that the manufacturer is eligible for a derogation under paragraph 1;
 - (c) details of the passenger cars which it manufactures including the mass and specific emissions of CO₂ of those passenger cars; and
 - (d) a specific emissions target consistent with its reduction potential, including the economic and technological potential to reduce its specific emissions of CO₂ and taking into account the characteristics of the market for the type of car manufactured.

3. Where the Commission considers that the manufacturer is eligible for a derogation under paragraph 1 and is satisfied that the specific emissions target proposed by the manufacturer is consistent with its reduction potential, including the economic and technological potential to reduce its specific emissions of CO₂, and taking into account the characteristics of the market for the type of car manufactured, the Commission shall grant a derogation to the manufacturer. The derogation shall apply from 1 January of the year following the application.

3a. An application for a derogation from the specific emissions target calculated in accordance with Annex I may be made by a manufacturer which is responsible, together with all of its connected undertakings, for between 10 000 and 300 000 passenger cars registered in the European Union annually.

Such application may be made by a manufacturer in respect of itself or in respect of itself together with any of its connected undertakings. An application shall be made to the Commission and shall include:

- a. All of the information in paragraphs 2(a) and 2(c) above including, where relevant, about any connected undertakings.
- b. A target which is i) a 25% reduction on the average specific emissions in 2007 or, ii) where a single application is made by a number of connected undertakings, a 25% reduction on the average of those undertakings' average specific emissions in 2007.

Where information on a manufacturer's average specific emissions does not exist for the year 2007, the Commission shall determine an equivalent reduction target based upon the best available CO₂ emission reduction technologies deployed in passenger cars of comparable mass and taking into account the characteristics of the market for the type of car manufactured. This target shall be used by the applicant for the purposes of the sub-paragraph (b) above.

4. A manufacturer which is subject to a derogation in accordance with this Article shall notify the Commission immediately of any change which affects or may affect its eligibility for a derogation.
5. Where the Commission considers, whether on the basis of a notification under paragraph 4 or otherwise, that a manufacturer is no longer eligible for the derogation, it shall revoke the derogation with effect from the 1 January in the next calendar year and shall notify the manufacturer.
6. Where the Commission considers that the manufacturer is not giving effect to the programme of reduction set out in its application, the Commission shall impose the excess emissions premium on the manufacturer, as set out in Article 7.
7. The Commission may adopt detailed provisions for the implementation of paragraphs (1) to (6) including the interpretation of the criteria for eligibility for a derogation, the content of applications and on the content and assessment of programmes for the reduction of specific emissions of CO₂.

Those measures, designed to amend non-essential elements of this Regulation, by supplementing it, shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 12(3).

- 7a. An application for a derogation including the information supporting it, as well as any notification under paragraph 4, any revocation under paragraph 5 or 6, or measures referred to in paragraph 7 shall be made available to the public. Subject to the provisions of Regulation (EC) N° 1049/2001 of 30 May 2001 regarding public access to EP, Council and Commission documents.

Article 9a

Eco-innovation

1. Upon application of a supplier or a manufacturer, CO₂ savings achieved through the use of innovative technologies shall be considered. The total contribution of those technologies can be up to 7 gram CO₂ reduction of each manufacturer's average specific emission target.
2. The Commission shall adopt by 2010 detailed provisions for a procedure to approve such innovative technologies. Those detailed provisions shall be based on the following criteria. Innovative technologies shall:
 - (a) be accountable;
 - (b) make a verified contribution to CO₂ reduction;
 - (c) not be covered by the standard test cycle CO₂ measurement or by mandatory provisions due to complementary additional measures complying to 10 gCO₂/km defined in article 1-2 or be mandatory under other provisions of Community law.

Those provisions shall be adopted in accordance with the procedure referred to in Article 12 (2).
3. A manufacturer or a supplier which wish a measure to be approved as an innovative technology shall submit a report, including a verification report undertaken by an independent and certified body, to the Commission. In case the measure could interact with another innovative technology already acknowledged, the report shall mention that interaction and the verification report shall evaluate to which extent that interaction modify the reduction achieved by each measure.
4. The reduction achieved must be approved by the Commission, on the basis of the criteria set out.

Article 10

Review and report

1. In 2010, the Commission shall submit a report to the European Parliament and the Council reviewing the progress made to implement the Community's Integrated Approach to reduce the CO₂ emissions from light-duty vehicles.
2. By the end of October 2014, and every three years thereafter, measures shall be adopted to amend Annex I to provide for the figure M0 to be the average mass of new passenger cars in the last three calendar years. [...]

Those measures shall take effect for the first time on 1 January 2016 and every three years thereafter.

[...]

Such amendment, designed to amend the non-essential elements of this Regulation shall be adopted in accordance with the regulatory power with scrutiny referred to in Article 12(3).

3. [...] From 2012, the Commission shall carry out an impact assessment in order to review by 2014, as foreseen in Article 14, paragraph 3, of Regulation 715/2007/EC, the procedures for measuring CO₂ emissions as set out under Regulation 715/2007/EC. The Commission shall, in particular make appropriate proposals to adapt the procedures to adequately reflect the real CO₂ emission behaviour of cars, and, in particular, to include the approved innovative technologies as defined in Article 4, that could be reflected in the test cycle. The Commission shall ensure that those procedures will subsequently be regularly reviewed.

From the date of entry in application of the revised procedure for the measuring of CO₂ emissions, innovative technologies shall no longer be approved in application of the procedure set out in article 9a.

3a. By 2010, the Commission shall, where appropriate, review Directive 2007/46/EC so that each type / version / variant corresponds to a unique set of innovative technologies.

3b. No later than the beginning of 2013, the Commission shall complete a review of the specific CO₂ emissions targets in Annex I and of the derogations of Article 9 with the aim of:

- defining the modalities of reaching, by the year 2020, a long-term target of 95 g CO₂/km in a cost effective manner; and

- defining the aspects of its implementation including the excess emission premium.

On the basis of such a review and its impact assessment, including an overall assessment of the impact on the car industry and its dependent industries, in a way that is as neutral as possible from the point of view of competition, and which is socially equitable and sustainable, the Commission shall, as appropriate, make a proposal to amend this Regulation.

3c. The Commission shall by 2014, following an impact assessment, publish a report on the data availability of footprint, as an utility parameter for determining specific emissions targets and, if appropriate, submit a proposal to the European Parliament and to the Council to amend Annex I.

3d. Measures shall be adopted to provide for the necessary adaptation to the formulae of Annex I in order to reflect any change in the regulatory test procedure for the measurement of specific CO₂ emissions.

Those measures, designed to amend non essential elements of this Regulation, shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 12(3).

Article 11

Consumer information

[Deleted]

Article 12

Committee

1. The Commission shall be assisted by the committee instituted by Article [...] 9 of Decision [...] No 280/2004/EC.
2. There reference is made to this paragraph, Articles 5 and 7 of Decision 1999/468/EC shall apply, having regard to Article 8 thereof.

The period laid down in Article 5(6) of Decision 1999/468/EC shall be set at three months.

3. Where reference is made to this paragraph, Article 5a(1) to (4) and Article 7 of Decision 1999/468/EC shall apply, having regard to the provisions of Article 8 thereof.

Article 13

Community financing

[Deleted]

Article 14

Repeal

Decision No 1753/2000/EC shall be repealed with effect from 1 January 2010.

However, Articles 4, 9 and 10 of that Decision shall continue to apply until the Commission has submitted a report on monitoring data for the calendar year 2009 to the European Parliament.

Article 15

Entry into force

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 Brussels, [...]

For the European Parliament

For the Council

The President

The President

[...]

[...]

SPECIFIC CO₂ EMISSIONS TARGETS

1. For each new passenger car, the [...] specific emissions of CO₂ for the purpose of the calculations in this Annex, measured in grams per kilometre shall be determined in accordance with the following formula:

From 2012 to 2015:

$$[...] \text{ Specific emissions of CO}_2 = 130 + a \times (M - M_0)$$

Where:

M = mass of the vehicle in kilograms (kg)

$$M_0 = \underline{1372.0}$$

[...]

$$a = 0.0457$$

From 2016:

$$\underline{\text{Specific emissions of CO}_2 = 130 + a \times (M - M_0)}$$

Where:

M = mass of the vehicle in kilograms (kg)

M₀ = the value adopted pursuant to Article 10 paragraph 2a

$$\underline{a = 0.0457}$$

2. The specific emissions target for a manufacturer in a calendar year shall be calculated as the average of the [...] specific emissions of CO₂ of each new passenger car for which it is the manufacturer in that calendar year.

MONITORING AND REPORTING EMISSIONS

PART A – Collection of data on new passenger cars and determination of CO₂ monitoring information

1. For the year beginning 1 January 2010 and each subsequent year, Member States shall record the following details for each new passenger car registered in its territory:
 - (a) the manufacturer;
 - (b) its type, variant and version;
 - (c) its specific emissions of CO₂(g/km);
 - (d) its mass (kg);
 - (e) its wheel base (mm); and
 - (f) its track width (mm).
2. The details referred to in paragraph 1 shall be taken from the certificate of conformity for the relevant passenger car. Where the certificate of conformity specifies both a minimum and a maximum mass for a passenger car, the Member States shall use only the maximum figure for the purpose of this Regulation. In the case of bi-fuelled vehicles (petrol/gas) whose certificates of conformity bear specific CO₂ emission figures for both types of fuel, the Member States shall use only the figure measured for the gas.
3. For the year beginning 1 January 2010 and each subsequent year, Member States shall determine, in accordance with the methods described in Part B, by manufacturer:
 - (a) the total number of new passenger cars registered in its territory;
 - (b) the average specific emissions for CO₂, as specified in paragraph [...] 3 of Part B of this Annex;

- (c) the average mass, as specified in paragraph [...] 4 of Part B of this Annex;
- (d) for each variant of each version of each type of new passenger car:
 - (i) the total number of new passenger cars registered in its territory, as specified in paragraph [...] 2 of Part B of this Annex;
 - (ii) the specific emissions of CO₂ and the share of emissions reduction through innovative technologies or flex fuel vehicles;
 - (iii) the mass;
 - (iv) the footprint of the car, as specified in paragraph [...] 6 of Part B of this Annex.

PART B – Methodology for determining CO₂ monitoring information for new passenger cars

1. Monitoring information which Member States are required to determine in accordance with paragraph 3 of part A shall be determined in accordance with the methodology in this Part.

Number of new passenger cars registered (N).

2. Member States shall determine the number of new passenger cars registered within their territory in the respective monitoring year, N .

Average specific CO₂ emissions of new passenger cars (S_{ave})

3. The average specific CO₂ emissions of all new passenger cars newly registered in a Member States' territory in the monitoring year (S_{ave}) is calculated by dividing the sum of the specific CO₂ emissions of each individual new passenger car, S , by the number of new passenger cars, N .

$$S_{ave} = (1/ N) \times \Sigma S$$

Average mass of new passenger cars

4. The average mass of all new passenger cars registered in a Member States' territory in the monitoring year (M_{ave}) is calculated by dividing the sum of the mass of each individual new passenger car, M , by the number of new passenger cars, N .

$$M_{ave} = (1/ N) \times \Sigma M$$

The distribution by variant of new passenger cars

5. For each of variant of each version of each type of new passenger car, the number of newly registered passenger cars, the mass of the vehicles, the specific emissions of CO₂ and the footprint of the car are to be recorded.

Footprint

6. The footprint of the car shall be calculated by multiplying the wheelbase of the car by the track width of the car.

PART C – Format for the transmission of data

1. For each manufacturer, for each year, Member States shall report the data described in paragraph 3 of part A in the following formats:

– *Aggregated data:*

Year:				
Manufacturer	Total number of new passenger cars registered	Average specific CO ₂ emissions (g/km)	Average mass (kg)	Average footprint (m ²)
<i>(Manufacturer 1)</i>	...	...	...	...
<i>(Manufacturer 2)</i>	...	...	...	...
...
Total all manufacturers	...	...	...	...

– Detailed data at manufacturer level:

Year	Manufacturer	Type of car	Version	Variant	<u>Innovative technology or group of innovative technologies or flex fuel vehicle *</u>	Make	Commercial name	Total new registrations	Specific CO ₂ emissions (g/km)	Mass (kg)	Footprint (m ²)	<u>Emissions reduction through innovative technologies or flex-fuel capability *</u>
Year 1	(Name of manufacturer 1)	(name of type 1)	(name of version 1)	(name of variant 1)		...	...	...	...	...	...
Year 1	(Name of manufacturer 1)	(name of type 1)	(name of version 1)	(name of variant 2)		...	...	...	...	...	...
Year 1	(Name of manufacturer 1)	(name of type 1)	(name of version 2)	(name of variant 1)		...	...	...	...	...	...
Year 1	(Name of manufacturer 1)	(name of type 1)	(name of version 2)	(name of variant 2)		...	...	...	...	...	...
Year 1	(Name of manufacturer 1)	(name of type 2)	(name of version 1)	(name of variant 1)		...	...	...	...	...	...

* In accordance with Article 4b.

Year 1	(Name of manufacturer 1)	(name of type 2)	(name of version 1)	(name of variant 2)		...	...	...	...	...	...
Year 1	(Name of manufacturer 1)	(name of type 2)	(name of version 2)	(name of variant 1)		...	...	...	...	...	...
Year 1	(Name of manufacturer 1)	(name of type 2)	(name of version 2)	(name of variant 2)		...	...	...	...	...	...
Year 1	(Name of manufacturer 1)	...	...	...		...	...	...	...	...	...
Year 1	(Name of manufacturer 1)			
Year 1	(Name of manufacturer 1)			
Year 1	(Name of manufacturer 1)			
Year 1	(Name of manufacturer 1)	...	...	...		...	...	...	...	...	...
