

Newsletter

August – September 2020

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Approval and market surveillance of motor vehicles

As part of the “Europe on the Move” legislative package presented in 2017 to reform the European transport sector, the EU regulation on the registration and market surveillance of motor vehicles came into force on September 1, 2020. The new regulation, which was adopted in May 2018, overhauls and tightens the existing type approval and market surveillance system. It improves the quality and independence of vehicle type approval and testing, increases the controls of vehicles already on the EU market and strengthens the overall system with greater European supervision.

On the one hand, the regulation aims to ensure that technical services and type-approval authorities work independently and implement regulations. Technical services that carry out tests and inspections of new car models will be independently audited on the basis of strict criteria in order to obtain or maintain their designation by the Member States. National type-approval authorities are now subject to peer review to ensure that the relevant rules are implemented and enforced throughout the EU. Similarly, checks on vehicles already on the market will be extended and improved. With the entry into force of the regulation, EU Member States will be obliged to test a minimum number of vehicles on a regular basis, i.e. they must test at least one in 40,000 new motor vehicles registered in that Member State in the previous year. At least 20 percent of these tests must be emission-related. At least five tests are carried out for countries with a small number of passenger car registrations.

The EU Commission will also be able to carry out conformity and compliance checks on vehicles in laboratories or on the road to verify compliance with regulations, initiate EU-wide recalls and impose sanctions of up to 30,000 euros per non-compliant vehicle on manufacturers.

The Commission has provided additional resources to the Joint Research Centre (JRC) to

enable it to take on this new role in market surveillance. It is financing the necessary additional staff, operating costs and the construction of two new laboratories. The JRC has two new state-of-the-art laboratories to carry out these same controls.

The Regulation is largely in line with Parliament's requests. It guarantees certain basic conditions for market surveillance and at the same time clarifies the competences between the EU and the Member States, which has not been the case so far. The proposal to empower the EU to carry out its own checks and to impose sanctions met with strong resistance at the time. However, it can be assumed that this empowerment was exchanged for other provisions. For example, some Member States have successfully ignored a provision of the Commission proposal that would have prevented car manufacturers from financing the testing laboratories of national authorities. Similarly, a provision that would have allowed independent members to be part of a forum of representatives of the Member States to monitor the approval system for motor vehicles has been omitted.

Further Links:

- [Commission Press Release](#)
- [Q&A of the Commission](#)

Revision of the CO₂ emission standards

Regulation (EU) 2019/631 adopted on 17 April 2019 setting CO₂ emission standards for new passenger cars set the average target for new passenger cars at 95 grams CO₂/km from 2020. The reduction in CO₂ levels is to be calculated from this value in 2021. The regulation stipulates that CO₂ emissions from new cars must be reduced by 15 percent by 2025 and by 37.5 percent by 2030.

However, the automotive industry and other representatives rejected a tightening of standards in the wake of the corona pandemic, as the automotive industry is one of the sectors most affected by the pandemic crisis. So far there has been no official statement from the Commission

on whether it would suspend the planned introduction of new CO₂ emission targets for the fleet for a limited period of time and whether plans for stricter emission standards would be maintained despite the corona virus crisis. This is exactly what Thierry Breton, EU Commissioner for the Internal Market, answered on 18 August 2020 at the request of MEP Sylvia Limmer (IDG).

While Commissioner Breton undoubtedly acknowledged that the automotive industry is particularly affected by the crisis and that at the same time it represents a strategic industry for the future of Europe, he stressed that the industry must become a leading industry for low- and zero-emission vehicles if it is to flourish. He added that the industry is supported in this by the recent EU proposal Next Generation EU.

Breton ruled out a withdrawal of the CO₂ standards set by Regulation (EU) 2019/631, as the latest registration data show that the share of emission-free vehicles and plug-in hybrids in the EU has increased to 6.8 percent in the first quarter of 2020 despite the general decline in vehicle registrations, compared to 2.5 percent in the first quarter of 2019, so that consumer demand continues to move in this direction. A Commission proposal for the revision of Regulation (EU) 2019/631, as announced in the European Green Deal, is scheduled for June 2021.

Nor can the stricter air pollutant emission standards for vehicles with combustion engines, which the Commission is expected to adopt by 2021 (Euro 7), be withdrawn. The Commission is currently carrying out an evaluation of the Euro 6/VI vehicle emission standards and will examine to what extent these regulations have contributed to reducing air pollutant emissions from road traffic. The conclusions of this evaluation will feed into the Euro 7 impact assessment.

Further Links:

- [Question by Sylvia Limmer](#)
- [Response by Commissioner Breton](#)
- [Regulation \(EU\) 2019/631](#)

- [ACEA: Overview market distribution and trends \(EN\)](#)

Europe's raw material supply

“A secure and sustainable supply of raw materials is a prerequisite for a resilient economy. For e-car batteries and energy storage alone, Europe will for instance need up to 18 times more lithium by 2030 and up to 60 times more by 2050. As our foresight shows, we cannot allow to replace current reliance on fossil fuels with dependency on critical raw materials.” With these words of caution from Maroš Šefčovič, Vice-President for Inter-institutional Relations and Foresight, the European Commission presented on September 3, 2020 an Action Plan on Critical Raw Materials, the list of critical raw materials for 2020 and a foresight study on critical raw materials for strategic technologies and sectors from the perspective of 2030 and 2050.

The security of supply of raw materials to EU industry is not a new issue and has been actively promoted by the EU since 1970. However, new problems and challenges are arising in the course of digitisation and electrification. The European Green Deal and the new EU industry strategy recognise that access to resources has become a strategic security issue in order to make green and digital change a success. The corona crisis in particular highlights many problems of current supply chains and existing dependencies, which is particularly critical in public security sectors and other strategic areas. Europe must make a long-term effort to develop open strategic autonomy and diversify the supply of raw materials.

The Action Plan presented addresses current and future challenges and proposes measures to reduce Europe's dependence on third countries, to diversify supply from both primary and secondary sources and to improve resource efficiency and the cycle, while promoting responsible procurement worldwide. In addition, the list of critical raw materials has been updated to reflect the changing economic importance and

supply challenges based on their industrial application. It contains 30 critical raw materials. Lithium, for example, which is essential for a switch to e-mobility, has been added to the list for the first time.

To implement the action plan, the Commission outlined ten concrete measures. In the coming weeks, for example, the Commission is to establish a European Raw Materials Alliance, in particular to strengthen the EU's resilience in the value chains of rare earths and magnets, as this is crucial for most of the EU's industrial ecosystems, such as renewable energies, defense and space.

It also aims to make better use of domestic resources. To this end, the Commission will work with Member States and regions to identify mining and processing projects in the EU that can be brought into operation by 2025.

The Commission will promote the use of its Copernicus Earth Observation programme to improve resource exploration, operations, and environmental management after closure. At the same time, Horizon Europe will support research and innovation, particularly with regard to new mining and processing technologies, substitution and recycling.

The Commission will also develop sustainable funding criteria for the mining and extractive industries by the end of 2021. It will also map the potential of critical secondary raw materials from EU stocks and waste to identify viable recovery projects by 2022.

Also essential is the development of strategic international partnerships to ensure the supply of critical raw materials not found in Europe. Pilot partnerships with Canada, interested countries in Africa and in the EU's neighborhood will start in 2021. In these and other forums for international cooperation, the Commission will promote sustainable and responsible mining practices and transparency.

Further Links:

- [Commission Press Release](#)
- [Action Plan](#)

Meeting Dates

Council

Transport, Telecommunications and Energy Council 28/09/2020

Competitiveness Council 24/09/2020

Council of Justice and Home Affairs 08/10/2020

Council of Environment 23/10/2020

Plenary 14/09/2020 ([Agenda](#))

Committees

Environment (ENVI) 07/09/2020 ([Agenda](#))

Internal Market / Consumer (IMCO) 28/09/2020 (Agenda, tba)

Justice & Home Affairs (LIBE) 10/09/2020 ([Agenda](#))

Transport (TRAN) 23-24/09/2020 (Agenda, tba)

Events (Brussels)

14/09/2020

[AutoSensMatch](#)

23/09/2020

[High Level Conference - Skills and transformation of the EU's automotive sector](#)