

# **EUROPEAN PARLIAMENT REPORT ON EURO 7 FALLS SHORT FOR BETTER AIR QUALITY**

Brussels - 9 November 2023

The Association for Emissions Control by Catalyst, AECC AISBL, noted the European Parliament today adopted its report on the Euro 7 legislative proposal for cars, vans, trucks and buses.

The European Parliament significantly weakens the Euro 7 proposal of the European Commission in parallel to delaying its implementation. This is in contrast with its own report on the Revision of the Air Quality Directive from 13 September 2023, where the European Parliament requests higher ambition than the proposal from the European Commission. As a consequence, Euro 7 would fall short as a supporting tool for better air quality. For example, only minor adjustments are made to test conditions. Especially for heavy-duty vehicles, Euro VI test procedures are nearly kept, not addressing significant shortcomings for cold-start and low-load operation in urban environments.

However, in contrast to the Council's General Approach on Euro 7 dated 25 September 2023, the **European Parliament report retains key overarching objectives of Euro 7** from the Commission Proposal. It maintains setting fuel-neutral limits for light-duty vehicles, and allows shorter trips with the application of an emissions budget up to 10 km. It also keeps the PN10 procedures developed at UNECE and which are already adopted and endorsed by the EU.

AECC calls on the co-legislators to maintain these key overarching objectives for exhaust emissions of vehicles during the Euro 7 trilogue. These are necessary to develop Euro 7 with a minimum sensible level of ambition. Millions of vehicles with internal combustion engines will be sold in the next decades and these should contribute to air quality improvements.

AECC encourages the co-legislators to continue working on swift adoption of Euro 7 before the upcoming EU elections in June 2024. This is necessary to enable a prompt implementation of the new Euro 7 legislation. Such implementation of a robust Euro 7 is necessary, feasible, affordable and will make Europe more competitive, as can be seen in AECC's fact sheet on Euro 7 <a href="https://example.com/here">here</a>. AECC has demonstrated that emission control technologies to achieve the originally proposed Euro 7 exhaust emissions standards are available today.

For more information, please contact info@aecc.eu.

AECC is an international non-profit scientific association of European companies operating worldwide in the research, development, testing and manufacture of key technologies for emissions control. Their products are the ceramic substrates for catalysts and filters; catalysts (substrates with catalytic materials incorporated or coated); adsorbers; filter-based technologies to control engine particulate emissions; and speciality materials incorporated into the catalyst or filter. Members' technology is integrated in the exhaust emissions control systems of cars, commercial vehicles, buses, non-road mobile machinery and motorcycles in Europe.

More information on AECC can be found at www.aecc.eu

AECC's members are: Emitec Technologies GmbH, Germany; Johnson Matthey PLC, United Kingdom; NGK Europe GmbH, Germany; Solvay, France and Umicore AG & Co. KG, Germany.

AECC is registered in the EU Transparency Register under n° 78711786419-61.



# POLICY UPDATE

# Euro 7: EU Parliament weakens EU Commission's proposal

- On Thursday, 9th November 2023, lawmakers in the European Parliament adopted a position on the Euro 7 non-CO2 emissions rule for cars, vans and trucks that waters down crucial elements of the EU Commission's original proposal.
- MEPs (Members of the EU Parliament) agreed to set fuel emissions limits at the lowest level permissible under current regulations, arguing that further reductions would force carmakers to spend money developing new fossil fuel engines, which are being banned in 2035, instead of on development of electric vehicles.
- Lawmakers from the EU Parliament will now enter interinstitutional negotiations ('trilogue') with the European Commission and the European Council, which includes top ministers from EU countries, with the possibility to close the deal before the end of this year.
- IPA and AECC will monitor and carry out advocacy activities during trilogue and keep their members informed.



## **Relevance for PGM industry**

- EU Parliament delayed the timeline proposed by the EU Commission for the Euro 7 non-CO2 emissions rule by at least two years to give the car industry more time for implementation.
- In terms of limits for nitrous oxides (NOx) and carbon monoxide, Parliament has voted in favour of the Euro 6 limits continuing to apply but without the previous distinction between petrol and diesel cars.
- Testing requirements for cars, vans and trucks were weakened and exhaust emission limits for trucks and vans lowered.
- The Parliament however toughened rules for particulate emissions: for the first time limits will apply on particulate emissions from brakes and tires, for both internal combustion engine vehicles and EVs.
- Euro 7 introduces a set of standards to guarantee the minimum durability and performance of batteries for all electrified
- An attempt by the European People's Party, the European Conservatives and Reformists and some members of Renew and Socialists & Democrats to include a carbon correction factor and mention carbon neutral fuels (e-fuels) was rejected.
- As the Parliament voted on its position on the Euro 7 non-CO2 legislation, it drew mixed reactions ranging from relief to disappointment (see next pages for stakeholder comments).
- "We have successfully struck a balance between environmental goals and the vital interests of manufacturers. It would be counterproductive to implement environmental policies that harm both Europe's industry and its citizens," Alexandr Vondra of the European Conservatives and Reformists, the lead MEP on the file, said in a statement after the vote.
- Vondra's narrative was that if the Commission's proposal had been adopted, carmakers would have eliminated small cars from their fleets, forcing "poor people" to either ride bicycles or buy cheaper second-hand cars that are more polluting than Euro 6. "The environment and air standards would have been worse, not better," he said.
- Alexandr Vondra believes that trilogue discussions now have two options — either more stringent emissions limits that take effect later, or less stringent emissions limits with an earlier effective date.
- The position passed in the plenary with 329 votes in favor and 230 against.

- It was backed by Vondra's European Conservatives and Reformists, the European People's Party, Renew, as well as the far-right Identity group and rejected by Socialists & Democrats, the Left and the Greens.
- MEPs rejected an effort by ECR, the EPP and the some Renew and S&D members to add a recital on carbon-neutral fuels into the non-CO2 pollutant legislation.

AECO

Association Emissions Control by Catalyst, EUROPEAN PARLIAMENT REPORT ON EURO 7 COmmented in a statement (see PDF) that while the Parliament had

weakened the Commission's proposal, it was still better than the Council's because it adheres to the Commission's emissions limits for cars, and allows for shorter trips by applying an emissions budget up to 10 kilometres.

## What is next

- The trilogue has already started in "written form".
- There will be two rounds of talks: one at the end of November and the other mid-December in Strasbourg.

Further reading: selection of news reports can be found on the next pages.

# **Euro 7: EU Parliament weakens EU Commission's proposal**



### EU set to weaken Euro 7 pollution standards after parliament vote (Europe Autonews)

The European Parliament joined the European Council in approving a weaker version of the rules. The two EU bodies will now negotiate with the European Commission on the final text.

- The European Parliament has approved its negotiating position for the Euro 7 pollution rules, adopting a position that is less ambitious than the original proposal following pressure from countries and automakers.
- The parliament will now enter into "trilogue" negotiations over the final document with the European Commission and the European Council, which includes top ministers from EU countries. Approval could come as early as the start of 2024, with the regulations going into effect no earlier than 2026 for passenger cars and 2027 for heavy trucks.

#### Car industry said: too costly

- Euro 7 would replace the current Euro 6 standard, which governs emissions of pollutants from combustion engine cars. The EU Commission, which drafts EU laws, has said the health benefits would far outweigh the costs.
- Automakers and countries including Italy and the Czech Republic have argued the original rules proposed by the Commission would have been too costly. They say since the EU already has a deadline to end sales of new CO2-emitting cars in 2035, it would be better to focus investment on producing electric vehicles rather than improving combustion engine cars' environmental impact.

#### Same limits & coming later

- Lawmakers on 9 November voted to keep the Commission's proposal for limits on pollution from cars, including nitrous oxides (NOx), particulate matter and carbon monoxide. That proposal, released in November 2022, essentially retains the limits from Euro 6, but also includes for the first time limits on particulate emissions from brakes and tires.
- But they weakened NOx limits for trucks, and delayed when the rules will apply -- for cars, to three years after all secondary legislation associated with the proposal is passed. The Commission had wanted the rules to apply from 2025.
- EU countries, in the form of the council, and lawmakers in the Parliament have each agreed to weaken the rules. The council voted in September to extend most existing Euro 6 test conditions and emissions limits for cars and vans, although they will be lower for buses and heavy vehicles.

#### Auto lobby backs Parliament and Council

- ACEA, the European automakers' lobbying group, on Thursday 9 November, said the parliament's position was "a more realistic approach to Euro 7" than the Commission's original proposal. "Euro 7 still comes with a heavy price tag and at a very critical juncture in the industry's transformation," the group said.
- Environmental group Transport & Environment on Thursday described the parliament's position on Euro 7 as "worse than useless."
- "The EU Parliament backed a so-called 'Euro 7' standard that fails to significantly increase air pollution protections beyond its Euro 6 predecessor," the group said.

- · Alexandr Vondra, the parliament's lead lawmaker on the rules and a member of the right-wing European Conservatives and Reformists group, said the decision on Thursday was good for motorists and a "major defeat" for Green and Socialist lawmakers who had sought stricter rules.
- "The EU is missing the opportunity to be the future leader in green technology," said Bas Eickhout, a Green EU lawmaker, in contrast.

#### Following text is part of an article by www.supplychainbrain.com

- In a 7 November report, The Guardian said experts claim the watered-down law could lead to \$107 billion in environmental and health costs.
- About half of the projected financial savings from the Euro 7 standards on car emissions law will be lost due to damage caused by excess production of nitrogen dioxide, based on an analysis provided by the Consortium for Ultra-low Vehicle Emissions (Clove).
- Clove experts initially recommended reducing the amount of nitrogen dioxide that vehicles are allowed to emit. However, an agreement signed by the EU's 27 member states in September would have done little to limit the amount of nitrogen dioxide produced by cars.
- Automakers argued that the proposal was "entirely disproportionate, driving high costs for industry and customers with limited environmental benefits," leading them to lobby for the proposition to be watered down.

## Political trade-offs...?

Several sources (e.g. NGO T&E) said that the lower exhaust emissions limits were traded off during a secret meeting in 2022 in order to secure industry support for the phasing out of combustion engines in the EU by 2035.

statement was made the article by supplychainbrain.com and can not be verified by IPA.

Abgasnorm Euro 7 nur noch ein "Schatten" - Autolobby bringt Europa angeblich um 100 Milliarden Euro (Frankfurter Rundschau)

Original article in German (link) — machine translated and edited version below.

## Euro 7 emissions standard only a "shadow" - car lobby allegedly deprives Europe of 100 billion euros

The Euro 7 emissions standard will only be introduced in a weakened form - and high levels of pollutants will continue to exist for a long time to come. A report illustrates the drastic effects.

- At the end of September 2023, EU member states voted in favour of significantly weakened requirements that deviate greatly from the original intentions. In the EU Competition Council, government representatives voted in favour of a compromise that provides for lower emissions standards for combustion engines than originally proposed.
- Germany was one of the countries that voted against the proposal - the German government was in favour of stricter emissions standards for cars.

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- However, the draft that was then adopted hardly goes beyond previous regulations and would therefore not fulfil the necessary requirements to protect the environment and people.
- The EU member states' proposal for the Euro 7 standard was "virtually back to the level of Euro 6", said Sven Giegold, State Secretary in the Federal Ministry of Economics and Technology, who was participating on behalf of the German government, in the Competition Council.
- According to Agence France-Press (AFP), the requirements for the test conditions remain unchanged compared to Euro 6. "This is unambitious, we are below the current state of the art," explained Giegold. The planned Euro 7 emissions standard has apparently been weakened to such an extent that the industry hardly has to make any effort to fulfil it.

# More pollutants with Euro 7 standard - damage of around 100 billion euros?

- A report in German magazine <u>SPIEGEL</u> explains the drastic effects. Regarding the limit values, the weakened Euro 7 proposal is only a "faint shadow" of the previously discussed regulation.
- The consequence: although cars with combustion engines will be banned from sale from 2035, millions of new vehicles will still be on the roads by then without the current emission standards for petrol and diesel models having to be further optimised by manufacturers. This will save the industry a lot of money on development and production, but society and the environment will pay the price, according to a report.
- The Consortium for Ultra Low Vehicle Emissions (<u>CLOVE</u>)
  analysed the effects of the weakened Euro 7 emissions
  standard for SPIEGEL and the Voxeurop portal and came to
  a shocking conclusion: the damage to health and the
  environment will cost the European population around 100
  billion euros in the period between 2025 and 2050 (<u>link</u>).
- The report points out that the committee is not some kind of "eco-lobby" - but an advisory body of experts engaged by the EU Commission, some of whom also work in the car industry.

# Allegations: car lobby probably manipulating EU Parliament over emissions standard?

- The calculation is based on a comparison of the original regulation draft, in which new cars would only have been allowed to emit 20 instead of 60 milligrams of nitrogen oxides per kilometre from 2025.
- The amount of pollutants from the exhaust pipes of petrol and diesel cars will continue to be assessed mildly in the future and laboratory tests will continue to be carried out under less than realistic conditions.
- In addition, the companies are to be given years to adapt to less stringent regulations.
- The European Automobile Manufacturers' Association (ACEA) is also at the centre of the accusations. According to the SPIEGEL report, it made misleading statements about the conversion of combustion engines under the pretext that this would jeopardise Europe as an industrial production location and hamper affordable mobility.

#### Costs lower than claimed by automotive manufacturers

- As the CLOVE experts explain, technical optimisation of current combustion engines would require far less financial outlay than the car manufacturers claim.
- Rather, "larger catalytic converters and better filters" would be sufficient to further reduce exhaust emissions.
- The surcharge for a corresponding Euro 7 proposal would therefore amount to just 90 to 150 euros per car, but member states have rejected even this proposal and initiated a weaker emissions standard.

#### Euro 7: serious accusations against car lobby by NGOs

- In the wake of the Euro 7 emissions standard, environmental associations are also sounding the alarm: the position of the Competition Council is "a disaster for air quality", according to the non-governmental organisation Transport & Environment (T&E).
- Instead of reducing pollution, current Euro 6 vehicles are being sold as greener Euro 7 cars, according to Anna Krajinska, who is responsible for vehicle emissions at T&E.
- Krajinska asked lawmakers to at least have the "decency" to rename the measure Euro 6F. (An amendment to that effect was proposed by The Left and the Greens, but was rejected in the plenary vote.)
- Research by SPIEGEL even revealed that passages from a lobby email can apparently be found almost verbatim in an amendment that is considered a compromise solution by a majority in the European Parliament.
  - IPA shared behind-the-scenes information around ACEA's email with the "IPA POLITICO" mailing list.
- Jens Gieseke, transport policy spokesman for the German CDU/CSU group and member of the European People's Party (EPP), is partly responsible for the "soft line" at parliamentary level: "We are preventing an additional burden on industry, which already has to cope with the switch to electromobility. Maintaining competitiveness and jobs in the EU is a priority for us as the EPP," German tabloid "Bild" recently quoted the Union politician. German manufacturers also campaigned against the original plans.

#### Background

### <u>EU member states against stricter emissions standard - France</u> and Italy as drivers

- A group of eight member states including France and Italy had campaigned against new emissions standards for combustion cars. New rules are not necessary because the decision to phase out the combustion engine has already been made, French Industry Minister Roland Lescure said. The Italian Minister for Economic Affairs, Adolfo Urso, explained that the new standard should not result in excessive costs for car manufacturers against the background of competition from countries such as China.
- The European Automobile Manufacturers' Association (ACEA) welcomed the agreement reached by the EU member states. However, the Euro 7 standard will require high additional investment from car manufacturers, even in a watered-down form, explained ACEA Director Sigrid de Vries.



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