



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, xxx
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AVIS DU COMITE DES EVALUATIONS D'IMPACT

**PROPOSAL FROM THE COMMISSION TO
THE EUROPEAN PARLIAMENT AND COUNCIL
for a REGULATION to reduce CO₂ emissions from passenger cars**

**[COM(2007) 856 final
SEC(2007) 1723
SEC(2007) 1724]**

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Specific recommendations:

(1) Impact on the fleet composition and the effect it may have on attaining the target needs clarification. Whereas it is understandable that eventual fleet composition will depend on the decisions of car manufacturers and consumers, the difference between results from REMOVE and ex-ante analysis needs to be clearly explained in the IA report; in particular, the size of the potential shift (in terms of size class and age vintages) needs to be assessed. Moreover, the methodology and the underlying assumptions of the REMOVE modelling exercise need to be explained in this specific context and articulated with the statement that the 123% slope curve represents the least cost solution.

(2) A sensitivity analysis should be added. Given that the modelling and the estimates of the CO2 reduction potential and the cost-effectiveness rely on a set of variables that might be influenced by external events, adding a sensitivity analysis, e.g. on fuel prices or autonomous weight increase, to the overall appraisal of options would be an asset. This sensitivity analysis could be helpful for the review of the evolution of the passenger car market foreseen for 2010.

(3) The premium mechanism deserves further analysis. Both the level of premium (whether or not it should be equal to marginal abatement costs) and the way it will be introduced (at once, gradually, etc) should be duly discussed in the IA report.

(4) Regional impacts should be assessed. The reply to the IAB provides an overview of the expected market developments. This should be complemented by an indication of where the automotive industry is concentrated, so as to provide a basis for an analysis of employment impacts, should they be significant.

(5) A short discussion on effects on the automotive supplier industry, mergers and takeovers, and competitiveness on external markets could be added to the IA.

(D) Procedure and presentation

The IA report is well written. It exceeds the IA Guidelines recommended limit of 30 pages but this is justified given the scope of the proposal and its likely impacts. All other requirements seem to be complied with.

2) IAB scrutiny process

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| Author DG | ENV, ENTR |
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