



## **AECC RESPONSE TO THE CARS 21 CONSULTATION**

AECC is pleased to provide input to the consultation on the CARS 21 report, following our comprehensive response to the earlier stakeholder consultation. The automotive industry and its supplier base are key players in European growth, employment and environment improvement.

Recommendation No.1 in the CARS 21 report rightly sets forward the key principles for future regulation, including stakeholder consultation; performance-oriented legislation; the definition of long-term plans and policy objectives, including the indication of 'N+2' limits; dialogue with other regulators and impact assessments which consider the environmental and social costs of measures, international benchmarking and potential first-mover advantages.

Vehicle emissions control technologies have repeatedly been demonstrated to be highly cost-effective as well as technically effective in reducing air pollution and hence human health impacts. Data shows that continuous development and economies of scale ensure continued reductions in costs. Cost-effectiveness studies therefore need to take account of this, together with the tendency highlighted in some recent reports for the costs to be over-estimated in such studies.

Both the motor industry and its suppliers need adequate lead times to conduct the necessary development and especially to put in place facilities for volume production. The proposal for early indication of 'N+2' limits when the 'N+1' stage is being defined will provide the necessary confidence for both the industry and suppliers to invest in the technologies and production facilities. The option of fiscal or legislative incentives for the early implementation of future requirements remains a powerful element in driving forward technologies as well as ensuring more rapid movement towards future targets and needs to be maintained for the future European policy framework.

The true objective of emissions legislation is, of course, to reduce real-world in-service emissions and hence provide improved air quality and public health. To this end, emissions legislation needs to clearly relate to the actual operational use of the vehicle fleet, including driving patterns, vehicle life and system durability and to ensure that vehicles meet specific emissions limits under all operating conditions. Maintaining the Type Approval system (Recommendation 4), which has proven to be very effective, is essential in supporting this.

Harmonised procedures and regulations and the adoption of UN-ECE procedures (recommendations 2 & 3) may assist in minimising the industry's costs, and is therefore welcome, but harmonisation must not inhibit the setting of requirements to meet specific European needs within a realistic timeframe. In other countries where legislators are responding to increasing vehicle use and deteriorating air quality, European legislation can provide a strong lead and give a 'head start' to European companies skilled in the application of emissions control technologies.

Initiatives such as EuroNCAP have succeeded in moving the market forward via public pressure in the area of safety. Regrettably, air quality and emissions effects are often non-visible and difficult to relate to the public's perception of individual vehicles or incidents. Consumer demand for environmental 'credentials' on motor vehicles is thus not always highly visible. However, the recent public pressure in Germany for fitment of Diesel Particulate Filters demonstrates the strength which market forces can have in moving forward the application of eco-technologies.

**In conclusion, the regulatory process for the motor industry should provide a view of requirements over a timeframe that is compatible with the vehicle system development timeframe and allows planned development of the appropriate technologies. It needs to recognise that key technologies are provided by first, second and third-tier suppliers, and that the regulatory framework needs to provide a structure that will allow clarity in longer-term research and investment decisions for all of them as well as the vehicle manufacturers. It should ensure that regulatory simplicity does not result in deviations from the true objectives such as improving air quality and minimising related health effects, yet could allow the use of alternative tools to reach overall targets.**