

BRIEFING NOTE (<i>Commission Internal</i>)

Scene setter/Context of the meeting:

You will meet CLEPA which is the European Association of Suppliers of Automotive Parts. Its members are the main automotive suppliers, both big and very small (Bosch, DENSO, Continental, Valeo, etc.). Main goal of the meeting is for CLEPA to present their vision paper on the future of mobility (focused on safety, environment, sustainability and competitiveness).

We have long-standing relations with CLEPA, with regular meetings regarding environmental performance, safety, automated driving, access to data, international relations and competitiveness. CLEPA also speaks for suppliers in international discussions in UNECE (United Nations Economic Commission for Europe).

The European supplier industry plays a very important role as it provides the major part of the value added on a car (e.g. Tesla cars use Bosch sensors) and has fully embraced globalisation. It was exposed to the market drop (-12% in first half of 2019) in China and tensions on the international market (US tariff threats, Brexit).

Objective of the meeting:

Exchange of views on files of key importance: automated/connected vehicles, vehicle emissions, conformity of car components and access to vehicle data, remaining post-dieselgate actions.

Main messages

- **Encourage CLEPA members to push the automation and safety agenda in UNECE and access to in vehicle data in Brussels.**
- **Encourage CLEPA members to participate in the work towards EURO 7 emission legislation for both light and heavy duty vehicles.**
- **Call upon CLEPA to engage in the implementation of the remaining post-dieselgate commitments (Craiova Roadmap), for example regarding making available retrofit solutions.**

Line to take

Automated and connected mobility strategy and safety: regulatory framework, UNECE discussions, Infrastructure for connectivity

- CLEPA must help in speeding up the automation agenda and safety in UNECE and in the EU by building a supportive European industry approach.
- We count on your input in the ongoing discussion on access to vehicle data and more generally on data/Artificial Intelligence given a particular position of CLEPA supplying both car manufacturers and the aftermarket.

Questions to the interlocutor

- What is the view of CLEPA regarding future connectivity needs for autonomous vehicles? Will 5G prevail? How do we get there?
- Should we regulate access to vehicle data in general or let competition rules apply?

Future Emissions Regulations

- We count on your constructive participation in the upcoming discussions on the new generation of emissions rules. We have seen that it is identified as one of the key policy priorities for sustainable mobility in your recent White Book.
- Your timely input and expertise will be indispensable for the quick delivery on this task.

Questions to the interlocutor

- Where do you see the challenges for the future emission standards (e.g. regarding technology neutral approach, combining LDV (light duty vehicles) and HDV (heavy duty vehicles) provisions)?

- What are the predictions on the vehicle emissions reduction potential of your latest generation of product offerings?

Cleaning up the past

- Although a lot has been done to make sure that cars affected by defeat devices are recalled and fixed, almost 4 years after the start of dieseldgate the overall recall rate is far from impressive. There are still millions of diesel cars to be fixed.
- CLEPA has to urge its members to assist the car manufacturers in their efforts to offer reliable solutions for the recalled vehicles (software and/or hardware).

Questions to the interlocutor

- Are your members actively involved in the exercise of bringing vehicles back into conformity?

Background information

Name of the Director who has cleared the briefing: G. Cozigou

BASIS request ID:6982

Room, time: Brussels 15.00

Participants: Timo Pesonen/ACEA (Ms [REDACTED], CLEPA [REDACTED])

Name of main contact person: [REDACTED] ([REDACTED]), [REDACTED] ([REDACTED])

Telephone number: [REDACTED] / [REDACTED]

Directorate/Unit: GROW/C4

Automated and connected mobility strategy

The Commission adopted on 17 May 2018 a strategy on automated and connected mobility as part of the 3rd mobility package. The strategy proposed a vision on the development of connected and automated mobility in the next 10 years as well as a roadmap of actions. DG GROW was on the lead, DG MOVE, CNECT and RTD were co-lead.

The strategy is based on three pillars to ensure that: 1) key technologies are developed in the EU, 2) automated/connected vehicles are safe and 3) automated/connected mobility benefits to citizens.

First steps of the strategy have already been delivered especially in the safety pillar: the new regulation on vehicle general safety (see also below) will provide a clear legal framework for the approval of automated and connected vehicles. The Commission services also worked with the Member States on guidelines for the approval of automated vehicles in the meantime (supported by Member States on 12 February 2019).

On the technology pillar, the strategy on automated and connected mobility announced a public-private partnership (PPP) for this sector. Discussions are still on-going within the framework of the future research programme "Horizon Europe". CLEPA is of course interested by this discussion. The Commission (lead: DG MOVE) is also establishing a new EU platform to coordinate open road testing of automated/connected vehicles: The call was launched and the first meeting is scheduled on 25 June 2019.

Finally, as automated vehicles could open up new opportunities for further harmonization on traffic rules. Whereas existing traffic rules for traditional vehicles may be difficult to harmonise, traffic rules for automated vehicles are new and could be easier to harmonise. DG MOVE could play a bigger role in this respect. Today this topic is mainly managed by Member States which do not manage to agree in the framework of the United Nations (UNECE).

Vehicle safety

As part of the 3rd mobility package, **the Commission proposed on 17 May 2018 a new Vehicle General Safety Regulation**. The new regulation makes obligatory the fitting of a number of driver assistance systems and gives special focus to the most vulnerable road users – pedestrians and cyclists. New features include Advanced Emergency Braking systems, Lane Keeping Assist system, Intelligent Speed Assistance for cars but also direct

vision requirements and cyclist detection for trucks. The regulation also gives the mandate to the Commission to regulate automated and connected vehicles (e.g. interaction with the driver and other road users, black box, cybersecurity). The co-legislator reached a political agreement on the text on 26 March 2019 and the new text should become applicable from mid-2022 and necessary implementing legislation (technical standards) shall be developed within 15 months. CLEPA was a big supporter of the new regulation.

It is intended to develop the implementing legislation needed for the general safety regulation through regulations of the United Nations (so called 1958 and 1998 agreements on vehicle regulations of the UNECE) as these regulations would apply beyond the EU (Japan, China, USA, Russia, Korea are there). The EU Commission is pushing the agenda in UNECE. A new dedicated group on automated/connected vehicles has been created and we are now agreeing on priorities of work and deliverables. The EU and Japan are leading on automated vehicles whereas other regions are following (China) /not willing to regulate (US). But we created momentum and China and the US showed recently great interest in this topic (willing to lead on some work items).

Access to data

The access to in-vehicle data is regulated since 2007 in the EU vehicle approval legislation¹ to ensure a fair access to car data by independent repairers. This legislation is now being updated to take into account the increasing use of connectivity (3G-4G) (so-called remote diagnostic)². The European Parliament also called in 2018 the Commission to legislate to ensure fair access to in-vehicle data and resources in general³ and the Commission promised to study further options⁴ to the current legal framework. The aforementioned issues have been subject to exchanges in the Motor Vehicle Working Group on 10 April 2019 and 3 July 2019. This is a highly controversial file between car manufacturers that have a clear advantage in accessing vehicle data and other after market actors that are also willing to access these data. GROW is expecting four further meetings and the results of the stakeholders consultation will be fed into a study to be released by the end of 2019 and a possible new legislation by 2020.

Future Emission Standards

In 2018 the Commission started the work towards reviewing and updating the EURO emission standards for both light and heavy duty vehicles. The first step was a Stakeholder event, held on the 24 October 2018 with the participation of more than 100

¹ Regulation 715/2007.

² As required by Art 61 of Regulation (EU) 2018/858.

³ See request from the European Parliament in its resolution on a European strategy on Cooperative Intelligent Transport Systems (P8_TA(2018)0063) and on autonomous driving in European transport (P8_TA-PROV(2019)0005)

⁴ “On the road to automated mobility: An EU strategy for the mobility of the future”. <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2018:0283:FIN:EN:PDF>

experts in the field. The work will continue in 2019 and 2020, with the help of two studies launched by the Commission.

The first study will contain on a critical review of the effectiveness of the current approach used in the emissions type-approval legislation in Europe, learning also lessons from legislation in other parts of the world. A review of emission tests for pollutants will assess the current tests and procedures for the quantification of pollutants and GHG emissions, including for new technologies, with the aim to present options for a new array of tests that would be fit for purpose. Such new tests may include existing ones, such as the RDE one, with or without modifications, but also redesigned tests based on existing ones, or even completely new types of tests and procedures. As examples, tests for non-regulated pollutants, new concepts of on-board monitoring of emissions and methods making market surveillance more effective shall be assessed as part of this study.

The second study will focus on the feasibility of new emission limits, all aspects related to the security of emission systems and software, anti-tampering measures and enforcement with periodic technical inspections or roadside inspection and improvements to the emission type approval process. The second study will also develop the technical elements for the impact assessment of the proposed emission standards.

By the end of 2020, the Commission should have all the technical elements to prepare a proposal for the future and hopefully final step of the emission standards.

Dieselgate/Roadmap towards clean vehicles

- **Dieselgate**

In September 2015 we learned that some European car manufacturers were cheating when their cars were tested on the level of emissions. They used defeat devices which recognise that the car is being tested and change the car's behaviour to reduce emissions during the test. Yet on the road the cars emit more.

Together with the European Parliament and the Member States we have changed the rules to ensure that Dieselgate will not happen again and to restore the confidence of EU citizens in the system and in European car manufacturers.

- **Roadmap towards clean vehicles**

During the Automotive Industry Forum (18 March 2019) organised by the Romanian Presidency in Craiova (Romania) Commissioner Bieńkowska handed over a 'Roadmap towards clean vehicles' to Mr Niculae Bădălău, Minister for Economy of Romania representing the presidency of the Council of the EU. The roadmap, which the Commission has worked on jointly with national experts, lays out actions that Commission, EU countries and industry should take to realise a full shift to clean cars.

The Juncker Commission has led the transition to low and zero-emission mobility. Three major legislative packages called 'Europe on the Move' and different measures to support alternative fuels, battery production and connected and automated driving build the core of the Commission efforts. The objective of the roadmap defines various

action areas including: the efficient implementation of new type approval rules and emissions tests developed and proposed by the Commission; a quick delivery on the recalls of non-compliant cars; the creation of a cleaner car fleet by means of retro-fitting; and improved consumer information and protection.

Non-compliant components on European market

Following a meeting between DG GROW (Gwenole Cozigou) and the Ministry of Transport of Germany (16.9.2019), we were informed about a breach of Directive 2000/53 on end-of-life vehicles (ELV) and our Type Approval Directive. Germany further reported this during the 3rd meeting of the Forum for Exchange of Information on Enforcement which took place on 15 October 2019. The Czech Republic reported a similar situation. The breach consists in Chinese transistors containing illegal amounts of lead, which Continental and Bosch have supplied since 2016 to several car manufacturers in the EU, Japan and Korea. The information available to us also suggests that the use of incompliant components might have occurred in further applications in printed circuit boards in electronics. The issue was in the news in August 2019 and there is a suspicion that the transistors were supplied to car manufacturers since 2013. It is also suspected that a similar issue might exist with Cadmium in electric vehicles.

Annex II of the ELV Directive states that a maximum concentration value up to 0, 1% by weight for lead in homogeneous material of vehicles shall be tolerated. According to the information available so far, the amounts of lead found in the concerned transistors are well above the 0.1 % limit.

According to Germany, Continental would have committed to compensate the amount of lead illegally placed on the market by reducing drastically (well below the legal limit) the amount of lead in transistors the future. Continental also agreed to a financial fine of around EUR 25 million. The case is under investigation by the competent ministry of environment on Lower Saxony. A similar investigation is ongoing with Robert Bosch GmbH.

The problem is, according to Germany, of worldwide relevance (except the US as the limits are different).

A joint letter was sent by DG ENV-DG GROW to all member States to enquire on the measures taken to ensure compliance with the provisions of the ELV and type-approval Directives in respect to the presence of hazardous substances in vehicles put on the market after 1 July 2003. We also asked for information on the measures taken to correct the identified issue in case the Member States were aware of the breaches mentioned above.