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Rue Belliard/Belliardstraat 99 — 1040 Bruxelles/Brussel — BELGIQUE/BELGIË

Tel. +32 25469011 — Fax +32 25134893 — Internet: <http://www.eesc.europa.eu>

European Economic and Social Committee

INT/541
Approval and market
surveillance / vehicles L
category

Brussels, 19 January 2011

OPINION

of the

European Economic and Social Committee

on the

**Proposal for a European Parliament and Council Regulation -
Regulation (EU) No .../2010 of the European Parliament and of the Council on the approval and
market surveillance of two- or three-wheel vehicles and quadricycles**

COM(2010) 542 final – 2010/0271 (COD)

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Rapporteur: **Mr Ranocchiarì**
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On 5 November 2010, the Council, and, on 19 October 2010, the Parliament decided to consult the European Economic and Social Committee, under Article 114 of the Treaty on the Functioning of the European Union, on the

Proposal for a European Parliament and Council Regulation - Regulation (EU) No .../2010 of the European Parliament and of the Council on the approval and market surveillance of two- or three-wheel vehicles and quadricycles
COM(2010) 542 final – 2010/0271 (COD).

The Section for the Single Market, Production and Consumption, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 17 December 2010.

At its 468th plenary session, held on 19 and 20 January 2011 (meeting of 19 January 2011), the European Economic and Social Committee adopted the following opinion unanimously.

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1. Conclusions and recommendations

- 1.1 The economic and financial crisis which hit Europe in 2008 did not spare the motorcycle sector. Over the period ranging from the last quarter of 2008 to the last quarter of 2010, the EU market fell by 33%, with adverse effects on employment.
- 1.2 Notwithstanding the present situation, the EESC welcomes the European Commission proposed regulation, which addresses among others two sensitive issues such as road safety and the environment, for which a legislative initiative had long been awaited.
- 1.3 "L" category vehicles¹ play also a social role in providing access to mobility, helping to reduce congestion in cities and offering alternatives in rural areas where public transport are scarce.
- 1.4 Therefore, the EESC recommends that attention should be given to limiting the overall increase in consumer costs coming from the proposed changes, in particular for smaller mobility-oriented products, to further avoid negatively impacting the market. Consequently, the EESC recommends that the regulation should foresee adequate lead time to implement the proposed measures, associated with higher flexibility in the technical solutions to be applied on smaller vehicles, in order to keep them affordable for the consumer.

2. Introduction

- 2.1 The EESC welcomes the European Commission proposal, which intends to address several issues related to type approval and market surveillance in the motorcycle sector. This long awaited proposal provides the motorcycle sector with the necessary visibility on upcoming requirements for the manufacturing of two-, three wheel vehicles and quadricycles ("L" category vehicles).
- 2.2 Currently applying environmental standards for "L" category vehicles dating back to 2006², the European Commission proposes to continue progress with the progressive introduction of new Euro steps over the present decade. The proposal also includes provisions in the area of vehicle safety, given that improved road safety of motorcyclists is amongst the strategic objectives of the European Union for the period 2011-2020³.
- 2.3 As already mentioned in previous EESC opinion⁴, the powered two-wheeler industry (PTW) plays an important role in the EU in terms of the economy and jobs. 90% of the European production is carried out by a hundred or so medium-large and medium-small manufacturers operating in various EU countries (mainly Italy, United Kingdom, Germany, France, Spain and Austria, as well as Czech Republic, the Netherlands, Portugal, Slovenia and Sweden) as well as Norway and Switzerland. The remaining 10% of European production is shared by a number of small and very small manufacturers. The average turnover of EUR 8 million reflects the substantial number of SMEs. In 2007, the manufacturing sector was employing 25 000 people, while the employment in the whole motorcycle sector (including component manufacturing, distribution and maintenance) was estimated at around 150 000.

- 2.4 Manufacturers' situations vary widely: some global operators are active across all segments (motorcycles for various uses with various cylinder capacities, scooters with various cylinder capacities, mopeds, three- and four-wheeled motorcycles) or in very specialised segments, while others operate country-wide or even local businesses which at times verge on craft trades in terms of size and production processes.
- 2.5 The sector was struck by the crisis in the last quarter of 2008, and the adverse effects of the fall in demand have been felt throughout the sector, with severe structural and employment consequences (31% fall in demand resulting in a 35% reduction in turnover and orders, with adverse effects on employment). Over the period last quarter 2008 to last quarter 2010, the EU market fell by 33%. This fall in demand also resulted in a fall in turnover and orders and produced adverse effects on employment, within the manufacturing sector (mostly through less seasonal work, reduced working hours and redundancy payment) as well as for the upstream suppliers and downstream sale, maintenance and repair (estimated - 25% workforce, 2010 over 2007⁵).

This is the background against which EC proposal COM(2010) 542 was adopted, and which the EESC wishes to take into account in formulating its opinion.

3. European Commission proposal

- 3.1 On October 4th, the European Commission adopted the proposal for a regulation on "Approval and market surveillance of two-or-three wheel vehicles and quadricycles". This proposal uses the 'split-level approach', with the framework regulation on which the EESC is currently providing comments going through codecision procedure, to be followed by four comitology regulations (delegated acts), within 2012:
1. Environmental and propulsion performance requirements;
 2. Vehicle functional safety requirements and related subjects;
 3. Vehicle construction requirements;
 4. Implementing act on administrative provisions.

The EC intention is to apply the whole package from 1 January 2013.

- 3.2 The EESC welcomes this legislative approach, aiming at progressively improving environmental performance and increasing vehicle safety features, as well as achieving simplification in type approval legislation for "L" category vehicles, for which new sub-categories are introduced. Such simplification will result in the repeal of 13 directives and in the application of UNECE⁶ Regulations, whenever possible. Furthermore, the EESC supports the renewed emphasis put on market surveillance, necessary to ensure a level-playing field as well as to protect the consumer from non compliant products, mostly coming from South-East Asia.

4. General comments

- 4.1 The EESC evaluates positively the EC proposal as a whole, in particular its progressive nature in terms of application dates, however some aspects still need to be addressed with the European Parliament and Council in order to achieve well-balanced legislation with cost-beneficial measures, especially in light of the sector's specificities and the current economic and financial crisis.
- 4.2 In the EESC opinion, the first item requiring attention is the calendar for the introduction of the new vehicle features, which must provide manufacturers with sufficient lead time to implement the different provisions, once the full content of the regulation as well as the delegated acts have been approved. Given that the delegated acts are expected to be finalised at the earliest at the end of 2012, the EESC believes that the application date for the whole package should start on 1 January 2014, in order to provide the necessary lead time to manufacturers and component suppliers. This lead time is necessary for manufacturers to have sufficient visibility on new requirements, and together with component suppliers develop the appropriate solutions to meet the proposed provisions.
- 4.3 The new requirements must then be implemented on production, at a reasonable cost to the consumer. This is particularly important in the current economic context. Additional percentage increase of consumer cost, coming from the application of the different environmental and safety provisions proposed in the regulation, are estimated⁷ to range between +5% and +10% for the high end of the market (motorcycles above 750cc) and up to +30% for the low end of the market (motorcycles under 300cc). This +30% increase appears disproportionate and risks limiting consumer purchasing attitude, leading to a more

- ageing fleet, with adverse effects on environment and safety, as well as industry, employment and society. In terms of volumes, small and medium displacement motorcycles account for more than 80% of EU registrations. It should be noted that vehicles under 300cc represent two thirds of EU registrations, most of them being urban commuters providing social and professional mobility.
- 4.4 On the environmental side, the EC proposed timeline for the introduction of the new Euro environmental steps is welcome, however the EESC notes that hybrid technology appears to have been to some extent penalised, with its alignment to diesel limit values, whilst presently used fuel on these vehicles is gasoline.
- 4.5 On the safety side, the EESC welcomes the legislative approach to advanced braking systems on motorcycles, but it reiterates⁸ the need to properly evaluate the cost-effectiveness of the different systems, depending on the different products and their usage patterns. The EESC supports a technology-neutral approach in the area of advanced braking systems, in order to provide manufacturers with the necessary flexibility and stimulate innovation, in the interest of the consumer.
- 4.6 Whilst the EESC supports the proposed application dates of the different provisions for new type approvals, additional time appears necessary for vehicles registered according to an existing type approval, due to the extra complications and costs burden linked to their adaptation.
- 4.7 The EESC also supports the higher focus given to anti-tampering measures on vehicles legally limited in their dynamic performance and market surveillance provisions, to prevent vehicles non-compliant with type-approval provisions from entering the EU market. In these areas, Member States will also have a key role to play, through regular controls performed on the fleet and at the point of distribution.
5. **Specific comments**
- 5.1 Within article 2 (2) (g), "vehicles primarily intended for off-road use and designed to travel on unpaved surfaces" have been excluded from the scope of the EC proposal. This poses a problem for existing trial and enduro vehicles production, which until now were covered by type approval legislation, and also creates an uncertainty due to the subjective interpretation of the exclusion for other borderline vehicles. The EESC supports maintaining trial and enduro vehicles⁹ within the scope of type approval legislation, also to avoid negative impacts on the environment, and using clear requirements in order to insert the exemptions from advanced braking systems necessary due to their specific conditions of use.
- 5.2 The EESC also welcomes the deletion of the optional 74 kW power limit, currently only used in one EU Member State, which supports the objectives of the EU internal market completion.
- 5.3 The EESC questions the proportionality of the provision requiring the use of On Board Diagnostics on L1 and L2 mopeds, given that the technical implications associated to the measure have a disproportionate cost in relation to the low purchasing cost of these vehicles (around EUR 1000). The EESC wishes to underline the social role mopeds play in providing access to mobility, education and job opportunities, to young people and to fringes of the population for which these vehicles represent the only affordable form of private mobility, in cities and in particular in rural areas where public transport alternatives are scarce.
- 5.4 The EESC notices that limits for "small series" have been lowered from currently applying 200 vehicles to 100 (L4e, L5Be, L6Be, L7Be), 50 (L5Ae) and even 20 (L1Ae, L1Be, L2e, L6Ae, L7Ae). The EESC is of the view that these limits are too low and impractical for the many SMEs involved in the sector; the EESC therefore proposes to maintain the 200 vehicles limit presently applying, in order to enable these SMEs to be granted some limited exemptions from type-approval requirements economically unaffordable for such small businesses.
- 5.5 The EESC believes that the proposed maximum mass for L6e and L7e quadricycles in Annex I are premature. Whilst the maximum mass appears unchanged, it is now referred to mass in running order. This is not only more severe in itself, but it does not take into account the additional weight impact of newly proposed requirements in Annex II, in particular but not limited to "front and rear protective structures". The technical characteristics of these new requirements having to be established by the delegated acts, the EESC believes that setting maximum mass limits should be done in light of the technical requirements.

Brussels, 19 January 2011.

The President
of the
European Economic and Social Committee

Staffan Nilsson

¹ "L" vehicles consist of L1e mopeds, L2e three-wheel mopeds, L3e motorcycles, L4e motorcycles with sidecar, L5e tricycles, L6e light quadricycles, L7e heavy quadricycles.

² Directive 2002/51/EC introduced Euro2 (since 2003) and Euro3 (since 2006).

³ Road safety policy orientations, European Commission, 2010.

⁴ OJ C 354, 28.12.2010, p. 30.

⁵ Data for Italy, ANCM (Associazione Nazionale Ciclo Motociclo e Accessori).

⁶ United Nations Economic Commission for Europe.

⁷ Source ACEM. See http://circa.europa.eu/Public/irc/enterprise/automotive/library?l=/mcwg_motorcycle/meeting_june_2009&vm=detailed&sb=Title

⁸ CESE 1187/2010, "Strategic guidelines for road safety up to 2020", September 2010.

⁹ As defined in Directive 2002/51/EC, article 2 paragraph 4.

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