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VDMA Position Paper

on the Proposal for a Regulation of the European Parliament and of the Council on requirements relating to emission limits and type-approval for internal combustion engines for non-road mobile machinery

The Commission proposal published on 25 September 2014, which aims to set new emission rules for engines of non-road mobile machinery, means that now – after many years of intensive discussions – there are specific requirements for the manufacturers represented by VDMA, which establish the framework for future developments.

With its proposal (COM(2014) 581), the Commission has largely succeeded in taking account of the diversity of machinery collectively referred to by the term "non-road mobile machinery". It has put forward a proposal for a regulation, which addresses many concerns expressed by European industry recently. For example, the extensive alignment with the US limit values is likely to create uniform rules for the two most important markets for German manufacturers. This is essential – especially in the context of competitive pressure from Asia – but unfortunately this advantage is cancelled out by the introduction of a limit values for particulates. This de facto imposition of technology that uses a particle filter is unique in the world and contributes to the debate about the health risks caused by diesel particles.

In addition, the Commission's timetable for introduction is extremely ambitious. The new targets are due to apply for certain engine categories as early as 2019, including in particular, engines of <37 kW, which are moved from Stage IIIA to Stage V, without any transitional arrangements. This type of change requires considerable technical developments and the associated investment, and the three years planned by the Commission between publication of the Regulation (at the beginning of 2016) and the entry into force of the provisions (1/1/2019), is deemed far too short in relation to the development periods of 5 years. It does not take account of the huge investments which European industry has had to make in recent years to implement the existing stages contained in the Exhaust Emissions Directive 97/68/EC and will still have to make in the future. Appropriate lead times for implementation are essential, particularly considering that these are the world's most stringent emission limits for non-road mobile machinery.

This makes a swift vote in the Council and Parliament even more important, so as to ensure rapid implementation of the proposal. This is the only way to achieve the absolutely imperative planning certainty for engine and machinery manufacturers as well as the component supply industry. Besides a rapid legislative process, however, we see the need for improvement of the following items of the content of the Commission proposal:

- The procedure proposed by the Commission Regulation concerning putting the machinery onto the market cannot be implemented in its current form. According to that

procedure, the machinery manufacturers would have to cease sale of machinery that meets the old legislative requirements within a period of 18 months after the Regulation comes into effect. For some applications, and particularly for small and medium-sized manufacturers producing in limited quantities, in the worst case scenario this could put them out of business. An extension of at least six months is urgently required, but individual sub-sectors even need an extension of twelve or 24 months due to the particular diversity of their products¹.

- The text concerning "replacement engines" also requires amendment. The proposal does not take account of this important aspect, although it is an essential criterion for planning future investments by machinery manufacturers and operators. Mobile machines are extremely durable capital goods, and the engine may need to be replaced within a life cycle if necessary. A more workable compromise for all parties is required here.
- The proposed regulations for inland waterway vessels go far beyond what is usual practice in the marine sector, which is particularly critical for such a small niche market and brings with it market distortions. In addition, the strict requirements do not fit with the business model of inland navigation and its usual fleet renewal cycles.

In summary, the Commission has put forward an extremely ambitious proposal for the revision of the emission limits for non-road mobile machinery with the most rigorous requirements in the world concerning the technical and economic capabilities of the German and European companies in this sector. VDMA sees need for changes, particularly with regard to details of the proposal. The industry represented by VDMA has made huge investments in recent years to meet the current, already very strict legal requirements and to be able to continue to sell their products on the European market. With this commitment, the emissions of mobile machinery have already been reduced since the introduction of the Exhaust Emissions Directive of 1999 by more than 95% for NOx and PM. Not to mention significant re-financing - Stage IV of the current Directive only takes effect this year - significant sums are now required again for the necessary developments.

Nevertheless, the industry is willing to meet the ambitious goals of the European Union and in particular to bring the ongoing legislative process to a rapid and sensible conclusion.

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¹ VDMA is drawing up, together with its member firms, a validated and comprehensible list of defined products which require a longer transitional period.