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CECE Contribution to the EU Public Consultation on the Revision of Directive 97/68/EC

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CECE welcomes the evolution of Directive 97/68/EC by further alignment with those emission limits already existing in the U.S. market. Such alignment with the U.S. enables emission reductions to be achieved in the most cost-effective manner by increasing market size. However, CECE notes that not all limit values described in the consultation paper are fully aligned.

CECE supports the inclusion of two power classes of engines below 19 kW and of engines with power greater than 560 kW. Regarding the introduction of new stages for variable speed engines and constant speed engines 19-37 kW CECE strongly recommends to align limit values with corresponding U.S. values. We note the low emission levels already achieved by the introduction of Stage IV and support the need for a sound cost/benefit analysis to be made for Stage V. CECE strongly agrees with the consultation paper to retain the transitional provisions, exemptions and derogations. They should be adjusted to cover the new stages and extension of the scope.

Introduction

CECE welcomes the possibility to give its opinion on various policy options for the revision of Directive 97/68/EC. The consultation paper is a good starting point for further in-depth discussions.

The manufacturers represented by CECE offer all kind of machines needed in the construction sector and related industries, in particular road making equipment, concrete equipment, crushing and screening equipment, as well as earthmoving equipment.

The European mobile machinery industry is fragmented, being made up of hundreds of machine types working in a wide sector of diversified applications. The huge variety of applications and work environments has led to the development of very specific technical solutions for each purpose. While the on-road sector is dominated by a small number of manufacturers producing a limited number of

models in high volumes, the European mobile machines industry is made up of over 1200 manufacturers making a wide range of models (many companies make well over 100 different models).

The majority of these models are produced in annual quantities below 1000 units for most product categories, many in annual quantities of less than 100 and some in less than 10 units per year.

With such a high diversity and limited production volume for each product, the cost and frequency of re-developing machines for new emission stages is a high proportion of development budgets. Consequently it is not feasible to re-develop and launch all new models simultaneously; rather a staggered progressive approach is required. In order to increase the market size, machines will usually be developed to meet the requirements of global markets, such as EU, USA and Japan for the most advanced emission reduction stages, increasing the importance of aligned regulation. The alignment with the U.S. provides the advantage of harmonization with an important external market and thus reducing trade barriers and allowing manufacturers to use economies of scale. CECE consequently strongly supports alignment with the U.S.

Furthermore, adequately long periods of stability between changes in legislative requirements are needed in order to recover the cost of these investments and sufficiently long lead-time between the publication of new requirements and the entry into force, in order that manufacturers can develop and implement effective long-term product development strategies.

Emissions from construction equipment have considerably reduced since the introduction of 97/68/EC and further reductions will already be achieved with the introduction of Stage IV from 2014.

Content of the Revision – CECE position

1. Extension of the Scope – CI engines below 19 kW and above 560 kW (variable speed engines)

CECE supports the inclusion of two power classes of engines below 19 kW ($< 8 \text{ kW}$ and $8 \text{ kW} \leq P < 19 \text{ kW}$), regulated according to the limit values contained in the Commission consultation document, which are aligned with those in the corresponding U.S. legislation. If limits remain aligned with those in the U.S., a minimum of three years lead-time is necessary between the publication of the new directive/regulation in the Official Journal of the European Union (OJEU) and the mandatory date for placing on the market of engines of this emission level.

CECE also supports the inclusion of engines with power greater than 560 kW regulated according to the limit values contained in the Commission consultation document, which are aligned with the corresponding limits in the U.S. legislation. As for the smaller engines, a minimum of three years lead-time is necessary between the publication of the new directive/regulation in the OJEU and the mandatory date for placing on the market of engines of this emission level.

The flexibility scheme should be extended to these new power classes. The principle of providing the two alternatives of a 20% of production allowance or a fixed number allowance should be retained. CECE proposes that the fixed number allowances should be as follows:

> 560 kW	25
8 kW ≤ P < 19 kW	250
< 8 kW	300

If the limit values are not aligned with the U.S., these figures have to be reconsidered.

2. Introduction of new stages – Stage IV for 19-37 kW (variable speed engines)

CECE notes that the limits listed in the summary table to the consultation document are not aligned with the equivalent U.S. values, contrary to the indication in the consultation document body. CECE supports the alignment with US limits for this power class and as a consequence cannot support the summary table to the consultation document.

CECE recommends adopting the U.S. limit values (CO: 5.5 g/kWh; NO_x +HC: 4.7 g/kWh; PM: 0.035 g/kWh; this last value is equivalent to the U.S. value, taking into account the different rounding rules in U.S.). If limits are aligned to the U.S., a minimum of three years lead-time between the publication of the new directive/regulation in OJEU and the mandatory date for placing on the market of engines of this emission level is necessary.

The flexibility scheme for this power class is already foreseen in the present Directive 97/68/EC and must be retained.

3. Introduction of new stages – Constant speed engines

Whilst Commission identifies that 95% of constant speed engines are used in generator sets, a small proportion are used in constant speed construction equipment applications.

CECE supports the Commission proposal to align the limit values of constant speed engines with corresponding U.S. limits. However, CECE notes that in order to obtain aligned limits for 19-37 kW the amended values (CO: 5.5 g/kWh; NO_x +HC: 4.7 g/kWh; PM: 0.035 g/kWh) should replace those in the Commission proposal. Due to the wide range of power covered by this proposal CECE supports a staggered introduction with the introduction date staggered by power class, with the placing on the market date of the first power class being no earlier than three years after publication of the new directive/regulation in the OJEU.

4. Introduction of new stages – Stage V

CECE is in favour of measures to improve air quality that are cost effective to all sectors of society and provide benefits to public health. We note the low emission levels already achieved by the introduction of Stage IV and support the need for a sound cost/benefit analysis to be made for Stage V. Special care is needed to the installation challenge of stage V engines on equipment, especially the compact ones. Accordingly CECE believes that it is necessary for the cost/benefit analysis to evaluate the installation feasibility.

If the studies show that Stage V will be feasible and cost-effective to all sectors of society, CECE supports the proposed focus on a particulate number limit for variable speed engines in the power range 56-560 kW.

CECE believes that the particulate number limit should be set at a level appropriate for non-road engines tested on non-road test cycles, with no change to Stage IV gaseous and PM mass emission limits.

CECE welcomes the recognition in the consultation paper that there is a need for a minimum of five years stability between consecutive stages. CECE calls also to have a minimum of five years between the publication in the OJEU and the placing on the market date of the new stage.

CECE proposes that Stage V is split into two power classes $130 \text{ kW} \leq P \leq 560 \text{ kW}$ and $56 \text{ kW} \leq P < 130 \text{ kW}$, with the respective introduction dates staggered by one year.

CECE recommends that development of a Stage V takes place in conjunction with the authorities of important third markets such as the USA to thereby increase market size and maintain alignment.

5. In-service conformity

CECE recognises that the responsibility for in-service conformity will rest with the engine manufacturer. Nevertheless CECE remains concerned about possible implications for OEMs and end customers regarding the future practical implementation of an in-service conformity programme. Implementation issues have not been addressed during the non-road PEMS pilot programme led by JRC and Commission has not yet made any proposal on how or when this would be introduced. Consequently CECE requests that Commission provide further information regarding implementation aspects so that the impact can be assessed.

6. Exemptions, derogations and transitional measures

CECE strongly agrees with the consultation paper to retain the transitional provisions, exemptions and derogations. They should be adjusted to cover the new stages and extension of the scope.

In line with the proposal given in the consultation document, CECE, as previously expressed, is in favour to:

- Delete the end of series provision (Article 10(2));
- Improve identification of engines by the addition of the date of manufacture on the engine itself (month and year).

In respect to the proposal to set end-dates for the placing on the market of machines using sell-off or flexibility engines, CECE finds this proposal acceptable on condition:

- That the time limits apply equally for all machine manufacturers, regardless of the worldwide location of the manufacturing plant or engine supply chain;
- That the end-date for placing on the market of engines and machines fitted with flexibility engines is set at five years rather than three years.

It is important to note that the number of machines with flexibility engines is already limited by the percentage or fixed quantity allocations of the flexibility scheme. Consequently extending the placing on the market deadline for machines with flexibility engines has no environmental impact.

In case the transitional provisions will differ from the proposal in the consultation document, CECE is ready to contribute to further discussions.

7. Other issues

CECE supports transforming the directive into a regulation.

In principle, CECE supports alignment with the New Legislative Framework (NLF). However, detailed requirements have to be reviewed when a text is available and CECE is ready to contribute to this.

CECE notes the proposed inclusion of alternative fuel engines into the scope of the future directive/regulation. Whilst in principle CECE would support such a step, CECE believes it is necessary for the Commission to come forward with more detailed proposals in this subject area, and to ensure that there is sufficient opportunity to assess the potential impact of this initiative when these details are provided.

In addition to the issues raised in the consultation document CECE would like to highlight a technical conflict in complying with Directive 97/68/EC and Directive 94/9/EC on equipment to be used in potentially explosive atmospheres (ATEX). Engines up to Stage IIIA can be manufactured or adapted to comply with the ATEX requirements. Most Stage IIIB engines are unable to be manufactured or adapted to conform to the technical requirements of both directives. CECE is ready to provide further information on this issue.

Finally CECE notes that during the discussions of the GEME working group in 2010 proposals were put forward to provide legislative certainty on two issues:

- The conditions for the shipment of after-treatment system separately from the rest of the engine from engine manufacturer to OEM;
- The exemption of engines intended for or used in field-testing of non-road mobile machinery.

Both activities are essential in the non-road industry today but the legislation does not address them yet. CECE consequently asks these issues to be included in the revision, taking into account the results of the GEME working group discussion.

CECE is the recognized organization representing and promoting European construction equipment and related industries. CECE represents 16 national associations from 14 countries. The industry behind CECE comprises of 1,200 companies employing directly around 130,000 people with a total turnover of 23 bn €.