

ADPA Newsletter

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Summary

1 Focus: ADPA

Belron 14th Member of ADPA; ADPA visit of Tekné; Save the dates!; 936 followers on Linkedin

2-3 Focus: Environment

Euro 7 nearly finalised, but not its implementing measures; Reducing carbon emissions from trucks; 90% less emissions by 2040?; New report on challenges for the decarbonation of road transport; New Board for the FAAS; Towards new rules for endof-life vehicles; No automotive in the Right to Repair legislation; Longer and heavier trucks soon on the road

4 Focus: Safety

Towards new rules for driving licences; Increased risks on rural roads; Stalling progress in reducing road fatalities; Road fatalities per million inhabitants in 2023

5 Focus: Data

Multiple pushes for a legislation on access to vehicle data, functions and resources; First investigations under the Digital Markets Act; European legislation on Artificial Intelligence almost there; Consumers and telematics services

6 Focus: Security

Launch of the ADPA Task Force on SERMI; Partial revision of the Type-Approval Regulation; New list of sanctioned interpretations for SERMI; SERMI live in some countries, further postponed in some others

8 Focus: Business

MVBER soon to be reviewed; Standard Essential Patents; Instant payments across Europe soon a reality; Share of mobility in European households' expenditures (2022)

9 Focus: European Union

Belgian Presidency; Bulgaria and Romania partially included in Schengen; New Secretary General for EGEA; Launch of the campaign for the European election

10 Focus: International

New sanctions against Russia and its sponsors; One step closer to tariffs for Chinese electric vehicles; AutoCare's promotion of ACES and PIES standards in Latin America; Package of measures for European economic security

Belron 14th Member of ADPA

On the 1st of January, Belon became the 14th Member of ADPA, confirming the recognition of the association as a key player for the defence of the wider independent automotive aftermarket. Welcome to them!

ADPA visit of Tekné

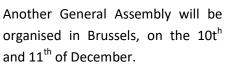


In March, Patrick Lo Pinto, CEO of Tekné and Board Member of ADPA, welcomed ADPA's Director General for a visit of his company in Latina, Italy. At this occasion,

Tekné colleagues and ADPA staff discussed the contribution of data publishers to safe, sustainable and affordable road mobility, the commercial and technical risks of monopoly they are facing, and potential remedies at European Union's level.

Save the dates!

The next ADPA General Assembly will take place in Frankfurt, on the 16th and 17th of April.







936 followers on Linkedin

If we reach 1.000 followers by the General Assembly in Frankfurt, Pierre will bring some Belgian chocolates. And if the 1.000th follower is from one of the Members, this Member will be awarded with its own box of chocolates.

Time to invite all your partners and colleagues to follow the page!



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Focus: Environment

Euro 7 nearly finalised, but not its implementing measures

On the 13th of March, the European Parliament approved the <u>deal on Euro 7</u> reached with the Council of the European Union, representing Member States, following a similar vote on the 11th of January in the Committee for Environment of the European Parliament.

The Euro 7 legislation confirms the targets for maximal exhaust emissions for passenger cars and light duty vehicles from Euro 6, but sets higher objectives for buses and trucks as well as new objectives for particulate matter, including from tires and brake pads. It also sets minimal performance requirements for batteries.

Besides, the Euro 7 legislation foresees the establishment of an environmental passport for each vehicle, containing information on pollutant emission limits, and specific information for internal combustion engines (CO2 emissions, fuel consumption) and for electric vehicles (electric energy consumption, electric range, battery durability). Relevant information generated by on-board systems and monitors, such as fuel consumption, battery health or pollutant emissions, will also have to be made available to consumers.

Following efforts from ADPA and FIGIEFA and a rare unanimity among political groups in the European Parliament, the final text has amended the initial proposal of the European Commission to include some measures safeguarding the possibility for the independent aftermarket to perform tasks which are Euro 7 relevant, in particular by clarifying that vehicle manufacturers shall not withhold the relevant necessary technical information, even under the ground of antitampering measures.

The text, which still not to be formally adopted by the Council. The European Commission has in parallel initiated its work on the implementing measures, an essential step to which ADPA and other aftermarket associations are contributing.

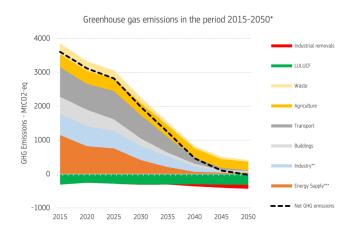
Reducing carbon emissions from trucks

On the 18th of January, the European Parliament and the Council, representing national governments, reached a provisional <u>deal to lower CO₂ emissions from trucks, buses and trailers</u>. They confirmed the European Commission's proposal aimed at reducing such emissions by 15% in 2025, 45% in 2030, 65% in 2035 and 90% in 2040 for heavy trucks over 7,5 tons and coaches. Urban buses should reduce their emissions by 90% in 2030, and 100% in 2035. A review clause will enable the European Commission to assess if and how to integrate trucks running on CO₂-neutral fuels at a later stage. This deal still needs to be formally approved by the European Parliament and the Council.

90% less emissions by 2040?

On the 6th of February, the European Commission published a (non-binding) <u>communication on its climate</u> <u>target for 2040</u>. It recommends in particular to reduce European Union's net greenhouse gas emissions by 90% by 2040 relative to 1990. While all sectors are meant to contribute to this effort, the share of mobility in emissions is supposed to drastically shrink.

The next European Commission should make a legislative proposal to include this 2040 target in the European Climate Law and ensure that an appropriate policy framework is put in place to deliver it.



"Source: PRIMES, GAINS, GLOBIOM
"Excluding non-BECCS industrial removals
""Including Bioenergy with carbon capture and storage (BECCS)



New report on challenges for the decarbonation of road transport

On the 24th of January, the European Court of Auditors released a <u>report on the decarbonation of road transport</u>: "Reducing carbon dioxide emissions from passenger cars — Finally picking up pace, but challenges on the road ahead". It points out several reasons for the continuous increase of emissions from road transport over the last years, accounting for 23% of European Union's total greenhouse gas emissions. It considers that national type-approval authorities often don't carry out the required checks, and that the European Commission has too limited information on these checks. It also alerts on the fact that vehicle manufacturers focus on reducing emissions in laboratory rather than on the road.

New Board for the FAAS

On the 30th of January, the <u>Forum for Automotive</u> <u>Aftermarket Sustainability</u>, of which ADPA is a member, elected its first Board. In particular, Louise Wohrne (MEKO), Michael Boe (BoargWarner) and Richard Brasher (LKQ) have become Chair, Vice-Chair and Treasurer of the association.

Towards new rules for end-of-life vehicles

On the 14th of February, the European Parliament's Committee on the Environment, Public Health and Food Safety discussed the European Commission's <u>proposal for a new regulation</u> on circularity requirements for vehicle design and on management of end-of-life vehicles, which would repeal and replace the current End-of-Life Vehicles (ELV) directive and the type approval of motor vehicles with regard to their reusability, recyclability and recoverability directive. It sets out requirements to ensure that new vehicles are designed in a way that facilitates recycling and re-use of spare parts when they reach the end of their life. The scope of the proposed new rules would also be gradually expanded to include additional vehicle categories such as motorcycles, lorries, and buses.

No automotive in the Right to Repair legislation

On the 14th of February, the Council, representing Member States, validated a <u>provisional agreement</u> on the Right to Repair legislation which was reached with the European Parliament on the 2nd of February. It includes in particular:

- the possibility for consumers to request manufacturers to repair products that are technically repairable under EU law (for instance, washing machines, vacuum cleaners or mobile phones);
- a European repair information form which repairers can offer to consumers, with clear information like repair conditions, time to finish the works, prices, replacement products, etc. (the directive includes a model of this form as annex 1);
- a European Online Platform for repair to facilitate the matchmaking between consumers and repairers;
- an extension of 12 months of the liability period of the seller after the repair of a product.

The legislators have decided to not include -at least at this stage- automotive products under the scope of this legislation, as other législations (in particular the Motor Vehicle Block Exemption Regulation and the Type Approval Regulation) already provide specific provisions for the repair of vehicles.

Longer and heavier trucks soon on the road

On the 12th of March, the European Parliament agreed on a <u>legislative proposal</u> to increase the maximum weight and length of zero-emission trucks, to compensate the space and weight needed to fit battery or hydrogen cells, and to provide additional loading capacity. It also retained the possibility for Member States to allow the circulation of mega trucks, which are longer and heavier than the current limits.

The final legislation should be formally adopted later in 2024, after the European election.

Focus: Safety

Towards new rules for driving licences

On the 28th of February, the Members of the European Parliament adopted their initial <u>position on future rules</u> <u>for driving licences</u>.

They recommend in partiular to add more real-life, practical situations in the tests to get a licence, such as driving in slippery conditions and attention to blind spots and vulnerable road users.

They agreed with driving licences being valid for at least 15 years for motorcycles and cars, and 5 for buses and trucks, but opposed the European Commission's proposal to reduce the validity period of licences for elderly people. They also recommended to let it up to Member States to decide whether a medical examination would be needed when renewing a licence.

Inexperienced drivers would have to undergo a probationary driving period of at least two years during which they would be subject to certain restrictions, such as stricter alcohol limits while driving and stricter penalties for unsafe driving

Negotiations will continue with the Council, representing Member States, and the European Commission, after the upcoming European election.

Increased risks on rural roads

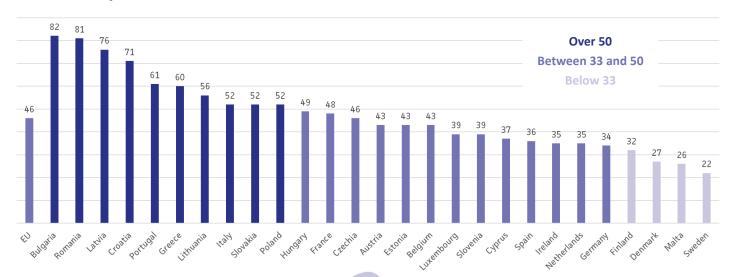
On the 28th of March, the European Transport Safety Council published a <u>report and recommendations</u> on deaths on European rural roads. This report alerts public authorities on the fact than 10.600 deaths occured on European rural roads in 2022, i.e. more than half of all road fatalities (39% in urban areas and 9% on motorways). It makes recommendations regarding road infrastructures, speed limits and enforcement.

Stalling progress in reducing road fatalities

On the 8th of March, the European Commission published <u>preliminary figures</u> on road fatalities for 2023. Around 20.400 people were killed in road crashes in the European Union last year, a small 1% decrease on 2022. While this represents around 2,360 fewer fatalities (-10%) compared with 2019, the downward trend has flatlined in several Member States, and only few of them are on track to meet the target of halving the number of road deaths by 2030.

Men (77% of road deaths), people over 65 (29% of road deaths but only 21% of the population) and people aged 18-24 (12% of road deaths but only 7% of the population) continue to be overly represented.

Road fatalities per million inhabitants in 2023



Focus: Data

Multiple pushes for a legislation on access to vehicle data, functions and resources

On the 19th of January, a coalition of trade and consumer organisations, including ADPA, organised a press conference to call upon the European Commission to finally publish its proposal for a legislation on access to in-vehicle data. Such a proposal should tackle the gatekeeper position of vehicle manufacturers and ensure a level playing field for the independent aftermarket.

This got press coverage in various countries, for example in Dutch (<u>Aftersales Magazine</u>), English (<u>MLex</u>), French (<u>Décision Atelier</u>), German (<u>Tagesspiegel</u>), Italian (<u>Il Giornale dell'aftermarket</u>, <u>Io Carrozziere</u>, <u>Il Giornale del meccanico</u>, <u>Ask a news</u>, <u>Informazione</u>, <u>Industria Gomma</u>), Spanish (<u>ABC</u>, <u>El Correo</u>, <u>Auto Pos</u>, <u>Posventa</u>, <u>Mundo Recambio</u>, <u>Info Taller</u>, <u>Auto Revista</u>).

On the same day, Austria, Denmark, Finland, Ireland and the Netherlands sent a <u>joint letter</u> to the European Commission echoing this claim.

However, with the current mandate of the European Commission and of the European Parliament nearing its end, it is unlikely that a legislative proposal will be published before fall or winter 2024.

First investigations under the Digital Markets Act

On the 25th of March, the European Commission opened investigations against Alphabet, Apple and Meta under the Digital Markets Act. This legislation aims to ensure competition on markets in the digital sector. It regulates large digital platforms that provide an important gateway between business users and consumers, whose gatekeepers position can grant them the power to create a bottleneck in the digital economy.

Alphabet, Amazon, Apple, ByteDance, Meta and Microsoft are the first companies to have to comply with the DMA, and the European Commission will progressively complete this list.

European legislation on Artificial Intelligence almost there

On the 13th of March, the European Parliament approved the <u>Artificial Intelligence Act</u>, aimed at reaching a balance between innovation and fundamental rights.

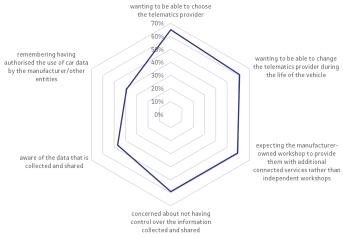
Regulatory sandboxes and real-world testing will have to be established at the national level, and be made accessible to SMEs and start-ups, to develop and train innovative AI before its placement on the market.

General-purpose AI (GPAI) systems, and the GPAI models they are based on, will have to meet certain transparency requirements, including compliance with European Union's copyright law and publishing detailed summaries of the content used for training. The more powerful GPAI models that could pose systemic risks will face additional requirements, including performing model evaluations, assessing and mitigating systemic risks, and reporting on incidents.

Additional obligations are also foreseen for high-risk Al systems, in particular those having a potential impact on health, safety, fundamental rights and environment.

The Council of the European Union still has to approve the final version of the legislation.

Consumers and telematics services



Focus: Security

Launch of the ADPA Task Force on SERMI

ADPA has officially launched the work of its Task Force dedicated to SERMI. Bringing together several experts from various members, it will support the association with a view to the gradual implementation of this accreditation and authentication scheme. In particular, it will assess current shortcomings of the scheme negatively impacting the independent aftermarket in general and publishers in particular, collect information on potential misuse or abuse of this scheme by some stakeholders, and establish long-term recommendations to the European Commission on how to integrate at best data publishers in it.

Partial revision of Type-Approval Regulation

On the 8th of February, at the occasion of a meeting of its Motor Vehicle Working Group bringing together representatives of Member States and stakeholders (among which ADPA), the European Commission confirmed its intention to revise Annex X of Type-Approval Regulation 2018/858. The objective is to address eventual gaps between cybersecurity requirements (UNECE rules being transposed into European legislation) for vehicle manufacturers and the recent ruling of the European Court of Justice which confirmed Belron's and ATU's position that so-called secured gateways, as used by FCA, are illegal under current type-approval rules.

ADPA advocates for this revision to not unduly and unnecessarily restrict access to technical information, and considers on the contrary that it could be used as an opportunity to conduct a more systematic and thorough review of Annex X in order to include additional clarifications based on current practices. It also warned the European Commission against the risks of extending the scope of the SERMI scheme as such to additional use cases, in particular for wider access to repair and maintenance information, considering its grave and systemic limitations for the independent automotive aftermarket.

New list of sanctioned interpretations for SERMI

On the 17th of January, the <u>SERMI Association</u> has released the <u>fourth version of the sanctioned interpretations list</u>, a document meant at helping with a uniform and consistent implementation by the different stakeholders of the SERMI scheme mandated by European legislation. This updated list aims at providing clarifications regarding independent operators with multiple locations, independent operator and remote service supplier use, a solution on the use of the Criminal Record in Finland and an update in the conditions for conformity assessment bodies and cross-border inspections.

SERMI live in some countries, further postponed in some others

Until the 1st of April, SERMI was operational in only four Nordic countries: Denmark, Finland, Norway and Sweden. Since then, they have been joined by seven additional countries across the European Union: Austria, Belgium, Germany, Luxembourg, the Netherlands, Portugal and Spain.

Considering the significant step forward represented by this new release, and in order to have time to evaluate its functioning on larger and more diverse markets, it was decided to postpone the implementation of SERMI in France, Italy and Poland, initially foreseen for the 1st of June, to a later date which is still yet to be agreed on.

Ultimately, all countries of the European Union have to be covered by SERMI, and some external countries (potentially Turkey and United Kingdom) might as well, on a voluntary basis.





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Focus: Business

MVBER soon to be reviewed

On the 25th of January, the European Commission announced that it will launch by the end of this year a public consultation on the Motor Vehicle Block Exemption Regulation, which is due to expire on the 31st of May 2028. This public consultation will play a key role in the evaluation of the functioning of this general, principial "mother legislation" which gives a competition -backbone to more specific and prescriptive aftermarket provisions in other legislations such as the Type Approval Regulation. Depending on the outcome, the European Commission could decide to not renew the Motor Vehicle Block Exemption Regulation, to renew it as such, or to renew it with changes. Building upon the progresses obtained at the occasion of the last review in 2023, ADPA will further advocate for it to be maintained and modernised.

Standard Essential Patents

On the 28th of February, the European Parliament's plenary, following a vote on the 24th of January of its Committee for Legal Affairs, adopted its <u>position on a future legislation on Standard Essential Patents</u>. These patents protect cutting-edge technologies, such as Wi-Fi or 5G, which are essential to a technical standard, meaning that e.g. no Internet of Things products can be developed without using them.

The aim of the future legislation is to encourage holders of such patents and their implementers to innovate in the European Union and create products based on the latest standardised technologies that would benefit businesses and consumers. Members of the European Parliament reinforced the role of the European Union Intellectual Property Office to support SMEs and reduce ground for litigations.

Negotiations with the Council of the European Union, bringing together national governments, are meant to start shortly.

Instant payments across Europe soon a reality

New Visitor # Saurena

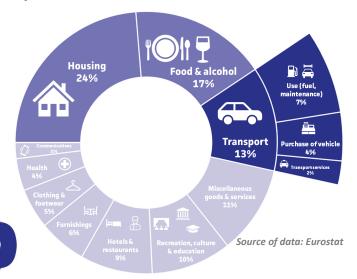
On the 26th of February, the Council of the European Union, bringing together national governments, approved a regulation that will make instant payments fully available in euro to consumers and businesses in the European Union and in European Economic Area (European Union, Iceland, Liechtenstein and Norway) countries.

The instant payments regulation will allow people and organisations to transfer money within ten seconds at any time of the day, including outside business hours, not only within the same country but also to another EU member state. The regulation takes into consideration particularities of non-euro area entities.

Payment service providers such as banks, which provide standard credit transfers in euro, will be required to offer the service of sending and receiving instant payments in euro. The charges that apply (if any) must not be higher than the charges that apply for standard credit transfers.

Under the new rules, instant payment providers will also have to verify that the beneficiary's IBAN and name match in order to alert the payer to possible mistakes or fraud before a transaction is made. This requirement will apply to regular transfers too.

Share of mobility in European households' expenditures (2022)



Focus: European Union

Belgian Presidency



On the 1st of January, Belgium has taken its turn for the <u>presidency of</u> the Council of the European Union,

the European Union's institution bringing together national governments around specific topics. Its programme focuses in particular on strengthening European Union's competitiveness and on pursuing the green transition. In practice, as European elections will take place in June, resulting in a new composition of the European Commission and of the European Parliament, the Belgian presidency will primarily work on closing opened legislative files, such as Euro 7.

The next countries to preside the Council of the European Union are Hungary, from July 2024, followed by Poland in the first semester of 2025 and Denmark in the second one.

Bulgaria and Romania partially included in Schengen

On the 31st of March, Bulgaria and Romania partially joined the <u>Schengen area</u>: the Schengen rules will apply in both Member States including on issuing Schengen visas and controls at the internal air and sea borders will be lifted, making it easier to travel to and from these two countries.

The Council will need to take a decision to establish a date for the lifting of checks at internal land borders between Bulgaria, Romania and the other Schengen countries. Such a decision could happen later this year.

New Secretary General for EGEA

ADPA's sister association <u>EGEA</u>, representing the tools and diagnostic equipment manufacturers, has appointed Marcin Barankiewicz as its new Secretary General. A lawyer by training, with extensive experience in periodic technical inspection, he is replacing Jordi Brunet, who is going back to business. Congratulations to both!

Launch of the campaign for the European election

All main European political parties have officially started their campaign for the European election, scheduled from the 6th to the 9th of June 2024 (depending on the countries), and nominated their lead candidates (except far-right parties), or *Spizenkandidaten*, as follows (by alphabetical order of the parties):

 Alliance of Liberals and Democrats for <u>Europe</u>: Marie-Agnes Strack-Zimmermann (German, born in 1958, currently Member of the German Parliament);



 <u>European Greens</u>: Bas Eickhout (Dutch, born in 1976, currently Vice-Chair of the Green group and of the ENVI Committee in





the European Parliament) and Terry Reintke (German, born in 1987, currently Co-Chair of the Green group in the European Parliament);

- <u>European Popular Party</u>: Ursula von der Leyen (German, born in 1958, currently President of the European Commission);
- y Jan
- Party of European Socialists: Nicolas Schmit (Luxembourgish, born in 1953, currently European Commissioner for Jobs and Social Rights);



 Party of the European Left: Walter Baier (Austrian, born in 1954, currently Chair of the Party of the European Left).





In parallel, the European Parliament has launched a multilingual <u>campaign</u> to raise awereness among <u>European</u> <u>citizens</u> on its role and to encourage them to vote to this election, including

with practical information on how to be duly registered on the national voting lists.

The 720 Members of the European Parliament elected in June 2024 will have a 5 years mandate.



New sanctions against Russia and its sponsors

On the 23rd of February, the European Union adopted a 13th package of sanctions against Russia and third countries supporting it (especially Belarus and North Korea, but not only) after two years of its war of aggression against Ukraine. These new measures complete the existing framework of sanctions by adding new individuals and organisations on the black list and by imposing new trade restrictions.

One step closer to tariffs for Chinese electric vehicles

On the 5th of March, the European Commission opened the way to new tariffs on electric vehicles imported from China. It indeed published a new regulation requiring new battery electric vehicles imported in the European Union from China to be registered from the 6th of March. The objective is to be able to impose retroactive taxation on these vehicles if, at a later stage, the European Commission's ongoing investigation on Chinese electric vehicle manufacturers would definitively conclude that they have benefitted from unfair subsidies, as preliminary evidence tends to show. This investigation, initiated in September 2023, is supposed to end in November this year, but the European Commission could impose provisional duties from July already, in order to reduce the irreversible damages that European manufacturers could eventually suffer.

AutoCare's promotion of ACES and PIES standards in Latin America

On the 19th of March, <u>AutoCare</u>, the American association of the independent automotive aftermarket, hosted a workshop in São Paulo to promote its Aftermarket Catalog Exchange Standard and its Product Information Exchange Standard towards Brazilian market operators. The association plans to host similar conferences on its <u>data standards</u> in other key Latin American markets over the coming year.

Package of measures for European economic security

On the 24th of January, the European Commission adopted a package of 5 initiatives to strengthen the European Union's economic security, with regards to growing geopolitical tensions and profound technological shifts.

In particular, a <u>white paper</u> aims at improving the coordination of export controls on dual-use items (items which have both civil and defence uses). It proposes to introduce uniform controls across the European Union on those items that were not adopted by the multilateral export control regimes due to the blockage by certain members, in order to avoid a patchwork of national approaches. It also announces a future Recommendation for an improved coordination of National Control lists prior to the planned adoption of national controls, and advances the evaluation of the Dual-Use Regulation to 2025. The European Commission also plans to conduct an <u>investigation</u> (including a public consultation) on outbound investments risks, which could lead to a regulatory proposal.

The set of initiatives includes a <u>legislative proposal</u> to address existing shortcomings and to improve the efficiency of the system of screening of foreign direct investment. Its main principles are about ensuring that all Member States have a screening mechanism in place, with better harmonised national rules; identifying minimum sectoral scope where all Member States must screen foreign investments; and extending European Union's screening to investments by European Union's investors that are ultimately controlled by individuals or businesses from a third country.

Other aspects cover in particular research and development activities both inside and outside the European Union.