

February 2009

Thank you for sending me a copy of the Mundo cars postcard with regard to the Fuel Expense Report. The negotiations on the Sacconi report have resulted in striking the right balance between fighting climate change and not damaging a fragile and important industry.

Following negotiations between the Parliament, Commission and Council, compromises were struck that are very good for the UK given that we secured crucial amendments for LTI (exemption from the regulation), Jaguar-Land Rover, Lotus, Aston Martin and other small volume manufacturers.

Below is a summary of the current agreement:

- long term objective 95g in 2020 has been introduced. Although wording is deliberately vague and there is to be an impact assessment.
- phase-in of volumes, 65% in 2012, 75% in 2013, 80% in 2014, 100% in 2015
- a compensation system for penalties has been created, based on a progressive and cumulative approach (1st exceeding g = 5 Euros, 2nd exceeding g = 15 Euros, 3rd exceeding g = 25 Euros, from the 4th exceeding g and above = 95 Euros) to apply from 2012 to 2018. From 2019 penalties will be set at 95g for any infringement of the specific emission target
- eco innovations of 7g per manufacturer fleet has been agreed. They will cease to exist once the test-cycle is amended
- super credits for clean vehicles agreed, multipliers of 3.5 in 2012/13, 2.5 in 2014, 1.5 in 2015 . They cease to exist in 2016.
- exemption for LTI
- derogation for Jaguar-Land Rover of 25% target. (Still more than all other manufacturers must achieve)
- derogation for small volume manufacturers clarified and now subject to our criteria

Thank you for raising your concerns with me. I hope this goes some way to reassure you that we Conservatives are committed to fighting climate change as well as protecting UK industries at a time when it couldn't be more important.

Giles Chichester MEP