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NOTE

from: General Secretariat
to: Council

No. Cion prop.: 6145/07 ENV 80 ENT 17 ENER 59 TRANS 34 CODEC 98-COM(2007) 18 final
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Subject: Proposal for a Directive of the European Parliament and of the Council amending Directive 98/70/EC as regards the specification of petrol, diesel and gas-oil and introducing a mechanism to monitor and reduce gas emissions from the use of road transport fuels and amending Council Directive 1999/32/EC, as regards the specification of fuel used by inland waterway vessels and repealing Directive 93/12/EEC
- Progress Report

1. In January 2007 the Commission adopted a proposal for a Directive on fuel quality.

The principal aim of the proposed Directive is to amend Directive 98/70/EC with a view to reducing pollution and greenhouse gas emissions from road and non-road fuel use and enabling the increased use of biofuels. The Directive should contribute to the implementation of Community strategies on air quality, climate change and sustainable development.

2. The Working Party on the Environment examined the proposal at a number of meetings. Document 9844/1/07 REV 1 contains an annotated draft of the Directive reflecting these discussions.
3. While there is broad agreement on some of the more technical provisions, the most controversial elements of the Commission's proposal are those relating to reducing life-cycle greenhouse gas emissions from fuels and those concerning biofuels.
4. All delegations support the aim of reducing life-cycle **greenhouse gas emissions** from fuels, but have doubts about how the Commission proposes to achieve this objective. In particular, some delegations cannot accept the fixing of a 10% reduction target at this stage, since this is likely to require a significant increase in the use of biofuels while sustainability criteria for biofuels have yet to be agreed. Several other delegations can accept the principle of fixing a target in the Directive, on the condition that all important issues, particularly guiding principles for the methodology for calculating life-cycle greenhouse gas emissions and the relationship with the emissions trading scheme, would be set out in the Decision itself and only technical details would be left to be decided at a later stage through comitology.

The Commission pointed out that a methodology for life cycle assessment would be available by 2010 and the Commission planned to organise a workshop on the issue shortly.

5. As regards **biofuels**, many delegations argue that there should be a single blend of biofuel petrol, since having two blends would lead to unjustifiable costs and complications, or that the distinction between the two blends must be transparent for consumers. Several delegations have concerns about the proposed vapour pressure waiver for petrol containing ethanol. Some delegations request the inclusion in the Directive of provisions dealing with biofuels blended with diesel. Some delegations would like the Directive to fix targets for the use of high biofuel petrol.

The Commission has argued that two blends of biofuel petrol were necessary since some existing vehicle engines could not use fuel containing more than 5% ethanol. They did not expect significant cost implications, since filling stations already handled a number of different fuel types. Blends of biofuels and diesel did not give rise to health or environmental problems and therefore such a provision would not be consistent with the scope of Directive 1998/70/EC as set out in its Article 1. The Directive would set standards for the placing of fuel on the market. Directive 2003/30/EC dealt with the promotion of biofuels and the Commission would shortly be making a legislative proposal with the aim of giving legal effect to the target that the European Council had agreed.

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