



**Towards an EU-US trade deal**  
Making trade work for you

The Transatlantic Trade and  
Investment Partnership (TTIP)  
Regulatory Issues

**EU position on motor vehicles**

The purpose of this paper is to outline the main elements of a possible approach under the TTIP to promote regulatory compatibility in the motor vehicles sector, while achieving the levels of health, safety, and environmental protection that each side deems appropriate.

**1. Objectives**

A high level of ambition in this sector is warranted by the very substantial efficiency gains and cost-savings that would arise from addressing regulatory divergences in addition to eliminating tariffs, without lowering safety or environmental protection levels.

Furthermore, a joint EU-US approach would create a basis for genuine international leadership on motor vehicle regulations through reinforcement of the UNECE framework.

Accordingly, the ultimate goal pursued in the TTIP negotiations would be twofold:

- Firstly, the recognition of motor vehicles (and their parts and components, including tyres) manufactured in compliance with the technical requirements of one party as complying with the technical requirements of the other.

Such an ultimate objective could be pursued in stages: substantial results should already be reached at the time the

negotiations are concluded (i.e. recognition of equivalence for regulations deemed to have similar test and in-use effects), and that a built-in agenda for further regulatory convergence would be defined with, insofar as possible, concrete timelines.

- Secondly, a significant strengthening of EU-US cooperation also in the framework of UNECE 1998 Agreement, especially on new technologies. This process should lead in the near future to the adoption of Global Technical Regulations subsequently incorporated in the national legislations – see built-in agenda below.

**2. Methodological approach**

EU and US motor vehicle regulations, even though they contain diverging technical requirements, provide for a high level of safety and environmental protection.

Overall, there is little doubt that the levels of safety required by both sides are broadly comparable. In fact, some motor vehicles manufactured according to the US specifications can already drive legally in the EU under the individual approval system.

Thus, in principle, the technical divergences between both regulations are not a sufficient reason to stand in the way of recognition of

## **Towards an EU-US trade deal**

### Making trade work for you

---

each other's regulations: equivalence of outcome is a more relevant consideration.

Methods can be devised to make possible the assessment of equivalence, which would open the way to recognition. Assessing the equivalence of the environmental performance of certain motor vehicle categories may warrant adapted methods.

The starting point could be devising a methodological approach enabling regulators to assess whether the regulations of one side are equivalent (i.e. have the same effect, overall or in specific areas of safety and environmental protection) to those of the other side.

Such an approach would require the contribution of industry and of other relevant stakeholders. The EU and US industry would be requested to provide, as an input to the TTIP discussions, relevant information to help conduct such an assessment: this would include as much evidence and data as possible in support of the request for consideration of equivalence.

Pending a more detailed data-driven analysis, the lists of matching regulations submitted by the industry in their joint contributions, already provide a valuable indication of industry's expectations for this negotiation.

Regulators would conduct such an equivalence assessment based on data provided by the industry as well as other available data. If regulators establish that there is no equivalence in certain areas, the reasons for this conclusion should be identified as well as a work programme to achieve convergence within a predetermined timeframe.

It will be critical that such an evaluation focuses on the outcome of the regulations, i.e. their effects in terms of protection of safety and the environment. Therefore, differences in specific technical requirements or testing methods would not per se constitute a proof of absence of equivalence, unless it is determined that such differences have a significant material impact in terms of protection.

### **3. Main areas of work**

Both sides would identify the areas where there could be recognition of equivalence between the EU/UNECE and FMVSS and other regulations relevant for safety and the protection of the environment.

The objective would be to establish a list covering a high number of matching EU/UNECE-FMVSS and other regulations, both in the field of safety and the environment.

For areas where there is recognition of equivalence, such recognition would mean in legal terms that compliance with the relevant regulations of the other TTIP partner would have the same legal effects as compliance with domestic regulations, and therefore be considered for all purposes (although with limitations with respect to conformity assessment, see below) as compliance with the relevant corresponding domestic regulations.

Such recognition would concern the technical requirements applicable to motor vehicles and their parts and components, and cover the technical specifications, how they are measured (i.e. tests carried out to assess compliance), and marking requirements.

It could not be extended to conformity assessment, in view of the wide divergence between conformity assessment systems (prior type approval in the EU, in accordance with the UNECE system, and self-certification with market surveillance in the US).

However, in order to facilitate trade and the recognition of the substantial technical requirements, EU type-approval authorities would be required to test US vehicles destined for the EU market against US regulations using US testing methods.

US bodies would, in their market surveillance activities, test EU vehicles against EU/UNECE regulations and their testing methods.

It would be specified how to make the two systems work smoothly alongside each other,

## **Towards an EU-US trade deal**

### Making trade work for you

---

and reduce paperwork as much as possible, whilst respecting their integrity.

For cases where equivalence cannot be established because of important differences in the effects of technical requirements, areas where further convergence would be necessary would be identified, with a definition of how and when to achieve it: the gaps should be specified and a clear process and timeline (in-built agenda) would be agreed. This would be implemented through a strengthening of EU-US cooperation in the framework of UNECE 1998 Agreement.

Reinforced cooperation in the context of the UNECE 1998 agreement would also be the central element to cover new technologies and lead to the adoption of EU-US and ultimately of Global Technical Regulations (GTRs), in areas such as hydrogen and electric vehicles, test-cycle on emissions, and advanced safety technologies.

The objective would be for a quick incorporation of the resulting GTRs in national legislation, insofar as possible abstaining from options, exemptions and modules - or otherwise providing for recognition of the options that the other party may have chosen.

Some outcomes on these topics could be part of a built-in agenda. Progress in this work would be regularly monitored under the relevant bodies of TTIP at the highest level.

#### **4. Future convergence**

In addition to the areas identified for further work, as regards other future regulations it could be provided that whenever either side considers that a new regulation is required, it will consult the other and commit to work together in order to establish common rules, in principle in the framework of the 1998 Agreement.