Brussels, 5 February 2018

Subject: Proposed amendments to the Draft Report on odometer manipulation - 2017/2064(INL)

Dear Member of the European Parliament,

On behalf of FIA Region I, I am writing with regard to the own initiative draft report by MEP Ismail Ertug on *Odometer manipulation in motor vehicles: revision of the EU legal framework*.

FIA Region I welcomes the draft report and supports the initiative to combat odometer fraud. Our Mobility Clubs and their members have been raising the issue for many years and the economic damage to consumers and society that results from this fraudulent practice. Nevertheless, we propose the following amendments in order to strengthen the draft report in its current format:

Original Text	Amendment
Amendment 1	
Preamble (new)	- Having regard to <u>Regulation (EU)</u> <u>2017/1151, General Safety Regulation (EC)</u> <u>661/2009</u> and <u>UN Regulation No 39</u> .'

Justification of Amendment 1:

Including relevant legislation in the preamble of the Draft Report.

Amendment 2

Recital M (a) (new)

(M a) whereas Regulation (EU) 2017/1151 obliges manufacturers, in order to obtain type approval for a vehicle, to implement systematic tamper-protection strategies and write protect features to deter reprogramming of odometers, also taking account of remote data exchange features;

Justification of Amendment 2:

Referencing this important legislation introducing technical measures should be referenced and listed under chapter 'Existing measures addressing odometer fraud', instead of the chapter: 'Legislation and loopholes'.

Amendment 3

Recital Q

Q. whereas Regulation (EU) 2017/1151 Deleted obliges manufacturers, in order to obtain type approval for a vehicle, to implement systematic tamper-protection strategies and write protect features to deter reprogramming of odometers, also taking account of remote data exchange features; whereas it only requires information and explications provided by the manufacturer and does not foresee any testing if the odometer is tampering proof;

Justification of Amendment 3:

Reallocation of the legislation introducing technical measures to the chapter 'Existing measures addressing odometer fraud', as proposed by Amendment 2.

Amendment 4

Recital R

R. whereas neither Directives 2007/46/EC 692/2008 on type approval, nor UNECE and tamperproof odometers;

R. whereas a first set of odometer manipulation and Commission Regulation (EC) No prevention requirements was implemented in type-approval legislation (Regulation (EU) Regulation 39 take account of mileage fraud 1151/2017) and is applicable as of 1 September 2017 for new types of vehicles and as of 01 September 2018 for all new registrations there is still no legal obligation for a manufacturer to install an odometer on a mandatory basis under Framework Directive 2007/46 in force. General Safety Regulation (EC) 661/2009 makes reference to an early version of UN Regulation No 39 regarding approval requirements for the speedometer, but there are no requirements for fitting of an odometer or its essential characteristics. Point 3.1 of Amendment 1 of UN Regulation No 39 obliges the manufacturer to install an odometer in an approved vehicle but this amendment was not referenced in the General Safety Regulation yet. Therefore, installing an odometer remains at the choice of the manufacturer. Moreover, there are no accuracy requirements for the odometer set out in UN Regulation No 39 nor are there any onboard diagnostic plausibility requirements setout and therefore these are not applicable in EU approval legislation. The anti-manipulation requirements set out in Regulation (EU) 2017/1151 do not require any certification of the manufacturer measures taken to effectively prevent manipulation. When the vehicle is in service, certification could prove that the antimanipulation measures were state-of-the-art at the time of approval and will be regularly upgraded during the vehicle's life.

Justification of Amendment 4:

The EU type-approval requirements put in place recently are welcomed as a first important step but are weak and require amendments both at the EU and UNECE levels to improve the situation and close potential loopholes.

Amendment 5

Recital X(4)

monitor the implementation of Regulation 2017/1151 regarding the requirements on technology security for odometers, adjust those requirements if necessary and to report to the Parliament about the effectiveness of the regulation;

4. Calls on the Commission to thoroughly 4. Calls on the Commission to thoroughly monitor the implementation of Regulation 2017/1151 regarding the requirements on technology security for odometers. **These measures shall be** supplemented with requirements on accuracy. In addition, obligatory certification accordance with Common Criteria shall become mandatory to ensure the effectiveness of systematic tamper-protection strategies and write-protect features to protect the integrity of the odometer reading. Moreover, Commission should specify technology neutral performance requirements and methodology how to assess the tamper protection measures implemented and which should be maintained over the vehicle's life to be addressed to the approval authorities. The Commission shall implement those requirements within the shortest delays **possible** and report to the Parliament about the effectiveness of the **upgraded** regulation.

Justification of Amendment 5:

Point 2.3.3. of Annex I of Regulation 2017/1151 sets-out generic requirements to ensure odometer tampering protection, which is very much welcomed. However, this point leaves too much room for interpretation and does not provide the necessary guidance for the approval

authority how to enforce this point. Therefore, the above supplement and mandate for the Commission to better specify the requirements is proposed.

Amendment 6

Recital X(10)

visits;

10. Considers a shorter period for the first Deleted mandatory PTI more useful and suggests to include odometer readings not only from PTIs, but also inspections and other garage

Justification of Amendment 6:

Shortening the period of PTI from 4 years today to e.g. a period of 2 years will not address the inherent weakness of the database system (manipulated entries becoming officialised when first entered into the database) but will just add cost to society and the consumer without the envisaged impact.

Amendment 7

Recital 10(14)

14. Calls on Member States to improve their 14. Calls on Member States to improve their legislation on odometer fraud in order to make legislation on odometer fraud in order to make it a criminal offence;

it a criminal offence and to reserve sufficient human and financial resources to enforce the legislative requirements'

Justification of Amendment 7:

Even if legislation will be improved, one of the general weaknesses of the EU enforcement is that little market surveillance and related monitoring is conducted. In other words, there is little to no thread to be caught when manipulating the odometer. Root cause, no or little budget for enforcement and insufficient amount of technically capable experts to keep up with offender's techniques.

Yours sincerely,

Laurianne Krid

Director General, FIA Region I