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Automotive News Europe

Daimler wins French court ruling to resume vehicle sales

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PARIS (Bloomberg) -- Daimler won provisional backing from France's highest administrative court to overturn a suspension of Mercedes-Benz auto sales in the country amid an environmental dispute.

French authorities must resume registering Daimler's new Mercedes cars while judges decide on the legality of government moves against the models that use the air-conditioning refrigerant R134a that European Union regulators want to ban, the Council of State said on Tuesday in a statement.

Continued use of the substance doesn't appear to pose the immediate environmental threat that the government was citing in suspending registrations, and there is "serious doubt" about the justification, the Paris-based court said.

Daimler decided against using the newer R1234yf refrigerant in Mercedes A- and B-class compacts, the CLA four-door coupes and SL convertibles after determining it may catch fire in a car crash.

The French Ministry of Ecology, Development and Energy blocked new registrations of the models in July, saying use of the older substance violated EU environmental rules. Daimler says the vehicles are type-approved in Germany and should be allowed to be registered anywhere in the EU.

The verdict restores Daimler's access to the French market, where the company sold 15,745 Mercedes-Benz compact cars in the first six months of 2013, or about 2 percent of the brand's global deliveries in the period.

"We expect the French authorities to start registering our vehicles within the next 48 hours," Daimler said in a statement.

The European Commission, the EU's regulatory arm, requires carmakers to use R1234yf that results in lower greenhouse-gas emissions than previous products. An EU directive prohibits employing older refrigerants in new vehicles this year, with an interim arrangement possible through 2016 for models that are successors of previous cars.

So far France is the only EU government to stop registrations of cars using the old refrigerant.

Liability question

Mercedes originally intended not to make use of the transitional period, though changed course about a year ago after detecting the safety risks, which may implicate wider liability questions for the company.

The carmaker wants to switch by 2017 to a carbon-dioxide-based air-conditioning system, which would be "the most climate-friendly and safest solution," Koert Groeneveld, a Daimler spokesman, said.

Mercedes used R1234yf in about 1,000 of its top-end SLs, though recalled the cars to replace the substance with the older coolant, Groeneveld said.

The new product was never used in the compact models, he said.

Crash tests by the German Federal Motor Vehicle Office, or KBA, couldn't rule out a flammability risk from R1234yf under tightened test conditions. Further tests must be carried out to evaluate the question, the authority said in early August.

Reuters contributed to this report

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