

In this issue ...

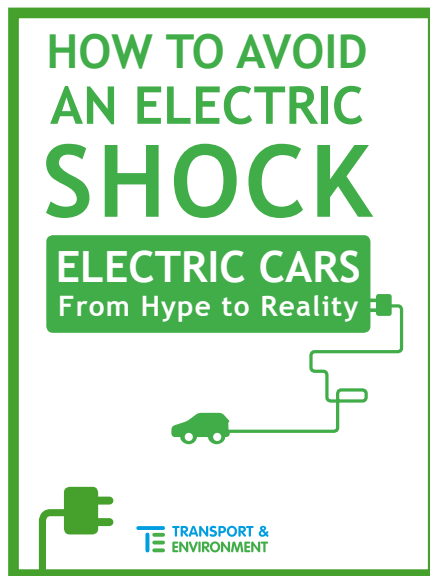
'This is why we have always been against giving away permits for free - it's the perfect way to make people feel cynical about policies to tackle climate change.' - T&E policy officer Bill Hemmings on news that airlines could increase their income by 49% by selling free emissions permits when aviation enters the EU ETS in 2012.

→ *News, page 2*

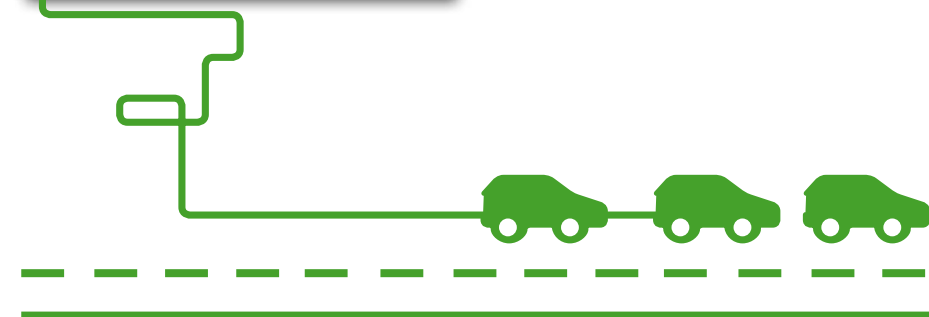
'The danger of accepting a compromise to get a new form of taxation through the legislative process is that, when it comes into effect, it does not solve the problems it is supposed to solve.' - Maarten van Biezen and Chris Nobel from The Netherlands Society for Nature and Environment on the proposed Dutch kilometre charge.

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Cut out EU loopholes to avoid an electric shock



The EU is in danger of wasting the potential for electric cars to cut greenhouse gas emissions. That's the main conclusion of a new report by T&E which warns that promoting electric cars in isolation will not only under-use the environmental benefits but could lead to more carbon dioxide emissions than if no electric cars were sold. The report makes three clear recommendations for changes to EU policy and thinking.



The message from this report is not a negative one,' said T&E's director Jos Dings, 'because without doubt, electric and plug-in hybrid cars can help reduce CO₂ emissions and oil consumption. But it is a warning not to fall for a dream, and a call for EU policy makers to keep their eye on the ball.

'Anyone visiting a motor show can get only one impression - that the future is electric - but the game for policy makers is cutting emissions and reducing our dependence on oil, not promoting electric cars. And promoting electric cars without maintaining pressure on fuel efficiency standards will kill any chance of success.'

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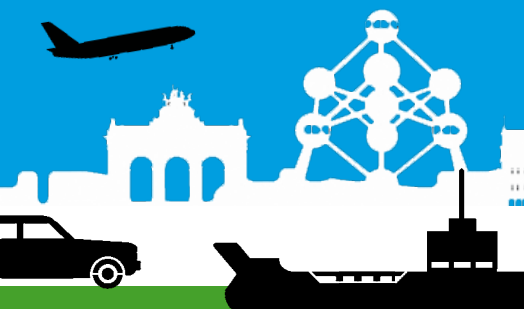
One of the biggest criticisms of existing EU law is the 'supercredits' which allow car makers to sell up to 3.5 gas-guzzling cars for every electric vehicle they sell and still reach their official EU overall emissions target. This means that the more electric vehicles that are sold, the more oil is used and CO₂ is emitted.

Another criticism is that electric cars are counted as 'zero-emissions' despite the fact that the electricity they use can come from power stations driven by high-carbon fossil fuels such as coal.

Among its recommendations, the report - 'How to avoid an electric shock' - says long-term CO₂ emissions standards from cars must be tightened to at least 80 g/km by 2020, that supercredits and zero-rating must be abolished, and that the power sector should be decarbonised. It also calls for on-board metering of the quantity and quality of electricity used to power electric cars.

Dings added, 'Hydrogen, biofuels and earlier interest in electric cars all came to nothing for different reasons, but what they have in common is that they all distracted policy makers from forcing car makers to improve fuel efficiency across the board. With transport consuming two thirds of the oil we use and causing 28% of Europe's CO₂ emissions, it would be criminal to allow the potential of electric cars to be wasted by decision-makers being distracted by technological hype.'

'How to Avoid an Electric Shock: Electric Cars from Hype to Reality' can be downloaded from: www.transportenvironment.org/cars-and-co2



Aircraft energy efficiency

A new study on aviation says the pace of improvements in aircraft energy efficiency is very slow, and no progress has been made in the last decade. It calls for a carbon dioxide emissions standard for engines already in production.

The International Council on Clean Transportation (ICCT) has examined emissions from more than 25,000 planes produced between 1960 and 2008. It shows improvements in fuel efficiency for the first three decades, but virtually no improvements in the last 20 years when there have been few new aircraft designs.

The International Civil Aviation Association recently proposed a CO₂ standard for new aircraft designs, but rejected suggestions that designs currently in production should be subjected to a maximum level of emissions.

But Daniel Rutherford, a co-author of the ICCT's report, says this will mean improvements will happen far too slowly. 'Conventional wisdom holds that fuel prices drive constant improvements in new aircraft efficiency,' he said, 'but our analysis suggests efficiency improvements only tend to come with the introduction of new designs, which are much less common today.'

As a result, the ICCT fears that without a CO₂ standard covering aircraft from both new and existing lines, airframe manufacturers could have a financial incentive to delay the introduction of more efficient engines in favour of older, unregulated models.

In a separate development, the head of the low-fares airline EasyJet has accused airframe makers of delaying delivery of cleaner, more fuel-efficient planes. 'They are in no hurry to bring them out,' Andy Harrison told a news conference, 'because the cash flow they have from the Boeing 737 and Airbus 320 narrow-bodied planes is what they are interested in, and they want to keep that going.'

Responding to the accusation, a spokesperson for Airbus told Air & Business Travel News that technology to make planes quieter was available, as was technology to combat emissions, but that combined technology tackling both noise and emissions concerns was still in development and 'would not be available for around another 10 years.'

→ [The study can be found at tinyurl.com/y93srb3](http://tinyurl.com/y93srb3)

A new report suggests airlines could make large windfall profits from aviation joining the EU Emissions Trading Scheme in 2012, if airlines charge customers for emission allowances they are given free-of-charge. The report for The Carbon Trust, an agency part-funded by the British government, calculates that a typical large European airline similar to British Airways or Lufthansa could see its earnings before tax and interest increase by 49% above what it would have been without aviation being in the ETS. The Commission plans to give 82% of emission allowances to airlines without charge. T&E policy officer Bill Hemmings said, 'This is why we have always been against giving away permits for free – it's the perfect way to make people feel cynical about policies to tackle climate change. Instead governments should auction permits and use the revenues to lower other taxes – this way you keep citizens' support for climate policies.'

For the latest news on aviation/shipping emissions at the Copenhagen climate conference, look for updates on the T&E website.

Charge on Nitrogen Oxides could make major difference to environmental performance of ships

A new study has said introducing a charge on nitrogen oxides emissions could cut around 270 000 tonnes of emissions from ships in the Baltic Sea in 2015, a reduction of 60% based on currently expected levels.



NOx causes several major environmental and health problems on land and at sea, and ships account for a large and growing share. If no action is taken, NOx emissions from shipping around Europe will equal or exceed total NOx from all land-based sources in the 27 EU member states combined.

Last year, the International Maritime Organisation strengthened its emission standards for new ships, but the new standards will only apply to new ships, and with ships having a life of around 25-35 years, any reductions will take a long time to happen.

The new study, co-sponsored by T&E, analyses several types of economic instruments including emissions charging and trading. It concludes that an emissions charge would be the most effective way of limiting the growth in ships' NOx emissions in the short term, and also reducing them.

Norway has a charge very similar to the one being advocated. It charges €470 per tonne of NOx, and revenues are recycled to the shipping industry and used to finance NOx-reduction projects.

→ [The study can be found at tinyurl.com/ydp3pey](http://tinyurl.com/ydp3pey)

New faces and responsibilities at the Commission

The new European Commission sees some familiar faces in the directorates affecting transport and the environment, with a reshuffle of tasks as well as personnel.

The new transport commissioner is **Siim Kallas**, the 61-year-old former prime minister of Estonia who moves from the post of administrative affairs. In his career he has been Estonia's finance minister, president of Estonia's central bank, and also president of Estonia's cyclist federation.

The Commission's environment responsibilities are broken down into the old environment directorate, headed by Slovenia's commissioner **Janez Potočnik**, age 51 and formerly in charge of research, and a new climate directorate headed by a newcomer to Brussels, the Danish climate and energy minister **Connie Hedegaard**, 49. The out-going transport commissioner Antonio Tajani (I) is now in charge of

industry and entrepreneurship, while another newcomer **Günter Öttinger** (D) is now responsible for energy.

The Commission president **José-Manuel Barroso** has for the first time written mandates for each commissioner. For Siim Kallas, Barroso is asking for 'a major overhaul in particular to meet our commitments on energy and climate change'. He also calls for 'an integrated transport policy combining increased mobility and decarbonisation to promote economic growth and social progress'.

For Hedegaard, who looks set to have responsibility for transport emissions and fuel quality, Barroso wants her to 'help the EU to meet its targets for 2020 and beyond to reduce greenhouse gas emissions'.

→ The new Commission has yet to be approved by the European Parliament.



Janez Potočnik



Connie Hedegaard



Siim Kallas

OPINION

The road to good charging can often be bumpy

By Maarten van Biezen and Chris Nobel, The Netherlands Society for Nature and Environment (T&E member organisation)

The idea of basing motoring taxation on the distance a vehicle is driven - generally known these days as a 'kilometre charge' - is in principle a good one which environmental groups have advocated for years. But as recent developments in the Netherlands have shown, the road to good charging can often be a bumpy one.

A number of countries have talked about a kilometre charge, and some - notably Germany and Switzerland - have introduced charging for goods transported by road. But the Netherlands want to become the first European country to implement such a charge for private car drivers following last month's proposals put to the Dutch parliament. This is indeed a historic move that should be welcomed.

But, the devil is in the detail. There are four significant things that should change in the proposed Dutch charge.

Firstly, the kilometre charge will replace the existing road tax and vehicle registration (or purchase) tax, and the amount of money raised by the kilometre charge must not exceed the combined income of the two taxes being replaced. The idea is that motorists will pay for using their vehicles rather than owning them, but registration or purchase taxes encourage the introduction of low-CO₂ technology. Therefore the unacceptable effect of abolishing the registration tax will be that cars become less fuel-efficient. If the expect-

ed 15% reduction in kilometres driven does not materialise, we end up emitting more CO₂.

Secondly, the prospect of having regionally differentiated congestion fees is still unclear. The proposal makes a congestion charge possible after the full introduction of the kilometre charge (2018-2020), but it does not specify how such a charge should diminish congestion and new road building. If you don't charge people more for where their vehicles do most damage - and congestion is one of the negative impacts of too many vehicles on the road - then the charging system does not achieve its objective of steering mobility in an environmentally, and economically, better direction.

Thirdly, the government proposes to cap the total revenue at €6.6bn (2007 price levels). This has been much less widely reported than the proposed maximum charge of €0.067 per km. If the current proposal becomes law, the charge will begin at €0.03 in 2012 and rise steadily to its maximum by 2018. The capping of total revenue means that if mobility increases, the price per kilometre will fall! This

would undermine the core objective of the law - a more conscious use of mobility - and will make environmental objectives harder to achieve. It should change.

Finally, the government proposes lower charges for trucks than for cars. As a result of the pledge not to raise average taxes for each category of vehicles, the proposed maximum charge for trucks will be only 2.4 cents per kilometre. In other countries trucks pay rates of 15 to 80 cents per km. You would pay less for driving a truck to the beach than driving your car.

There are times when we have to accept some Realpolitik, and when a new form of charging is being introduced, perhaps this is one time. But the danger of accepting a compromise to get a new form of taxation through the legislative process is that, when it comes into effect, it does not solve the problems it is supposed to solve, which can give the public a negative view of what should be a positive form of charging. That's why the Dutch government better try to get the scheme right, rather than make political concessions that could ruin it in the long term.

Controversial issues surround first km charge for cars

The Netherlands has moved closer to becoming the latest nation to introduce a kilometre charge and the first to charge for private cars. Last month, draft legislation was presented to the Dutch parliament, but there are still lots of controversial issues. Environmental groups say the benefits of the scheme are severely limited because the proposed charge for trucks will be lower than that for cars, the maximum fee for cars has been set at €0.067/km – and that only in 2018 – and total revenue will be capped. Opinion, page 3

Evidence of effects of helmet laws

The European Cyclists Federation is asking for ideas to fight cycle helmet laws. Evidence suggests that where wearing a cycle helmet has been made obligatory (Spain, Australia, New Zealand) levels of cycling have gone down. The ECF is building a helmets web page and wants to feature different findings and experiences from around the world. Contact Randy Rzewnicki at randy@ecf.com.

Climate battle needs 'massive decarbonisation'

An intense programme of 'Green Growth' would bring substantial benefits, according to the World Energy Outlook's 2009 report. It says the global financial crisis has stopped the rise in fossil-energy use, but only temporarily and the long-term growth will resume soon. It says the world is on course for a 6C rise in temperatures with rising energy costs, but that a 2C rise is possible but only with a massive decarbonisation of the energy system that would require big emission reductions in all regions.

Findings could boost Eurovignette revision

A study by the Commission's transport directorate and the Joint Research Centre of Sevilla says the overall benefits of charging vehicles for their external costs outweigh the limited negative price impacts on individual transport operators. The study's results back up claims by the rail lobby and show a very limited effect on final product prices, which NGOs hope

Biodiesel tax exemption scrapped

Norway is planning to scrap a tax exemption for biodiesel, joining a growing number of countries taking the view that users of biofuels should pay for them instead of taxpayers.

The Norwegian prime minister Jens Stoltenberg supported removing the exemption, which attracted opposition from MPs and some NGOs in Norway. He said biofuels have some impact, and motorists using public roads should contribute to their maintenance.

The legislation that removes the exemption for tax breaks is imposing a biofuels sales obligation that requires 2.5% of all transport fuels to be from biomass in 2009 through blended fuels. These blended fuels will still be completely exempted from the country's carbon dioxide tax, even



though doubts remain over biodiesel's CO₂ impacts compared with oil-based fuels.

T&E has said that, while the replacement of subsidies

with mandates is a good thing, such mandates still miss the point, which is that overall greenhouse gas savings should be encouraged, not a specific fuel or technological process.

Five million hectares of land in Indonesia, much of it forested, is being targeted by powerful companies seeking to cash in on projected demand for biofuels derived from crops such as palm oil. That is the claim made in a report 'Up for Grabs' by the Environmental Investigation Agency (EIA), which says it has evidence of massive deforestation and widespread exploitation of local communities in the Papua provinces, some of it with government approval.

will put new political energy into the stagnated revision of the Eurovignette directive. The report will be discussed by MEPs next month but as its conclusion is that transit nations will do better than peripheral nations, it is likely to encounter opposition from certain states.

Sustainable cities

Three cities have been given awards for the best sustainable urban mobility activities and progress in Europe. Gent (B), Nantes (F) and Sutton (GB) were described as the most outstanding, ambitious and innovative cities of 2009 by Civitas, an initiative for city vitality and sustainability.

And finally ...

Having campaigned for years against road transit traffic, T&E member organisation The Alpine Initiative asked 50 lorry drivers what exactly they were transporting through Switzerland's Gotthard road tunnel. The answers ranged from car tyres, disposable nappies and felt, to cigarette filters and even caps for toothpaste tubes. 'The road haulage industry has often justified itself by saying we need roads for just-in-time products,' said The Alpine Initiative's general manager Alf

Arnold, 'but few of the products we found need to reach their destination within a tight timeframe, so could easily go by more environmentally sound means. No-one can now claim that the 1.3 million lorries that thunder through Switzerland each year couldn't at least be halved.'

Bulletin

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The Bulletin is the official news sheet of Transport & Environment (T&E). It appears 10 times a year.

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