

In this issue ...

Expanding the EU's *Eurovignette* directive to cover pollution, noise and congestion would not disadvantage peripheral member states and would bring net benefits of at least €2.3 billion a year.

→ News, page 2

'Judging from press coverage of Copenhagen, it was not just a disaster for the climate, but also for the EU. But the EU's climate legislation has considerable influence around the world.'

- Jos Dings

→ Opinion, page 3

The EU's new climate change commissioner is promising an initiative on reducing carbon dioxide emissions from lorries, and says the existing agreement to reduce CO₂ emissions from new cars could be tightened to provide greater incentives to car makers.

First climate change commissioner targets lorries and cars for emissions cuts

Last month's hearings in the European Parliament, at which MEP were able to question the nominated commissioner before approving them for their new posts, gave the first indications about Connie Hedegaard and her brief for the new post of climate change commissioner.

Hedegaard was adamant that targeting transport will be a central part of her job, suggesting her work will be at least as significant for T&E than that of the new environment commissioner Janez Potočnik and the new transport commissioner Siim Kallas.

'Often we've seen industry will protest and say it's going to be difficult or almost impossible, but then it turns out we can often do it quicker and more ambitiously than claimed before.'

Connie Hedegaard

On the subject of the current EU target for the average new car to emit no more than 130 grams per kilometre of CO₂ by 2015, Hedegaard said, 'It can be important to try and review whether we went far enough at the time, because this is a field where technology is really moving very fast.

'Often we've seen industry will protest and say it's going to be extremely difficult, in fact it's almost impossible, but then it turns out that when we do these things, we can often do it quicker than assessed before, and claimed before, and they can do it even more ambitiously.'

Her comments came as official data showed that emissions from passenger cars fell by 3.3% to 153.5 g/km in 2008. This confirms figures published by T&E last September and is evidence that the mandatory target is bringing down emissions much more quickly than voluntary agreements have ever done.

Hedegaard added, 'We have still not done what the EU should do on lorries.' Information from the Commission suggests she is keen to tackle emissions of greenhouse gases from the heaviest vehicles. She is also reported to believe that failure to reduce CO₂ emissions from vans and lorries will be bad for business in the long term.

What form Hedegaard's intentions will take remains to be seen. She says she will table an



Connie Hedegaard

'integrated legislative package on climate and transport' during her five-year mandate, but admits she may have 'a bit of a fight' with some other commissioners who see dealing with climate change as an obstacle to their own ambitions.

T&E director Jos Dings said, 'It is encouraging to hear that Connie Hedegaard is keen to address transport's excessive contribution to EU greenhouse gases, and coming straight from chairing December's climate change summit in Copenhagen, she clearly has a strong grasp of what needs to be done.

'Delivering the means to decarbonise transport will be a key policy goal for the new Commission.'

Siim Kallas

'However, we will have to judge her on what she does, not what she says. The last environment commissioner, Stavros Dimas, started with very few promises about what he would do but developed into an effective environment commissioner. We obviously hope Connie Hedegaard can be even more effective during her five years.'

In his hearing before MEPs, Kallas made commitments in principle to decarbonising transport and internalising external costs, as well as expressing reservations about longer and heavier lorries. 'Transport is a large contributor to greenhouse gas emissions,' he said, 'and the only sector where emissions have significantly increased. Delivering the means to decarbonise transport will be a key policy goal for the new Commission.'



EU prepares for unilateral shipping action

Plans for the EU to set greenhouse gas emission limits for ships using EU ports moved a step closer last month when the Commission published a new report looking at various ways of charging for maritime emissions. It concludes that emissions trading is the best and most feasible way of providing a financial incentive for reducing shipping's contribution to global warming.

With shipping a global industry, the EU's preferred option is still to find a way of tackling greenhouse gases through the International Maritime Organisation (IMO). But with the IMO saying an agreement is likely to be several years away, the EU is pressing ahead with its commitment to introduce a system for EU ports if the IMO has no agreement in place by the end of next year.

Brussels commissioned a consortium led by the Dutch consultancy CE Delft (and including the former T&E president Per Kågeson) to look at various options. It looked at emissions trading, a carbon tax, efficiency standards, and a baseline credit system, plus an option based on voluntary action as a point of reference.

It concluded that emissions trading was the best and most viable option, as it would be politically feasible and difficult to evade. Ship owners would be responsible for reporting fuel use and obtaining emissions credits. It said emissions trading could reduce emissions by up to 47% by 2030, most of which would cost the shipping industry nothing. But it also said that if ship owners only adopted cost-neutral measures, emissions from shipping would be 39% higher in 2030 than they were in 2007.

The report advises against giving away free credits, recommending all should be auctioned, but says some free allocations may be necessary to create a level playing field with other means of transport.

Ships using EU ports in 2006 emitted 310 million tonnes of CO₂, a higher figure than previous estimates because for the first time passenger ships were included alongside cargo ships. The total amounts to 31% of global shipping emissions, and also 6.1% of the EU's greenhouse gases.

The World Shipping Council, which represents owners of passenger ships, is opposed to emissions trading unless it covers other transport modes. In a submission to the IMO, it said new ships should meet binding efficiency standards and existing ships should face fines if they drop below an efficiency benchmark. The CE Delft consortium rejected efficiency standards as methods of measurement are of dubious accuracy.

→ **Compliance with new EU rules on sulphur content of shipping fuels is proving to be very slow. Under rules introduced on 1 January, ships using EU ports cannot use fuels with a sulphur content above 0.1% while berthed, but some ships have not been modified to use low-sulphur fuels, and very few ships have been certified as being able to use them.**

Electric cars will only work with 'green' power

The conditions under which electric vehicles could play a significant role in reducing climate changing emissions from transport have been set out in a new study for T&E and two other environmental NGOs. It says the source of the power for electric cars is crucial to their potential to fight climate change.

The report – prepared by CE Delft for T&E, Friends of the Earth Europe and Greenpeace – says putting more electric cars on the road could increase carbon emissions unless they run on 'green' energy. If cars are powered simply by energy from national grids, it could increase greenhouse gas emissions, especially in those countries which still generate a lot of their electricity from coal.

The publication of the report coincided with a meeting of EU industry ministers earlier this month to discuss the future of the car. It was expected to lead to an EU action plan to help European car makers compete with rivals in Japan, China and America in the growing electric car market.

The study warns that the existing EU law on car emissions is flawed, because car makers who sell an electric car can sell 3.5 high-emission cars without it affecting their CO₂ reduction target (so-called 'super-credits'). The aim is to encourage lower-emissions

technology, but if electric cars are powered from fossil-fuel sources, they could have worse emissions than petrol and diesel engines.

T&E director Jos Dings says the biggest mistake on electric cars has been to view them independently of emissions standards for conventional fuels. Writing in European Voice, he said, 'The EU will be able to level the playing-field for electric cars – and move the entire market towards low-carbon technology – only if all producers are forced to make all new cars more fuel-efficient.'

The CE Delft study calls for all electric cars sold on the EU market to be fitted with 'smart metering' technology that allows vehicles only to be charged when surplus energy – mostly from renewable like wind and solar – is available on the power grid.

T&E policy officer Nuša Urbančič said, 'Every electric car should have a smart meter to show how much electricity has been used and, better still, whether or not that electricity came from a renewable source. Just plugging in thousands of electric cars like kettles would leave consumers and electricity suppliers in confusion and chaos.'

→ **The CE Delft study can be downloaded via the T&E website.**

Decarbonising conference to mark T&E's 20th birthday



T&E's general assembly this year will take a slightly expanded form to include celebrations to mark the Federation's 20th birthday. With T&E having been born on 12 January 1990, the AGM weekend will be a three-day event to take in a panel discussion on 20 years of T&E.

A public conference will take place on Thursday 18 March with 'decarbonisation of transport' as the topic, featuring the former mayor of London Ken Livingstone and speakers from the new Commission. A members' seminar on car and fuel taxation takes place on the morning of Friday 19 March, with the AGM on Saturday 20 March.

Eurovignette

Expanding the EU's Eurovignette directive to cover pollution, noise and congestion would not disadvantage peripheral member states and would bring net benefits of at least €2.3 billion a year.



Those are among the conclusions of a revised 'technical note' by the Commission's Joint Research Centre (JRC) following the breakdown of negotiations on the Eurovignette revision last year. Current EU rules on charging lorries for using road infrastructure prohibit governments or authorities from charging for 'externalities', despite EU transport policy being committed to internalising such costs.

The breakdown in negotiations came amid concerns that expanding the Eurovignette would make road transport more expensive and thus disadvantage peripheral regions. The JRC note says 'the overall benefits of charging for external costs outweigh the limited negative price impacts on individual transport operators'.

It says the net benefits of expanding the scope for charging will be around €2.3 billion a year, plus additional benefits resulting from reduced congestion. And it shows that nations at the periphery of Europe will benefit as the shift of international traffic to less congested areas will compensate for increases in the costs of trade, as well as benefiting from more efficient, sustainable and safe transport systems.

→ Although the JRC note ought to increase the chances of getting agreement on an expanded Eurovignette, it comes at a time when Spain holds the EU presidency, and Spain has been strongly opposed to increasing road user charges.

OPINION



By Jos Dings
T&E Director

EU's climate influence extends beyond treaties

Judging from press coverage of the Copenhagen climate summit, it was not just a disaster for the climate, but also for the EU. Many commentators said that the way the final deal was worked out, with the US and China basically ignoring the EU, was the final proof of the utter irrelevance of the EU on the world stage.

Of course, the truth is much more complicated, and also much less devastating than that. The EU has, in terms of 'hard' power, never played a huge role on the world stage. Henry Kissinger famously remarked he did not know who to call when he had to call Europe, and that is still the case. The fact that only a handful of staff at the Commission have been allocated to the so-called top priority duty called international climate diplomacy certainly has not helped.

'The EU should become more confident about the influence its climate legislation has around the globe. And it should be proud of this and strengthen its lead as standard-setter.'

But in practice, the EU's global influence takes place in a much less visible way: through the gradual adoption of European rules. These often have massive weight, because the EU

is the world's biggest economic zone, and a very open one too. Examples outside the climate field are the EU's accounting rules and the 'Reach' chemicals regulation. In the field of environment and transport, the 'Euro' standards (EU rules on car and lorry air pollution) are copied throughout Asia, including China, India and Russia. The CO₂ rules for cars and – for better or worse – the biofuels sustainability standards also set such a global precedent. The EU's prohibition of single-hull tankers following massive oil spills disasters with the Erika and Prestige tankers meant that a de facto global standard was set.

Yes, the EU needs to beef up its diplomatic service. In that sense it is very urgent that Catherine Ashton, the new foreign policy chief with a much bigger staff than the outgoing Javier Solana had, makes climate diplomacy a top priority; and that the newly created directorate-general for climate action gets resources worthy of its task.

But it is at least equally important that the EU becomes much more confident about the influence that its climate legislation has around the globe. And it should be proud of this and strengthen its lead – otherwise Asia will take over and determine the pace of standard-setting, and thus technological development, a situation I suspect not many Europeans would like to be in.

There is already too much navel-gazing in Brussels. Yes, Copenhagen was something of an embarrassment, but the EU should look beyond that, and vigorously pursue its role of standard-setter. In fact it may have more influence by doing that than any piece of paper that might have come out of Copenhagen.

Leaked guidance rings alarm bells over sustainability of biofuels

Environmental organisations have reacted with alarm to draft guidance from the Commission aimed at clarifying sustainability rules for biofuels. NGOs fear the guidance, if brought into effect, would lead to more greenhouse gases as a result of biofuel production, not fewer.



The Commission has been drawing up guidance on sustainability criteria for biofuels and which fuels can count towards the EU's 2020 renewable fuels target. Some of that guidance has been leaked, and brought warnings from T&E and Friends of the Earth.

T&E says allowing biofuels made from waste to count double compared to other biofuels could cause indirect land-use changes with serious environmental impacts. In the case of animal fat, this

would create a powerful incentive to divert use from cosmetics manufacturing to biofuels production, which in turn would cause the cosmetics industry to use more palm oil, which itself is a cause of deforestation.

FoE is also concerned about palm oil, in particular the Commission's draft definitions for palm oil plantations. It says the Commission is proposing to define plantations as 'continuously forested areas', allowing them to meet criteria for

sustainable biofuel sourcing, despite the fact that they are the primary cause of rainforest loss in Malaysia and Indonesia.

The Commission's proposal to exclude any installation that had biofuels production before January 2008 from an obligation to meet sustainability criteria is also controversial, as huge volumes of biofuels could be exempted as a result, causing more emissions.

Malaysian palm oil producers are reported to have been running an intense lobbying campaign in Brussels for fear of the EU banning palm oil imports.

The Canadian government has ordered a study into the environmental impact of making ethanol and biodiesel because of concerns over what its environment ministry calls 'a range of new air- and water-related problems, as well as recent concerns over human health'. The study comes just six months before a new law takes effect requiring all petrol to have a minimum of 5% biofuel content.

Shifting ground under tar sands?

The Dutch oil company Shell says it is scaling down its expansion into oil from tar sands, amid signs that the environmental disadvantages of 'unconventional' oil sources are leading to fears that such oils could be economically unviable. While Shell says it has confidence in enough conventional sources of oil, soaring costs in the tar sands region of Alberta, where it has invested in an oil project, have made further investment there less attractive.

Freight Visions

T&E has written to the Commission's leading transport official to complain about political interference in the conclusions drawn from a research group on freight transport. The Freight Visions group has included input from a number of NGOs, including T&E, but the draft conclusions differ distinctly from many of the working groups. In a letter to Matthias Ruete, T&E director Jos Dings said, 'Once again it appears that the research has been politically

managed to ensure that conclusions fit neatly with the current policy approach ... It is unacceptable that such a project is approached with a political direction and a reduced level of ambition already in mind.'

Care needed over high-speed rail claims

A new study has suggested that investing in high-speed rail can bring various benefits, but should not be marketed as a major part of efforts to combat climate change. The study, 'The Future of Interurban Passenger Transport' by the Swedish transport economist Per Kägeson, calculates the effect on emissions from building a new high speed line connecting two major cities 500 kilometres apart. It says there is no reason to prohibit investment in high-speed rail on environmental grounds as long as the carbon gains outweigh the emissions during construction, but the greenhouse gas savings are sufficiently small that it would be wrong to justify such investment as a solution to climate change.

Big majority against 'mega-trucks'

An opinion poll in Switzerland has shown 80% of Swiss citizens are against extra long lorries – generally known as 'mega-trucks' – being allowed to use Swiss roads. The poll, carried out by the Link Institute, questioned more than 1200 people, and looked at regional variations, showing 87% against in the Italian-speaking region of Ticino. This latest survey combines with similar results from opinion polls in France, Germany and Great Britain, which indicate a majority oppose 60-tonne lorries across Europe.

EIB suspends funding

The European Investment Bank has suspended loans for the building of a motorway in Slovakia because the government has broken EU and national environmental laws. The decision follows complaints from the Slovak Friends of the Earth NGO that the proposed D1 motorway will go through two national parks and protected areas of the Natura 2000 network, despite a less damaging route being available. The NGO is also lobbying the European Bank for Reconstruction and Development to reject making a €250 million loan until questions required under EU and Slovak laws have been answered.

Environment zone 'reasonable'

A legal challenge against Berlin's 'environment zone' has failed. Eleven citizens and Germany's biggest car club ADAC had challenged the ruling that prevented the most polluting vehicles from driving in the designated zone. But in a written verdict published last month, the judges said the environment zone was 'reasonable' to secure the 'protection of the public's health from air pollution'. The judgement could prevent the Hannover environment zone from being abolished, which is being sought by the environment minister of Lower Saxony.

Bulletin

www.transportenvironment.org

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

TRANSPORT & ENVIRONMENT

26 Rue d'Edimbourg, 1050 Brussels, Belgium
Tel: +32 2 893 0841 / Fax: +32 2 893 0842
info@transportenvironment.org

EDITOR

Chris Bowers, Tel & fax: +44 1273 813331
editor@transportenvironment.org