

Compromise delays external charges indefinitely

The long-running revision of the EU's Eurovignette directive on charging heavy goods vehicles for using Europe's roads was due to reach a climax just before Christmas.

As *Bulletin* went to press, MEPs were preparing to vote on a compromise solution aimed at avoiding a difficult conciliation procedure between the European Parliament and ministers. The compromise came shortly after MEPs on the parliament's transport committee voted in favour of allowing member states to charge for external costs, a direct contradiction to the position of ministers which said only road infrastructure costs could be included in road user charges.

Under the compromise put forward by the British presidency, members will not be allowed to charge for external costs (described as environment, noise, congestion and health costs) until a methodology is agreed for this and the Eurovignette directive is revised again. Campaigners fear this could be another delaying tactic.

T&E policy officer Markus Liechti said: "The vote in the transport committee by MEPs was the clearest signal from any EU body that you cannot have a sustainable transport policy without charging the full social and environmental costs to transport users, but now we have a situation where such charging has effectively been postponed indefinitely."

The Commission's initial draft revision of the Eurovignette directive in July 2003

prevented environmental and health costs being included in road user charges. They were introduced by the MEPs in 2004, only to be removed again by transport ministers nine months ago.

Following a series of compromise amendments tabled by the centre-right Dutch MEP Corien Wortmann-Kool, the European Parliament last month reintroduced the right to charge for external costs. The amendments included a requirement for the Commission to propose a methodology for charging for external costs within two years, and if that were not

approved after a further three years, governments would be allowed to charge for external costs up to 60% of infrastructure costs.

Though the requirement for the methodology is in the UK presidency compromise, there is no "fallback" option of 60% or any other figure. Liechti added: "If the MEPs' vote had been confirmed, it would still have delayed internalising external costs for another five years, when all the time the methodology is available and the unpaid costs of heavy goods road transport amounts to €170 billion every year. Now the

delay could be even longer."

There were some minor concessions for environmental NGOs in the compromise. Countries can apply road user charges to the entire road network rather than just motorways and roads of near-motorway standard, the charges are also likely to apply to all vehicles above 3.5 tonnes after a transition period (transport ministers wanted it to stay at the current 12 tonnes starting weight), and member states will be able to levy "additional regulatory charges" for congestion and environmental purposes.

Aircraft are not cleaner, report for T&E shows

Claims by the aviation industry that aircraft have become more fuel-efficient over the past 50 years have been shown up to be false.

T&E commissioned the Dutch National Aerospace Laboratory (NLR) to investigate statements made by senior aviation figures and used to counteract pressure for aircraft to be taxed either via the fuel they use or via en route emissions charges.

For example, the International Air Transport Association's 2004 Environmental review said: "Aircraft entering today's fleets are 70% more fuel efficient than they were 40 years ago."

But the laboratory's findings show that improvements have been at best exaggerated and at worst have not happened at all. The NLR, an internationally respected aerospace research institute, found that the original source of Iata's 70% figure, the 1999 Intergovernmental Panel on



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Fuel-efficient aircraft! A Lockheed Constellation propeller plane from the 1950s

Climate Change (IPCC) Special Report on Aviation and the Global Atmosphere, only took improvements made during the jet era and ignored propeller-based planes of the 1950s that were as fuel-efficient as modern aircraft.

The NLR's report also shows that even efficiency gains made over the jet era have been exaggerated because the reference point of the IPCC study was the first and most fuel-inefficient passenger jet plane ever produced, the De Havilland Comet 4. Its fuel consumption was much worse than other early jets.

T&E director Jos Dings said: "For years the aviation

industry has argued against fuel taxes and emissions charges, claiming it was taking adequate measures through a drive for fuel efficiency. Those claims have now been exposed as highly dubious.

"It also leaves us questioning whether aircraft builders and airlines will change now unless governments offer meaningful incentives to cut emissions such as fuel taxes and en-route emissions charges".

T&E published the report's findings on this year's International Civil Aviation Day, which had the environment as its theme. The timing was aimed to highlight the failure of the International Civil Aviation Organisation (Icao), the organisers of the event, to take action on reducing emissions, a responsibility they were given when the Kyoto Protocol was signed in 1997.

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Car makers shift CO₂ responsibility to oil

Reports from the Commission suggest Europe's car makers have succeeded in passing part of the responsibility for reducing carbon dioxide emissions for new cars onto oil companies.

The European automotive federation Acea has been lobbying hard that its members alone should not be responsible for reaching the EU's aim of reducing the average CO₂ emissions from new cars to 120 g/km by 2012. Commission officials seem to be convinced.

An analysis in the *Financial Times* earlier this month began: "The European motor industry has been trying for years to wriggle out of a promise to examine ways to improve fuel efficiency, warning that engine advances would add thousands to the cost of a new car. Now it appears to have succeeded in persuading the Commission to shift at least some of the cost of reducing emissions onto the oil industry, a move that could push up fuel prices instead."

The agreement reported to have been reached in the Cars-21 high-level working group would oblige oil companies to use more biofuels

made from plants. Ordinary cars can run with up to 10% biofuels mixed with oil-based fuels, and biofuels are regarded as carbon-neutral as plants soak up as much CO₂ while growing as they emit when being burned in engines.

The biomass action plan, also released earlier this month, says: "The Commission is examining the scope for the use of alternative fuels, including biofuels, to count towards CO₂ reduction targets for light duty vehicles as part of its review of how to move towards the Community objective of average emissions of 120 g/km."

T&E policy officer Aat Peterse said: "Apart from being another delaying tactic, there are several aspects of this development we are uncomfortable about. Of course the oil industry should play its part in reducing emissions from road transport, but this should be on top of, not instead of, the 120 g/km target. Also, people are pretending biofuels are some magic solution – they may have a role to play, but if it becomes a big role, there will be too many problems connected with them."

If the reported deal is rules prevent a commissioner and the relevant director-general being from the same country (Lamoureux and Jacques Barrot are both French).

The new head of DG-Tren will be chosen in the new year.

The head of the environment directorate, Catherine Day, has been promoted to secretary general of the Commission, in effect the EU's most senior permanent official. She will be replaced by Peter Carl, a 60-year-old Dane who moves from the trade directorate.

confirmed, the European Parliament could well have an important role to play. Last month MEPs called for mandatory limits for CO₂ emissions for the car sector to replace the current voluntary scheme, and for an average limit of 80-100 g/km.

The call for mandatory requirements is a repeat of past calls, but this is the first time MEPs have called for a specific g/km target, and the 80-100 range is significantly stricter than the existing 120 g/km EU target.

Over recent months, senior Commission officials have tried to play down the likelihood of a 120 g/km limit before 2012, among them the enterprise commissioner Günter Verheugen. Last month T&E wrote to him, asking how he could justify his claims that 120 g/km by 2012 was "unlikely".

Verheugen replied saying he felt it was "unlikely the 120 g/km target would be reached by *vehicle technology alone*" (our italics). He added: "There is no doubt it is possible to produce cars emitting 120 g/km CO₂ emissions or even less. Such cars are already in the market. However, it has still to be assessed whether it is feasible to reach this same level of CO₂ emissions through the entire new vehicle fleet without compromising the affordability of cars for consumers and hence the sustainability of the car industry."

Peterse comments: "Verheugen has missed the point. It is not about making every car reach 120g/km, that figure is an average for new cars sold. The Commission's own research said the average cost per car to reach this target would be €577. But we calculate lifetime fuel savings would be around €1000, so it's feasible and affordable."

End to biodiesel subsidies in Germany

Germany's new "grand coalition" government is to abandon subsidies for biodiesel fuel as part of an environment programme that keeps most of the features of the outgoing red-green coalition.

In 2004, biodiesel fuels for transport received subsidies in Germany totalling €559 million, but negotiators for the three leading parties in the new coalition have seized on the drawbacks of biodiesel – mainly poor conversion efficiency and problems relating to intensive agriculture – to save money.

The intention is for oil refineries to mix biodiesel into normal diesel. T&E policy officer Karsten Krause said: "Daimler-Chrysler is very active on sun-fuels and synfuels, so there may be some lobbying aimed at retaining some financial incentive for biodiesel."

The grand coalition's environment programme will keep the German ecotax, a target to source 20% of electricity from renewables by 2020, and subsidies for fitting diesel cars with particle filters, though this will be restricted to older vehicles – new cars will be fined if they are not built with a filter. The parties have also promised to reform car taxation in a way that will reduce CO₂ emissions, though what this will mean in reality remains to be seen.

• Denmark and The Netherlands have both announced incentives for drivers to fit particle filters to diesel cars. The Dutch government will pay up to 80% of the costs of fitting filters to all diesel cars, while Denmark has made €40.2 million available in its 2006 budget to ensure fitting filters will not increase costs for consumers.

Barroso reshuffles senior EC officials

Both the transport and the environment departments of the European Commission are to get new director-generals as part of a major reshuffle of senior officials by the Commission president José Manuel Barroso.

François Lamoureux, the top official at the transport and energy directorate, is becoming a special adviser to Barroso. Lamoureux, who has angered environmental campaigners for his failure to give the environment high consideration in transport issues, has to move as EU

Not much good cheer in first annual review of Commission

“If I have three children and one of them is ill,” José Manuel Barroso said in a speech to the European Parliament, “of course I focus on that one, but that does not mean I love the others less.”

It's a nice analogy to explain why, if his three “children” as European Commission president are the economy, society and the environment, he wishes to make the economy his main priority. But in assessing the first year's work of Barroso's Commission it's revealing that he chooses economy as the sick child, not the environment. But this attitude explains a lot about the direction the Commission is taking.

The fact is that, in most respects, the environment is being taken less seriously at EU level now than it was a couple of years ago.

There are hardly any initiatives that were not on the agenda of the previous Commission, there are lots of communications, strategies and high-level groups, but little real action, and Stavros Dimas, the environment commissioner, had to fight tooth and nail to preserve the thematic strategies that make up the sixth EU environmental action programme after industry complained they were going to impose unreasonable costs.

Barroso is rightly concerned about many of Europe's citizens viewing the EU as a large bureaucracy with too many rules and regulations, but the way to resolving this has to be through *better regulation*, not less regulation of the kind that allows companies to ignore environmental safeguards, especially as opinion surveys consistently find that citizens expect the EU to protect their environment.

A year ago we were encouraged to hear Günter Verheugen, the new enterprise commissioner, promising to work towards establishing an EU car industry that would make the safest and cleanest

products in the world. In January he set up CARS 21, a high level group of industry executives and EU and national government officials with this stated aim. At the time, the Financial Times commented, “Brussels... should not roll over [to industry], and certainly not on emission controls that are essential to health, climate stability and indeed to innovation”. I couldn't have put it better myself. But it now looks as if that is exactly what is happening.

BROKEN PROMISES

In all fields of clean car policy, from Euro-5 emissions standards to average CO₂ emissions from new cars, the current aspirations are much less ambitious than they were a year ago, before Verheugen became seriously involved. His support for the delaying tactics of the vehicle makers regarding the EU's 120 g/km target for CO₂ emissions from new cars is particularly nonsensical as there is credible evidence showing that cleaner technology will ultimately be cheaper.

As for the transport commissioner Jacques Barrot, the story is not much better. Very few transport commissioners will be a naturally ally of environmental NGOs, but Barrot has shown no enthusiasm whatsoever for “decoupling” economic growth from transport growth, even though scientists agree that in many cases less transport actually helps rather than damages the



Jos Dings
T&E Director
EDITORIAL

economy. He has also (so far) not taken any steps to improve the transparency of the selection process for determining which Trans-European Transport (TEN-T) projects should receive

EU funding, despite evidence that some projects can do more economic, social and environmental harm than good.

He has been keen to allow subsidies for start-up flights from regional airports (as if we don't have enough direct and indirect subsidies already) while the Commission is scratching its head over how to alleviate airport capacity problems. And there has not yet been a word on airport charges to control noise and emissions. He has also barely acknowledged the existence of several respected NGOs, which cannot be good for his democratic credibility.

GOOD NEWS

There is usually an exception to a trend, and in this case it has come in aviation: the proposal to include emissions from aircraft in the European Emissions Trading Scheme (EU-ETS) for greenhouse gases. Emissions trading is one of the achievements the EU is proud of in the world, and expanding the scheme ought to increase that pride.

Yet here again there are two strong reservations. Firstly, it is vital that including aviation in the ETS is seen as a first step and not a course of action that is sufficient to solve the problem. Other measures will certainly be needed. Secondly, it is important the EU stands up to those influences from overseas – especially the United States – which has already said that it wants

exemptions from the ETS rules. The EU has for years said if the world doesn't take action on cleaning up aviation, it will act unilaterally – it is now essential that *all* airlines using EU airports are part of the scheme.

Fortunately there is always the European Parliament, which has traditionally been the citizen's ally on many dossiers.

Since the 2004 elections we have noticed less of a willingness by MEPs to “green” proposals or fight for environmental elements in legislation, for example over the “Reach” chemicals directive.

But any shift among MEPs has been much less than in the Commission, and we are very pleased to see the support they gave to fighting some of the worst aspects of the Eurovignette directive, in particular fighting for the right of member states to charge for external costs.

Looking forward, it seems to me that we have come quite far (though not far enough) in solving clearly visible pollution like thick smoke and filthy water. But the major remaining challenges are less obviously visible to the average citizen. Issues like Climate Change and protecting biodiversity are long term and global in scale and therefore assigning responsibilities to specific countries and specific sectors is a challenge. These issues really put political leaders to the test.

For T&E and our member organisations across Europe, we're in a time when environmental campaigners still have the arguments on their side but there is a need to adapt our messages, sharpen the story and hold our nerve.

In this spirit, may I wish you a very happy festive season, and an optimistic and energetic new year!

Euro-5 would allow for dirtier diesels than in US, says T&E

The Commission is set to propose a Euro-5 emissions standard which is as weak as the pre-proposal issued for public consultation in September, according to media reports.

T&E says if the new standard remains unchanged, it will allow European car makers to sell dirtier diesel cars in their home market than they export to buyers in the USA.

The news came as the Commission's CARS 21 high level group published its 10-year "road map" for European car regulation.

T&E director Jos Dings said: "Instead of giving us a plan to clean up new cars, the group has simply dismantled or watered down elements of the existing strategy. Commissioner Verheugen, the chairman of the group, has repeatedly called for Europe to produce the 'cleanest cars in the world', but the EU is further from reaching this goal today than it was before Cars-21 was set up."

T&E is also worried that the 10-year road map published earlier this month makes no reference to a

New Publications and Events

• **Fuel efficiency of commercial aircraft:** An overview of historical and future trends, T&E/NLR, www.t-e.nu

• **T&E's Priorities for the 2006 Austrian Presidency of the EU,** in English and German, www.t-e.nu

Events

• **Demonstration of two systems for internalising external costs of transport,** "technical visit" by France Nature Environnement, 20 January, Basel (CH). Fax: +33 2 3862 5473.

Euro-6 proposal.

In the responses to the Commission's consultation on Euro-5 emission limits for passenger cars and light duty vehicles, Denmark's environmental protection agency called for guideline Euro-6 limits to be included in the forthcoming Euro-5 legislation. It said it was important to give long-term signals to industry, especially regarding nitrogen oxides emissions from diesel cars. It added that many new vehicles already meet Euro-5 limits, so an indication of Euro-6 limits would be helpful.

AVIATION TRADING

EU environment ministers signaled their strong support this month for plans to bring the aviation sector into the European emissions trading scheme. At their last quarterly meeting of the year in Brussels, they called on the Commission to put forward legislation before the end of 2006, based on a model "that can be extended or replicated world-wide".

Meanwhile, American officials have warned the EU about forcing non-EU airlines to be part of the scheme. The EU says that as any payment would be for a permit and thus a charge rather than a tax, it could include all airlines, but the US Federal Aviation Administration says it will instruct lawyers to challenge the legality of the ETS if it were extended to non-EU airlines.

AUSTRIA BAN

The European Court of

Justice has ruled that the lorry ban in the Tyrol region of western Austria is illegal as it goes beyond what is necessary to protect the environment. The state of Tyrol adopted the ban in 2003 in an attempt to improve air quality, banning lorries of over 7.5 tonnes from using a stretch of the A12 motorway through the Inn Valley. But the ECJ ruled against the ban, saying it was a route of "the utmost importance" as it linked northern Italy and southern Germany, and the ban had been "disproportionate".

MARITIME SAFETY

Transport commissioner Jacques Barrot has proposed new measures to strengthen EU maritime safety rules. They include inspecting all ships in EU ports instead of just 25% of them, carrying out checks on high-risk ships every six months, and banning more multiple-offenders from EU waters.

AID IS LEGAL

The Commission has given France permission to give up to €22 million a year to promote cleaner vehicles, develop combined transport, and carry out a series of studies on how transport can be organised to use fuel more efficiently. The initiative was first proposed in March 2003 but the Commission said it amounted to illegal state aid. It has now said the aid is compatible with the internal market and has an environmental objective, so it is legitimate.

GREEN PR?

When Daimler-Chrysler sponsored an environment forum in Magdeburg last month, it was not expecting criticism of its prestige brand Mercedes, but emissions from the entire Mercedes range were criticised as being "69% over projected targets". Jürgen Resch of the German campaign group DUH praised some of Daimler-Chrysler's environmental work but said the lack of action on Mercedes cars meant the work risked "degenerating into green PR".

AND FINALLY ...

Michael O'Leary, the confrontational head of the Irish low-fares airline Ryanair, clearly recognises that his direct methods of communication do not persuade everyone in the Commission. Explaining to the *Financial Times* that he expects to leave Ryanair three or four years from now, he said: "We will have to have a different relationship with those gobs-hites [polite translation: people who talk nonsense] in the European Commission. That will need someone other than me." He also said Ryanair would have to be more sensitive to "environmental whingers".

Bulletin

T&E Bulletin is the official news sheet of the European Federation for Transport and Environment (T&E). It appears 10 times a year and is free to members of the Federation.

T&E has 40 members registered in a total of 21 countries. It lobbies for an environmentally sound approach to European transport issues.

The next issue will appear in early February. The deadline for contributions to reach either the T&E secretariat or the editor is Friday 27 January 2006.

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