

## Transport set for greater EC attention as emissions again hold back EU action

Hints that transport will be targeted by the new Commission in its next stage of reducing greenhouse gases have been dropped by three leading officials. Their comments come as the transport sector once again held back a fall in overall EU emissions.

Last month the Commission president José Manuel Barroso met with the British climate economist Nicholas Stern and the chairman of the UN climate panel Rajendra Pachauri, and said afterwards that eliminating greenhouse gases from power stations, cars, lorries and aircraft must feature in the priority list when 27 new commissioners are appointed later this year. 'I want to underline specifically the question of transport,' Barroso said.

'We need to come up with concrete policies to decarbonise our electricity supply and transport fuels, and to transform the grid,' Barroso added after his meeting with Stern and Pachauri. 'It's not too early to be thinking about this.'

### 'QUANTUM JUMP'

Two weeks later the environment commissioner Stavros Dimas said the new Commission could propose a major climate and transport policy package. Dimas was speaking at the announcement of European Environment Agency (EEA) figures which show EU greenhouse gas emissions fell by 1.2% in 2007, despite an alarming rise in emissions from transport.

The idea of a major initiative on transport was further reinforced by the second-highest Commission official in the environment directorate, Jos Delbeke. In an interview with Reuters news agency, he said Europe needed 'a climate and

transport package ... to make a quantum jump'.

'We've been very successful in reducing emissions from the power and manufacturing sectors by around 15-20% since 1990,' he said, 'but we've been neutralising that with an increase in emissions from transport. We have to be much more ambitious on the nuisance of transport services.'

Delbeke confirmed that leg-

islation to reduce emissions from vans was on its way, and Dimas said proposals could be published by the current Commission.

The EEA says total EU greenhouse gas emissions would have fallen by 14% since 1990 if transport had followed the same decreasing trend as other sectors, whereas its current figure is 7.9% down.

• *US car deal, page 2*

## Industry and NGOs say Icao has lost control

**Representatives of 15 governments have agreed a 'programme of action' that recommends a 'global aspirational goal' of cutting 2% per year in fuel consumption from international aircraft. NGOs say it is effectively a decision to do nothing.**

The 'programme' comes from 15 'wise men' appointed by the International Civil Aviation Organisation (Icao), aimed at being aviation's offer to December's climate summit in Copenhagen.

T&E policy officer Bill Hemmings said: 'If this is the result of nearly 12 years' work since Kyoto, it does no service to efforts to fight climate change. Its biggest observation is that there is no consensus, either on what needs to be done nor even the need to fight climate change. It is hopelessly inadequate for the purpose.'

The Icao programme came as T&E joined forces with 11



Since Kyoto, Icao has failed to get climate policy off the ground

other environmental NGOs to suggest a way to include emissions from international aviation and shipping in the global climate framework.

Greenhouse gas emissions from international aviation and shipping fuels account for nearly 10% of the climate problem, and are growing so rapidly that they could double or triple by 2050. But NGOs fear neither Icao nor the International Maritime Organisation (IMO) will propose anything meaningful for Copenhagen, and comments from the chief executive

### T&E is on the move

T&E is moving offices within Brussels.

As *Bulletin* went to press, T&E's staff were preparing for the move to **Mundo-B**, a block of sustainable business premises resulting from a project to ecologically renovate a building to create office space, conference rooms and an organic café. It is just south of the current office (the closest Metro station remains **Porte de Namur**).

For the new contact details, see the panel at the bottom of page 4.

# Obama shepherds deal with car makers to improve fuel efficiency of US vehicles

The US president Barack Obama has launched a plan to regulate vehicle emissions in America from 2012 which has the agreement of leading car makers. The plan, described by the governor of California as 'staggering', has led to car makers dropping all threats of legal action against measures which will force them to be more fuel-efficient.

The deal envisages a programme from 2012 to 2016 to achieve a maximum fuel consumption of 35.5 miles per gallon. This would reduce CO<sub>2</sub> emissions by around 25%, leading to average emissions of around 170 g/km in 2017, which was the level the EU was at in 2000.

Announcing the deal alongside representatives from American, Japanese and European car makers, Obama said: 'The status quo is no longer acceptable. We have done little to increase the fuel effi-

ciency of America's cars and trucks for decades. This is unprecedented change.'

Improved fuel efficiency standards in America have been driven by California, but the state's efforts have been constrained by former-president George Bush's refusal to allow stricter standards in California than in the rest of the USA.

## 'EVERYONE WINS'

California's governor Arnold Schwarzenegger said he was 'ecstatic' at the news.

'This is staggering,' he said. 'This president after 120 days in office has taken the action and pulled everyone together.'

Officials said the new regulations will add an average of \$600 (€400) to the price of a new car, but Obama said the savings in fuel would wipe out the difference in three years. 'The fact is that everyone wins,' he said.

In March, Obama said he was making money available to help establish high-speed passenger rail lines in at least 10 regions across the USA.

## Scrappage payouts questionable on economic grounds

A study by a German economics institute has heavily criticised car 'scrappage' schemes as distorting competition, subsidising cars, and creating problems for the future.

The scrappage schemes have been criticised by T&E and other environmentalists as being economically, environmentally and socially damaging, needlessly prolonging industrial overcapacity, further entrenching car dependency, and primarily favouring those wealthy enough to buy a new car. But the schemes have been justified by governments on economic grounds.

Now the Halle Institute for Economic Research has analysed the economic impact of the German government's scheme to offer incentive payments of €2500 for people to trade in nine-year-old cars for new ones. The scheme is costing the government €5 billion.

The institute says: 'Behind these payments stands nothing more than the subsidising of an individual branch of the economy – with all the negative distorting effects that such favourable treatment brings...'

The analysis says the payments will cause major imbalances in the German economy, which will require adjustments through further state intervention later. This will be costly for the taxpayer and require compensatory measures in other branches of industry.

'Stimulating the economy can only be used as a partial justification,' it says.

Another research body, the German Institute for Economic Research, has been equally critical. 'Scrappage payments are economic nonsense,' its subsidies expert Victor Steiner told *Spiegel* magazine. 'They can only be justified in terms of election tactics – and as a result of car industry lobbying.'

## New studies cast more doubt on 'mega-trucks'

The introduction of longer and heavier lorries on European roads would lead to an increase in CO<sub>2</sub> emissions from freight transport according to a new study by the Fraunhofer Institute in Germany.

The findings appear to contradict a European Commission Joint Research Centre (JRC) report published last month that contains a summary concluding that legalising 60-tonne, 25m-long lorry combinations is justified in the EU on environmental and economic grounds. But despite the wording of the summary, the Commission research actually found that there would be no significant environmental impact, positive or negative from the introduction of mega-trucks, leading to accusations of 'greenwash'.

T&E policy officer Nina Renshaw said: "Mega-trucks have always been promoted first and foremost as a much greener option, which has seduced policy-makers into be-

lieving there could be a quick fix for road freight transport emissions. It is clear that the environmental case does not support these claims. Despite the greenwashing in the summary, even the deeply-flawed JRC study does not say that mega-trucks are good for the environment."

Longer and heavier lorries are known to be more dangerous and more polluting per vehicle, but the thinking that has governed industry and previous Commission studies is that the overall number of trucks would go down as larger vehicles would lead to lower numbers overall.

Several environmental and transport groups have warned the Commission about the failures of this assumption.

Renshaw said: "As the Fraunhofer study shows, any short-term benefits would be wiped out within five to ten years by an overall increase in road freight transport."

The Fraunhofer study says the effects would include an

additional two million tonnes of CO<sub>2</sub> emissions from freight transport every year, and a shift of approximately 30% of freight transport from rail to road. It concludes that "the introduction of mega-trucks will most likely end up in a negative climate gas balance in the medium term" and rejects the introduction of longer and heavier road freight vehicles for being incompatible with climate protection policy.

Renshaw said: "The Commission needs to be clear on what it hopes to achieve. If it is a dramatic reduction in the cost of road freight, that comes at the price of more CO<sub>2</sub>; that is not an option. If the aim is genuinely more efficient, cleaner and safer freight transport, there are numerous smarter measures available, such as road pricing schemes and improving the fuel-efficiency of lorries, which has hardly improved in recent years."

• *Fraunhofer study:*  
<http://tinyurl.com/njcm42>

## Neither left nor right relish the thought of a reverse ice age



**Jos Dings**  
T&E Director

**Brussels is gearing up for a new five-year term of the European Parliament and a new Commission. The first lines are becoming clear.**

First and foremost, we've had elections to the European Parliament. Turnout was again disappointing, but 162 million Europeans still cast their vote, and the result is roughly 5% lower support for the moderate left and roughly 5% higher support for the (mostly) moderate right. Although in a national election such a shift is minor, at European level it can greatly affect the substance of many compromises reached. It's certain the environmental movement will have to redouble its efforts to make its message appeal to politicians from both left and right of the political centre.

The widely expected re-appointment of the centre-right figure of José-Manuel Barroso as the Commission president only confirms the need to make environmental policy 'colour blind'. An enormous agenda will await the new Commission and Parliament, also because the last five years were – apart from the huge attention to climate change – far from a success for the environment.

Mainly because of the almost complete absence of greening of agriculture, trade, fisheries and action on biodiversity, the 'Green10', the Brussels-based environmental organisations of which T&E is a member, rated the overall environmental performance of the Barroso Commission at 4.4 out of 10. In the field of transport, the final verdict was a 6. This is not so much the result of the Commission's transport department's work. Transport commissioners Jacques Barrot

and later Antonio Tajani had scant regard for environmental issues, the only but important exception being a sensible proposal on truck charging, for the first time allowing the inclusion of some external costs. The mark of 6 was more attributable to the Commission's environment directorate that fought hard for laws to reduce emissions from cars, trucks, aviation, fuels and tyres.

But it is also obvious that a lot of work remains to be done. Transport emissions are expected to keep on an upward rather than downward path, while the latest science is telling us that western societies should be virtually completely 'decarbonised' by 2050. This makes academic debates on 'who should do what' in emissions mitigation – and arguments that the transport sector would have to do less – sound hollow and obsolete.

Essentially every sector, including transport, should have

been almost completely decarbonised by 2050. That means emissions reductions in the range of 5% per year. But if we do not reduce emissions seriously until 2030, the annual cuts after then will have to be in the range of 10%. Clearly, postponement is not an option. Both massive reductions in energy demand, and drastic changes in energy sources and carriers, are needed now and over the next years.

It's therefore good that Barroso has suggested that transport will be a central priority in the next Commission's climate strategy. The Commission should honour this promise, and the new Parliament and particularly the member states should put their feet on the accelerator rather than the brake. Only then could we cherish the hope that the planet might escape a 'reverse ice age', something that neither the left nor the right find an attractive prospect.

## The emperor has no clothes – but who is willing to say so?



**Bill Hemmings**  
T&E Policy Officer

**A fascinating but frightening game of bluff is being played with global attempts to curb aviation's contribution to global warming. It is the equivalent of the emperor standing up naked and challenging all the on-lookers to say that he is wearing no clothes.**

The last 12 years since the Kyoto Protocol was signed have been hugely disappointing in the field of aviation. But once it became clear two years ago that the EU was going to put aircraft emissions into its Emissions Trading Scheme (ETS), and the Bali climate meeting called for a more ambitious set of reduction commitments than Kyoto to be

agreed at this year's Copenhagen climate summit, the feeling was that aviation was under pressure to do something. There followed a battle within the aviation sector as to how far the industry needed to go to satisfy the parties at Copenhagen and keep control of aviation's climate impact within the International Civil Aviation Organisation (Icao).

That battle took the form of Icao establishing a group of 15 'wise men' (the Group on International Aviation and Climate Change, or 'Giacc') from a representative group of countries. The 15 were asked to draw up an action plan on aviation climate change. That final action plan – effectively a draft of Icao's final offering to Copenhagen – was revealed earlier this month.

If one wants to be kind about it, it is honest in its ad-

mission that there was very little consensus, and that certain states did not honour their agreements under the Kyoto protocol. But in effect it is nothing but a bunch of empty promises.

Icao promised an 'aggressive' plan of action to tackle climate change – all it has come up with is a set of 'aspirational goals' with no commitments. The wording of it admits to the ongoing conflicts within Icao between developed states wanting global action and developing countries (led by China) who, citing the UNFCCC principle of differentiated responsibility, insist that only developed countries need to reduce international aviation emissions.

The 15 also published a basket of optional market-based measures for states to choose from, but acknowledged that

there was still no agreement on how cross-border measures could be undertaken. So a principal objective of the group, first raised in 2007, has still not been addressed.

Where does this leave the process? It seems a blatant invitation to the UNFCCC to take responsibility for aviation away from Icao (and shipping from the IMO) and to set emission reduction targets – and take over responsibility for developing emission reduction measures.

This so-called 'action plan' is no credible basis for the Copenhagen agreement to continue to entrust Icao with responsibility for reducing aviation emissions.

The question now is: will the UNFCCC see that the emperor is wearing no clothes and take over this vitally important responsibility?

## Shipping can gain from cutting climate impact

The shipping industry has nothing to fear from reducing its pollution and climate-changing emissions and would even gain financially, according to a new study from WWF.

The report, published to coincide with the second greenhouse gas study published by the International Maritime Organisation (IMO), says shipping is responsible for almost 3% of global greenhouse gas emissions. But it says the shipping sector could reduce its climate impact by at least 20% and make financial gains.

It identifies 'a significant potential' for reducing emissions through technical and opera-

tional measures which could increase efficiency and reduce emissions by 25% to 75%. It also identifies benefits that could come from emissions trading or a bunker fuel levy.

### POST-KYOTO

Shipping is coming under increasing pressure to be included in the post-Kyoto climate deal due to be worked out at December's UN climate summit in Copenhagen. Like

aviation, it was not part of the Kyoto deal but has seen very little progress since 1997.

Shipping observers note a growing unrest among governments at an emerging realisation about the magnitude of shipping's contribution to climate change. 'Climate lobby groups have the shipping industry firmly in their sights in the run-up to the post-Kyoto negotiations,' said the *Lloyds List* newspaper last month.

### TRANSPORT: BETTER THAN SOME AT 6/10

The Green10 group of leading environmental NGOs has published its final assessment of the work of the 2004-09 Commission that leaves office later this year. With a 'mark' of 6 out of 10, transport does better than some (the agriculture, biodiversity and budget directorates scored just 4), but the Green10 still say EU transport efforts are 'too timid'. The NGOs say the new Commission should set a CO2 target for 2020 of 80 g/km for the average new car, as part of efforts to make Europe 'the most transport-efficient economy in the world', and it wants transport spending to support, not fight, climate objectives.

### DG CLIMATE?

The Commission is considering setting up a new energy and climate directorate to take over the EU Emissions Trading Scheme and international climate strategy. The idea was suggested by an internal task force which put forward proposals for administrative restructuring of the Commission. A cross-party group of MEPs who have been active on climate legislation said they were alarmed by the idea, as an energy and climate directorate would make it harder to resist industry attempts to water

down efforts to fight climate change.

### MOTORISTS DIE FASTER

A doctoral thesis from Sweden suggests that car commuters die younger than those who walk, cycle or go to work by bus. For his thesis, Patrik Wennberg from Umeå university studied the effects of commuting and other activities on heart disease. He concludes: 'A clearly increased risk of myocardial infarction was found for car commuting compared to active commuting (walking, cycling or going by bus).'

### SUBSIDISED BICYCLES

The Italian government is making €8.75 million available to encourage bicycle use. The money, available during 2009, can be used to subsidise the price of a bicycle or e-bike by up to 30%. Italy becomes the first state to offer such encouragements, although some German cities have offered similar incentive schemes.

### FINE OPPOSITION

European car makers are continuing their fight against CO2 limits by turning their attention to the fines that can be imposed for missing the 130 g/km target. In its annual report, the car makers' umbrella organisation Acea says it is

committed to the new deal but attacks 'disproportionate fines' for those who miss their targets. The Commission's second-highest environment official Jos Delbeke defended the agreement, saying it has made car makers look at fuel consumption 'very differently'.

### MORE 'SCRAPPAGE'

Spain and the Czech Republic have become the latest nations to offer car 'scrappage' incentives. The Spanish government is offering €500 per car but wants the country's autonomous regions to make an additional contribution. The Czech scheme has two levels, with incentives of €1150 and €2300 depending on the kind of new car being bought. Both schemes have minimum CO2 emissions criteria, but environmental groups have criticised them for being too weak.

### LIMITS NOW LAW

The EU's first legislation to limit carbon dioxide emissions from new cars has entered into law. As a regulation (as opposed to a directive) it is immediately binding in all member states. Four other laws whose legislative passage have been covered in *Bulletin* also come into force later this month, among them the renewable energy, fuel quality and emissions trading directives.

## EU consultations

• **Public consultation on information and communication technologies for a low-carbon society**, DG Information Society, until 14 June (includes transport elements, among them smart meters which are relevant for electric cars).

### AIR AND CLIMATE

The Commission has launched a new project to help cities to improve their air quality while tackling climate change and congestion. The Citeair II initiative is aimed at improving monitoring of the link between air pollution and climate change, sharing good practice among cities with air pollution problems, and offering solutions. More information from [info@citeair.eu](mailto:info@citeair.eu).

### AND FINALLY ...

Some may wish to disagree with Giovanni Bisignani, director general of the International Air Transport Association. As governments' contribution to December's climate summit is likely to be an 'aspirational goal' of cutting 2% per year in aircraft fuel consumption, IATA has pledged to achieve 'carbon-neutral growth' by 2020. Bisignani said no other industry had 'a better track record, a more united approach or a stronger commitment' to reducing greenhouse gas emissions.

## Bulletin

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T&E has around 50 member organisations from across Europe.

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