

## Proposed U-turn on transport policies bad for jobs and growth, says T&E

The Commission is planning a major U-turn on two of the central environmental elements of the EU Common Transport Policy (CTP).

EU transport policy is governed by the 2001 CTP white paper, which is due to run until 2010 but a mid-term review is currently being prepared and is due out next month. T&E has seen a draft copy of the review, which proposes to reverse two major commitments: “decoupling” transport growth from economic growth, and efforts to shift traffic from road to rail.

The proposed changes are said to be causing anger and controversy within Commis-

sion ranks, with officials from the environment directorate reported to be seriously opposed.

T&E director Jos Dings said: “The proposed reversal of the decoupling commitment is very alarming. Decoupling transport growth from economic growth is not just a nice idea to reduce environmental damage, it’s central to sound business. We need to think about transport the same way we think about energy, and strive to do more with less.

“Dropping the commitment to decoupling is even more serious because of the lack of progress made on charging for use of infrastructure. Smart charging systems – such as those introduced in Germany, Switzerland, London and Stockholm – have proved to trigger the development of advanced logistical planning systems and services, and boost sales of new, cleaner vehicles. It shows that smart infrastructure charging is in fact beneficial for high-quality growth and jobs, as well as for the environment.”

T&E has sent a letter to the transport commissioner Jacques Barrot explaining why the draft mid-term review will take Europe’s transport in the wrong direction. It admits that attempting to shift transport from road to rail has caused problems, but says more targeted and smarter spending was needed to solve real transport bottlenecks.

The proposal to drop the

shift from road to rail follows a major campaign by road interests to discredit the legitimacy of the modal shift. A letter-writing campaign to the *Financial Times* newspaper included a submission by the former motor racing driver and now MEP Ari Vatanen, and the head of Volvo Stefan Lorentzon wrote to say higher road charges would not shift traffic to rail.

In a response printed in the *FT* Jos Dings defended the principle of smart charging: “Europe needs transport policies that encourage technical innovation, efficiency and reduced environmental impacts,” he wrote. “There is plenty of evidence that road charging can achieve these aims. Sadly, some elements of the road industry simply want to keep on trucking – and polluting – the way they always have.”

### EMPTY KILOMETRES

A parallel development in Germany seems to show how charges can elicit changes in transport behaviour.

The German Office for Freight Transport (BAG) has published a study on developments in German freight transport since the *Maut* motorway charge was introduced in January 2005. It shows that internet sites selling freight space on lorries that would otherwise return from a journey empty have seen such growth that there has been a 13% reduction in “empty truck kilometres” in the first year alone.

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## Eurovignette directive gives states new charging powers

The revised *Eurovignette* directive has finally been approved and will enter into force in a few weeks.

The directive marks a milestone in European transport – by 2010 it will force governments that charge lorries for use of Europe’s principal roads to do so on the basis of environmental performance (“Euro” emissions standards).

It also allows member states to charge lorries on all roads, and not just the motorway network. This may well happen following experience with the German *Maut* which has led to heavy lorries using smaller roads to avoid the motorway charge.

T&E policy officer Markus Liechti said: “Though we would have liked to see more in the directive on charging for external costs such as pollution and health impacts, this is a useful start which allows member states a fair bit of flexibility.”

“In particular, they can introduce regulatory charges to help solve specific environmental problems like areas with poor air quality, whether mountainous regions with sensitive ecosystems or urban areas where residents need protection. Member states must now make the most of these possibilities.”

The Commission still has to produce a methodology and a revised proposal before states can charge for external costs, despite EU transport policy committing to the “polluter pays” principle.



### Changes at T&E

T&E has a new policy officer. She is Nina Renshaw (above), a 25-year-old British national from Bristol, who recently worked in Berlin, and before that in Belgium and Austria.

As well as English, she speaks German and French fluently, and has some knowledge of Portuguese, Czech and Spanish.

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## Germany calls for Euro-6 standards now, and stricter NOx goals for diesels

**The campaign for post-Euro-5 emission targets to be set now has gathered momentum, following a call by Germany for Euro-6 nitrogen oxides standards.**

Germany's representative told a meeting of EU competition ministers last month that there was a growing consensus among EU states that the Euro-5 standards published four months ago could be tightened, and that the automotive industry

would benefit from being given the next round of emissions targets now.

The idea of an early Euro-6 NOx standard received support from a "broad majority" of environment ministers meeting a few days earlier.

The Euro-5 proposals set a maximum limit of 200 mg/km of NOx from diesel cars from 2008. Germany believes it should come down to 180 mg/km, with a reduction to 80 mg/km by 2013.

T&E said Germany's call for post-Euro-5 targets now was helpful. It also welcomed the idea of having the same NOx limit for diesel and petrol cars, but said it could be a lot stricter than 80 mg/km and implemented much sooner. "If EU car makers want to sell diesels in the US," said T&E's Aat Peterse, "they will have to comply with standards much tougher than Euro-5 from next year, so why wait?"

## Cohesion funds 'on a collision' course in CEE

Billions of euros of EU taxpayers' money are in danger of being used to fund uneconomic and environmentally damaging transport infrastructure projects in the new member states of central

and eastern Europe.

That is the message from CEE Bankwatch Network and Friends of the Earth, who last month published a map entitled "EU Funds in Central and Eastern Europe:

Cohesion or Collision?". It shows 22 environmentally damaging, economically unjustified or socially controversial projects which are likely to cost the EU budget around €6 billion.

The two NGOs say EU environmental impact assessment rules have not been enforced, or enforced inadequately. "In many of the cases we looked at, environmental assessments were used as a rubber stamping exercise," said Martin Konecny of Friends of the Earth.

The 22 projects in eight countries include roads and motorways cutting through valuable protected areas, despite the availability of alternative routes and lack of economic justification. Accompanying the map are suggestions for making better use of the funds, especially in the transport, energy and waste management sectors.

The two NGOs highlight the plan to relocate Brno railway station as "a particularly absurd case". The €845 million project would take the station out of the city centre and put it on the edge of the Czech city, complicating the lives of tens of thousands of the city's commuters.

## The 'hydrogen economy' may not happen, says UN report

The United Nations Environment Programme (Unep) has brought out a report which urges the industrialised world to be cautious about the potential of hydrogen to be a primary fuel of the global economy.

The report "The Hydrogen Economy" has been written by Trevor Morgan of the Paris-based consultancy Menecon. Described as "a non-technical review", Morgan has brought together all existing research on the economic and technological potential of hydrogen, and warns it may not be "the fuel of the future".

Though cautiously phrased, the report is clear about its doubts. "There are widespread misunderstandings about the role hydrogen could play in the global energy system," it says, "how quickly it could be introduced commercially on a large scale, and

its impact on the environment. Unep believes it is important to keep countries informed about the true potential, costs and benefits of hydrogen, and to counter popular misconceptions."

Morgan himself said: "Those who talk up the potential of hydrogen seem to be missing a number of technical obstacles that have to be overcome, which could set the hydrogen economy back by a couple of decades, or even make it not happen at all."

• A research advisory council working for the Commission says the EU could realistically source a quarter its transport energy needs from biomass by 2030. The council, "Biofrac", says biofuels would have to come from a mixture of EU-production and imports. Its recommendations are likely to prove controversial.

## China sends financial signal to makers of gas guzzlers

China has sent another message to the car making industry that gas guzzling cars will become increasingly expensive on the Chinese market.

The *Shanghai Daily* newspaper reported that a new range of registration taxes came into effect this month, with the most fuel consuming cars now taxed an extra 20% of the value of the vehicle.

Sport utility vehicles (SUVs) will be hit hardest. Taxes on engines bigger than two litres will be raised from the current 5% to between 9% and 20%, depending on engine size. Larger cars with engines of 2.5 litres or more will face registration taxes of 20% of the value.

At the other end of the scale, taxes on compact cars with 1.5-litre engines or smaller will be reduced from 5% to 3%, and there will also be tax breaks for hybrid cars and motorcycles.

China-based car makers will pay the purchase taxes as soon as their vehicles are completed, while imported vehicles will be taxed when they are cleared through Chinese customs.

Rolls Royce has said it will pass the charges straight to its customers, as they are not very price sensitive, but BMW, Mercedes Benz and Audi, three companies whose top-of-the-range models have engines larger than 2.5 litres, may struggle to pass it all to the customer.

Cars with engines larger than 2.5 litres account for only 20% of the Chinese car market, so the registration taxes are likely to have little impact on buying patterns within China.

# What's good for efficiency is good for the economy

Five years ago Europe was presented with a new Common Transport Policy. Like its predecessor, it is expected to have a life of around 10 years, which means we are reaching the mid-point – and indeed we have a mid-term review coming up which will give us the chance to see if the EU is really living up to its promises.

Although the mid-term review is not yet published, two new studies have been, and they provide significant input into it. One is the latest EU Transport and Environment Reporting Mechanism (TERM) report administered by the European Environment Agency. The other is called “Assess”, a project of the Commission’s transport directorate which has been carried out by a consultancy based in Belgium, drawing on research from nine other research institutes across Europe – its report into the contribution of the trans-European networks and other transport policy measures to the Common Transport Policy runs to 1400 pages.

## Transport efficiency

Given that one of the central aims of the Common Transport Policy white paper was to make Europe more transport-efficient and thus break the link between transport growth and economic growth (“decoupling”), what do these studies say about transport efficiency?

The TERM report shows up big differences in transport intensity among member states. What is particularly striking is that the countries that usually lead in all sorts of charts of economic success (Great Britain, Sweden, Finland) began as relatively transport-efficient and have become more so over the past decade. The countries that

have more catching up to do are less transport-efficient. In other words, dynamic, knowledge-based economies – the mantra of the EU’s “Lisbon Strategy” – are transport efficient.

Decoupling transport growth from economic growth – which is what transport efficiency is – does not harm the economy, it is a prerequisite for success, just like energy efficiency is.

## Pricing

Both reports make it crystal clear that progress in effective transport charging has been disappointing. The summary of “Assess” says: “The biggest failure in the implementation of the white paper proposals is the failure to implement appropriate social marginal cost pricing for all transport modes, in order also to deal efficiently with the environmental issues.”

Beautifully said! Effective charging is an essential element in striving for a more sustainable and efficient transport system. And while it is too soon for the impact of the London and Stockholm congestion charges to be included in TERM’s transport efficiency figures, it’s surely no surprise that the capital cities of two of the most transport-efficient countries in Europe (indeed the world) have opted to tackle their city centre transport problems by way of charges for the most environmentally damaging forms of transport – with impressive results to date.

Yet EU promises to present a framework directive for internalising the external costs of transport have not been kept. All we have had is a flawed lorry-pricing directive, and the European



Jos Dings

EDITORIAL

Parliament has had to remind the Commission about its obligation to come forward with a methodology for internalisation. The Commission will have been left in no doubt by the road transport companies that pricing isn’t very popular with them, but it is the Commission’s job to look at the interest of Europe as a whole – fair and efficient pricing is an essential element of an economically sound and socially just European transport policy, regardless of what road interests and industries who have for years enjoyed artificially low transport costs might argue.

## Infrastructure

Although the recently negotiated EU budget has less money for the trans-European transport networks’ priority projects than originally envisaged, the EU will still be paying several billion euros a year into the TEN-T through the structural and cohesion funds. The “Assess” report looks at the 2003 impact assessment of the TEN-T projects and says cryptically: “This represents an extremely interesting attempt to estimate and sum-

marise the programme-level costs and benefits, and demonstrates how the benefits differ between the different scenarios examined. However, it does raise a number of questions, perhaps notably with regard to implied benefit/cost ratios.”

In plain English: the Commission’s own impact assessment shows that the TEN-Ts are bad value for money. This is illustrated by the figures showing that the travel time benefits are only 4% of the costs. The EU is in grave danger of wasting large amounts of taxpayers’ money on schemes that have not been properly thought through.

Though not a far-reaching document, the 2001 white paper did contain some useful policies. Yet even its modest promises have not been kept – and all the signs are that the Commission is further confusing the interests of the transport industry with the interests of Europe as a whole. If the Commission is serious about revitalising Europe as EU leaders said in Lisbon six years ago, it should avoid further watering down the already weak commitments of the 2001 transport white paper.

## New members and board changes

Much is changing at T&E, from staff and members, to the Federation’s website.

The new website is [www.transportenvironment.org](http://www.transportenvironment.org), with all T&E e-mail addresses now ending @transportenvironment.org. Therefore, the main address becomes [info@transportenvironment.org](mailto:info@transportenvironment.org), and the *Bulletin* address is [editor@transportenvironment.org](mailto:editor@transportenvironment.org).

At last month’s AGM, five new members were voted in, making T&E’s membership 45 in 21 countries. The four

new full members are: Milieudefensie (NL), the Centre for Environmental Initiatives in St Petersburg (RUS), the Danish Eco Council (DK), and Deutsche Umwelthilfe (D); and the European Environmental Citizens Organisation for Standardisation joins as an associate member.

There was one change on the T&E board, with Jürg Tschopp from Switzerland retiring. He is replaced by Judit Madarassy from Hungary who works closely with the Clean Air Action Group.

# End dependence on oil in a generation, say MEPs

**A group of MEPs have said Europe must end all oil use in transport within a generation if the EU is to become the world's most energy-efficient economic bloc by 2020.**

The European Parliament's environment committee was discussing the Commission's green paper on energy efficiency which has been criticised by environmental organisations for putting too much emphasis on fossil fuels.

In a non-legislative resolution, the committee said: "The EU's energy strategy should concentrate initially on the total substitution of fossil fuel use in the transport sector by 2030." The resolution goes to the energy committee which is coordinating the parliament's position on the green paper.

The energy paper, published last month, has been criticised by environmental NGOs for various reasons, particularly the lack of bind-

ing targets. T&E said transport barely featured in the paper, and WWF said it "lacks a long-term vision for a sustainable and efficient use of resources."

Last month's TERM report on transport and the environment said Europe's growing transport sector is threatening the EU's efforts to meet its commitments under the Kyoto protocol. The head of the European Environment Agency Jacqueline McGlade said: "Transport, especially road transport, is becoming cleaner because of increasingly strict emission standards and improved technology, but increases in demand continue to outstrip positive innovations. Long-term policy initiatives are needed to encourage people to change their habits."

In a submission to global climate talks due to take place next month, the EU has said all industrialised countries need to make deep cuts in greenhouse gases in the period after the current Kyoto targets end in 2012.

## TENS BUDGET

MEPs have reached agreement with ministers on the EU's Financial Perspective for 2007-13. The budget for the trans-European network's priority transport projects is around €7 billion, down from the €20 million originally proposed, but money from the regional and cohesion funds is expected to fund some TENs projects.

## SWEDISH AIR TAX

The Swedish government is to make its forthcoming environmental tax on air tickets much higher than originally proposed. When the tax was announced last year, the expected levels were between 50 and 100 kronors (about €5-10), but when the

tax comes into effect in July, it will range from 94 kronors (€9.60) for flights within the EU plus Russia, and 188 kronors (€19) for flights outside Europe. A proposal to charge business class passengers more has been dropped. The tax has been promoted by Sweden's Green Party, a junior party in the country's governing coalition that is up for election in September. It needs Commission approval before it can come into effect.

## ROAD TO JOIN ETS?

Three British ministers have asked the Commission to consider expanding the EU's Emissions Trading Scheme to include surface transport. The transport, industry and environment ministers have written to the transport commissioner Jacques Barrot saying Great Britain was interested in including surface transport in the ETS. They have offered British government support for the Commission's review of the scheme currently being undertaken. Air transport is likely to be included in the ETS in 2008.

## SWISS TAX SHIFTING

The amount of freight traffic crossing the Alps by road fell again in 2005, suggesting that Switzerland's policy of encouraging a shift from road to rail is working, albeit slowly. The 2005 figure of 1.2 million transit journeys was 4% down on the 2004 figure and 14% down on 2000, the year Switzerland introduced its distance-related charge for lorries. The volume of goods transported by road through the Alps has increased by 400 000 tonnes (3%), which suggests load factors in lorries are improving. Rail has maintained its share of the market in

Switzerland. By contrast, France and Austria report figures showing rail losing market share to road.

## EXCESSIVE POLLUTION

Vehicle pollution is likely to exceed acceptable limits in many European streets, even where a city is within overall permitted pollution levels. A new report from the European Environment Agency says air quality in "canyon-like" streets (narrow roads and ones with high buildings on both sides) will reach illegal levels, even allowing for further emission cuts.

## ROUGH PLANET

Two of the biggest names in travel guides, Lonely Planet and Rough Guide, are calling on their readers to show greater awareness of the environmental impact of air travel. Though both say clearly that they believe global travel is a force for good, they say travellers cannot ignore the environmental side-effects of their trips round the world. Both groups have joined an emissions off-setting scheme to "neutralise" the aircraft emissions of their authors and staff, and the Rough Guide has a feature on its website to encourage responsibility in air travel.

## New Publications and Events

- **A Programme for Sustainable Development for the European Union**, Group of 10 Brussels-based environmental NGOs, T&E website
- **Less Oil, More Welfare**, T&E submission to public consultation on EU energy green paper, T&E website
- **Transport and Environment: facing a dilemma**, TERM report, EEA, [http://reports.eea.eu.int/eea\\_report\\_2006\\_3/](http://reports.eea.eu.int/eea_report_2006_3/)
- **Air pollution at street level in European cities**, European Environment Agency, [http://reports.eea.eu.int/technical\\_report\\_2006\\_1](http://reports.eea.eu.int/technical_report_2006_1)
- **The hydrogen economy**, a non-technical review, UN Environment Programme, [www.unep.fr/energy/](http://www.unep.fr/energy/)

## 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 45 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 mid May. The deadline for contributions to reach either the T&E secretariat or the editor is Wednesday 26 April 2006.

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