

Confident Commission raises pressure on shipping

The EU appears to have delivered an ultimatum to the international shipping community that Europe will take unilateral action to reduce greenhouse gas emissions from ships if there is no global action by the end of the year.

Jos Delbeke, the Commission official responsible for the EU's greenhouse gas Emissions Trading Scheme (ETS), told the *Financial Times* that Europe would propose its own action "by the end of this year" if there is no international agreement.

The *FT* quoted Delbeke as saying: "If we cannot move forward [globally], then we feel we have to take steps on shipping. Similar discussions are taking place at the International Maritime Organisation. By the end of the year, we are going to come forward with a proposal to extend the ETS to shipping."

With the meeting of IMO's marine environmental protection committee (MEPC) scheduled for July, Delbeke's comments – which are supported by the environment commissioner Stavros Dimas – appear calculated to put pressure on the IMO's discussions. Little was expected from the IMO meeting, since IMO's work on CO₂ emissions from ships have focused on methods to calculate emissions, rather than real measures to reduce them. But the threat of unilateral EU action could stimulate debate, especially as 41% of the world's fleet is controlled by European owners.

Dimas' spokeswoman Barbara Helfferich said the idea of unilateral action on ship-



Photo: Calum Davidson, flickr.com/people/cogd

ping, including possibly putting it into the ETS, was "under discussion and analysis" within the Commission, and a decision would "probably be taken after the summer".

An expert report for the Commission published in February said bringing shipping into the ETS would be the best way to address its carbon dioxide output. The report said it would give ship owners flexibility and be practical to implement and enforce. It looked at other possible measures but said none would accurately measure shipping's CO₂ emissions.

Cautious commitment to 10% biofuels by 2020

Europe's heads of government have ratified a commitment for biofuels to have at least 10% of the road transport fuels market by 2020.

The idea was proposed by the Commission in January, but was criticised by environmental organisations for making no distinction between good and bad biofuels.

Two days before last month's EU summit, T&E joined with the EEB and BirdLife in calling on the 27 leaders to reject any binding biofuels target and instead

The timing of Dimas' and Delbeke's comments is significant, not just because of the IMO's meeting in July. With the EU on a collision course with the USA over its plans to put aviation into the ETS, Commission officials could be looking to use its better relationship with America on the shipping issue as a way of putting pressure on the US on aviation.

The *FT* says Commission officials believe they won a victory at the International Civil Aviation Organisation (aviation's equivalent to the IMO) by encouraging member nations to work with

introduce a target for lifecycle greenhouse gas emission reductions for the production of transport fuels. They said a binding target would result in "major environmental and social problems".

The 27 leaders did agree the 10% target, but said the binding nature of the target will be dependent on production being sustainable, second-generation biofuels being available, and successful amendments to the fuel quality directive.

Approval for the biofuels target was overshadowed by

regional carbon reduction schemes.

Both shipping and aviation are excluded from emission targets under the Kyoto protocol.

NEW RULES

In a separate development, stricter penalties for operators guilty of discharging polluting materials from ships came into effect across the EU at the start of this month.

The legislation adopted two years ago (directive 2005/35 on ship-source pollution) introduces a system of penalties to prevent and deal with maritime pollution more effectively, whether caused deliberately or through gross negligence. It will apply to ships using all EU ports, whatever flag they fly.

An international shipping inspection agency says it found over 3200 "deficiencies" in 4600 ships inspected for anti-pollution measures. The agency, Paris MOU, said 8% of ships were guilty of waste dumping at sea.

the agreement at the summit for a 20% reduction in the EU's overall carbon dioxide emissions between 1990 and 2020. By agreeing a series of measures to combat climate change that had been put forward by the Commission in January, the president José Manuel Barroso said the EU now had "the most ambitious climate protection strategy anywhere in the world."

• *A Special Feature on achieving lifecycle emissions reductions in the production of transport fuels accompanies this issue of "T&E Bulletin"*

ETS aviation gains likely to be wiped out by stage one 'open skies' deal

EU transport ministers have approved a partial liberalisation of transatlantic air travel, which T&E says is "a serious setback to EU climate policy".

The 27 ministers last month approved stage one of the so-called "open skies" agreement to make it easier for more airlines to fly between Europe and America. The news was welcomed by many airlines currently not allowed to fly between major European and US cities, and some newspapers said it signalled an era of low-fares transatlantic flights.

The agreement means that any EU airline will be able to fly to any city in America from anywhere in the EU, while any US airline can fly to any EU airport and operate on intra-EU routes. But EU airlines will not have access to intra-USA routes, and there will remain restrictions on the ownership of American aviation companies.

The Commission estimates that the open skies agreement will lead to 25 million extra EU-US air passengers over the next five years, plus an increase in air freight. This will lead to around 3.5 million tonnes of extra CO₂ emissions every year. 3.5m tonnes falls in the middle of the range of the expected reduction in emissions caused by the aviation sector's entry into the EU Emissions Trading Scheme (ETS) in 2011.

This prompted T&E to highlight that the open skies deal could completely offset emissions reductions from integrating aviation into the ETS. T&E director Jos Dings said: "Just two weeks after the EU announced major new climate targets, it has given away airspace to American

carriers but hasn't gained a clear mandate to combat emissions from those flights. This deal is therefore a serious setback to EU climate policy."

Taxation of fuel used by American airlines within Europe is no longer illegal under open skies, but the fact that an arbitration procedure will be necessary means taxing kerosene will remain impractical. Dings added: "The EU must ensure that no environmental measures are ruled out in the second round of open skies negotiations, and that inclusion of aviation into the ETS is used to maximum environmental effect."

Stage one of open skies comes into effect in April 2008.

OTHER MEASURES

Meanwhile, the MEP who will be responsible for the legislation on aviation's entry into the ETS says the European Parliament will insist on other measures, including a tax on aviation fuel, and addressing tax breaks that distort competition between aviation and other transport.

Climate benefits from measure to stop 'fuel tourism'

Plans to eliminate "fuel tourism" – the practice by which hauliers drive considerable distances to buy cheaper fuel – have been announced by the Commission.

A proposal drafted by the EU tax commissioner Laszlo Kovacs envisages harmonising the minimum level of duty on diesel at €0.359 per litre in 2012, and €0.38 by 2014. Kovacs believes this will reduce the large range in diesel taxes sufficiently to wipe out the incentives for fuel tourism.

T&E welcomed the plans

Peter Liese said last month that his report would be based on the resolution passed by MEPs last July, which he said makes it clear that the inclusion of aviation in the ETS "will not be enough" on its own. Liese also wants a strict limit to the number of emission rights airlines are permitted to buy from the market.

FOR THE RICH

A report by a British pressure group has added to the evidence that the growth of flying is benefiting the rich, not those on low incomes.

The World Development Movement has published "Dying on a Jet Plane", which says the richest 18% of the British population take 54% of flights, while the poorest 18% account for 5% of flights. The average annual income of passengers at UK airports is €71 000, it says.

The report recommends that current subsidies enjoyed by aviation should be paid to improve insulation in homes occupied by low-earners, so they can save on heating fuel.

• *New Publications, page 4*

European Court confirms legal action over Rospuda valley

The Commission has begun legal action against Poland to protect valuable wildlife habitats from a new motorway.

In February Brussels gave Warsaw seven days to order a stop to work on the Augustow by-pass, part of the Warsaw-Helsinki *Via Baltica* motorway which is planned to go through the wetlands of the Rospuda Valley. These wetlands enjoy protection under the EU's Natura 2000 scheme.

Environmental groups welcomed the decision, saying it was regrettable but necessary to stop Poland's "reckless approach to natural treasure".

Poland's standing in the environmental community suffered a further setback on 16 March, when three European diplomats investigating the Augustow by-pass project were blocked from accompanying diplomats from seven EU embassies. The three are reported to have been blocked by two cars, one driven by the leader of the by-pass's builders, the other displaying the logo of the Polish Road Agency.

for their benefits to fighting climate change, describing them as "a step in the right direction". T&E policy officer Nina Renshaw said: "Fuel tax increases lead to improved operational efficiencies, and therefore lower CO₂ emission – it's that simple. CO₂ emissions from road transport shot up by 20% in Europe between 1995 and 2003, but in Germany where the fuel price rose by 36% emissions fell by 3%."

If the plan is approved, seven of the 15 states who formed the EU until 2004

would have to increase diesel taxes by 2012 (A/B/E/GR/L/P/SF). But the proposal will only become law if all 27 member states approve it, as taxation legislation at EU level requires unanimity.

T&E says diesel should ultimately be taxed at a higher rate than petrol to reflect higher CO₂ emissions per litre of fuel. "A litre of diesel burned releases 12% more CO₂ than a litre of petrol," Renshaw added, "so the minimum tax for diesel should be 12% more than for petrol."

IMO needed to improve shipping's environmental status

Shipping is sometimes the forgotten means of transport. There seems to be a general assumption that it is generally environment-friendly, although that may be mainly because the contribution of ships to climate change, air and marine pollution has been outside public debate for many years. But there are signs that this may be changing, which could be good news for shipping, as people are starting to wake up to the environmental damage caused by maritime transport.

Studies making use of geographic marine activity data have estimated that about 70-80% of all ship emissions occur within 400 kilometres of land. Estimates put the amount of sulphur dioxide and nitrogen oxides emitted by ships at about 30% of land-based emissions. And these emissions are

growing – the Commission believes emissions of SO₂ and NO_x from ships will exceed those of land-based sources by 2020.

The reason this can happen is that there is very little policy control on maritime transport. Given its international character, any regulation has to be transnational, and the obvious body to do the regulating is the International Maritime Organisation (IMO). IMO's most relevant policy tool to address ship emissions is the Marpol Annex VI, and it is due to review the annex this month, with a final decision to be taken in July.

IMO has then a great opportunity to show that it is serious about changing the environmental profile of shipping. It also has a slowly changing attitude in the industry towards regulation. Intertanko, an industry organ-



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EDITORIAL

isation, made a first move in proposing a mandatory shift from the use of Heavy Fuel Oil or bunker oil (a highly viscous unrefined residual oil with a very high sulphur content) to distillate, low-sulphur, fuels. This proposal has found many opponents, but it is a clear sign that many players are prepared to face major changes.

Given the urgency of the growing contribution of maritime transport to air pollution and the availability of cost-effective abatement measures, T&E has teamed up with a coalition of international NGOs to call for:

- a reduction in NO_x emission standards of about 90% for both existing and new ships, no later than 2015
- reductions in SO_x emissions of 70-90% by 2015
- substantial reductions in

particular matter, both through the side-effects of reducing NO_x and SO_x, but also through working on specific targets or PM in the Marpol Annex VI (to be adopted no later than 2009).

The EU could well play a significant role in whether the IMO seizes its opportunity to set shipping on a more environmental course. Europe's position to date has been that the EU should "negotiate within the framework of the IMO to strengthen current air emission standards". But what if the revision of Marpol Annex VI is once again delayed or does not deliver the reductions urgently needed? That is where EU threats of unilateral action on shipping emissions are necessary. The EU must ensure its threats are not empty – though hopefully the threats alone will be enough to make unilateral action unnecessary.

Website offers a tool in fighting more delays to tyre noise law

T&E has a new toy on its website!

It is a demonstration of tyre noise, and is all part of efforts to highlight how much more could be done to reduce the disruption caused by road transport to people living near busy roads.

Contrary to what many believe, the majority of noise from road traffic comes not from engines but from the noise generated by tyres rubbing on surfaces. The newer tyres reduce noise to more than half the noise level permitted under existing EU legislation.

To find the demonstrations, go to www.transportenvironment.org and click on the Transport Noise icon.

DIRECTIVE DELAYED

Such publicity for low-noise tyres seems increasingly

necessary, as the Commission has again delayed the directive that will speed up the introduction of quieter tyres.

The current directive (2001/43) specified that it had to be revised by mid-2004, but despite a feasibility study presented to the Commission last year which said there were no obstacles to stricter tyre noise limits, no proposal from Brussels has emerged.

Last month Brussels announced that the directive would be subsumed into a general directive on tyres, along with requirements for rolling resistance, tyre pressure monitoring systems, and safety aspects (wet grip and aquaplaning performance). This follows the decision to raise the CO₂ emissions target for new cars from 120 g/km to 130, with the remaining 10

g/km made up of "parallel measures" one of which is correct tyres

T&E has been advised not to expect a proposal until September.

AIR SAVES CO₂

Meanwhile, a study by the Bridgestone tyre company says European motorists are emitting an unnecessary 18 million tonnes of CO₂ and wasting €15 billion a year, all because they do not have enough air in their tyres.

As part of an initiative with the international car federation FIA, Bridgestone conducted free safety checks on 20,300 cars last year, and found that only 6.5% had the correct amount of air. Underinflated tyres are dangerous, and the increase in rolling resistance means they force the car to use more fuel

and wear out more quickly.

54% had some degree of low inflation, while 39.5% had at least one tyre 1.5 bar or more below the recommended minimum. Bridgestone said the increased fuel consumption of 8.1 billion litres means 18.4 million tonnes of CO₂, or 6.9 g/km for every car on Europe's roads.

These findings will reinforce pressure on the Commission to propose mandatory fitting of tyre pressure monitoring systems, one of the actions proposed in February's strategy on CO₂ from cars.

Typing error

In our report on the European Environment Agency's "Term" report last month, we said European freight transport grew by 43% between 1900 and 2004. It should have been 1990, not 1900.

America set for cleaner cars after historic judgement

America's highest court has given a judgement that could change the way the USA views climate change.

In a case brought by 12 states and 13 environmental organisations that has lasted four years, the nine judges in the Supreme Court voted 5-4 to give the US Environmental Protection Agency (EPA) the authority to regulate emissions of carbon dioxide and other greenhouse gases from cars and lorries. Legal experts believe the ruling will also apply to greenhouse gases from sectors other than transport.

The case put environmental organisations against the EPA. The EPA had argued

New Publications and Events

- **Dying on a Jet Plane**, World Development Movement, www.wdm.org.uk/news
- **Lost in Transportation**, report on EIB's investments in Europe's transport, <http://bankwatch.org/documents>
- **Improving Access to Taxis**, ECMT, oeedrow@turpin-distribution.com

Events

- **Transport, Energy and Fuels**, focusing on new European regulatory developments for cleaner fuels, Hart Energy Conferences, 8-10 May, Brussels. www.hartenergyconferences.com
- **Velo-City 2007**, European Cyclists' Federation, 12-15 June, Munich (D). info@velo-city2007.com
- **Local Renewables**, conference on how local governments can make the most of renewable energy, ICLEI, 13-15 June, Freiburg (D). lr2007@iclei.org

that it had no authority under the US Clean Air Act to regulate greenhouse gas emissions, because the Act referred to pollutants, and greenhouse gases are largely not pollutants. But the environmental movement said the EPA had the necessary right, and enlisted the support of 12 state governments to take the EPA to court.

Five of the judges not only said the EPA had the right to regulate greenhouse gas emissions from cars and lorries, but that it had an obligation to do so unless it could justify not regulating based only on science and "reasoned justification".

The judge who gave the majority opinion, John Paul Stevens, said that, while the Clean Air Act left the issue of regulation to the EPA's administrator, "the use of the word 'judgement' is not a roving licence to ignore the statutory text."

The judges who voted against the judgement did so not for environmental reasons but because they argued the case should not have been a legal one heard in the courts but a political one dealt with by Congress.

The verdict, which overturns a decision by the Court of Appeal in 2005, makes it more likely that California will have its programme to limit greenhouse gases from cars approved. Emissions from cars and lorries account for 25% of the USA's total greenhouse gases.

T&E director Jos Dings said: "This judgement removes the most important excuses used by the Bush administration to justify its inaction on climate change."

SWEDEN'S HANDOUTS RAISE DOUBTS

Sweden's government is

offering a €1070 cash "bonus" for private individuals buying a car emitting less than 120 g/km between now and the end of 2009, but environmental campaigners have raised doubts about the scheme. Sweden's environment minister Andreas Carlgren said the bonus could boost sales of cleaner cars by up to 15% per year. But as the payment is also available to cars that can use 85% ethanol fuel or biogas (irrespective whether they use those fuels in reality), NGOs fear that much of the money will end up subsidising gas-guzzling cars that can use ethanol. Campaigners fear the measure is aimed mainly at helping Volvo and Saab, Sweden's two biggest car producers, and the bonus should only be made available if cars running on alternative fuels are as fuel-efficient as those powered by petrol and diesel.

TENS FUNDING

EU transport ministers have approved the draft regulation for financing trans-European transport and energy networks between 2007 and 2013. The main agreement was reached in December, and MEPs are expected to ratify it in July. The text provides for €8.168 billion for transport projects, with €0.155bn for energy networks.

TOO FEW INCENTIVES

Only 11 of the EU's 27 member states have a link to carbon dioxide emissions in their national car tax systems, according to Europe's car makers. The makers' federation Acea commissioned a survey to highlight how EU countries are still failing to send market signals in favour of cars emitting less CO₂, which it says is slowing down

sales of low-CO₂ vehicles.

EIB BIAS

The European Investment Bank (EIB) is biased in favour of road and air transport and is contributing massively to global warming. That is the message contained in a series of factsheets put out by the Brussels-based CEE Bankwatch Network on the EIB's loans to environmentally damaging transport schemes. The factsheet "Climate Impacts" takes a selection of EIB-financed airport expansions, which it says will contribute 45.15 million tonnes of CO₂ when in full use. The factsheets take their findings from a larger report on the EIB's transport lending "Lost in Transportation". See *New Publications*, this page

REGULAR INSPECTION

More frequent inspections of older cars could improve their environmental performance, according to a Commission-funded study on roadworthiness enforcement, "Autofore". The two-year study by CITA, the international association for those involved in vehicle inspections, says emissions and fuel consumption from older cars increase more quickly if they are not properly maintained.

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 49 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 May. The deadline for contributions to reach either the T&E secretariat or the editor is Thursday 26 April 2007.

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