

## Setback for climate policy as MEPs 'lose their nerve' over new cars

**MEPs have voted to weaken European targets for reducing carbon dioxide emissions from cars. T&E says they have 'lost their nerve', and MEPs from the Green group called the vote 'a massive setback for EU climate policy'.**

The vote came in last month's plenary session, which discussed the Commission's proposal to set an obligatory maximum emissions level for new cars. Although it is not binding on the Commission, it is meant to give an indication of what MEPs will support, and Brussels must bear this in mind when drafting formal legislation in the new year.

The European Parliament's environment committee had recommended the current EU policy – that the average new car should emit no more than 120 grams of CO<sub>2</sub> per kilometre by 2012 – be confirmed and not watered down as the Commission is proposing. Instead, MEPs voted for a package that is weaker than even the Commission's proposals.

### 40% WEAKER

The vote was for a binding limit to be set, but that this should be 125 g/km by 2015. T&E pointed out that, in terms of emissions reduction per year, that target is 40% weaker than the existing '120g by 2012', and 20% weaker than the EC proposal of '130g by 2012' announced in February.

T&E policy officer Aat Perse said: 'Making cars more fuel-efficient is one of the most important steps Europe can take to cut emissions, reduce oil dependence and cut fuel costs, yet MEPs seem to have lost their nerve. Sadly there is an increasing disparity between what MEPs say needs to be

done about climate change, and what they are prepared to do in reality.'

The car industry lobby group Acea was happy with the three-year delay but said the proposed target of 125 g/km was still 'too stringent'.

The report's rapporteur, the British Liberal Democrat Chris Davies, said: 'Many MEPs would like to punish the car makers for failing to reduce carbon emissions, but that's not acceptable. We need to give the industry sufficient time to make the design changes at least possible cost.'

T&E has long been highly critical of the argument that car makers need more time, pointing out that the 120 g/km target was originally set for 2005, and that the current voluntary agreement under which the

makers agreed to bring average emissions down to 140 g/km by 2008 is going to be missed by a big margin.

The resolution suggested that the current new cars target of 120 g/km should remain for 2015, with the missing 5% made up of 'complementary measures' such as biofuels and improved tyre measures. Environmental groups are unhappy about complementary measures being counted in place of part of the car industry's fuel efficiency requirements, fearing this merely weakens the EU's overall efforts to combat climate change.

The MEPs' resolution recognised that a longer-term target of 95 g/km is needed for 2020. T&E welcomed this, but said 80 g/km would be easily feasible by then. ♦

## EU losing patience on shipping



**Mogens Peter Carl of the Commission's environment directorate gave a significant hint about shipping at a seminar organised by T&E last month. See story, page 2**

### T&E General Assembly 2007

The T&E General Assembly will take place on 4 & 5 April 2007. Details to be announced later.

## Support for life-cycle criteria in fuel directive

**The principle behind the Commission's attempt to introduce life-cycle environmental criteria for fuel production has been 'largely agreed' by EU environment ministers.**

The idea, proposed by the Commission in January as part of a revision of the EU fuel quality directive approved in 1998, is to have mandatory reporting and monitoring of 'life-cycle greenhouse gas emissions' from transport fuels. Article 7a of the draft revision proposes an obligatory 10% cut in emissions between 2011 and 2020.

EU environment ministers last month approved the principle, although they identified three major concerns about the plan that could yet be serious stumbling blocks.

T&E has always welcomed the idea of life-cycle criteria, saying they would set targets that benefit the best fuels rather than simply giving blanket support for biofuels, and would also reduce demand for 'bad oil' (fuels from oils extracted in environmentally damaging ways).

The idea was expected to face strong resistance, and four countries (GB/GR/PL) signalled they were firmly against it. But at last month's meeting, the 27 nations were said to have 'largely agreed' in supporting the setting of a target for reducing the greenhouse gas emissions from fuels, with only Italy still seriously against it.

T&E policy officer Kerstin  
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## Europe close to going alone on shipping emissions

Unilateral EU action on harmful emissions from shipping could be just months away, after a senior Commission official gave a strong hint at a seminar organised by T&E.

Mogens Peter Carl, director-general of the EC's environment directorate, told the *How to Make the Sea Green* seminar that the EU will propose its own legislation unless the International Maritime Organisation (IMO) agrees a meaningful set of emissions reduction targets.

"Time is running out and we are running out of patience," he said. "If the IMO does not move successfully within a few months, the pressure on the Commission to come forward with proposals for unilateral action will be such that we have to prepare such proposals."

Although Carl was speaking about the three main pollutants in shipping (NO<sub>x</sub>, SO<sub>2</sub> and PM), he also talked about greenhouse gases, saying the IMO had failed to come up with any concrete measures in the 10 years since the Kyoto protocol gave it responsibility for shipping's contribution to glo-

bal warming.

"If the IMO doesn't agree obligatory reductions by 2009," he added, "the environment directorate will try to persuade the Commission to propose EU measures. An obvious measure would be to include shipping in the EU's Emissions Trading Scheme."

As *Bulletin* reported in April, Jos Delbeke, the Commission official responsible for the ETS, talked of the EU putting forward proposals for shipping to enter the ETS by the end of this year. While that is now unlikely to happen, unilateral EU action on shipping is clearly high in the Commission's thinking.

T&E policy officer João Vieira said: "After years of inaction, the IMO should see that the clock is ticking. If it does not agree on new emissions reduction measures by April, the EU is likely to propose legislation at European level." ♦

## Life-cycle criteria in fuel directive

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Meyer said: 'It is a significant development that the ministers support Article 7a. This is an important measure in efforts to clean up fuel production and to avoid dirty fuels produced from tar sands and coal.'

The three areas of concern highlighted by EU environment ministers are:

- the need for clear and harmonised methods to calculate life-cycle emissions
- the need to clarify the relationship of the fuel proposal to other legislation, in particular the proposed target for biofuels
- the need to have sustainability criteria in biofuels production

MEPs get the chance to express their views later this

month when the Parliament's environment committee decides what changes it wants made, and the amount of support for sustainability criteria will be closely monitored. The full Parliament votes on the draft legislation in January.

In a separate development, the United Nations' special rapporteur on the Right to Food is demanding an international five-year ban on producing biofuels as part of efforts to combat soaring food prices. Jean Ziegler said the conversion of farming land for biomass crops had caused agricultural prices to rocket, which in turn was forcing poorer countries to import food at great cost. ♦

## Could all transport be in the ETS?

**Making transport pay its true costs is back on the EU agenda, after the Commission opened a public consultation on internalising external costs that floats the idea that all transport could be part of the Emissions Trading Scheme (ETS).**

The Commission is currently working on an assessment of the impact of internalising external costs – effectively a strict application of the 'polluter pays' principle – as part of a European strategy it hopes to announce next summer.

The consultation document says including road, rail, sea and inland waterway transport in the ETS 'could be envisaged', albeit with different arrangements for each mode, such as having tradable credits for road transport but scarcity charges in rail and aviation.

The ETS is just one of several policy options. Others include taxes on pollutants and greenhouse gases, electronic charging for road use, noise charges for all transport, congestion charges, and congestion charging.

The consultation runs until 31 December. ♦

## French experience 'green revolution'

**The French president Nicolas Sarkozy has announced what he calls 'the second French revolution' – but the environmental community is studying it to see if it is as revolutionary as he is suggesting.**

In July, Sarkozy held a two-day 'Grenelle de l'Environnement' (environmental symposium) involving trade unions, employers' associations, local authorities, farmers and NGOs. That started a four-month negotiation process, which ended with his first major speech on the environment last month.

The main message was support for introducing a carbon tax – he called it a 'climate and energy contribution' – in return for cuts to social charges in order to boost employment. He also supported an idea by his predecessor Jacques Chirac for the EU to have an import tax for goods from countries that have not signed the Kyoto protocol.

On transport, he announced a stop to construction of new motorways (except city by-passes) and airport expansion schemes, more railway lines for both long-distance and local rail, a boost for railfreight,

and a goal of having the average car on French roads emit no more than 130 g/km of carbon dioxide by 2021.

Environmental organisations generally gave a cautious welcome to Sarkozy's speech, though there is concern that many of his promises could be undermined by 'small print' guarantees that would allow a large number of exceptions.

With much of its electricity coming from nuclear power, France is well on target to meet its Kyoto target, but rising emissions from road transport have become a concern in recent years.

## CLIMATE LAW

The British government last month published proposals for the world's first Climate Change law.

The proposed legislation sets legally binding targets for cuts in carbon emissions based on five-year 'carbon budgets' set 15 years ahead. But environmental groups said the targets were not strict enough, and announcements that Britain will continue with airport expansion, road building and road widening further undermined the law's credibility. ♦

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# Telling fuel producers what's needed is gaining acceptance



**Jos Dings**  
T&E Director

Slowly, slowly, recognition is rising that it makes more sense to set a climate obligation for fuel suppliers and let them figure out how to meet it in the most cost-effective way, than to prescribe a certain amount of biofuels with highly uncertain environmental effects.

When the Commission floated the idea of this in January, a lot of opposition was expected. But the inherent good sense of the idea – in particular the fact that it concentrates on the *end*, not the *means* to the end – is helping the concept of a setting a lifecycle greenhouse gas standard for transport fuels gradually gain acceptance in Europe. Last month's meeting of EU environment ministers saw a big majority of member states support the idea in principle (see

page 1). MEPs will soon vote, and they have a positive report from the rapporteur Dorette Corbey.

Meanwhile across the Atlantic, California is working hard on implementing the governor's executive order to establish a 'low carbon fuel standard', the Californian equivalent of Europe's 'Article 7a' of the proposed new fuel quality directive which sets a greenhouse gas standard for transport fuels.

Setting a climate obligation is not just more cost-effective than prescribing an amount of biofuels, it is also environmentally more effective and fairer. It does not just apply a sustainability requirement on biofuels, but also on petrol and diesel, which still constitute 98% of the transport fuel market. And if car makers have to make reduction efforts, it is difficult to justify why the oil industry should not do anything.

Of course there are compli-

cations with such an innovative approach to transport fuels. The main worry is that the proposed 10% climate target might lead to even more biofuels than the, already high, 10% quantity target that EU leaders agreed in March. If this would happen, then it's not acceptable as long as there are no sustainability guarantees about biofuels. But it would be wrong to ditch 'Article 7a' for that reason – it would be throwing the baby away with the bathwater (which is, by the way, exactly what the oil industry lobby wants). There are much more intelligent solutions to make sure that the transport fuel chain saves carbon without excessive reliance on biofuels, and it is good that most EU nations now realise this. The Parliament should follow.

Another, more technical, worry is that an EU-wide carbon calculator is not yet ready. That could be quite simply resolved by inserting a clause in

the directive that ensures a small-scale review of the target once the calculator has been agreed. Again, the worst response would be to ditch or postpone 'Article 7a' because that would also postpone the urgently needed signal to the industry that it will have to prepare for cuts in lifecycle emissions.

A third complication is the need to develop WTO-compatible sustainability standards for biofuels. There is much talk of this in policy circles, but very few people are actually working on developing such standards. Again, just like with the carbon calculator, there is a worrying lack of leadership at the Commission.

2008 will be a critical year. Will Europe manage to innovate its transport fuel policy or will it stick to the old-fashioned an increasingly controversial 'biofuel prescription' approach? We will work hard to turn the first scenario into reality. ♦

## French 'grenelle': a good first step if not yet a full revolution

*Michel Dubromel, head of sustainable transport and mobility at France Nature Environnement, assesses the French president's 'green revolution'*

Nicolas Sarkozy's 'green revolution' proposals can be traced back to the presidential election campaign earlier this year. During the campaign, all the French NGOs requested fundamental changes on environmental issues. In response, the newly-elected president launched his 'grenelle', a stakeholder forum that met in early July and whose main proposals were announced last month.

This first and unique experience (for France) required the stakeholders to raise and discuss long-term proposals in five different 'thematic teams': climate, biodiversity, health and environment, governance, and ecological taxation. Transport

issues fell in the climate team, which meant they were considered alongside such activities as energy production, housing and town planning.

What has emerged is a good first step, though it has to be seen in the context that France was a late starter on many environmental issues. It must also be noted that the list of proposals is still awaiting evaluation – both economic and environmental – by the end of this year, so no action will take place for a few months.

The decision to freeze construction of new motorways – except city bypasses – will be subject to many claims from regional authorities as some projects are very close to being started. The freezing for the construction of new airports looks achievable, but the extension of the TGV high-speed rail network (up to 4500km of

new lines) is very optimistic due to the large impact the proposed lines would have on biodiversity.

The 25% increase in rail freight by 2012 is mainly focused on transferring long-distance shipments from road to rail. Rail freight has never been a priority in France (around 10% of total freight), and we hope this challenge will lead to a fundamental change.

The extension of public transport by adding 1500km of new lines by 2020 would mean doubling the existing network. This target has been set with the aim of reducing greenhouse gases by 20% by 2020.

A number of financial incentives have been proposed to encourage some of the targets to be met. An example is the annual bonus-and-penalty system aimed at speeding up the process of purchasing less pol-

luting cars; the goal is to reduce CO<sub>2</sub> emissions from the total car fleet from an average of 176 g/km to 130 by 2021. And the government is committed to introducing lorry charging on all motorways and major roads in 2010, and it will request that external costs be included in next year's revision of the EU *Eurovignette* directive.

A lot of improvements have been suggested for aviation but without any fundamental change. Aviation's inclusion in the EU Emissions Trading Scheme is approved, but any kerosene taxation is rejected.

The fact that environmental NGOs have been involved in this process and seem to be considered as partners is a positive step, but the 'breakthrough' that Sarkozy has spoken about has not yet happened, and much lobbying will be required before it does. ♦

# Cyclists' interests 'completely eroded' in last-minute conciliation deal on rail rules

The EU's third railway package has been completed, but two cyclists' umbrella organisations have accused ministers and the Commission of a betrayal of cyclists' interests.

As reported in the October *Bulletin*, MEPs approved the long-running debate on a package of four directives affecting rail, which included a bill of rights for rail passengers. The package was confirmed in a 'common position' last month when ministers approved three conciliation agreements.

The approved deal was expected to include a new clause giving cyclists the right to take bicycles on trains, but now the European Two-wheel Retailers Association (ETRA) and the European Cyclists' Federation (ECF) say that right was withdrawn at the last minute in favour of a clause which it says 'completely erodes' the right cyclists had hoped to gain.

'Much to ETRA's and the

ECF's surprise,' said a statement by the two, 'the provision relating to the transport of bicycles which was adopted by a very large majority in the Parliament, has been completely eroded. The new article gives rail companies plenty of opportunities to refuse the carriage of bicycles. We were informed that this complete change from imposing the transport of bicycles to allowing it was forced through at the very end of the negotiations under pressure from the Council and the Commission.'

The new Article 5 of the regulation on rail passengers' rights and obligations says: 'Railway undertakings shall enable passengers to bring bicycles on to the train, where appro-

prate for a fee, if they are easy to handle, if this does not adversely affect the specific rail service, and if the rolling-stock so permits.'

The two organisations say their members must now lobby national rail companies to persuade them to carry bicycles. 'We find the reluctance of the member states and the Commission to seriously develop bike transport by train regrettable, and all the more peculiar in the light of the ongoing debate on sustainability,' they said.

MEPs felt they had won a victory over the Commission by extending the bill of passengers' rights from international journeys only (as intended in the original draft legislation) to domestic journeys as well. ♦

sene prices were higher than at other German airports.

## LOWER SULPHUR

All EU member states except Poland and Malta complied with the requirement of the 1998 EU fuel quality directive to phase out petrol and diesel with more than 50 parts per million of sulphur by 2005. The information comes in a report on compliance with the directive. No fuel with more than 10ppm can be sold after 2009, and eight states have already achieved this (A/D/DK/H/NL/S/SF/SV).

## ILLEGAL DISCOUNTS

Toll discounts offered by Spain to road hauliers who are frequent users of the country's motorways has brought legal action from the Commission. The current *Eurovignette* directive only allows discounts from road tolls where frequent use leads to administrative cost savings. Spain offers 50% discounts to frequent users of its

## EU consultations

- **Motorways of the Sea.** DG Transport, runs until 20 December
- **Preparation of an impact assessment on the internalisation of external costs.** DG Transport, runs until 31 December
- **Suggestions to reduce the administrative burdens put on business by the EU.** DG Enterprise, runs until 21 September 2008

toll motorways, which the Commission says are both discriminatory against non-Spanish hauliers and out of proportion with any cost savings. Spain has three months to respond to the action.

## END TO NO LIMIT?

Could a vote by Germany's Socialdemocratic Party be the first step towards ending the country's lack of motorway speed limits? The SPD voted last month to impose a 130 km/h speed limit on German motorways to cut greenhouse gases from road traffic. They say it will cut 5% immediately and 15% over the long term. The non-binding vote, taken against the recommendations of the SPD leadership, has little chance of becoming law, at least in the short term, but reflects a growing questioning within the country of Germany's status as the only EU member without a motorway speed limit. ♦

## BIGGER NOT BETTER

Research carried out in Great Britain says there is 'no evidence' that long heavy lorries (sometimes known as 'gigaliners') are good for road freight efficiency. The transport consultants MTRU found that, rather than reducing the number of lorries needed, all previous increases in lorry weight and size did nothing to stop larger lorries travelling longer distances with lower loads. MTRU says over a quarter of lorries are driving empty. The Commission mentions the 25.5-metre lorries in its Freight Transport Logistics Action Plan launched last month, but appears to have no plans to legislate on them.

## SLOW SUSTAINABILITY

A new progress report on the EU's sustainable development strategy shows only 'modest' progress, with transport's achievements very limited. Transport's carbon emissions continue to rise, and

the EU's goal of shifting towards environmentally friendly transport have not been achieved, says the report presented to environment ministers last month. The Commission says there have been significant policy developments, but these have not yet been reflected in concrete action.

## KEROSENE SUBSIDIES

The Commission is considering taking legal action against illegal fuel subsidies to aircraft using Munich airport. The airport, which is fully state-owned, has been offering 'marketing subsidies' to a number of airlines since 1994, at a rate of up to €25 per 1000 litres of kerosene. The airport told the *Frankfurter Allgemeine Zeitung* newspaper that the subsidies were essential to stop airlines leaving Munich for cheaper airports. It says Munich's location far from a port and the lack of a pipeline serving the city meant kero-

## Bulletin

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T&E has 49 member organisations in 21 countries.

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