



European Federation for
TRANSPORT and ENVIRONMENT

Response of the European Federation for Transport and Environment (T&E) to the consultation of the European Commission of the CARS21 final report

T&E, Brussels, 28 April 2006

T&E is the European umbrella organisation of 45 non-governmental organisations in 21 countries working on sustainable transport. T&E welcomes the opportunity to comment to the final report of the CARS21 High Level Group.

In the framework of this consultation, T&E also participates in a response from the VOICE network for the protection of vulnerable road users. This specific response should be seen as complementary to the submission of the VOICE network.

This contribution starts with an assessment of the role of the High Level Group, then assesses the content of the report from an environmental policy point of view and with a recommendation for future consultations.

Objective and composition of the HLG and its report

It is clear from the composition and mandate of the group that the main thrust of the group is to give recommendations as to how to improve the competitive position of the European car industry. This is in itself a legitimate objective and the composition of the group could be qualified as relatively well-suited towards this objective.

However, the group also issues quite far-reaching recommendations on a roadmap for environmental and safety policies for cars – issues that are at least equally relevant for the public and public policy than for the competitiveness of the car industry. We believe that the composition of the group was not well-suited for this purpose. Representatives of environmental and safety NGOs were lacking in the group, which therefore was unbalanced in this respect, but also lacked specific expertise.

Also, representatives from the Commission's Energy DG or other energy policy experts were absent. This threatens the consistency of EU policies, given the critical situation on the oil market, the fact that transport has a 70% share in the EU's use of oil and the EU will reach an 85% import dependence over the next decade. These shortcomings are visible in the recommendations of the group, as will be outlined below.

If the Commission wants to continue the dialogue with stakeholders on these issues, then these flaws should definitely be repaired.

The 'Integrated Approach'

'The High Level Group strongly endorses an integrated approach aimed at producing clear and quantifiable reductions in CO₂ along the lines of the Community target from a range of policies. Work towards a further reduction of CO₂ emissions from road vehicles should be part of such an approach. All relevant options to reduce CO₂ emissions should be examined within the integrated approach. These options should be clearly measurable, with timetables for delivery, and identify the stakeholder responsible for delivering them. There should be a mechanism for monitoring progress and ensuring accountability'. (CARS21 final report)

T&E has in an earlier stage submitted detailed comments on our view on how such an integrated approach to reduce CO₂ emissions from light duty vehicles could be applied. This paper can be found on http://forum.europa.eu.int/Public/irc/env/eccp_2/library?l=light-duty_vehicles/meeting_january_2006&vm=detailed&sb=Title

The views on the Integrated Approach we expressed in this paper can be summarized as

- *'An integrated approach does not mean downgrading ambition levels for action in any one area. Rather it means seeking synergies instead of antagonisms and ensuring policy actions are complementary. The integrated approach should not, therefore, be used as a reason to lessen regulatory efforts in any one area, for example (...) revising the target for reducing average new car CO₂ emissions via technical innovation.'* (quote from contribution from the VOICE network);
- There should be no 'double counting' of policy measures and targets, for example the 5.75% share of biofuels by 2010 and '120' objective should not be allowed to count towards each other. Such a watering down of standing policy would also be in blatant contradiction with other Commission initiatives such as the efforts to achieve greater energy efficiency;
- Agreement with the principles that 'these options should be clearly measurable, with timetables for delivery, and identify the stakeholder responsible for delivering them. There should be a mechanism for monitoring progress and ensuring accountability' (CARS21 report);
- The conclusion from the paper is that quite a range of measures in the realm of vehicle technology could pass the criteria, but that the scope for measures outside the realm of vehicle technology to comply with these criteria is extremely limited or even zero.

Biofuels

We signal a great deal of enthusiasm for the application of biofuels in the automotive sector. But we would like to issue two reservations.

- First, biofuels are a scarce resource too, just like oil. Therefore, any future policy should take the intrinsic value of energy efficiency on board. Fuel efficient cars do not just use less oil, they also use less biofuel;
- Second, there is widespread concern about the pressure of additional claim on land on a global scale as a result of increased biofuels demand, and all the consequences of these additional land claims on biodiversity. A sustainability certification system for biomass, and even better for all agricultural commodities, should be introduced as soon as possible, at least before setting even more ambitious targets for biofuels use.

Voluntary agreements

'Well-designed voluntary agreements, particularly those that encourage changes in consumer behaviour, can in some cases deliver public interest objectives in a quick and effective way' (CARS21 final report)

We would like to point out that the voluntary commitment on CO₂ does not belong to these cases – it is heading for failure. On 19 April T&E published figures on progress in the year 2005 – which only saw one third of the rate of progress required to meet the 140 g/km objective by 2008

(<http://www.transportenvironment.org/Article185.html>). Unprecedented cuts would have to be made to achieve the objective and there is no realistic prospect that this is going to happen. We have therefore seen enough experience with alternatives to regulation.

There is an urgent need for a regulatory follow-up of this commitment - a well-designed EU-wide scheme is needed that ensures that fuel efficiency of new cars in the EU will double over the next decade. The technology is there to achieve this, the urgency of the climate and energy situation justify it – and the European car industry can only compete with low-wage countries through being extremely ambitious in the development and deployment of the most advanced technologies.

Principles for policy-making

The CARS21 report contains an broad range of principles for sound policy-making.

But sometimes these principles are **conflicting**, for example the next two:

‘High quality (sound analytical approach) and comprehensive impact assessments should be undertaken at an early stage of policy development ...’

‘Where it is expected that a N+2 stage is needed, as good an indication as possible should be given at the N+1 stage on what such legislation should be (...)’

These two principles, on the need for long term planning and for sound impact assessment, are in conflict. It is notoriously difficult, if not impossible, to arrive at sound estimates for costs of an ‘n+2’ stage as such a stage is usually far ahead in the future and technologies to achieve it are under full development. So in these cases the Commission should sometimes accept that the need for long term clarity makes it difficult to make a decent impact assessment.

For this reason, the Commission should not resist the ambition of many Member States and the EP to define a ‘**Euro 6**’ step for car emissions now.

The report also promotes the use of

*‘international **benchmarks**, both in terms of competitiveness and regulation pressure and trends (in particular, include comparisons with regulations in the USA and Japan).’*

The experiences with this recommendation in the framework of the Euro 5 proposal (issued 9 days after the CARS21 report) shows that this recommendation is not followed it leads to ‘inconvenient’ conclusions namely that standards should be drastically tightened. (Air pollution standards, in particular for diesel cars, in the US and Japan are much stricter than in the EU).

It follows that the principle of international benchmarking should therefore also not be used as an excuse not to be ambitious in fields where the EU is (perceived as) being ahead of other regions.

We regret that the report does not pay attention to the two most tricky issues surrounding cost benefit analysis of policies in general, and environmental policies in particular:

- The absence of any recommendation as to how to deal with the, often impressive, **cost decreases** of regulatory measures as a result of innovation and mass production;
- The absence of any recommendation as to how to deal with the **benefits** of policies that cannot be readily quantified, such as the ecological benefits.

Finally, the absence of any reference to the precautionary principle and the polluter pays principle as enshrined in the Treaty is an important omission of the report.

Consultation period

Given the fact that the consultation was launched during the Easter holiday which stretched until 17 April and that the deadline is 28 April, the Commission has actually given interested stakeholders only 9 (nine) effective working days to submit their responses to this document. This is as incomprehensible as inadequate.

Incomprehensible because the consultation was launched a lengthy five months after the publication of the CARS21 report and there is no urgent reason why the deadline for submissions should be set before May. Inadequate because we are an umbrella organization, which brings with it an obligation to submit a draft response to our members and give them reasonable time to respond to it. We also had insufficient time to adequately brief our members to enable them to submit their particular views. This has had an impact on our response – neither the level of detail nor the level of consultation of information of our members is up to our normal standards. It also implies that the Commission should therefore not consider a low number of responses from the environmental community as 'silent approval' of the CARS21 final report.

For further information:

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