

# 2006 Austrian Presidency of the EU: Priorities for Transport and Environment

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**European Federation for  
TRANSPORT and ENVIRONMENT**

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## **Introduction**

On 1 January 2006, Austria will take over the presidency of the EU, leading the European Council and the Council of Ministers.

During the six-months that follow, Austria will have the opportunity to lead European decision-making on several critically important transport policy areas that will have a major impact on the future of the European economy, our environment and our citizens' health.

Major policy developments will include:

- a review of progress five years after Europe's 2001 Common Transport Policy was published
- a final agreement on European regulation of lorry tolls
- an agreement on the next EU budget period 2007-13 which will include multi-billion Euro funding for Trans-European Transport Network infrastructure projects
- key decisions to be taken on emissions standards for new cars (EURO 5) and a future European strategy for reducing CO2 emissions from new cars
- key decisions to be taken on measures to reduce greenhouse gas emissions from the aviation sector – the fastest growing transport mode

In this short briefing, T&E, a federation of some 40 non-governmental organisations working in the field of sustainable transport, presents its demands and recommendations for the ten most important transport and environment policy areas covered by the six months of the Austrian presidency.

## 1. A critical evaluation of Europe's Common Transport Policy

### Background

In 2001, the European Commission published its strategy for transport in Europe, "European Transport Policy for 2010: Time to Decide". A review of progress was due in 2005 but has been delayed until early 2006.

**T&E calls on the Austrian Presidency to** recognise the following shortcomings of the Common Transport Policy and ensure that the European Commission responds appropriately in its review:

- The negative environmental impact of the transport sector across Europe is growing not declining. A strategy to reverse this trend is urgently needed.
- Only a handful of countries have proved that it is possible for the economy to grow without a corresponding growth in transport. But most countries in Europe have failed to achieve this objective. The European Union must do more to promote the 'decoupling' of transport growth from economic growth, e.g. by finally implementing the "user/polluter pays" principle and by encouraging knowledge sharing between Member States.
- Regarding 'modal shift', encouraging the transfer of freight from roads to more environmentally sensitive modes of transport – the community strategy is failing. The Commissions approach, which has been to support the building of a large amount of expensive transport infrastructure based on dubious cost-benefit analysis has not helped modal shift but has risked taxpayers money and threatened numerous sensitive areas. Some Member States are achieving more in this policy area and this review is an opportunity to learn from countries that have succeeded.

## 2. Ratify the Transport Protocol of the Alpine Convention: a vital step towards sustainable transport in Europe's sensitive areas

### Background

The Transport Protocol of the Alpine Convention prioritises the move from road to more sustainable transport modes and restricts the building of new high capacity road connections through the Alps.

The European Commission submitted the Transport Protocol for ratification by EU Transport Ministers in 2001. Transport Ministers did not ratify the protocol and no EU presidency since then has made a priority of this important topic.

In Autumn 2005, the European Commission came close to proposing that ratification of the Protocol be deleted from its list of duties. The Alpine countries, led by Austria, prevented this deletion.

**T&E calls on the Austrian Presidency to** build a majority in the EU's Transport Council to successfully ratify the Protocol.

T&E Publication:

Delivering the Goods: Policies to protect sensitive areas from the impact of freight transport

<http://www.t-e.nu/Downloads-index-req-getit-lid-335.html>

### **3. Lorry tolls (Eurovignette directive): Allow Member States to include environmental and health costs in tolls.**

#### **Background**

The 1999 'Eurovignette' Directive, which sets rules for lorry tolls in Europe, is currently under revision. The right of Member States to include the costs of environmental, health and accident caused by road transport into tolls is of critical importance.

The European Parliament is currently reviewing the proposed legislation. In its first reading, the Parliament supported the integration of environmental, health and accident costs into tolls and it seems likely to continue to support such measures. EU Transport Ministers have so far allowed only for infrastructure costs to be included. It is highly likely that the Austrian Presidency will have to manage the final conciliation between EU Transport Ministers and the European Parliament.

***T&E calls on the Austrian Presidency to*** persuade Transport Ministers, particularly those from peripheral countries of the EU, that the integration of environmental, health and accident costs is important and necessary.

T&E Website:

<http://www.t-e.eu/Topic15.html>

### **4. Port and airport charges: provide incentives to reduce environmental and health damage**

#### **Background**

The European Commission announced that a Communication on Airport and Port Charges would be published in Summer 2005 - but it has, so far, not appeared. It is now expected in early 2006.

***T&E calls on the Austrian Presidency to*** urge EU Transport Ministers to permit Member States to increase charges for more polluting aircraft and ships and provide incentives for cleaner alternatives. Such differentiation of charges should be based on emissions of greenhouse gasses, other air pollutants and noise pollution.

### **5. EU Budget 2007 – 2013: ensure that public money is not wasted on unviable transport infrastructure projects**

#### **Background**

Although the EU Budget for 2007 - 2013 has been a key priority of the UK Presidency, it seems that a final agreement is unlikely to be reached.

Trans-European Transport Network (TEN-Ts) funding and Cohesion Funds are a substantial part of the EU budget and represent a considerable investment by the EU in transport infrastructure.

***T&E calls on the Austrian Presidency to*** demand vastly improved methods for *independently* evaluating the economic, social and environmental viability of projects that receive European funding. Public money should be invested in a way that generates the maximum possible benefits to society as a whole and causes the least damage to the environment.

## **6. Aviation and climate change: emissions trading by 2010 and a package of additional measures needed**

### **Background**

In September 2005, the European Commission finally presented its strategy to tackle the rapidly increasing impact of aviation on the climate. The Commission advocates inclusion of aviation into the European Emission Trading System (EU-ETS).

**T&E calls on the Austrian Presidency to** ensure that key decisions on the next steps be taken at a high level, and not delegated to industry-dominated Commission working groups.

The Presidency should:

- Continue to prioritise this topic as the UK presidency has
- Agree on an emissions cap for the aviation sector at EU level that is in line with the commitments of other sectors that are currently subject to the Kyoto protocol
- Ensure the widest possible geographic coverage : all flights from and to EU airports;
- Ensure that emissions permits are auctioned to airlines, not given away for free;
- Propose that aviation be included into the EU ETS before 2010
- Ensure that other greenhouse gas emissions, as well as CO<sub>2</sub> are taken into account from the beginning of the scheme.

T&E believes that emissions trading is a welcome first step towards climate objectives for the sector. But the presidency must recognise that taxes and charges will also be necessary to:

- ensure fairer prices for air tickets in comparison with other transport modes
- reduce Europe's oil dependence and oil import bill
- create better incentives for economic growth. For example, increased taxes on aviation fuel could be offset by reduced taxes on labour

T&E Position Paper:

Measures to Curb the Climate Change Impacts of Aviation

<http://www.t-e.nu/Downloads-index-req-getit-lid-365.html>

## **7. Cars and Climate Change: legally-binding CO<sub>2</sub> targets for new cars are needed**

### **Background**

The EU policy to reduce CO<sub>2</sub> emissions from passenger cars at source is potentially one of the most powerful climate policy instruments the EU has. There is now added urgency as a result of historically high oil prices. Cars emit half of transport's CO<sub>2</sub> emissions. Austria's CO<sub>2</sub> emissions from road transport increased by 50% over the last decade.

Many technical improvements can already be made to new cars at low cost. A doubling of fuel efficiency (equivalent to a reduction of average car CO<sub>2</sub> emissions from 160 to 80 g/km) is possible.

During the Austrian Presidency, the European Commission will prepare a communication on the follow-up to the current cars and CO<sub>2</sub> strategy – which includes a long-standing Community target of average 120 g/km by 2010.

The communication is likely to be published in the second half of 2006 therefore political guidance to the Commission will be needed in the first half of 2006.

**T&E calls on the Austrian Presidency to** table this issue for discussion in meetings of EU Environmental Ministers. EU Environment Ministers should send a strong signal to the

Commission and propose a legally-binding strategy to meet the '120g/km' objective through improved fuel efficiency by 2010, and an 80g/km target soon after. The European Parliament has already called for an 80-100g/km target in the medium term.

Elements of the so-called 'integrated approach', as favoured by the European car industry, should be considered in addition to, rather than instead of, major technological improvements in fuel efficiency.

T&E Publications:

Cleaner is Cheaper: Why European climate policy for cars is failing, and what can be done about it  
<http://www.t-e.nu/Downloads-index-req-getit-lid-396.html>

No Regrets: the cost effectiveness of reaching average 120g/km CO2 for new cars  
<http://www.t-e.nu/Downloads-index-req-getit-lid-390.html>

## **8. Health impacts of fine particles and NO<sub>x</sub> – the need for stricter standards for new cars (EURO 5)**

### **Background**

370,000 people a year in the EU die prematurely from the effects of air pollution - the majority of which comes from 'fine particles', including those from diesel cars. Austria has a very high proportion of diesel cars and also many air quality problems.

New emissions standards for passenger cars are essential to reduce the respiratory and other health impacts of transport, and to achieve the Community's air quality targets.

The Commission issued a pre-proposal for EURO 5 standards for consultation in September 2005 which was very weak. The greatest criticism was provoked by the Nitrogen Oxide (NO<sub>x</sub>) standards of diesel cars for which only a 20% reduction was foreseen. European car makers are already developing cars that are 70 to 80% cleaner for the US market where standards are stricter so equal standards, at least, should be feasible in the EU. The Commission is expected to publish a definitive proposal by the end of 2005.

***T&E calls on the Austrian Presidency to*** urge Ministers to support:

- A 90 rather than 80 per cent reduction of particle emissions from diesel cars
- A 70 rather than 20 per cent reduction of NO<sub>x</sub> emissions from diesel cars
- A 75 rather than 25 per cent reduction of NO<sub>x</sub> and Hydro Carbon (HC) emissions from petrol cars.
- An increase of the 'durability' AND 'use compliance' ages to 200,000 km rather than the current 100,000 km, as these mileages much better represent the lifetime of current cars models;

The EU should also learn from the past, and note that past industry cost figures for meeting emissions standards have consistently been drastically over-estimated;

T&E Position Paper:  
EURO 5

<http://www.t-e.nu/Downloads-index-req-getit-lid-377.html>

## **9. Car taxation: maintain registration taxes, differentiate car taxes on the basis of CO<sub>2</sub> emissions**

### **Background**

In July 2005 the European Commission published a proposal for the revision of EU car taxation policy. The proposal has two elements: abolition of the car registration tax and a – partial - change of the base of the vehicle circulation tax on the basis of CO<sub>2</sub>.

T&E strongly opposes the proposal to abolish passenger car registration taxes. Such a move would lead to increased car sales, with a corresponding increase in kilometres travelled and therefore to more fuel use, congestion, pollution and accidents.

**T&E calls on the Austrian Presidency to** propose splitting the proposal in two: delete the proposal to abolish registration taxes and swiftly pursue CO<sub>2</sub> differentiation for both registration and circulation taxes. In addition, these taxes should be weighted heavily against the most polluting vehicles. If the taxes are only proportionally differentiated they will not have the desired effect and most Member States would see a massive shift towards heavier or more powerful vehicles, which would counteract any environmental gains caused by the change of the tax base towards CO<sub>2</sub>.

## **10. Biofuels: ‘alternative’ fuel does not automatically mean ‘sustainable’ – the need for certification**

### **Background**

During the Austrian Presidency biofuels and biomass will become a major policy topic. The Commission is currently working on a series of biomass-related issues, among which the biomass action plan, and a strategy for biofuels in the framework of the reform of the sugar policy and the planned review of the biofuels directive.

The critical issue for the future of biofuels is their environmental integrity. If biofuels want to have a future as a solution to a problem rather than just creating further problems they need to have a convincing positive contribution to sustainability. Sustainability criteria for biofuels must be developed and incentives should be linked to them.

**T&E calls on the Austrian Presidency to** treat the development of a unified sustainability certification system for biofuels as a top priority during the forthcoming discussions on biomass and biofuels.