

MEP says ETS should be only step for aviation

A recommendation by an MEP playing a leading role in the debate on aviation's introduction into the EU's Emissions Trading Scheme (ETS) has rung alarm bells within the environmental movement.

Georg Jarzembowski, a German Christian-Democrat, is the rapporteur dealing with the European Parliament transport committee's response to the Commission's proposals to subject aviation to emissions trading in 2011. Earlier this month he published his draft report, which will go to the committee in September.

The report includes a call for no other policy instruments to be considered by the EU for the aviation sector once flights are included in the ETS. It also proposes a considerable weakening of the Commission's plans, including issuing 50% more

permits than Brussels has suggested, and for all of them to be given away free.

'TINY FIRST STEP'

"Jarzembowski seems to have forgotten that the ETS plan is supposed to reduce aviation emissions," said T&E director Jos Dings. "The Commission's own estimates, which are backed up by industry, suggest inclusion of aviation in the ETS would offset just one year's growth in CO₂ emissions. The ETS clearly has to be seen as a tiny first step towards tackling the environmental impact of flying – to suggest it is a once-and-for-all measure is totally unacceptable."

The Jarzembowski report also calls for a change in the way emissions are calculated to be based on "available tonne kilometre", not "revenue tonne-km". "This effectively ignores the load



GEORG JARZEMBOWSKI

factor, thus giving airlines with empty planes as many permits as those which are full," added Dings.

The environment committee is still seeking to strengthen the Commission's proposals, but it has retreated a long way from its stance of last July when it called for widespread action on aviation.

In a second debate last month on the report drafted by another German Christian-Democrat Peter Liese, MEPs called for a multiplier

of 1.5 to take account of emissions other than CO₂, for all flights to be included in the ETS – not just intra-EU flights as planned for the first year – and for 50% of the permits to be auctioned.

Meanwhile a report by the Dutch consultancy CE Delft says the way the Commission is setting up aviation's entry to the ETS is likely to increase the number of people who fly over the next three years.

The report, for WWF-Europe, says the decision to effectively base the number of permits on how many passengers flew with an airline two years earlier means airlines will have an incentive to drop their prices in 2008 and 2010 to fill more of their seats. WWF still supports aviation entering the ETS.

The USA is looking to challenge the legality of including of non-EU flights from 2012. Speaking to the EP transport committee last month, the US assistant aviation minister Andrew Steinberg said: "There is no sound legal basis to require foreign airlines to pay non-cost-based charges." A Commission official replied that setting a cap on emissions did not amount to a charge.

But the French president Nicolas Sarkozy said there was "no question" that only European airlines could be included. "Aviation is the only sector that uses fossil fuels without taxes," Sarkozy said at Paris airport, "and we can no longer ignore its environmental footprint. I therefore favour CO₂ emissions quotas in aviation, but all airlines should be involved or none."

Report for Bush calls for lower fuel demand

Fears that easily available sources of oil are running low have been highlighted by two reports which warn of further rises in oil prices.

The International Energy Agency (IEA) says in its medium-term oil market report, published this month, that the world is facing an "oil supply crunch" within five years. It says demand for oil, particularly from Asia, is much greater than current supply, particularly from non-Opec members.

Perhaps more strikingly, America's National Petroleum Council (NPC) has presented a report commissioned by the Bush Administration recommending the

USA adopt the toughest possible fuel economy standards for motor vehicles and join a global framework for managing carbon dioxide emissions.

"Facing the Hard Truths about Energy" is the result of a 21-month consultation chaired by a former head of Exxon-Mobil, involving oil companies, car makers and even NGOs. The report makes five recommendations, including dampening demand for fuel in transport, industry and homes.

It says the world is not running out of energy resources, but the slowing down in production of the most easily available sources of oil

and gas means there are a lot of obstacles in the production of enough oil and gas to meet projected demand.

It recommends increasing use of coal, nuclear power, oil and gas from "unconventional" sources, but a sub-group contributing to the report says technologies exist (or will exist) that can cut fuel use by 50% over 2005 levels.

In recommending the USA joins "an effective global framework for carbon management incorporating all major emitters of CO₂", the NPC report effectively asks America to join the Kyoto protocol, which President Bush withdrew from in 2001.

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Widespread criticism of draft car report

A report for the European Parliament's environment committee on the Commission's proposals to limit carbon dioxide emissions from new cars has been widely criticised, and not just by the environmental movement.

The report by Chris Davies proposes to give car makers three more years to meet the EU's existing target for cars of 120 grams per kilometre by 2012. Brussels is proposing to keep the 2012 target but to lessen the car makers' responsibility to 130 g/km and hope the rest is made up of "additional measures".

Support for biofuels based on carbon reduction

Great Britain is set to become the first EU member to base support for biofuels on the amount of carbon saved and other sustainability criteria.

The announcement is a development of current British policy on biofuels, which currently sets a target of 5% of road fuel sales to come from biomass by 2010 but without differentiating between biofuels. From April 2010, the UK will reward biofuels based on how much carbon they save, and from 2011 it will reward them only if they meet appropriate sustainability standards.

As a result, it says future standards will be based not on biofuels consumption but on greenhouse gas savings from biofuels use, and it wants to explore the feasibility of a voluntary labelling scheme to show motorists the most sustainable fuels.

Germany has indicated it may soon do the same.

Meanwhile, the German Advisory Council on the Environment (SRU) has warned that biomass is "not an inexhaustible resource", and says that if broad environmental and nature protec-

T&E described Davies' proposals as "unacceptably weak". Speaking at a public seminar organised by Davies, T&E director Jos Dings said: "If existing best practices were adopted by all car makers, we would be at 130 g/km today."

The 2015 deadline was also rejected by the EP's industry committee and by Germany's transport minister, who until last month was president of the transport Council.

The industry committee voted earlier this month to support the plans for binding limits for passenger cars and reject a postponement to

tion goals are taken into account, the role of biomass will only cover a small percentage of primary energy needs.

In its paper "Climate Change by Biomass", the SRU says using biomass for transport fuels risks wasting a valuable resource on the wrong priorities. "Biomass can be used up to three times more efficiently in heating and combined heat and power than in producing the currently used biodiesel and bioethanol."

Last month, the International Transport Forum (formerly European Conference of Ministers of Transport) said: "Few biofuels seem to offer much in the way of climate protection or oil security ... California has legislated for a more effective, less costly approach with a fuel carbon content target covering oil, gas, hydrogen, fuel cells, as well as biofuels."

It suggested the EU should now introduce a similar system to take over from simple production targets. The EU is currently discussing having a binding target for biofuels in the transport

2015. The environment committee must take this vote into account when it discusses the issue in September.

And Germany's transport minister Sigmar Gabriel told the car magazine *Automobilwoche* that 130 g/km by 2012 would remain the target. "We've agreed to this goal. And we'll stick to it," Gabriel said. "Planning security must also be in the interest of car makers and suppliers."

Environment ministers meeting last month also confirmed their support for the Commission's 130 g/km requirement for car makers by 2012.

sector of 10% by 2020.

At a biofuels conference in Brussels this month, the EU trade commissioner Peter Mandelson said: "Biofuel policy is not ultimately an industrial or an agricultural policy – it is an environmental policy." The significance of this lies in the fact that when environment NGOs have highlighted concerns over biofuels, EU officials have responded by saying boosting biofuels is also meant to benefit industry and agriculture.

MEPs ask Commission for overall transport CO₂ reduction target

Europe should have a target of reducing overall carbon dioxide emissions from the transport sector by 20% between 1990 and 2020.

That is the message from a non-legislative resolution by the European Parliament, following its debate on the Commission's mid-term review of the 2001 Common Transport Policy (CTP). The call by MEPs' is believed to be the first time an EU body has called for an overall climate target for the transport sector.

The EU's Sustainable De-

Aircon systems calculated in fuel consumption

The EU should move quickly to replace synthetic cooling systems in car air conditioning systems with a CO₂-based approach, says one of T&E's German members DUH.

As well as concerns over fuel consumption, DUH and other NGOs are concerned about the rising use of aircon systems which use chemicals much more damaging to the environment than CO₂.

DUH's Jürgen Resch said: "The decision for or against CO₂ can no longer be left to car companies. It will have a major influence on the climate performance of hundreds of millions of new cars in Germany, Europe and worldwide."

Another German NGO Bund first highlighted this issue in 2004 when the EU first discussed cooling substances for car aircon systems.

Last month the German car club ADAC calculated how aircon systems can affect fuel consumption. Its test cars found that reducing the car's temperature from 31C to 22C used between 2.47 and 4.15 litres per 100km.

development Strategy calls for a reduction in transport emissions, but has not yet specified how much that reduction should be.

The resolution was backed by a large number of MEPs when debated earlier this month. Among other things, it says shifting transport from road to rail is key to reducing environmental impact – modal shift was one of the policies in the 2001 CTP that the Commission has suggested should be dropped for the second half of the policy's period of validity.

Europe must do what it can to stop the rush for 'bad oil'

Bad oil? To some people familiar with the environmental movement, the term "bad oil" may sound odd. Isn't all oil bad from an environmental perspective?

Everything is relative. Yes, the oil we use today is very bad for the climate. But the so-called "unconventional" oil the world is looking to use in increasing intensity is so bad for the climate that today's oil actually looks good in comparison.

Unconventional oil is one of those terms that was broadly unknown until a year or two ago, but it is now becoming better known. It denotes oil taken from sources that are not easy to reach. A range of authoritative reports has been published over the past months on the future of oil from, among others, Wood Mackenzie, the International Energy Agency, and the US National Petroleum Council. All these make it crystal-clear that, although the world is not running out of oil reserves, within a foreseeable time

"normal" oil production will flatten, and all the *extra* supply will come from unconventional sources.

The best-known examples of unconventional oil are Canada's and Venezuela's "tar sands" which require the oil to be "cooked" out of the sand. The amount of CO₂ emitted for producing petrol or diesel from such oil is roughly double that in case of normal oil. Even more worryingly, the US and especially China are deadly serious about converting coal into oil, a technique first used by Germany in World War II and subsequently by South Africa during the *apartheid* boycotts. This multiplies CO₂ emissions from oil production by seven, thereby roughly doubling well-to-wheel emissions compared with a litre of normal oil. The economic viability of exploiting tar sands and converting coal to liquid is subject to a lot of debate, but there seems to be an understanding that, at oil prices over \$40 a barrel, both



Jos Dings
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are attractive.

People who do not think this is a very serious problem usually say two things.

First, they say that unconventional oil has only a very small share in total oil production.

Apart from the fact that this share will rise dramatically, the politically relevant question is not what the share of unconventional is in average oil production, but what its share is in *new* or *marginal* oil production – as this is the oil use that our policies will affect. The studies mentioned above are clear; for example, Wood Mackenzie says that *all* the world's *extra* oil supply is likely to come from unconventional sources within 15 years.

Second, they say that China and the US do whatever they like, and that we cannot do anything about that. Leaving aside the fatalism of this attitude, it is again untrue. We can do two things to make the economics of unconventional oil less attractive:

- We can set a carbon

standard for transport fuels, which is what the EU and California both proposed in January. This will give low-carbon fuels a price advantage and high-carbon fuels a price penalty.

- Maybe even more fundamentally, we can cut our oil demand, which currently stands at 20% of the world's total. This will have an obvious impact on marginal oil production, but it will also reduce oil prices and thereby the economic attractions to move into unconventional oil. An indicative calculation suggests that if we can reduce Europe's demand by 10%, we might already reduce the oil price by 10%, greatly reducing the economic attractions of unconventional oil.

The threat of unconventional oil is underestimated by many, and seen as unmanageable by others. Politicians should remember that they can help when they vote on Europe's car fuel efficiency and on low-carbon fuel standards, two measures that can make a big contribution to reducing demand for bad oil.

T&E calls for EU action after latest IMO failure to tackle ships

T&E has called on the Commission to start EU action to reduce greenhouse gas emissions and air pollutants from ships following the latest failure of the International Maritime Organisation (IMO) to take concrete action.

Emissions from shipping and aviation were left out of the Kyoto protocol, with responsibility passing to the IMO and the International Civil Aviation Organisation (Icao). Yet little has happened in either body, and earlier this month the IMO's Marine Environment Protection Committee (MEPC) ordered another study instead of proposing concrete action.

"The IMO has an excellent

record in commissioning reports and setting up committees," said T&E policy officer João Vieira, referring to the MEPC's decision to commission a study into the shipping industry's contribution to CO₂ emissions. "But when it comes to cutting emissions and combating climate change, it has manifestly failed to deliver on its mandate.

"Ships are the second-fastest growing source of greenhouse gas emissions in the EU, with only aviation's growing faster. Having waited 10 years for action at IMO level, the EU must now take the lead and deliver policies to cut emissions."

In 2003, EU member states asked the Commission to propose an EU option for reducing emissions from ships if the IMO did not produce a proposal by the end of 2006. No such proposal has yet appeared, but the Commission says it will produce a maritime strategy in October.

Responding to Brussels' discussion document issued last autumn, MEPs this month called for the shipping sector to be included in the Emissions Trading Scheme (ETS), an idea that did not feature in the original document but has since been floated by the Commission.

The MEPs' resolution also

calls for several measures to tackle air pollution. These include NO_x emissions standards for ships using EU ports, stricter limits on the permitted sulphur content of marine fuels, taxes or charges on SO₂ and NO_x emissions from ships, and the introduction of differentiated port charges favouring ships with low levels of SO₂ and NO_x.

- The MEPC session also saw efforts by China and India to weaken proposals for a global ship recycling scheme. The two said they wanted voluntary measures instead of the proposed mandatory auditing scheme for authorised ship-breaking yards. No decision was taken on a final wording.

MEP's report takes lifecycle low-carbon fuels plan forward

EU efforts to reduce lifecycle carbon emissions from fuels moved a step closer last month with the European Parliament's draft response.

The environment committee rapporteur Dorette Corbey published her report on the Commission's proposed fuel quality directive, which aims to cut lifecycle carbon emissions by 10% by 2020. The Corbey report includes a series of detailed recommendations on how to assess and charge for lower-carbon fuels, and proposes tightening several fuel specifications.

T&E welcomed the report, but said it appeared to open the door for a separate target for companies that work with heavy crude oil, which undermines the principle of giving an incentive to fuels with the lightest carbon footprint.

A draft position prepared by the German presidency said the 27 states support the idea of reducing emissions from the full fuel producing process, but are worried about several practical elements. These include calculation methods, uncertainties about the role of biofuels, and a possible impact on the Emissions Trading Scheme.

The environment committee will discuss the Corbey report in November, and the current Portuguese presidency says it hopes to reach agreement on legislation by December.

EURO-6 PROPOSALS

The Commission has proposed four possible scenarios

EU consultations
 • **Future Euro-VI Emission Limits for Heavy-Duty Vehicles**, DG Enterprise, till 5 September, http://ec.europa.eu/enterprise/automotive/pages/background/pollutant_emission/heavy_duty/public_consultation/

for cutting air pollution from heavy vehicles as a first step towards a set of Euro-6 emissions limits. The scenarios all envisage stricter limits to particles, NOx, hydrocarbons, carbon monoxide and ammonia, but two of the four scenarios would mean higher carbon dioxide emissions. Research for the Commission says the scenarios would add between €1000 and €6000 to the cost of a vehicle, but no date has been proposed for the new standards to come into force. The consultation runs until 5 September, and draft legislation is expected around the end of the year.

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MONSTER VOTE

MEPs have voted twice to restrict the possibilities for 25-metre lorries (variously called "monster trucks", "modular trucks", "gigaliners", and other names) to use EU roads. The transport committee vote this month amended the Ayala report on Freight Transport Logistics, suggesting states should need specific permission if they want to allow 25-metre trucks on EU roads. And a proposal to encourage "multimodal logistics solutions and the European modular system" put forward in the Barsi-Patacki report was heavily rejected. Finland and Sweden already allow them, while other countries are considering permitting them. A new report published by six railway associations says "monster trucks" would make road transport less expensive than now, and are "certainly not compatible with the vision of a more sustainable transport market".

WORK TO RESTART?

The Polish government says building work on the

controversial Augustów by-pass will begin again on 1 August. Work had been stopped because the by-pass would go through an area under EU habitats protection, and no work may happen between March and July to respect the nesting season of certain birds. The Commission says it will take Poland to the European Court of Justice if building resumes without having respected EU environmental laws.

ACTIVE TRANSPORT

Schemes that encourage a shift from private car transport to walking and cycling are the most cost-efficient way to use transport funds, according to a report from the British initiative Sustrans. Entitled "The Value of Investment in Active Travel", it reviews evidence from around the world, and concludes that if cost/benefit analyses are allowed to include the benefits to health of physical exercise, the return on investment can be much higher than for typical car-based transport projects.

FULL FARES PLEASE

MEPs have supported a Commission proposal to make it obligatory for airlines to advertise real flight prices, rather than eye-catching numbers that hide the full cost. A number of flights are advertised as being free or costing one cent, when there are up to €35 of charges to be paid. If approved by ministers, the new rules will come into effect in January.

- The Irish low-fares airline Ryanair has been ordered by the British advertising authority not to show an advert that understated the impact of aviation on the environment.

LOW VAT ON CARS?

The British and French

governments have proposed lowering rates of Value Added Tax (VAT) on cars and other goods that embrace cleaner technology. The British prime minister Gordon Brown said EU finance ministers should not "wait much longer to give new incentives to people who are wanting to buy environmentally friendly products."

PUTTING ON WEIGHT?

A report by a British automotive expert says cars are getting heavier, despite using lighter materials. Prof Garel Rhys says cars are becoming more bulky in shape, and are being fitted with so many accessories, such as multi-speaker sound systems, satellite navigation, climate control, and electronic sunroofs.

AND FINALLY ...

An unnamed buyer at last month's Paris air show placed an order for a "Superjumbo Jet" as a private plane. The double-decker aircraft, which can normally seat 840 passengers, will be converted for private use, but this will take more than a year. The buyer will need a specially trained pilot, and will have a limited number of airports for the plane to land and take off.

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 mid-September. The deadline for contributions to reach either the T&E secretariat or the editor is Friday 7 September 2007.

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