

EU shows its teeth over controversial by-pass

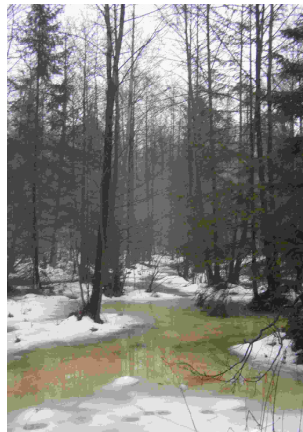
The Commission is set to take rare legal action against Poland to force it to stop the highly controversial Augustow by-pass being built through the protected Rospuda Valley in north-eastern Poland.

In a case that might have serious implications for the credibility of EU environmental policy in the 12 new member states, the Commission has given Poland just seven days to respond to its call for construction work to be stopped. If Poland does not respond, the Commission says it will take the matter to the European Court of Justice, which could insist that

construction stops and impose a heavy fine on Poland.

The announcement that work on the bypass was to start immediately came late on 20 February, despite a letter from the Commission and warnings by NGOs that the damage to vital wetland sites and the failure to adequately consider alternatives could make Poland liable for the costs of environmental damage under the EU's environmental liability directive.

The EU environment commissioner Stavros Dimas said: "I urge the Polish government once more to consider ways of building these bypasses without causing such



The Augustow by-pass will go through this valuable wetland

serious environmental damage. I believe Poland has everything to gain by building new infrastructure without

sacrificing its most precious natural heritage."

The Commission began legal proceedings in December by sending a letter to Warsaw, expressing concern at the fact that the by-pass – part of the Via Baltica motorway connecting Helsinki to Warsaw – would go through a valley designated as a European Natura 2000 site for its outstanding biodiversity values. It said insufficient consideration had been given to alternative routes.

With construction workers already on site, the Commission sent its second warning letter on 28 February, a so-called "Reasoned Opinion", but with the unusually short deadline of just seven days. As *T&E Bulletin* went to press, Poland had yet to respond.

The issue has split opinion in Poland, including the Kacynski brothers who are president and prime minister. The president, Lech Kaczynski, has expressed his dissatisfaction with the route of the Augustow by-pass, while the prime minister Jaroslaw Kaczynski, supported by his environment minister Jan Szyszko, are strongly in favour.

Marta Wisniewska of WWF Poland said: "We recognise the need for improved infrastructure in Poland, but any development must follow the EU legal framework."

Criticism of CO₂ from new cars proposals

Environment ministers from Denmark, the Netherlands and Ireland have criticised the Commission for trying to weaken the EU's commitment for reductions in carbon dioxide emissions from new cars.

In a first ministerial discussion on the Commission's proposals to reduce the obligation on European car makers to have the average new car emitting 130 grams per kilometre of CO₂ by 2012 instead of 120, the 27 environment ministers expressed overwhelming support for binding legislation, but three said the 120 g/km target should have remained.

Denmark's minister Connie Hedegaard was particularly outspoken. Quoted in a Danish magazine, she accused the Commission of protecting the German car industry, saying: "I am not impressed by the proposal of 130 g/km. It is not ambitious

for the EU to set less restrictive goals than 120 g/km, it is just support for big German car producers."

The decision to reduce the target for the car makers followed a lobbying campaign by German industry which T&E described as "hysterical" and "mindless scaremongering". The Commission says the EU's target of 120 g/km by 2012 remains, but the obligation on the manufacturers is only 130 g/km, with the remainder to be made up from other measures such as requirements on tyres, air conditional systems and vehicle labelling.

POST-2012

Ministers from Belgium, Austria and the Netherlands challenged the part of the proposal that would allow a greater use of biofuels in transport to count towards the 120 g/km target. And the Danes, Dutch and British

were the only nations recognising the need for longer-term targets beyond 2012.

T&E director Jos Dings said: "Climate change is a long-term challenge, and so is car marking. Denmark has proposed 100 g/km by 2020, and the Netherlands has called for car fuel efficiency to be doubled by 2020. We need other countries to follow the Dutch example."

Ministers are expected to agree on a common position in the summer, with draft legislation likely next year.

- Germany's car industry is on the defensive after being accused by the German president Horst Kohler of failing to build cleaner vehicles. Martin Winterkorn of Volkswagen said German companies were acting to protect an industry under threat from the Commission. He also said politicians "are among our best customers" for their love of large cars.

REMINDER

The 2007 T&E general assembly will take place on 24 March in Brussels, with a seminar the previous day.

'Tortilla crisis' highlights concerns over biofuels

Protests in Mexico, warnings from the US government that food will cost more, and complaints from the beer industry are ringing alarm bells among environmental campaigners about the downsides of biofuels.

Just days after EU energy ministers recommended a mandatory 10 per cent minimum target for biofuels in transport by 2020, thousands of demonstrators marched through Mexico City protesting at a rise in tortilla prices caused by rising American demand for ethanol which has pushed up the price of corn on which Mexicans depend for their basic food.

Keith Collins, the chief economist at the US department of agriculture, told the *Financial Times* newspaper that consumers will have to pay more for good as demand from biofuels manufacturers pushes up the prices of corn and other grains.

The *FT* also reported a warning by the Dutch brewer Heineken for growing demand for the crops that make biofuels was likely to reduce the supply of barley and hops, and thus increase the cost of beer.

T&E director Jos Dings said: "Concerns about beer will not be too high on most people's list of priority issues, but food should be, and the 'tortilla crisis' could be the first of many. Our concern about blind targets for biofuels is that they will create a demand for certain crops that has the potential to threaten the survival of certain communities as these biofuel crops will replace food grown for local people. It appears it is already happening."

EEA says changes to common transport policy are going in the wrong direction

The European Environmental Agency has sharply criticised the proposed shift in the EU's Common Transport Policy away from managing demand and onto transport's environmental impacts.

In its annual report on the state of European transport, the EEA says "spiralling demand" for transport is undermining the EU's overall progress towards meeting its Kyoto emissions target. It says curbing transport demand should remain a key element of European transport policy.

The EEA's director Jacqueline McGlade said: "We cannot deal with the increasing greenhouse gas emissions, noise pollution and landscape fragmentation caused by transport without dealing with the increasing traffic across the spectrum."

The "Term" report says European freight transport grew by 43% between 1900 and 2004, increasing much

faster than economic growth in 2004 and showing no signs of decoupling. Passenger transport increased by 20% in the period 1990-2003, with aviation up by 96%.

The EEA will publish a detailed paper later this month on transport subsidies, but says around €280 billion is spent annually in Europe on transport subsidies, almost half of which go towards roads.

The report covered the EU's 25 members from mid-2004, plus Liechtenstein, Norway, Switzerland and Turkey.

When the revised policy was published last July, T&E criticised it for abandoning

the goal of breaking the link between economic and transport growth. It said this contradicted the EU's sustainable development strategy, which had been published just six days earlier.

- The chairman of the European Parliament's transport committee, Paolo Costa, says EU transport policy must be adapted to cope with the uncertain supply of energy, and not enough is being done to move away from unsustainable and polluting transport to cleaner modes. Costa was speaking at a conference held last month to discuss a "mid-term report" by MEPs into the EU's transport policy launched in 2001.

Is shipping's 'clean' image justified?

Two studies suggest CO₂ emissions from shipping are double those of aviation and increasing rapidly.

The reports by BP Marine and a scientific institute in Germany say shipping emits 600-800 megatonnes per year,

a figure that could rise by 75% in the next 15-20 years if no action is taken.

Around 90% of world trade involves shipping, but greenhouse gases from ships are not regulated by the Kyoto protocol.

Risks of 'unconventional' sources

A detailed study has suggested that much of the earth's remaining oil reserves may be hard to access, and that doing so could create massive environmental problems.

The study by the Edinburgh-based consultancy Wood Mackenzie, says existing supplies of oil are relatively easy to get at, but that within 15 years demand for extra oil will require oil to be accessed from "unconventional" sources, such as the Canadian oil sands, Venezuela's tar belt, and Madagascar.

All these sources count as hard-to-develop, and some oil analysts say it is by no means certain that oil could be extracted in significant quantities.

The *Financial Times* newspaper quoted a respected industry banker Matthew Simmons as saying: "In a sense, this exercise is like turning gold into lead."

T&E director Jos Dings said: "It's good that there is finally some attention being focused on this enormous threat. The negative climate impact of oil from unconventional sources is massive, so the environmental community should be highlighting the need to avoid the necessity of extracting oil from these sources. It is another example of why the world needs to cut down on its dependence on oil now, and stresses the need for a useful EU fuel quality directive."

Urban transport consultation

The EU's consultation on urban transport is now open, and runs until 30 April.

The Commission is preparing a green paper on urban transport, and wants views on the environmental challenges of oil dependence, and transport's responsibility for CO₂ emissions, pollution, congestion and accidents.

The consultation is in the form of a questionnaire, which can be downloaded from http://ec.europa.eu.transport/clean/green_paper/urban_transport/public_consultation_en.htm

Happy birthday! But now let's look forward, not back

Happy Birthday, EU! It was 50 years ago this month that the European Economic Community was founded, and given the background against which it began, it has been a great success. It's hard to imagine now, but it was only 12 years after the end of the second major war in 30 years, a war that had left Europe in tatters. The EU has been a tremendous success in getting people to the table rather than the battlefield to sort out their differences.

But the next 50 years will be very different. The objectives of securing peace and prosperity may stay the same, but we need completely different means. In 1957 the priority was to stimulate Europe's food production and nuclear energy, both at taxpayers' expense. In the next 50 years the major challenges are essentially environmental.

The prices of virtually all natural and energy resources,

notably oil, have exploded over the past years due to the boom in global demand. Apart from the oil situation, the Mexican "tortilla crisis" is another example of exploding demand for basic resources, in this case corn. These developments hurt the poor the hardest, which leads to increased global inequalities, and in turn increases the risk of conflict.

In addition, climate change is already happening and no-action scenarios point to global warming of four degrees by 2100 – again a development that will dramatically show the differences in vulnerability of rich and poor and enormously affect those whose lives directly depend on the natural environment.

Managing resource use and managing climate change – both are strongly related – are therefore the central challenges for Europe in the next 50 years. These challenges will



Jos Dings
EDITORIAL

not go away and we really need to think ahead in order to solve them.

In terms of transport policy, it is vital that we get rid of the greatest anomalies, such as the lack of fuel taxation and VAT in aviation and shipping, and the lack of energy efficiency standards for road vehicles. We should be really serious about these policies and recognise that emissions trading will only be a drop in the ocean. We need to make sure that biofuels do not compete with food, and that there is only a market for the most effective and least harmful biofuels. And we really need to avoid massive exploitation of the euphemistically called "unconventional oil" – tar sands, oil shale and "coal-to-liquid" oil.

But we need to look further. We need to create spatial concentration of demand for freight and passenger trans-

port, so low-speed and collective transport becomes more rather than ever less attractive. Europeans need to become convinced that the best way to fight the consequences of their own overconsumption (obesity) and the world's overconsumption (resource and climate crises) is to leave their car at home and choose to walk, cycle or take collective transport. That will not happen as long as consumers are not aware of the real cost of their transport choices.

If we create the right price framework, maybe health insurers will start giving a bonus to people without a car because they are healthier. Talking of insurance, maybe "pay-as-you-drive" policies will become the rule rather than the exception. And why not forbid those commercial flights for which alternative surface transport takes less than three hours? If much of this happens, Europe's 100th birthday will also be worth celebrating.

Why does the EU not respect the 'polluter pays' principle?

The EU is preparing to provide aid to Hungary's national development reference framework under the Transport Operational Programme and the Regional Operational Programmes. This money will be used mainly to fund long-distance road projects and to improve accessibility to airports.

Yet according to a study commissioned by the Hungarian ministry of environment (and financed by the European Commission's *Phare* programme), state subsidies to road transport in Hungary are already enormous.

Encouraged by this, and also by the existing EU transport white paper which talks about the need to avoid further subsidies to the most

polluting forms of transport, we at the Clean Air Action Group wrote to the Commission secretary-general, Catherine Day. We pointed out that

if Hungary uses the proposed EU funding to pay for road and airport projects, it would contravene the EU *acquis*, and would certainly violate EU legislation concerning the internal market, the environment (especially the polluter pays principle as laid down in the Treaty of the European Union) and anti-fraud policy. We therefore called on her not to approve any financing for this purpose, but to propose to the Hungarian government to plan a re-grouping of the financing to other areas to ensure conformity with EU legislation.

We have now received a reply to our letter from an official in the transport directorate, DG-Tren. It says:

"The Commission believes that the creation and completion of transport infrastructure is necessary for a fully functioning internal market that in turn will lead to growth and jobs. ... While rail is an attractive option, there is a case to be made to optimise the contribution that roads can make."

Whether deliberately or not, the official did not address the concern the Clean Air Action Group was raising. We did not ask at all whether road construction is necessary or not. We only said that the EU legislation requires that if such roads are needed,

their construction should not be financed by the taxpayers of EU countries, but by the road users themselves. There are abundant possibilities for this in Hungary. For example a fee-per kilometre could be introduced for lorries like in Switzerland (today heavy trucks cause enormous damages to roads and the environment, for which their operators do not pay at all).

The Hungarian government might also stop tolerating the nationwide tax evasion carried out by illegal accounting of the private use of cars as company use. This causes a loss of state revenue each year equivalent to about 3% of GDP.

• *Andras Lukacs is president of the Clean Air Action Group, a T&E member*

Andras Lukacs
FORUM

EU and US work out 'open skies' deal, but will it fly?

T&E has written to EU transport ministers expressing concern at the draft "open skies" deal to deregulate the transatlantic airline market that has been agreed by European and US negotiators.

In the letter, T&E's director Jos Dings says any agreement should "recognise the need to develop a policy framework to tackle aviation impacts on the environment." Yet the draft deal would retain a barrier to taxing aviation fuel on transatlantic flights, and it would establish barriers to the EU introducing environmental measures in its own airspace.

"The recent dispute about the inclusion of aviation in the EU Emissions Trading Scheme (ETS) showed once again that the US authorities are very hostile towards seeing US-flagged aircraft complying with EU environmental regulation," the letter says. It therefore asks ministers not to make further concessions to the USA at this time.

Commission negotiators talked of "a breakthrough" earlier this month when they worked out a new draft deal on the issue that has been eluded agreement for four years, but it is likely to face opposition when transport ministers discuss it later this month, particularly from Great Britain, which wants no opening of the lucrative market between London's Heathrow airport and major US cities currently reserved for just four airlines (British, Virgin, United and American).

MINISTERS APPROVE AVIATION IN ETS

EU environment ministers last month agreed that aviation should be included in the EU's Emissions Trading

Scheme. Discussing the Commission's proposal, the ministers said no exemption should be given to flights to and from non-EU destinations, effectively a criticism of the idea that US airlines should be allowed to join the ETS a year late (in 2012). The German environment minister Sigmar Gabriel said action on aviation was needed if the EU was to reduce its greenhouse gas emissions by 20% by 2020. "All other efforts are rendered useless if we lose our grip on the aviation sector," he said.

EMISSIONS-BASED CAR TAXATION

Germany's grand coalition government is proposing to link car taxation to emissions of greenhouse and polluting gases. The transport minister Wolfgang Tiefensee said last month the tax would be based on releases of carbon dioxide, carbon monoxide, and fine particles, ending the current system of tax based on engine size. The proposal has since got stuck in a constitutional dispute about how the new tax would be collected. Officials of Germany's presidency of the EU said there were no plans to try and introduce a similar emissions-based vehicle tax at EU level.

- The Portuguese government has approved a new car taxation regime partially based on engine size and partially on CO₂ emissions. It will come into effect in July.

DIESEL DELAYED

The Commission has postponed a proposal to raise the minimum duty on diesel fuel. A proposal from the EU tax commissioner László Kovács wants the minimum level to be €359 per 1000 litres by 2012, rising to €380 in 2014. He says this will be high enough to eliminate most

"fuel tourism" in Europe (people living in border areas driving extra kilometres to get cheaper fuel in another country).

ZONE FOR HYBRIDS

The extension of London's congestion charging zone has taken place as uneventfully as the introduction of the original charge four years ago. Large protests were expected as the charging zone was extended west to take in the affluent districts of Kensington, Chelsea and Notting Hill, but the extension happened smoothly and appears now to have been accepted. The daily charge is £8 (€12), but certain vehicles are exempt, including hybrid cars – that has led Honda to increase production of its petrol-electric Civic, as it expects "massive growth" in hybrids in the new charging zone.

BIKES ON TRAINS

The *Thalys* high-speed train service operating in France, Belgium, Germany and the Netherlands says it will guarantee four places for bicycles on its trains from 2008. The general director of *Thalys* promised 17 organisations acting under the European Cyclists Federation that it would introduce the spaces. Cycling groups are still hoping the legislation arising out of the third EU rail package will require train companies to provide a minimum level of cycle carriage facilities.

PRIVATE JETS

Corporate jet travel in Europe is growing at twice the rate of other European air traffic, according to the world's leading operator of business jets, NetJets. It says the popularity of private jet travel is biggest in Great Britain, France and Switzerland, but Germany posted

growth last year of 46%, Russia 40%, and it was 54% across eastern Europe. NetJets says demand for private jet travel is being fuelled by strong economic growth, rising corporate profits, and increasing bonuses for people already with large incomes.

ROADS AND LUNGS

A study from California suggests that children who live within 500 metres of a major road suffer poor lung development. The research, involving 3677 children examined every year from 10 to 18, says pollution can stop the lung from growing to its full potential, even in healthy children. The scientists say more work is needed to find out why exactly pollution impairs lung development.

AND FINALLY ...

Volkswagen's American arm has offered the use of a SUV as a prize for the VW car that has been driven most miles. Volkswagen of America wants to find the oldest diesel car and the one that has most miles on its odometer. It expects the winner to have been driven between 480 000 to 600 000 kilometres. Its owner will have use of a diesel Touareg V10 for six months.

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 45 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-April. The deadline for contributions to reach either the T&E secretariat or the editor is Monday 2 April 2007.

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