

PRESS RELEASE PRESS RELEASE PRESS RELEASE PRESS RELEASE

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Dutch advisory councils: “Urgent need to put a price on transport CO₂ emissions”

Current policies for the transport sector are utterly inadequate for securing long-term European climate objectives. To achieve these targets the ever-upward trend in the CO₂ emissions of both passenger and freight transport must be breached. Without appropriate action the transport sector will take up the entire European CO₂ emissions ‘space’ by the year 2050. Robust measures in this fast-growing sector are thus urgently required. The government consequently needs to take vigorous initiatives on pricing policy, dedicated CO₂ reduction policy and flanking policy. This is the conclusion of the Council for Transport, Public Works and Water Management, the Council for Housing, Spatial Planning and the Environment and the Energy Council in the joint advice set out in the report ‘Een prijs voor elke reis’. An abridged version is available in an English translation entitled ‘Every journey has its price’. The advice was presented to Ministers Eurlings, Cramer and Van der Hoeven of the three relevant departments on Monday, 28th January.

In the Councils’ view it is the combination of these three policy tracks that is so essential.

If long-term CO₂ reduction targets are to be realised, pricing policy is indispensable. In other words, the CO₂ emissions of all forms of transport – overland, maritime and air – must be assigned a price as soon as possible. Payment for CO₂ emissions can be effectuated via either charges or emissions trading. A pricing mechanism will induce businesses and consumers to seek transport alternatives with less climate impact. Businesses can source their products closer to home, for example, while consumers can opt to make greater use of public transport. This will also create market incentives for cleaner aircraft and other means of transport.

On its own pricing policy is not enough, though. Dedicated CO₂ reduction policies are also essential. Examples include CO₂ standards for passenger cars, tax breaks for purchase of fuel-efficient vehicles and CO₂ standards for transport fuels. These kinds of abatement policies will encourage introduction of more energy-efficient drive-train technologies and lower-carbon fuels.

Flanking policies are required to create a suitable playing field for transport CO₂ reductions. The aim of such policies is to facilitate sustainable alternative choices and encourage innovation. An example of the first would be improved spatial planning in combination with better public transport. In the second case the main emphasis is on innovations in the field of alternative drive-train technologies, new aircraft concepts and sustainable alternative fuels.

To achieve the above, the Councils call on the Dutch government to take a pro-active stance and show leadership, in and with Europe. With respect to international aviation Europe is already taking the lead, by its intention to include aviation in the European emissions trading scheme. This is a first step in the right direction. Similar steps should also be taken for ocean shipping. The Councils recommend that the Netherlands take initiatives of its own, preferably in collaboration with the transport sector. One option would be for this country to index the recently announced kilometre charge to vehicle CO₂ emissions, with cleaner cars paying less.

More vigorous climate policy is not only essential. It will also create opportunities for European and Dutch companies and knowledge centres, with those that come up with new products and services gaining a sustainable first-mover advantage in the global marketplace. And a head start will bring not only commercial benefits but, most importantly, climate benefits, too.

NOTE FOR EDITORS

APPENDIX

Attached you'll find a figure with notes entitled RISK TRANSPORT CO₂ EMISSIONS WILL EXCEED LOWER BOUND OF 2050 'EMISSIONS SPACE' FOR ENTIRE EU-25. This figure illustrates the statement in the header '**Without appropriate action the transport sector will take up the entire European CO₂ emissions 'space' by the year 2050.**'

GENERAL INFORMATION

This press release is from the Netherlands Council for Transport, Public Works and Water Management (*Raad voor Verkeer en Waterstaat*), Council for Housing, Spatial Planning and the Environment (*VROM-raad*) and Energy Council (*Algemene Energieraad*).

The Councils' advice to the government, this press release and background documentation can be downloaded from the Councils' websites: www.vromraad.nl, www.raadvenw.nl and www.energieraad.nl.

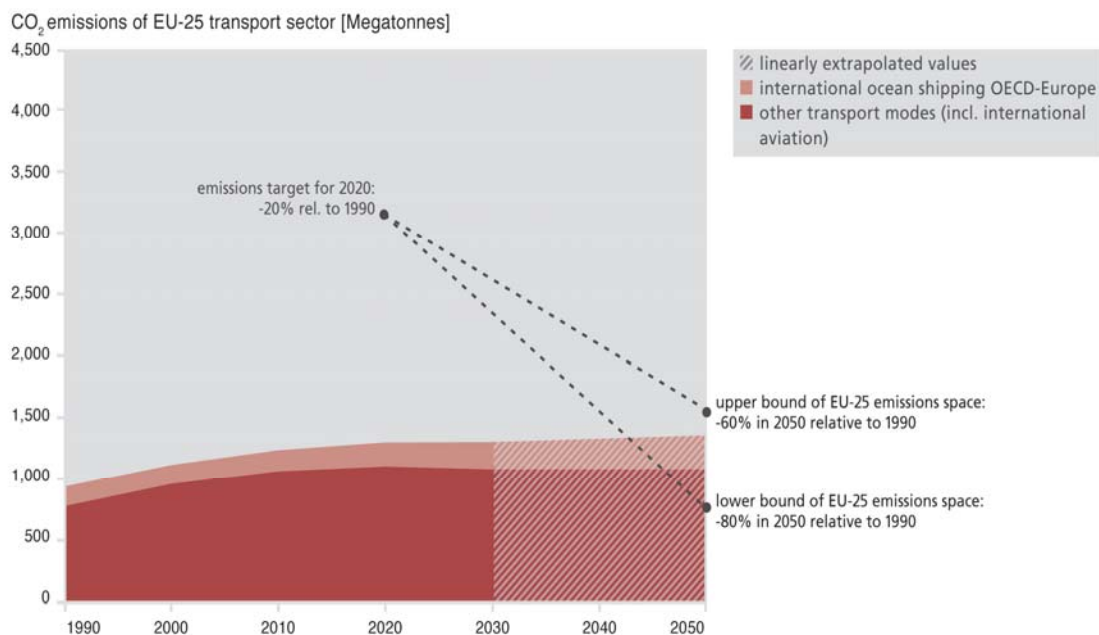
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The Council for Transport, Public Works and Water Management is an independent advisory body reporting to the Minister of Transport, Public Works and Water Management and to Parliament.

The Council for Housing, Spatial Planning and the Environment is an independent advisory body reporting to the Minister of Housing, Spatial Planning and the Environment and to Parliament.

The Energy Council is an independent advisory body reporting to the Minister of Economic Affairs and to Parliament.

RISK: TRANSPORT CO₂ EMISSIONS WILL EXCEED LOWER BOUND OF 2050 'EMISSIONS SPACE' FOR ENTIRE EU-25

Sources: DG Tren (2006), *European energy and transport; trends to 2030 - update 2005*. Office for Official Publications of the European Communities, Luxemburg. Elzen, M.G.J. den, J.G.J. Olivier and M.M. Berk (2007), *An analysis of options for including international aviation and marine emissions in a post-2012 climate mitigation regime*. MNP report 500114007/2007, Bilthoven, The Netherlands.

Notes:

1. Data based on 'Business As Usual scenario' for EU-25 in DG Tren (2006), supplemented by projections for ocean shipping by Netherlands Environmental Assessment Agency, MNP (Den Elzen et al., 2007).
2. Projected CO₂ emissions of international shipping are for OECD-Europe. As OECD-Europe is not congruent with EU-25 (!)* the data provide merely an indication of the ocean shipping CO₂ emissions that can be assigned to EU-25. The MNP study assigns these emissions on the basis of cargo or passenger port of origin, thereby allocating 50 percent of total CO₂ emissions of shipping to and from OECD-Europe countries to OECD-Europe.
3. Transport sector CO₂ emissions also include international aviation emissions, which have been assigned on the basis of country of sale of bunkered fuel. This is thus a different allocation method than that used for shipping by MNP (see note 2).
4. CO₂ emissions in the period 2030-2050 have been linearly extrapolated from projections of average annual emissions growth 2020-2030.
5. Emission caps are based on stated EU reduction targets for 2020 (-20 percent relative to 1990) and 2050 (-60 to -80 percent relative to 1990). Note that the 2020 target does not formally apply to the CO₂ emissions of international aviation and shipping, while the graph represents the situation as if this were the case. The indicative reduction targets for 2050 do formally hold for the cited emissions.
6. Long-term emission caps apply to all greenhouse gases, while the graph shows the picture for CO₂ emissions only, with the CO₂ emissions cap calculated on the assumption that all greenhouse gases emissions (including CO₂) need to be reduced by the same percentage.

* OECD-Europe = Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Luxemburg, Netherlands, Norway, Poland, Portugal, Slovakia, Spain, Sweden, Switzerland, Turkey, United Kingdom. EU-25 = OECD-Europe plus Cyprus, Estonia, Latvia, Lithuania, Malta and Slovenia minus Iceland, Norway, Switzerland and Turkey.