

Surface Transportation

Commitment

“We will encourage the development of cleaner, more efficient and lower-emitting vehicles, and promote their deployment, by: Adopting ambitious policies to encourage sales of such vehicles in our countries, including making use of public procurement as appropriate to accelerate market development;”

-*Gleneagles Plan of Action: Climate Change, Clean Energy, and Sustainable Development*¹¹²⁸

Background

According to official UNFCCC figures released in November 2005, transportation accounts for between 17 percent and 26 percent of G8 member states' greenhouse gas (GHG) emissions. The G8's commitment to the promotion of more environmentally-friendly and fuel-efficient vehicles can thus be seen in the context of a wider effort to generate consensus around international action on climate change, particularly with the United States and other large emitters resisting pressure to join into international legally-binding commitments to make emissions reductions. Indeed, “the development of cleaner, more efficient and lower-emitting vehicles” is a policy area around which even governments that dismiss the importance of climate change can come together as part of a larger international consensus, as the issue is often one framed in terms of energy security and energy independence, particularly from imported oil.

Team Leader: Brian Kolenda

Assessment

Score	Lack of Compliance -1	Work in Progress 0	Full Compliance +1
Country			
<i>Canada</i>			+1
<i>France</i>			+1
<i>Germany</i>		0	
<i>Italy</i>			+1
<i>Japan</i>		0	
<i>Russia</i>	-1		
<i>United Kingdom</i>			+1
<i>United States</i>			+1
<i>European Union</i>			+1
Overall			0.56

¹¹²⁸ Climate Change, Clean Energy, and Sustainable Development, Gleneagles G8 Summit, (Gleneagles), 8 July, 2005. Date of Access: 22 January 2006. <http://www.g8.utoronto.ca/summit/2005gleneagles/climatechange.html>.

Individual Country Compliance Breakdown

1. Canada: +1

As the following initiatives will show, the Canadian government has thus far taken significant measures to comply with its Gleneagles commitment to encourage the development and sales of “cleaner, more efficient and lower-emitting vehicles” in support of reducing the emission of harmful greenhouse gases into the atmosphere. If it continues in this stride, it will boast full compliance of its G8 commitment before the St. Petersburg G8 Summit.

The Canadian government, working in association with the Canadian Natural Gas Vehicle Alliance (CNGVA) on this initiative, renewed its commitment to encourage the sale of more efficient, lower-emitting vehicles by announcing an extension of the pilot project and an additional \$1.8 million of funding on 27 July 2005.¹¹²⁹

On 17 July 2005, Natural Resources Canada sponsored the world’s longest solar-car race, which began in Austin, Texas and ended in Calgary, Alberta.¹¹³⁰ The competition spurred 30 teams of university students from Canada and the United States to design, build, and race the fastest solar-energy vehicle in the continent. This event attracted innovators from both Canada and the US to help promote the development of solar vehicle technologies and the widespread use of solar-powered vehicles.

The Government of Canada also unveiled funding for its *SmartDriver for Highway Trucking* program, designed by Natural Resources Canada, at the Fergus Truck Show in Ontario on 22 July 2005. The program aims to educate truck drivers about fuel-efficient operating practices and “smart-driving” techniques.¹¹³¹ Although the new training program is not in direct support of launching new efficient vehicles, it has as its aim to reduce vehicular emissions by promoting fuel-efficient driving habits.

On 7 September 2005, the Alberta Research Council (ARC) together with Natural Resources Canada announced the launch of an online Biofuels Quality Registry where biodiesel producers can sign up to have their products tested for quality.¹¹³² The two-year program worth \$100 000 per year encourages small and medium sized biodiesel producers and consumers to regularly register their products for quality analysis, and will provide monetary incentives to this end. The program is part of the Canadian Government’s Biodiesel Initiative, which falls under the \$11.9 million Climate Change Plan for Canada effective from 2003 to 2007.¹¹³³ Providing resources for the development of the biodiesel industry builds consumer confidence in alternatives to traditional fuels harmful to the environment, such as gasoline, and may contribute to increased sales of products and vehicles that can run on these innovative sources of clean energy. It is also evident that the government is allocating funds to accelerate market development for biodiesel products.

Finally, the boldest move to encourage the sale of more fuel-efficient vehicles was made in November 2005 by Mr. John McCallum, Minister of National Revenue and Minister of Natural Resources. Minister McCallum announced a \$3.6 million contribution through the Climate Change Technology Early Action Measures Program (TEAM) to Canadian companies developing natural gas vehicles in India and working to prepare them for widespread sale in the Indian market. “These technologies have the potential to

¹¹²⁹ Natural Gas Vehicles: Government of Canada Increases Funding for Conversion Systems, Natural Resources Canada, (Ottawa), 27 July 2005. Date of Access: 6 January 2006.

http://www.nrcan-rncan.gc.ca/media/newsreleases/2005/200562_e.htm.

¹¹³⁰ Solar Cars: NRCAN and Canadian Universities Gear Up for Challenge, Natural Resources Canada, (Ottawa), 17 July 2005. Date of Access: 6 January 2006.

http://www.nrcan-rncan.gc.ca/media/newsreleases/2005/200558_e.htm.

¹¹³¹ Highway Trucking: SmartDriver Fuel-efficiency Program Launched in Ontario, Natural Resources Canada, (Ottawa), 21 July 2005. Date of Access: 4 January 2006.

http://www.nrcan-rncan.gc.ca/media/newsreleases/2005/200559_e.htm.

¹¹³² ARC and Government of Canada Launch Biofuels Analysis Incentive Program, Government of Canada, (Edmonton), 7 September 2005. Date of Access: 22 December 2005. http://www.nrcan-rncan.gc.ca/media/newsreleases/2005/200570_e.htm.

¹¹³³ The Biodiesel Initiative, Alberta Research Council, (Edmonton), 9 January 2006. Date of Access: 9 January 2006. <http://www.biofuels.arc.ab.ca/BTSC/NRCAN/Default.ksi>.

reduce emissions on an international scale, as well as create market opportunities for Canadian companies,” McCallum said.¹¹³⁴

Analyst: Taleen Jakujyan

2. France: +1

The French government has recorded a high level of compliance with the commitments made at the Gleneagles Summit with regards to surface transportation and the reduction of harmful emissions via the use of clean vehicles. The French government has initiated several policies aimed at encouraging French motorists to use and buy low-emissions vehicles, plans to invest millions of Euros into research and development of cleaner automobiles, and states it will increase the fuel efficiency of its own vehicle fleet.

On 1 September 2005, Prime Minister Dominique de Villepin announced a series of reforms aimed at “[encouraging] new choices and behaviour,” and “to give a real boost to energy-saving measures” in the hopes of reducing French energy dependence in the face of high gas prices.¹¹³⁵ A day later, Minister of Ecology and Sustainable Development Nelly Olin referred to the program, interpreting it as an emissions reduction initiative, not as a potential oil crisis solution.¹¹³⁶ Nonetheless, the program, whose main goal is to encourage French motorists to use clean vehicles,¹¹³⁷ allows the French government to meet some of the criteria of its Gleneagles commitment.

The reforms that de Villepin and Olin announced in September went into effect on 1 January 2006,¹¹³⁸ marking an ambitious step by the French government to encourage the use of clean vehicles and reduce emissions. The government has increased the tax incentive given to motorists who drive low-emission vehicles from €1,525 to €2,000.¹¹³⁹ Furthermore, the cost of registration documents has been altered to depend on the extent of vehicle pollution.¹¹⁴⁰ Cars, emitting CO₂ levels between 200-250g/km will now be taxed €2/g, while cars emitting in excess of 250g/km, will be taxed €4/g.¹¹⁴¹

Furthermore, the government will devote €100 million to the research and development within the next five years of a low-emission family vehicle that will emit less than 100g/km of CO₂.¹¹⁴²

¹¹³⁴ Climate Change: Canadian Technology to Reduce Emissions Around the World, Natural Resources Canada, (Ottawa), 24 November 2005. Date of Access: 20 December 2005. http://www.nrcan-mcan.gc.ca/media/newsreleases/2005/200591_e.htm.

¹¹³⁵ Preparing for a Post-oil era, Office of the Prime Minister, (Paris), 3 November 2005. Date of Access: 3 January 2005. http://www.premier-ministre.gouv.fr/en/information/special_reports_98/meeting_the_challenges_of_536/preparing_for_the_post_54305.html?var_recherche=1+september,+2005+speech.

¹¹³⁶ La Ministre de l'ecologie et du developpement durables Nelly Olin s'est vivement rejouie des mesure prises en matiere d'ecologie annoncees par le Premier Ministre Dominique de Villepin, lors de sa conference de presse du 1^{er} Septembre, Ministere de l'Ecologie et du Developpement Durable, (Paris), 2 September 2005. Date of Access: 3 January 2005. http://www.ecologie.gouv.fr/article.php3?id_article=4557.

¹¹³⁷ Conference de press sur les annonces du government pour les vehicules propres, Ministere de l'Ecologie et du Developpement Durable, (Paris), 7 September 2005. Date of Access: 3 January 2005. http://www.ecologie.gouv.fr/article.php3?id_article=4600.

¹¹³⁸ Conference de press sur les annonces du government pour les vehicules propres, Ministere de l'Ecologie et du Developpement Durable, (Paris), 7 September 2005. Date of Access: 3 January 2005. http://www.ecologie.gouv.fr/article.php3?id_article=4600.

¹¹³⁹ Preparing for a Post-oil era, Office of the Prime Minister, (Paris), 3 November 2005. Date of Access: 3 January 2005. http://www.premier-ministre.gouv.fr/en/information/special_reports_98/meeting_the_challenges_of_536/preparing_for_the_post_54305.html?var_recherche=1+september,+2005+speech.

¹¹⁴⁰ Conference de press sur les annonces du government pour les vehicules propres, Ministere de l'Ecologie et du Developpement Durable, (Paris), 7 September 2005. Date of Access: 3 January 2005. http://www.ecologie.gouv.fr/article.php3?id_article=4600.

¹¹⁴¹ La Ministre de l'ecologie et du developpement durables Nelly Olin s'est vivement rejouie des mesure prises en matiere d'ecologie annoncees par le Premier Ministre Dominique de Villepin, lors de sa conference de presse du 1^{er} Septembre, Ministere de l'Ecologie et du Developpement Durable, (Paris), 2 September 2005. Date of Access: 3 January 2005. http://www.ecologie.gouv.fr/article.php3?id_article=4557.

¹¹⁴² Preparing for a Post-oil era, Office of the Prime Minister, (Paris), 3 November 2005. Date of Access: 3 January 2005. http://www.premier-ministre.gouv.fr/en/information/special_reports_98/meeting_the_challenges_of_536/preparing_for_the_post_54305.html?var_recherche=1+september,+2005+speech.

The French government is further trying to spur consumers to move towards cleaner vehicles by example. By 2006, the government intends to replace most of its own vehicles with new ones that emit no more than 140g CO₂/km and eliminate all cars manufactured before 1997 from the government's fleets.¹¹⁴³

Having initiated these steps which encourage the use of cleaner vehicles, the French Government has demonstrated its dedication to fulfilling the commitments it made at Gleneagles.

Analyst: Elaine Kanasewich

3. Germany: 0

The German Government has not fully complied with its Gleneagles Summit commitment to support the development and marketing of fuel-efficient and lower-emitting vehicles. Most efforts and funds of the Federal Ministry of Environment, Nature Conservation and Nuclear Safety have been directed at fulfilling its obligations under the Kyoto Protocol, which sometimes overlap with its G8 commitment. However, in order to fully comply before the St. Petersburg Summit in 2006, the federal government must address more specifically its commitment to environmentally-friendly vehicles.

As part of its obligation under the Kyoto Protocol, the German Government published The National Climate Protection Programme 2005 days after the Gleneagles Summit. Within the measures outlined in the program to reduce greenhouse gas emissions in the 2008-2012 and establish "further ambitious environmental policies after 2012," the federal government indirectly developed a policy framework to help comply with its G8 commitment to encourage the development and sales of lower-emitting vehicles. The Federal Ministry for the Environment outlined that it would support "technical improvements in vehicles and fuels" in the form of developing alternative fuels and innovative engines.¹¹⁴⁴ The efforts to this end, including the Fuel Strategy of the Federal Government to substitute traditional fuels with biofuels, are expected to reduce carbon dioxide emissions by 8.5 million metric tons, against the 171-million-ton reduction target for the transportation sector.¹¹⁴⁵ Other efforts to increase energy efficiency in German transportation are a tax-incentive program for low fuel consumption vehicles, a revamping of the German automotive industry's promise to reduce CO₂ emissions in new vehicles, and the development of innovation to increase engine efficiency.¹¹⁴⁶

Many of the strategies outlined in the NCPP were reiterated in an article published by the German Embassy in the American capital. The article states that the federal government spent €193 million in 2005 on a market incentive program to promote the affordable use of renewable energies.¹¹⁴⁷ It is unclear what portion of these funds were allocated or spent during the compliance period.

On 12 August 2005, German government officials met with their counterparts from the United States in Berlin to launch the U.S.-Germany Working Group on Energy, Development, and Climate Change. The working group is a follow up to the Mainz Declaration made in February of the same year by US President George W. Bush and German Chancellor Gerhard Schröder and was created to implement directives outlined in the G8 Gleneagles Plan of Action (as well as the UN Framework Convention on Climate Change and the World Summit on Sustainable Development Plan of Implementation).¹¹⁴⁸ However,

¹¹⁴³ Rapport 2005 de la Commission Interministerielle Vehicules Propres et Economes, Ministere de l'Ecologie et du Developpement Durable, (Paris), 28 October 2005. Date of Access: 3 January 2005. http://www.ecologie.gouv.fr/article.php3?id_article=4790.

¹¹⁴⁴ The National Climate Protection Programme 2005, Ministry for the Environment, Nature Conservation and Nuclear Safety, (Berlin), 15 July 2005. Date of Access: 20 December 2005. <https://www.bmu.de/english/climate/downloads/doc/35833.php>.

¹¹⁴⁵ The National Climate Protection Programme 2005, Ministry for the Environment, Nature Conservation and Nuclear Safety, (Berlin), 15 July 2005. Date of Access: 20 December 2005. <https://www.bmu.de/english/climate/downloads/doc/35833.php>.

¹¹⁴⁶ The National Climate Protection Programme 2005, Ministry for the Environment, Nature Conservation and Nuclear Safety, (Berlin), 15 July 2005. Date of Access: 20 December 2005. <https://www.bmu.de/english/climate/downloads/doc/35833.php>.

¹¹⁴⁷ Germany is World Leader in Effort to Prevent Climate Change, German Embassy in Washington D.C., (Berlin), 15 July 2005. Date of Access: 20 December 2005.

http://www.germany-info.org/relaunch/business/new/bus_climate_change_prevention_2005.html.

¹¹⁴⁸ German-US Cooperation on Energy Stepped Up, German Embassy in Washington D.C., (Washington), 15 August 2005. Date of Access: 20 December 2005. http://www.germany-info.org/relaunch/business/new/bus_ger_us_envir_working_group_statement_8_2005.html.

information is not available to establish whether or not these strategies deal specifically, and significantly enough, with encouraging the development and marketing of fuel-efficient vehicles. German and American representatives also discussed options to improve collaboration specifically in the areas of energy supply, energy efficiency, and renewable sources. In addition, Germany is expected to join the Methane to Markets Partnership, which is an international initiative to reduce global methane emissions from three major sources of emission: coal mines, landfills and oil and gas systems.¹¹⁴⁹

Analyst: Taleen Jakujyan

4. Italy: +1

Italy has already registered a high level of interim compliance with its Gleneagles Surface Transportation Commitment, proposing substantial national commitments that supplement its obligations under ambitious EU-wide compliance activities.

Italy's efforts to promote the use of more environmentally-friendly vehicles have been significant. On 20 September 2005, the Italian Ministry of Environment and Territorial Protection released a press statement reaffirming its commitment to sustainable ground transport, and outlining Italy's considerable efforts to promote sustainable transport and car-free commuting during 'European mobility' week held between 16 and 22 September, with planned activities in over 30 Italian cities.¹¹⁵⁰ The Ministry then made a major policy announcement on 19 October 2005, which provided a comprehensive set of measures to promote sustainable surface transport.¹¹⁵¹ These included €20 million to promote clean fuels, including €15 million to finance an expansion of the Italian rebate program for the conversion of cars to methane and liquefied propane gas fuel (a new federal rebate of €350 that is non-cumulative with other incentives from local and regional governments),¹¹⁵² and €5 million to procure sustainable vehicles for public transport systems.¹¹⁵³ On 15 November 2005 the Ministry signed and announced an agreement with the '*Iniziativa dei comuni per il car sharing* (ICS)'¹¹⁵⁴ worth €10 million to establish an incentive program (up to €700 per person) for joining car sharing programs in major Italian cities.¹¹⁵⁵

Italy has also complied or will soon comply with several EU-wide programs to promote fuel efficient and alternative energy vehicles. The European Commission announced on 21 December 2005 a directive to create a market to promote cleaner vehicles,¹¹⁵⁶ which would impose a quota for the purchase of clean vehicles on all public bodies (25 percent of annual procurement of heavy-duty vehicles over 3.5 tonnes), estimated to lead to the purchasing of 52,000 vehicles.¹¹⁵⁷ On that same day, the European Commission

¹¹⁴⁹ German-US Cooperation on Energy Stepped Up, German Embassy in Washington D.C., (Washington), 15 August 2005. Date of Access: 20 December 2005. http://www.germany-info.org/relaunch/business/new/bus_ger_us_envir_working_group_statement_8_2005.html.

¹¹⁵⁰ Prima Conferenza sulla Mobilita Sostenibile, Ministero dell'Ambiente e della Tutela del Territorio, (Rome), 20 September 2005. Date of Access: 8 January 2006. http://www2.minambiente.it/Sito/comunicati/2005/20_09_05.asp.

¹¹⁵¹ Smog: in arrivo incentivi di 350 euro per convertire auto a GPL e Metano, Ministero dell'Ambiente e della Tutela del Territorio, (Rome), 19 October 2005. Date of Access: 8 January 2006. http://www2.minambiente.it/Sito/comunicati/2005/19_10_05.asp. and, Accordo di Programma: Incentivi per la promozione dei carburanti per autotrazione basso impatto ambientale, (Parma), 19 October 2005. Date of Access: 8 January 2006. http://www.governo.it/governoinforma/dossier/auto_incentivi/accordo.pdf.

¹¹⁵² Incentivi per convertire auto a GPL e Metano. Presidenza del Consiglio dei Ministri, (Rome), 21 October 2005. Date of Access: 8 January 2006. http://www.governo.it/governoinforma/dossier/auto_incentivi/.

¹¹⁵³ Incentivi per convertire auto a GPL e Metano. Presidenza del Consiglio dei Ministri, (Rome), 21 October 2005. Date of Access: 8 January 2006. http://www.governo.it/governoinforma/dossier/auto_incentivi/.

¹¹⁵⁴ Iniziativa dei comuni per il car sharing (ICS), ICS, 8 January 2005, (Palermo, Italy), Date of Access: 8 January 2005. <http://www.icscarsharing.it/>.

¹¹⁵⁵ Ambiente: bonus di 700 euro per chi rottama auto per aderire a car sharing, Ministero dell'Ambiente e della Tutela del Territorio, (Rome), 15 November 2005. Date of Access: 8 January 2006. http://www2.minambiente.it/Sito/comunicati/2005/15_11_05.asp.

¹¹⁵⁶ Directive on the promotion of clean road transport vehicles. European Commission. (Brussels). 21 December 2005. Date of Access: 6 January.

<http://europa.eu.int/rapid/pressReleasesAction.do?reference=MEMO/05/495&format=HTML&aged=0&language=EN&guiLanguage=en>. And, The European Commission wants to promote clean vehicles. European Commission Press Release. IP/05/1672 (Brussels). 21 December 2005. Date of Access: 7 January 2006.

<http://europa.eu.int/rapid/pressReleasesAction.do?reference=IP/05/1672&format=HTML&aged=0&language=EN&guiLanguage=en>.

¹¹⁵⁷ Directive on the promotion of clean road transport vehicles. European Commission.(Brussels) 21 December 2005. Date of Access: 6 January 2006.

also formally proposed its Euro 5 standard for vehicular emissions, which would see cuts in nitrous oxide emissions by 20 percent and 25 percent for gasoline and diesel automobiles, respectively.¹¹⁵⁸

Analyst: Matto Mildenberger

5. Japan: 0

The Japanese government has registered some level of compliance with its Gleneagles commitment to promote environmentally-friendly surface transportation. It has advanced a number of initiatives to meet this commitment, including new taxation policies, but the majority of initiatives, including the Voluntary Emissions Trading Scheme, do not sufficiently address the issue of vehicular transport to justify, at this time, a score of full compliance.

Japan's single major vehicular economy policy change since the Gleneagles summit is an ambitious initiative that would set new fuel economy standards for trucks and buses over 3.5 tonnes. The standards, which would come into effect in April 2006 and which represent the first such standards anywhere in the world, would aim to improve fuel efficiency by 12 percent over 2002 levels by 2015.¹¹⁵⁹

Another ambitious initiative is the Japanese Ministry of Environment's comprehensive Environmental Tax Plan that was announced on 25 October 2005. A revision of a 2004 plan, the Japanese government now plans to introduce a comprehensive tax on consumption-related GHG emissions, including the burning of fossil fuels in cars, by January 2007.¹¹⁶⁰ The plan would create a tax on gasoline of about ¥1.52 per litre of gasoline and is expected to lower consumption of gasoline and raise in total about ¥370 billion in annual revenue,¹¹⁶¹ some share of which would go to fund research into energy efficient technologies and "[p]romote the increase[d] use of energy-saving ... low emission cars".¹¹⁶² However, the Environment Ministry has not yet set a firm date for when the automobile-specific taxes will be introduced, which will likely be after the January 2007 commencement of the other emissions taxes.¹¹⁶³

On 28 September 2005 Japan launched the Voluntary Emissions Trading Scheme, under which 34 selected companies and corporate groups are required to commit to their own targets on the reduction of greenhouse emissions in exchange for subsidization of the costs of retrofits.¹¹⁶⁴ These subsidies have the potential to be used for firm's automobile fleets, but it is unclear what share, if any, of the subsidies will in the final implementation be devoted towards improving vehicular fuel economy or expanding the use of renewable energy sources in automobiles.

These measures taken by the Japanese government are a first step to demonstrating compliance with its Gleneagles commitment but the final two plans lack specificity of application to surface transport. Japan has yet to focus on market development for cleaner vehicles either by encouraging consumer sales of

<http://europa.eu.int/rapid/pressReleasesAction.do?reference=MEMO/05/495&format=HTML&aged=0&language=EN&guiLanguage=en>

¹¹⁵⁸ Clean Cars: Commission proposes to reduce emissions, European Commission (Brussels) 21 December 2005. Date of Access: 8 January 2006.

<http://europa.eu.int/rapid/pressReleasesAction.do?reference=IP/05/1660&format=HTML&aged=0&language=EN&guiLanguage=en>
¹¹⁵⁹ Japan to Issue World's First Fuel Economy Standards for Large Trucks and Buses (Washington D.C.), 30 September 2005.

Date of Access: 15 January 2006. http://www.greencarcongress.com/2005/09/japan_to_issue_.html

¹¹⁶⁰ Detailed Plan for Environmental Taxes (Basic Outline), Ministry of Environment in Japan, 25 October 2005, Date of Access: 3 January 2006

<http://www.env.go.jp/en/topic/cc/taxol051025.pdf>.

and, Japan's Environment Ministry Now Calls for Carbon Tax by 2007, Green Car Congress (Washington D.C.), 26 October 2005. Date of Access: 15 January 2006. http://www.greencarcongress.com/2005/10/japans_environment.html.

¹¹⁶¹ Japan's Environment Ministry Now Calls for Carbon Tax by 2007, Green Car Congress (Washington D.C.), 26 October 2005.

Date of Access: 15 January 2006. http://www.greencarcongress.com/2005/10/japans_environment.html.

¹¹⁶² Detailed Plan for Environmental Taxes (Basic Outline), Ministry of Environment in Japan, 25 October 2005. Date of Access: 3 January 2006. <http://www.env.go.jp/en/topic/cc/taxol051025.pdf>.

¹¹⁶³ Japan's Environment Ministry Now Calls for Carbon Tax by 2007, Green Car Congress (Washington D.C.), 26 October 2005.

Date of Access: 15 January 2006. http://www.greencarcongress.com/2005/10/japans_environment.html.

¹¹⁶⁴ Japan Launches Voluntary Emissions Trading Scheme, International Emissions Trading Association, (Geneva), September 28 2005. Date of Access: 30 December 2005. <http://www.ieta.org/ieta/www/pages/index.php?idSitePage=962>.

fuel-efficient vehicles or using public procurement policies, which are both key elements of its Gleneagles commitment.

Analyst: Asif Farooq

6. Russia: -1

The Russian government has shown little evidence of compliance with the commitments it made at the Gleneagles Summit with regards to surface transportation and the promotion of low-emission vehicles. No official statement has been made by President Vladimir Putin or any of his ministers to indicate that the Russian government will endorse or move towards fulfilling any of these goals. Russia has made no effort to encourage Russian consumers to buy or drive low-emission vehicles, has made no changes to its procurement policies vis-à-vis cleaner vehicles, and has not made any substantial financial contribution or commitment into research and development of low-emission vehicles.

The only policy Russia has adopted towards reducing automobile emissions was verbalized at a press conference held by Deputy Minister of Foreign Affairs Alexander Yakovenko who announced that on 6 October 2005, the Russian government approved special technical regulations on requirements for emissions of harmful (polluting) substances of motor vehicles.¹¹⁶⁵ This initiative imposes new criteria and standards for cars based on the Euro 2 standard for automobile emissions with the hope that this will allow for an eventual move towards Euro 3, 4 and 5 standards.¹¹⁶⁶ Although this can be seen as a positive step towards the reduction of emissions caused by vehicles, with regards to the specific goals of the Gleneagles commitment, it falls short of compliance; the commitment clearly calls for the government to encourage and promote the use and development of cleaner, more fuel-efficient vehicles. While the government's decision to require all Russian vehicles to meet the Euro 2 emissions standard is in the spirit of the commitment, it is not significant enough a development to be counted as evidence of compliance given "the gap in vehicular exhaust standards" that is exemplified in the fact that almost all the other G8 countries already require Euro 3, 4 and 5 emissions standards or their equivalent.¹¹⁶⁷

Analyst: Elaine Kanasewich

7. United Kingdom: +1

The government of the United Kingdom has already demonstrated a high level of interim compliance with its Gleneagles commitment to promote the development of fuel-efficient vehicles and technologies. It has engaged in a number of partnerships and regulatory initiatives domestically and has complied or will likely comply with a number of changes to European Union regulations.

The UK government's actions on domestic regulation have been significant and broad, affecting a number of key transport sectors. To address emissions from private vehicles, a new consumer fuel efficiency labelling program was announced on 10 February 2005 by the Low Carbon Vehicle Partnership, a public-

¹¹⁶⁵ Russian Deputy Minister of Foreign Affairs Alexander Yakovenko Answers a Media Question Regarding Approval by Government of Special Technical Regulations on Requirements for Emissions of Harmful (Polluting) Substances of Motor Vehicles Manufactured in the Russian Federation, Ministry of Foreign Affairs of the Russian Federation, (Moscow), 6 October 2005. Date of Access: 4 January 2005.

http://www.in.mid.ru/brp_4.nsf/e78a48070f128a7b43256999005bcbb3/c1b73a1e4adeee38c325709200585e94?OpenDocument.

¹¹⁶⁶ Russian Deputy Minister of Foreign Affairs Alexander Yakovenko Answers a Media Question Regarding Approval by Government of Special Technical Regulations on Requirements for Emissions of Harmful (Polluting) Substances of Motor Vehicles Manufactured in the Russian Federation, Ministry of Foreign Affairs of the Russian Federation, (Moscow), 6 October 2005. Date of Access: 4 January 2005.

http://www.in.mid.ru/brp_4.nsf/e78a48070f128a7b43256999005bcbb3/c1b73a1e4adeee38c325709200585e94?OpenDocument.

¹¹⁶⁷ Emission Standards- European Union, Cars and Light Trucks, Dieselnet, December 2005. Date of Access: 3 January 2005. <http://www.dieselnet.com/standards/eu/ld.html>.

And, Russian Deputy Minister of Foreign Affairs Alexander Yakovenko Answers a Media Question Regarding Approval by Government of Special Technical Regulations on Requirements for Emissions of Harmful (Polluting) Substances of Motor Vehicles Manufactured in the Russian Federation, Ministry of Foreign Affairs of the Russian Federation, (Moscow), 6 October 2005. Date of Access: 7 January 2005.

private partnership which is funded by the UK Department for Transport and the Department of Trade and Transport.¹¹⁶⁸ The program was to be voluntarily carried out by all 42 automobile manufacturers operating in Britain in a program to last from July to September 2005.¹¹⁶⁹ UK Transport Secretary Alistair Darling announced on 10 November 2005 the implementation of the Renewable Transport Fuels Obligation, a new regulation which requires that 5% of all fuel sold in Britain by 2010 come from a renewable source, such as biomass, solar or wind. Darling estimated the potential CO₂ savings in 2010 would be "1 million tonnes of carbon dioxide emissions in 2010 - the equivalent of taking a million cars off the road."¹¹⁷⁰

Its status as an EU Member State and EU President from July through December 2005 indicates a level of financial and political support for EU actions. The European Commission on 12 August 2005 adopted a Biomass Action Plan, which "includes proposals on the tightening of fuel standards for biomass ... aims to promote investment in research, in particular in making liquid fuels out of wood and waste materials; and the running of information campaigns to inform farmers and forest owners about energy crops."¹¹⁷¹ It is anticipated that reforms to the EU Biofuels Directive will be completed in 2006 (whereupon the UK will be obligated to adopt them) and that the potential CO₂ savings that could result would be approximately 209 million tons of CO₂-equivalent annually.¹¹⁷² On 15 December 2005, the European Parliament voted in favour of an 2003 proposal to amend the 1999 Eurovignette Directive which would require all member states by 2010 to charge road fees for transport trucks that are based on the Euro fuel efficiency standards.¹¹⁷³ It is expected that the plan will download more emissions-related costs onto road users and improve total average EU truck fuel efficiency.¹¹⁷⁴

Analyst: Brian Kolenda

8. United States: +1

The United States government has demonstrated full interim compliance with its Gleneagles commitment to the promotion of environmentally-friendly vehicles, notably through regulatory changes, international partnerships, significant enforcement activities related to existing regulations and the introduction of tax incentives.

There have been a number of regulatory changes introduced by the US Environmental Protection Agency (EPA) to address fuel efficiency standards since Gleneagles. On 29 December 2005 it introduced a new rule to mandate that automobile manufacturers must show that all cars and light-duty trucks that have minimum fuel efficiency standards applied to them will be able to meet those standards throughout the planned lifetime of the vehicle.¹¹⁷⁵ The EPA announced a proposal on 10 January 2006 that would see improvements to the testing procedures to make fuel efficiency estimates of vehicles more accurate for consumers deciding to purchase automobiles.¹¹⁷⁶

In addition, the EPA has engaged in a number of international partnerships to promote fuel efficiency. The agency signed a memorandum of understanding with Canada's Natural Resources Canada (NRCan)

¹¹⁶⁸ Environmentalists and motor industry collaborate to introduce new 'green' label for cars, Low Carbon Vehicle Partnership, (London), 1 February 2005. Date of Access: 6 January 2006. http://www.lowcvp.org.uk/newsandevents/news.cfm?news_id=160.

¹¹⁶⁹ Environmentalists and motor industry collaborate to introduce new 'green' label for cars, Low Carbon Vehicle Partnership, (London), 1 February 2005. Date of Access: 6 January 2006. http://www.lowcvp.org.uk/newsandevents/news.cfm?news_id=160.

¹¹⁷⁰ Government says RTFO will save a million tonnes of CO₂, Low Carbon Vehicle Partnership, (London), 10 November 2005. Date of Access: 6 January 2006. http://www.lowcvp.org.uk/newsandevents/news.cfm?news_id=303.

¹¹⁷¹ European Commission adopts action plan to increase use of biomass for energy and transport, Low Carbon Vehicle Partnership, (London), 8 December 2005. Date of Access: 6 January 2006. http://www.lowcvp.org.uk/newsandevents/news.cfm?news_id=327.

¹¹⁷² European Commission adopts action plan to increase use of biomass for energy and transport, Low Carbon Vehicle Partnership, (London), 8 December 2005. Date of Access: 6 January 2006. http://www.lowcvp.org.uk/newsandevents/news.cfm?news_id=327.

¹¹⁷³ Sustainable transport - Towards fairer infrastructure charging, European Commission, (Brussels), 15 December 2005. Date of Access: 6 January 2006. <http://europa.eu.int/rapid/pressReleasesAction.do?reference=IP/05/1614&format=HTML>.

¹¹⁷⁴ Sustainable transport - Towards fairer infrastructure charging, European Commission, (Brussels), 15 December 2005. Date of Access: 6 January 2006. <http://europa.eu.int/rapid/pressReleasesAction.do?reference=IP/05/1614&format=HTML>.

¹¹⁷⁵ Final Rule for Emissions Durability Testing, Environmental Protection Agency, (Washington), 29 December 2005. Date of Access: 15 December 2005. <http://www.epa.gov/otaq/regs/lid-hwy/cap2000/420f05061.pdf>.

¹¹⁷⁶ EPA Proposes New Test Methods for Fuel Economy Window Stickers, Environmental Protection Agency, (Washington), 10 January 2006. Date of Access: 15 January 2006. <http://www.epa.gov/fueleconomy/420f06009.htm>.

Ministry that lays out plans “to cooperate and share information in research, development, and projects to save fuel and reduce emissions”.¹¹⁷⁷

Additionally, the US Justice Department has recently shown willingness to engage in significant fuel efficiency standards enforcement activity related to the Clean Air Act. It announced on 21 December 2005 a settlement with DaimlerChrysler in the amount of US\$94 million to repair violations of emission control defects on 1.5 million Jeep and Dodge vehicles.¹¹⁷⁸

These regulatory and enforcement actions were complemented when, in August 2005, the US Congress created a new clean vehicular tax credit and passed the Energy Policy Act 2005. Coming into effect on 1 January 2006, the tax credits will reduce American consumers’ and firms’ tax liability by up to US\$3,400 for each purchase of a fuel efficient vehicle.¹¹⁷⁹

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9. European Union: +1

The European Union has registered a high degree of interim compliance with the Gleneagles Surface Transportation Commitment, pursuing a comprehensive set of reforms and policies to facilitate the development of cleaner transport alternatives.

The main thrust of these efforts has been legislation passed through EU governance in the fall of 2005. Notably, on 20 September 2005, the European Parliament passed a lengthy directive to promote the reduction of vehicle emissions.¹¹⁸⁰ Critical elements of this directive included clarification and harmonization of emissions standards; commitment to require more expansive testing of vehicle emissions type and levels; commitment to improve the quality of motor fuel; provisions to require on-board diagnostics for the detection of deterioration in emission control equipment; and explicit permission to allow member states to offer tax incentives or subsidies to manufacturers in the clean surface transport sector.¹¹⁸¹ Responsibility for the implementation of the directive was placed with the European Commission. It was followed on 21 December 2005 by a European Commission directive to create a market to promote cleaner vehicles.¹¹⁸² This latter directive imposed a quota for the purchase of clean vehicles on all public bodies (25 percent of annual procurement of heavy-duty vehicles over 3.5 tonnes), estimated to lead to the purchasing of 52,000 vehicles.¹¹⁸³ The European Commission also formally

¹¹⁷⁷ US EPA & NRCan Press Event for Official Signing of the Memorandum of Understanding (MOU) and Licensing Agreement, Environmental Protection Agency, (Washington), 14 September 2005. Date of Access: 15 January 2006. <http://www.epa.gov/smartway/documents/420f05041.htm>.

¹¹⁷⁸ EPA Newsroom, US Environmental Protection Agency, (Washington), 21 December 2005. Date of Access: 6 January 2006. <http://yosemite.epa.gov/opa/admpress.nsf/68b5f2d54f3eefd28525701500517fbf/1751045d2387854f852570de006ea56a!OpenDocument>.

¹¹⁷⁹ New Energy Efficiency Tax Credits Take Effect, US Department of Energy, (Washington), 3 January 2006. Date of Access: 6 January 2006. <http://www.energy.gov/news/2852.htm>.

¹¹⁸⁰ Directive 2005/55/EC of the European Parliament and of the Council of 28 September 2005, Official Journal L 275 , 20/10/2005 P. 0001 – 0032, European Commission, (Brussels), 20 October 2005. Date of Access: 7 January 2006. <http://europa.eu.int/eur-lex/lex/LexUriServ/LexUriServ.do?uri=CELEX:32005L0055:EN:HTML>.

¹¹⁸¹ Directive 2005/55/EC of the European Parliament and of the Council of 28 September 2005, Official Journal L 275 , 20/10/2005 P. 0001 – 0032, European Commission, (Brussels), 20 October 2005. Date of Access: 7 January 2006. <http://europa.eu.int/eur-lex/lex/LexUriServ/LexUriServ.do?uri=CELEX:32005L0055:EN:HTML>.

¹¹⁸² Directive on the promotion of clean road transport vehicles, European Commission, (Brussels), 21 December 2005. Date of Access: 6 January 2006. <http://europa.eu.int/rapid/pressReleasesAction.do?reference=MEMO/05/495&format=HTML&aged=0&language=EN&guiLanguage=en>.

And, The European Commission wants to promote clean vehicles, European Commission, (Brussels), 21 December 2005. Date of Access: 7 January 2006.

<http://europa.eu.int/rapid/pressReleasesAction.do?reference=IP/05/1672&format=HTML&aged=0&language=EN&guiLanguage=en>.

¹¹⁸³ Directive on the promotion of clean road transport vehicles, European Commission, (Brussels), 21 December 2005. Date of Access: 6 January 2006.

<http://europa.eu.int/rapid/pressReleasesAction.do?reference=MEMO/05/495&format=HTML&aged=0&language=EN&guiLanguage=en>

proposed its Euro 5 standard for vehicular emissions, which would see cuts in nitrous oxide (a GHG) emissions by 20% and 25% for gasoline and diesel automobiles, respectively.¹¹⁸⁴

The EU continued the expansion and promotion of several of its existing 'clean transport' programs. On 8 July, the Directorate General for Energy and Transport "published its fourth and last call for proposals (total value of €214 million) under the 6th Framework Programme for Research, Technology Development and Demonstration", available in three issue areas, including "Sustainable Surface Transport".¹¹⁸⁵ Similarly, at the third annual meeting of the cities taking part in the EU's CIVITAS program for cleaner and better transport in cities, Mr Jacques Barrot, EU Commissioner for Transport and Tourism, reiterated the Commission's support to continue the program under the seventh Framework Programme for Research and Development (2007-2013), committing to select new demonstration cities in 2007 with a special emphasis on new EU member states.¹¹⁸⁶

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¹¹⁸⁴ Clean Cars: Commission proposes to reduce emissions, European Commission, (Brussels), 21 December 2005. Date of Access: 8 January 2006.

<http://europa.eu.int/rapid/pressReleasesAction.do?reference=IP/05/1660&format=HTML&aged=0&language=EN&guiLanguage=en>.

¹¹⁸⁵ DG TREN - 6FP: Fourth call for proposals is now open, CIVITAS, (Brussels), 8 July 2005. Date of Access: 6 January 2006.

<http://www.civitas-initiative.org/news.phtml?id=171>.

¹¹⁸⁶ Clean urban transport: the European Commission wants to build on the results of the CIVITAS programme, European Commission, (Brussels), 3 November 2005. Date of Access: 8 January 2006.

<http://europa.eu.int/rapid/pressReleasesAction.do?reference=IP/05/1368&format=HTML&aged=0&language=EN&guiLanguage=en>.