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EUROPE

1. Institutional Changes Impacting EU Environment Agenda

The European Union's 2010 environmental legislative work program will be finalized in the spring, once a number of institutional changes have taken effect. The changes have been introduced by the Treaty of Lisbon, which gives new powers to the 27-nation bloc and makes some modifications to its functioning and processes. The treaty came into force on December 1, 2009, after a complex and difficult negotiation and ratification process that began in 2001.

Concurrent with the entry into force of the treaty, the five-year mandate of the top officials of the European Commission, the EU executive arm responsible for proposing legislation, came to an end. Commission President José Manuel Barroso named new commissioners on November 27th with the appointments subject to the approval of the European Parliament, which held hearings during January.

The college of EU commissioners has 27 members, each representing an EU member state. The European Parliament has the right to reject as a whole the group of 27 Commission nominees announced by Commission President Jose Manuel Barroso but not individual commissioners. However, the Parliament has in the past used the threat of a general veto to have individual nominees replaced.

Consequently, the process of making legislative proposals is on hold. Nevertheless, some priority areas for the new Commission have already been identified. Barroso has published political guidelines for the commissioners, whose mandate will run through 2014. He has said that the European Union needs to modernize its industrial base so it is geared toward the use and production of greener technologies, and that the EU transportation sector and its energy supply need to be decarbonized. This includes “all transport, including maritime transport and aviation, as well as the development of clean and electric cars,” he said.

These broad goals will inform EU policymaking in the wake of the Copenhagen climate conference, which failed to reach a legally binding agreement. Prior to Copenhagen, the European Union agreed to reduce its greenhouse gas emissions by 20 percent by 2020 relative to 1990, and it committed to increase this to 30 percent if other developed economies took similar action.

Rosário Bento Pais, acting head of the Commission's climate change department, said that in 2010, the Commission will propose that the European Union adopt low-carbon growth plans, either for the bloc as a whole or for individual countries. These would set out priorities and measures through 2050 for economic development while meeting emissions-reduction targets sufficient to limit global warming to no more than 2 degrees Celsius (3.6 degrees Fahrenheit) above pre-industrial levels. Bento Pais said the Commission wants to finalize proposals for the plans by mid-2010, though detailed legislative proposals would most likely follow in 2011.

Other possible legislative initiatives can be identified from previous Commission statements, or because follow-up legislation is required by laws already in force. Laws scheduled to be revised in 2010 include the National Emission Ceilings Directive (2001/81/EC), which sets upper limits for the presence in air of sulfur dioxide, nitrogen oxides, volatile organic compounds, and ammonia.
The Commission may also issue proposals on regulating nitrogen oxide emissions from aviation, on waste exports, on EU funding for environmental technology and conservation projects, and on establishing an EU Environmental Technology Verification scheme, which would allow assessment of the performance and potential environmental impacts of new green technologies.

Starting in 2010, the responsibility for proposing EU environmental legislation will be divided between a climate action commissioner and the environment commissioner. Barring objections from the European Parliament, Denmark’s former environment minister, Connie Hedegaard, will become climate action commissioner, while Slovenia’s Janez Potočnik, who has been EU science and research commissioner, will be transferred to the environmental post.

The climate action portfolio is expected to have both EU and international dimensions. Barroso has said it will be a “horizontal competence” and Hedegaard will be responsible for “mainstreaming” climate policy in other policy areas such as energy, industry, and transportation. The climate action commissioner also will take a lead in formulating international climate policies and will work on continued international negotiations post-Copenhagen. The transport portfolio from the former Environment Directorate will be transferred to the Climate Action group.

The Commission is considering CO2 emission standards for trucks and traffic management measures including road pricing to help further reduce transport’s greenhouse gas emissions. The EU should also build up its presence at the International Civil Aviation Authority (ICAO) and International Maritime Organization (IMO) to influence international aviation and shipping emissions controls. No concrete proposals have yet been made.

The environment commissioner, meanwhile, will continue to deal with established environmental policies such as pollution control, waste, chemicals management, and nature protection. The capacity to deal with vehicle related issues impacting on urban air pollution will need to be nurtured and developed with much of the transport expertise having been moved.

While the European Commission reorganizes itself, EU decision making institutions—the European Parliament and the European Council, which represents EU member state governments—will move forward on a number of existing legislative dossiers. The main outstanding legislative drafts are a revision of the Directive on the Restriction of the Use of Certain Hazardous Substances in Electrical And Electronic Equipment (the RoHS Directive, 2002/95/EC) and the Directive on Waste Electrical and Electronic Equipment (WEEE Directive, 2002/96/EC). These require EU countries to set up waste collection systems, to meet collection targets for electronic and electrical items, and to ban cadmium, hexavalent chromium, lead, mercury, and some brominated flame retardants from such products. The revision proposals would add substances to the RoHS prohibited list and would tighten rules on WEEE collection and recycling. The dossiers are likely to be voted on by the European Parliament’s Environment Committee in April, with a possible plenary vote in May.

By adopting a number of resolutions, the Parliament has also provided the Commission with a wish list of environmental legislative proposals. These include action to outlaw any remaining use of asbestos fibers, establishment of a monitoring system and labeling rules for products including substances at the nanoscale, legislation to protect wilderness areas, rules for the management of biowaste, a revision of legislation relating to environmental inspections, and legislation to regulate maritime greenhouse gas emissions.

The Lisbon Treaty makes some changes to processes relating to the European Court of Justice (ECJ), which decides on disputes over EU legislation between the EU institutions and member
states. This is likely to affect the enforcement of environmental law because about one-fifth of EU infringement notifications sent by the Commission to EU countries relate to environmental legislation. The Treaty of Lisbon gives the ECJ the right to test decisions made not just by the Commission and member states, but also by EU agencies such as the European Environment Agency and the European Chemicals Agency. The treaty also allows in principle more cases to be brought against the EU institutions by small groups or individuals by making it easier for them to contest EU regulations that directly affect them. Regulations are laws that have uniform application across the European Union and do not have to be transposed by member states.

In addition, the treaty introduces a procedure under which the Commission can ask for a member state to be fined for non-transposition of EU legislation immediately once a court judgment has been obtained. Previously, member states could be fined only if the Commission brought a second case against them for noncompliance with an initial court judgment.

A. Environment Nominee Emphasizes Enforcement of Existing Rules

Environmental policy in the next European Commission will prioritize resource efficiency, biodiversity protection, and enforcement of existing legislation, the nominee for top environment official in the European Union told the European Parliament on January 13th. Janez Potočnik, a Slovenian economist who is slated to replace Stavros Dimas as EU environment commissioner, said he would concentrate in the next few years on implementing current environmental legislation rather than on proposals for new laws.

However, he added that EU legislation in a number of areas would be reviewed and new measures introduced “if there is a necessity.”

Potočnik also highlighted some areas where legislative initiatives might be considered, though he held back from making firm promises, saying that measures would only be taken based on “solid evidence.” Specific issues for action might include nanotechnology, soil protection, and forest management and preservation, Potočnik said.

Potočnik outlined his approach for the European Parliament’s Environment Committee. The environment commissioner is responsible for proposing and enforcing legislation, which takes effect through the European Union and must be implemented by member states. Potočnik said his overarching challenge would be to lead the 27-nation EU bloc into a “century of sustainability,” in which resources would be used efficiently and environmental regulation would be fairly enforced, giving business and society “strict and predictable” rules.

He referred several times to an issue likely to be sensitive for EU member state governments: the full inclusion of environmental costs in the price of products and of resources such as water. If environmental costs “are internalized in the price of the product, the right message will come to the consumer,” Potočnik said. “If you live in the market economy, the costs of what you are using should be part of the price of the product.” Potočnik said the inclusion of environmental costs in product prices could lessen exploitation of natural resources, which in turn could help with climate change mitigation and adaptation.

In response to questioning from lawmakers about increases in EU resource consumption, even though resources consumed per unit of gross domestic product have declined, Potočnik said he would consider targets as part of a strategy to reduce consumption in absolute terms.
He said an EU target of halting biodiversity loss by 2010 had clearly failed, but that improving knowledge and better implementing existing policies were the answer, rather than new laws. In particular, Potočnik said he would “bring in an holistic approach” that would see environmental policy included in decisions in other policy areas, such as agriculture and fisheries, and that this would help conserve biodiversity.

Potočnik added that he would push for all impact assessments carried out for EU legislative proposals to consider “strongly” environmental factors.

On enforcement, Potočnik said laws agreed to at the EU level should be implemented fully by member nations, who should follow the “intention of legislation.” Holger Krahmer, a German lawmaker from the European Parliament's Group of Liberals and Democrats, said that much EU environmental legislation “has not really achieved its objectives but [has] just created environmental bureaucracy.” In response, Potočnik said he would pursue enforcement of environmental legislation and that “only implemented legislation is the true legislation that is in favor of the environment.”

Potočnik made few specific promises for legislation but did say he would consider regulation of nanosubstances, which EU legislation does not treat differently from the same substances at normal scale. Referring to the European Union's regulation on the registration, evaluation, and authorization of chemicals (EC) No 1907/2006, Potočnik said “it is getting more and more obvious that the REACH legislation is simply not enough” for control of nanosubstances. He added “that doesn't mean I'm committing to anything” but that the “success of nanotech depends on how transparently we will develop this extremely economically important area.”

On soil protection legislation, Potočnik said, “My intention is not that I will remove the soil directive.” Proposed EU legislation requiring member states to inventory and remediate contaminated soils has been blocked for about two years in the EU Council, which represents national governments, because of an argument over whether soils should be regulated at the national or the European level.

On forest protection, Potočnik said he would continue with current initiatives to prevent illegally logged timber from entering the European Union and to extend voluntary forest protection agreements with countries such as Ghana.

### B. Industry Nominee Sees REACH and Car Industry as Priorities

Incoming industry commissioner Antonio Tajani told MEPs that the implementation of EU chemicals legislation (REACH) and the future of the car industry are two areas where he will need to "strike a balance" between industry and environment. Mr Tajani was presenting his vision for a new industrial policy "married" to the fight against climate change. The Italian will "shoulder full responsibility" to prevent the re-location of industries to non-EU regions with looser environmental constraints.

He wants to increase support for innovation and small and medium-sized enterprises (SMEs), and to further develop EU standards for industry, also possibly for electric car batteries and charging infrastructure. And he wants to export these standards to the rest of the world.

The Italian hailed REACH as "a good piece of legislation" but recognized problems such as potentially harmful combinations of chemicals, which he said will be addressed in a review planned for 2012. He added he was not in favor of an earlier review.
2. Climate, Biodiversity to Be Primary Spanish Focus as EU Presidency

Spain's environmental priorities for the EU presidency, a rotating post it assumed January 1st, will center on climate change, biodiversity, environmental impact evaluation legislation, water policy, and coastal and maritime sustainability. These EU priorities largely reflect the domestic environmental priorities of climate change, biodiversity, and sustainable development listed by the Ministry of Environment, Marine, and Rural Affairs (MARM) in its 2010 budget proposal.

MARM said in its national budget proposal that “the main objective of the Ministry is to formulate environmental quality policies for the prevention of pollution and climate change, and to promote the use of technologies and less-polluting consumption habits.” The ministry's announced plans for 2010 generally focus on implementing long-term strategies such as the 2007-2012-2020 Spanish Climate Change and Clean Energy Strategy, the 2008–2012 Emissions Rights Allocation Plan, and the National Vulnerability, Impact, and [Climate Change] Adaptation Plan.

One major novelty for 2010 will be the Ministry of Industry, Tourism, and Commerce's promotion of electric vehicles in Spain and push for an EU-wide electric vehicle strategy. The transportation sector accounts for roughly 40 percent of Spanish energy consumption and 33 percent of carbon dioxide emissions.

Under its EU presidency, Spain will be responsible for moving the bloc toward ratification of any global climate change agreements reached before its presidency ends.

The Industry Ministry also plans to push for the creation of solar power facilities in EU and non-EU nations through the Mediterranean Solar Plan.

With the United Nations' declaration of 2010 as the International Year of Biodiversity, the government said Spain's presidency will emphasize the protection of forests because of their dual roles as biologically diverse habitats and absorbers of greenhouse gases. Domestically, MARM said it will focus on applying the Biodiversity and Natural Heritage Law (42/2007), with emphasis on the conservation and recovery of ecosystems as well as anti-desertification measures.

According to Spain's five main environmental groups, the government's language in favor of biodiversity will clash with national economic development priorities in 2010 as the Public Works Ministry undertakes the first five-year revision of its 2005-2020 Strategic Infrastructure and Transport Plan (PEIT), which includes spending on ports, airports, and thousands of miles of highways and high-speed rail lines. WWF-Spain, SEO/BirdLife, Greenpeace, Ecologists in Action, and Friends of the Earth said biodiversity will suffer if the plan is not modified to include rigorous environmental impact assessments for sensitive areas such as Natura 2000 network sites.

Spanish environmentalists in 2010 are also expected to continue their calls for establishing a separate government ministry dedicated exclusively to environmental issues. Spain eliminated the Environment Ministry in favor of MARM in 2008.

3. Denmark Says It Will Meet EU Particulate Air Quality Standard

New figures issued by the Danish National Environmental Institute (DMU) show the nation will comply with an EU air pollution target earlier than expected. Detailed in a January 10th
Environment Ministry statement, the new figures contradict earlier measurements implying that the nation would not meet a 2011 EU deadline for member states to reduce annual concentrations of particulate matter between 10 microns and 2.5 microns in diameter (PM-10) to below 40 micrograms per cubic meter (µg/m³) on average. Particle levels in the most polluted area of Copenhagen did not exceed 30 µg/m³ on average, the new figures show. According to the ministry, errors in previous measurements led to particle levels being recorded as about 15 percent higher than was actually the case. However, a DMU senior scientist, Thomas Ellermann, told reporters the discrepancy was likely due to improved asphalt road surfaces. Since 2006, the ministry pointed out, tax breaks for purchases of diesel cars with particle filters have led to more than 100,000 such vehicles being sold. Other measures include the introduction of urban “environmental zones,” where the oldest and most polluting heavy vehicles must be equipped with particle filters.

4. Denmark to Focus on Green Technology, Energy Efficiency

With elections coming in November 2011, Danish Prime Minister Lars Lokke Rasmussen has pledged to continue an environmental program that includes major investments in green technology, research, and energy efficiency. After leading efforts to negotiate an international climate agreement at a United Nations-sponsored conference in Copenhagen in 2009, the Danish government will turn more to domestic greenhouse gas emissions reductions in 2010.

Initiatives will include tax incentives for environmentally friendly vehicles, ongoing construction of offshore wind turbines, and support for research into hydrogen-powered cars.

Environment Minister Troels Lund Poulsen told reporters that the government will seek to protect Danish companies’ market leadership in areas such as water treatment, waste management, the prevention of air pollution, and energy efficiency technologies. Other focus areas include nature protection and water and chemical management, he said.

An action plan announced in November 2009 allocates 173 million Danish kroner ($33.4 million) to chemical management, monitoring, and research over three years. The plan will increase monitoring of compliance with regulations, including labeling, and will speed up implementation of the European Union's REACH chemicals legislation, which stands for the registration, evaluation, and authorization of chemicals. The plan also allocates DKK 18 million ($3.5 million) for further implementation of the EU Biocidal Products Directive (98/8/EC), which will take effect in 2013.

A series of regional water and nature protection plans are being prepared to ensure compliance with the EU Water Framework Directive (2000/60/EC). Hearings on the plans are to start in January.

Announced in April 2009, a “Green Growth” plan for the agricultural and food sectors introduces a variety of nature and climate protection measures for industry. New targets include a significant increase in the use of manure for green energy, a doubling of organic farming, and a reduction in discharge of nitrogen, phosphorus, pesticides, and other potentially harmful substances. Denmark is also increasing its network of protected natural areas on both land and sea.

Starting on July 1st, local authorities will be allowed to tighten vehicle requirements in urban “environmental zones.” New rules will require the installation of catalytic converters in gasoline-powered commercial vehicles over 14 years old and particulate filters in commercial diesel
vehicles over seven years old. The new rules are initially expected to affect about 14,000 commercial vehicles in the Copenhagen area. Environmental zones will be established in Aarhus and Odense in 2010.

5. **Biodiversity, Climate Change, Top Agenda for Luxembourg**

Luxembourg's new Ministry of Sustainable Development and Infrastructure expects this year to finalize a national plan for sustainable development that will describe “goals and concrete measures for the new government but also civil society,” according to ministry spokesman Frank Wolff. This plan is of “particular importance” in light of the overhaul of ministry structures in 2009, he said. Ministries in charge of transportation, public works, spatial planning, and the environment were united under the new umbrella ministry after national elections in June.

The sustainable development plan, currently being formulated, will be submitted for public comment and parliamentary debate before adoption.

The ministry also foresees a busy year focused on biodiversity issues, an updated national plan on climate change, and a national plan for solid waste disposal.

Subsidies for low-emissions cars will be “readapted.” The government has been providing a subsidy of €750 ($1,075) to individuals who purchase a car that emits less than 120 grams of carbon dioxide per kilometer (6.8 ounces per mile). “The emission thresholds are going to be lowered one more time in order to incentivize people,” Wolff said. In 2010, “you get a higher subsidy if you go below 100.” The 2-year-old subsidy scheme has been successful: A quarter of new cars on Luxembourg's roadways met the 120-gram criteria in 2008, he said.

The government in 2010 will implement a plan to control air pollution in the city of Luxembourg, primarily aimed at reducing emissions of particles from transportation.

6. **Spanish PM Announces EU Plan on Electric Cars**

Energy ministers meeting in San Sebastian, Spain, on February 8th will unveil a Europe-wide plan for the development of electric cars, Spanish Prime Minister José Luis Rodriguez Zapatero has told the European Parliament. European industrialists believe the EU should coordinate efforts to develop electric cars across the region, Mr Zapatero told MEPs as he presented the Spanish EU presidency's program. In October a group of 50 EU power firms called for international standards in this area.

The plan would be part of the post-Lisbon strategy for growth and jobs, known as the EU 2020 strategy, expected to be discussed at a meeting of European leaders in Brussels on February 11th.

There has been renewed interest in electric cars in recent years following several unsuccessful launches in the 1990s. Spain has said it wants one million electric cars on the road by 2014. Neighboring Portugal launched Europe's first national recharging network in June last year.

7. **Renault Threatens Electric Car Withdrawal from Denmark**

Denmark is tipped to be one of the first countries in the world to establish an electric car grid infrastructure, but French car manufacturer Renault is threatening to withdraw from a deal in which it would provide the vehicles. Renault is supposed to provide electric cars to Better Place,
the company overseeing the installation of the infrastructure for an electric car grid, but will pull out if the government can’t reach agreement on viable car tax exemptions.

Japan-based companies, IT service provider NEC and car manufacturer Nissan are also involved in the plan, having created the lithium-ion battery pack to be used in the cars. DONG Energy is creating a national network of charging stations.

Better Place aims to have 500,000 electric cars on the roads by 2020, but the issue of vehicle registration tax remains. As part of the government’s green energy initiative, it was decided that electric vehicles would not be subject to the normal vehicle registration tax of 180 percent until 2012. Previous Climate and Energy Minister Connie Hedegaard hinted last year that an exemption, or at least a significant tax reduction, would be extended until 2015. But nothing’s clear yet. Current Climate and Energy Minister Lykke Friis said the issue was ‘complicated’ and that the government was working with the many stakeholders involved to resolve the problem quickly.

‘If we don’t get a clarification, then we at Renault want to focus on other countries for the first electric cars,’ Henrik Bang CEO of Renault Denmark told Berlingske Tidende newspaper. Renault wanted the issue resolved within six months, he said.

8. More Hungarian Motorists to Switch to Gas

More and more Hungarian motorists are expected to switch to gas as a vehicle fuel in the coming years, with consumption of LPG gas as car fuel projected to grow from the current 1.5%-2% to 5% in two years, according to LPG gas distributor Prímagáz. This is in line with trends in Western Europe, where the percentage of gas-fuelled cars is expected to rise to 10% by 2015 as some states provide guarantees to keep the tax on gas fuel at its current low level, Prímagáz said.

There are no such guarantees in Hungary; however, the price of gas fuel has been stagnating for years. Therefore, gas fuel is becoming increasingly popular with motorists. Prímagáz figures show one liter of LPG gas fuel costs an average HUF 135 less than petrol, and the price difference can be expected to remain unchanged in the long term. Motorists can save 30-40% of fuel costs, or up to HUF 100,000 – HUF 110,000 per 10,000 kilometers.

Skoda brand manager of Porsche Hungária Balázs Dalnoki also expects an increase in sales of gas-fuelled cars. More than 50 brand services in Hungary have been converting new and second-hand cars to LPG since April 2007 with support from the importer, while keeping the warranty terms unchanged. Dalnoki said that the company has sold around 900 converted – “dual” - models since April 2007. Sales in this category dropped to around 100 last year from around 500 in 2008 due to the crisis. He estimated that sales of dual models could make up 3%-5% of total sales this year.

Last year the company sold 5,361 new Skodas, controlling 7.25% of the market, which shrank around 50% to 60,000 new cars sold.

9. Work to Meet German Climate Goals to Continue

German Chancellor Angela Merkel’s government will stick to the country’s Integrated Energy and Climate Plan with its goal to reduce carbon dioxide emissions 40 percent from 1990 levels
by 2020. The target is notably more ambitious than the European Union's 20 percent reduction goal in the same period.

Market-based instruments, such as emissions trading, will be the main mechanism used to control greenhouse gas emissions, with a view toward an eventual global carbon market, according to a political coalition agreement between Merkel's conservative party and the pro-business Free Democrats.

The German Cabinet also is expected to present a new energy framework this year, which could include more emphasis on nuclear power in addition to the use of renewable energy sources.

Eventually, Germany would like to see 50 percent of the returns from carbon emissions trading auctions conducted under the EU Emission Trading System reinvested in measures to mitigate and adapt to climate change.

And wherever possible, Merkel's coalition government hopes to use instruments like the United Nations' Clean Development Mechanism to help reduce overall global greenhouse gas emissions. The CDM allows industrialized nations with obligations under the Kyoto Protocol to earn credits toward their greenhouse gas emissions-reduction targets by investing in projects that reduce emissions in developing nations.

At home, much of the focus in the previous year was on bolstering the German economy, but funding was made available for clean energy and climate-related programs. In 2009, 13 percent of Germany's economic stimulus programs went toward "green investments," according to an October 2009 analysis by the Berlin-based German Council on Foreign Relations.

Germany also helped to initiate the start of the International Renewable Energy Agency (IRENA) as well as the German-Russian Energy Agency (RuDEA) to develop new energy and technology markets, which Germany will continue to support in 2010.

The new Cabinet also is working to develop a new energy framework outlining "guidelines for clean, reliable, and affordable energy supplies" in Germany. Merkel's political coalition has said that nuclear power can be used as a "bridge technology" until cleaner renewable energy sources become available on a wider, commercial scale. The political coalition agreement between the Conservatives and Free Democrats said the government is "prepared to extend the lifetimes of German nuclear power stations in compliance with strict German and international security standards." Under former Chancellor Gerhard Schroeder's Cabinet, comprised of Social Democrats and the Green Party, Germany's nuclear power stations were to be phased out by 2020.

Germany is expected to continue to subsidize the retrofitting of diesel-engine cars with particle filters in 2010, the Environment Ministry said. Current subsidies, designed to improve air quality, particularly in cities, range up to €330 ($475) per vehicle. Continuation of the subsidy is to be included in Germany's budget for 2010, once it is approved.

To reduce pollution, the cities of Berlin, Frankfurt, Hanover, and Bremen plan to tighten vehicle access to inner city zones this year. Cities are being advised to restrict nitrogen dioxide in the air to a yearly average of 40 micrograms per cubic meter. Cars must be equipped with emissions labels based on the tax classification in their registration documents and the appropriate Euro emissions standard.
Also in 2010, battery manufacturers and importers must enroll in a national manufacturers’ registry managed by the Federal Environment Agency. The Act Revising the Law of Waste-Related Product Responsibility for Batteries and Accumulators went into effect in December 2009. It sets limits on cadmium and mercury content and binding quotas for the collection of spent batteries.

10. Ships Slow To Implement Low-Sulfur Requirement

Very few ships have been certified as complying with a new EU limit on the sulfur content of fuels used while at berth in European ports, according to the European Commission. The limit entered force on 1 January. Ships using heavy fuel oil at sea must switch to lighter fuels such as gas oil when berthed in EU ports to meet a 0.1% limit on sulfur in fuel. Ships that are not designed to use these fuels must undergo technical modifications to eliminate safety risks.

Some ships have still not completed the modifications and the vast majority is not certified, the commission says. The situation was caused by delays in the development of technical solutions by the shipping industry. Ship owners should be required to provide detailed evidence of the steps they are taking to comply with the new limit, according to a recommendation published in late December.

In 2008, the International Maritime Organization agreed to cap the sulfur content of all marine fuels at 0.5% worldwide from 2020. The limit will be implemented in stages. The maximum permissible fuel sulfur content today is 4.5%.

11. Caspian Countries to Boost Environmental Protection

The Caspian nations of Kazakhstan, Turkmenistan, and Azerbaijan, as well as Central Asia’s most populous state, Uzbekistan, have pledged to improve their respective systems of environmental legislation. But these former Soviet states have been slow to adopt new environmental laws, instead relying on ad hoc measures.

All four nations hope to see new or amended laws to bolster environmental protection. Kazakhstan looks to improve its legal framework as it works to address enduring problems associated with historical pollution, including the former nuclear testing ground of Semipalatinsk, and to reduce air pollution with updated laws to reduce vehicle pollutant emissions.

Turkmenistan also looks to revamp its environmental law framework, with a focus on biodiversity protection and attracting international investments for projects that will reduce or save greenhouse gas emissions.

Both Azerbaijan and Uzbekistan hope 2010 will be the year their parliaments approve new legal requirements. Adoption of environmental protection laws in Azerbaijan seems unlikely in 2010, as amendments to current law have stalled in Parliament in recent years. Uzbekistan, however, likely will see the adoption of new laws on environmental protection and water use, along with greater representation in Parliament from its growing environmental movement.

Kazakhstani authorities have repeatedly pledged to introduce stricter environmental regulations. The country's Environmental Code, adopted in January 2007, was intended to introduce environmental standards patterned after international conventions and EU regulations. And in January 2009, Prime Minister Karim Masimov ordered Environment Protection Minister Nurlan
Iskakov to “apply international regulatory standards” in Kazakhstan. Under Iskakov, the Environment Protection Ministry was in charge of drafting the country's environmental legislation, including the Environmental Code, as well as sustainable development and renewable energy blueprints. During Iskakov's stay in office, Kazakhstan ratified the Kyoto Protocol, the Stockholm Convention on Persistent Organic Pollutants, and the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides. But in October, Iskakov was sentenced to four years in jail for embezzling 1.172 billion tenge ($8 million) in state funds earmarked for processing hazardous waste.

The government also moved to limit urban air pollution. In June 2009, Kazakhstan's Transport and Communication Ministry announced introduction of Euro 2 emissions standards, modeled off the European standard, for cars and light commercial vehicles. The new standards, which regulate emissions of carbon monoxide, hydrocarbons, and nitrogen oxides, took effect Jan. 1. Kazakhstan will then require vehicles to meet the more stringent Euro 3 vehicle emissions standards starting Jan. 1, 2014, followed by the adoption of Euro 4 standards in 2016.

12. Sweden to Address Marine Protection, Carbon Emissions, Biodiversity

Sweden's 2010 environmental agenda focuses on climate change, biodiversity, and marine protection measures, according to Environment Ministry official Lennart Boden. The government also will push ahead with investments in sustainable energy and staggered changes to fuel and energy taxes.

Meanwhile, the nation's political agenda will be dominated by the September 19th general election. The ruling center-right coalition led by Prime Minister Frederik Reinfeldt's Moderate Party is expected to face a strong challenge from a center-left coalition headed by Social Democrat Mona Sahlin.

Any changes to Sweden's environmental policy due to an opposition victory would not take effect before 2011. Should the opposition gain power, one major shift could be the re-introduction of a nuclear phase-out policy favored by previous Social Democrat administrations. While the current government is committed to replacing existing nuclear reactors, the smaller left-wing opposition parties favor the phase-out policy.

Leif Holmberg, a political adviser at the Environment Ministry, pointed out another difference between parties: While the opposition favors programs to reduce the emissions of older cars, the government supports policies that encourage people to buy newer, low-emission vehicles that run on biofuels.

A law abolishing the carbon dioxide tax on fuel used by companies covered by the EU Emission Trading System and introducing other environmentally targeted changes to fuel and energy taxes will take effect Jan. 1, 2011.

13. Improved Air Quality, Finalized Road Tax Pricing Top Dutch 2010 Agenda

The Netherlands this year plans to streamline environmental licensing, to improve air quality, and to finalize road tax pricing measures, but the country may be forced to slow the pace of some environmental initiatives because of the current economic downturn. Since emissions of greenhouse gases have dropped because of the recession, the government will likely not take immediate action to reduce them further, Robert Maas, head of the European Air Quality and Sustainable Development Unit at the Netherlands Environmental Assessment Agency, told
reporters. However, should negotiators reach an international climate change agreement in 2010 sufficient for Europe to raise its carbon emissions reduction target to 30 percent below 1990 levels by 2020, as proposed in 2008 legislation, the Netherlands would likely develop a new plan to reduce carbon dioxide emissions. The plan could include more investment in renewable electricity, particularly wind power; a high-voltage DC current (HVDC) electricity supergrid provided other countries participate; and local “smart” electricity grids, he said.

Meanwhile, Rotterdam harbor authorities are considering introducing stricter limits on sulfur in fuel in 2010 for their own fleet and for ships that pay frequent visits to Europe's busiest port. The current sulfur limit of 15,000 parts per million could be reduced to 5,000 parts per million in line with proposals from the International Maritime Organization, Maas said. Additional measures could include speed limits for ships, use of electricity from the shore, efficiency measures for harbor installations, and stricter emissions limits for vehicles in the harbor, Maas said.

A road pricing scheme passed in November 2009 is likely to prompt continued debate in 2010, Maas said. Vehicle owners will be required to pay a tax per kilometer driven. The rates will range from 3 euro cents to 7 euro cents per kilometer, depending on the type of vehicle, the location, and the time of day. Although the law has been approved and is scheduled to go into effect in 2014, debate continues over the privacy implications of the plan. With national elections coming up in May, “you never know what the new government will do,” Maas said.

Environmental improvements in the area around Amsterdam's Schipol airport have come to a “temporary halt” following the repeal of an environmental tax on air tickets in 2009, Maas said.

14. Aluminum Industry Expansion; Climate, Tax Initiatives Planned in Iceland

Plans for large-scale expansion of Iceland's aluminum industry are likely to generate environmental news in 2010, along with formulation of an action plan to reduce greenhouse gas emissions and a new tax system to encourage the use of fuel-efficient and renewable fuel cars.

The recent slump in the value of the Icelandic krone emphasized the importance of the hard currency earned by Iceland's lucrative aluminum smelting industry. U.S.-based Alcoa, a major player, aims to begin construction in 2010 on a new plant with a capacity of 250,000 million tons per year. However, critics have said the industry's use of geothermal power reserves may not be as sustainable and emissions-friendly as it claims. Environment Minister Svandis Svatarsdottir is known to sympathize with those opposing large-scale expansion of the industry.

Icelandic Prime Minister Johanna Siguroardottir's administration, which took office in April 2009, has not yet proposed significant changes in environmental policies for 2010. However, Environment Ministry official Gudmundur Gudmundsson outlined several initiatives in an interview with reporters. Gudmundsson said the government's long-term goal is to reduce net carbon dioxide emissions by between 50 percent and 75 percent by 2050. A study listing various options to reach these goals was undertaken in 2009. An action plan to reduce greenhouse gas emissions in the period until 2020 and implement other climate change commitments is to be developed and adopted by the government during 2010.

Work will continue to fully implement the EU Emission Trading System into Icelandic law and to prepare for proposed amendments to the scheme in 2012, Gudmundsson said. The ETS is expected to have a considerable impact after 2012, when it is will encompass the aluminum industry.
The government is also formulating a new tax system for 2010 for gasoline and vehicle imports designed to encourage the use of renewable fuel and fuel-efficient cars, Gudmundsson said. Other measures will include a clampdown on off-road driving due to its negative environmental impact.

A severe economic downturn in Iceland delayed implementation of EU and other legislation in 2009. While Iceland is not an EU member, it closely follows European environmental legislation through its membership in the European Economic Area agreement. EU directives are first incorporated into the EEA Agreement before becoming law in EEA nations.

Iceland applied to join the European Union in July 2009 and will likely become a full member in 2012. Domestic support is not universal, however. Many Icelanders fear the loss of fishing rights under bloc's Common Fisheries Policy.

15. Commission Objects to Italy's Request to Delay Air Quality Compliance

The European Commission adopted a decision concerning a second request from Italy for additional time to comply with EU legislation on air quality. The decision relates to a request for temporary exemptions in 12 additional zones or agglomerations from the EU's air quality standards for PM\(_{10}\) in the regions of Campania, Puglia and Sicilia. The Commission decision approved a time extension for PM\(_{10}\) in one air quality zone in the region of Campania but objected to all other requests. Some 20 decisions have already been adopted in 2009 one of them on an earlier request from Italy for different zones or agglomerations. The vast majority of air quality zones in the EU did not satisfy the conditions for a time extension, or were already found to be in compliance with the limit values.

Environment Commissioner Stavros Dimas said: "Air pollution has serious impacts on human health and compliance with the standards must be our priority. The 2008 EU air quality Directive recognizes the difficulties some Member States have experienced in meeting the standards for PM\(_{10}\) by the initial deadline of 2005 and allows the possibility of a limited time extension. However, the Commission expects Member States to clearly demonstrate that they are doing their utmost to comply with EU standards in the shortest possible time."

The Commission has decided that in one air quality zone in Italy the notified exemption satisfies the conditions in the Directive. In the remaining zones the Commission considered that the conditions have not been met. In many cases, this is because insufficient data has been provided or because the measures outlined in the air quality plans submitted to the Commission do not demonstrate that the standards will be met when the exemption period expires.

The Commission's assessment also shows that in some cases exemptions will not be necessary since compliance with the limit values has already been achieved. This is the case in four of the twelve notified air quality zones.

In its decision from 28 September 2009 on the first Italian notification, the Commission had approved a time extension for PM\(_{10}\) in 5 zones and raised objections for the remaining 62 notified zones. With the adoption of a decision on Italy's second request for a time extension to meet the PM\(_{10}\) limit values, the Commission has adopted a position on all zones which were known to be in exceedance of the PM\(_{10}\) limit values in 2007.
Where the Commission has raised objections to requests for time extensions, Member States may put forward further requests if they provide new information to demonstrate fulfillment of the conditions.

Twenty-one decisions on time extensions concerning 18 Member States have been adopted until now. The Commission decided that the conditions for an exemption from the PM$_{10}$ limit values were satisfied in 49 air quality zones in Austria, Cyprus, the Czech Republic, Germany, Hungary, Italy, the Netherlands, Poland and Spain. In these cases, it has been demonstrated that compliance will be achieved at the expiry of the time extension period through comprehensive air quality plans.

EU air quality legislation sets binding limit values and/or indicative target values for the maximum permitted concentrations of certain pollutants in the air. Action to reduce pollution through an air quality plan is required where there is a risk of these standards being exceeded.

There are two binding air quality limit values for particulate matter (PM 10) based on daily (50 µg/m$^3$, not to be exceeded more than 35 times a calendar year) and annual (40 µg/m$^3$) average concentrations. These entered into force on 1 January 2005.

The 2008 air quality Directive allows Member States, under strict conditions, time extensions for meeting the air quality standards for PM$_{10}$ (until 11 June 2011) and NO$_2$ and benzene (until 2015 at the latest). During the extension period, limit values continue to apply plus a margin of tolerance.

16. Air Pollution: The Biggest Killer on Britain’s Roads

According to the most recent official figures – published back in 1998 – up to 24,000 people in Britain die before their time every year as a result of air pollution caused by vehicles, compared with 2,600 killed in road accidents. Yet EU researchers say that this figure could represent less than half of the true toll, given that new studies are increasingly linking long-term exposure to traffic pollution to a range of chronic diseases.

Recently, the House of Commons’ Environmental Audit Committee heard evidence that about 35,000 people – or 51,500, if you use the methodology devised by the European Topic Centre on Air and Climate Change – died prematurely in 2005 as a result of exposure to tiny airborne particles generated by traffic. Professor Frank Kelly, an environmental health expert at King’s College London, claimed that about 3,500 and possibly up to 8,000 deaths in London alone could be attributed to this kind of pollution.

Tim Yeo, the head of the committee and a former shadow environment secretary, said that he was “startled” by the new statistics. Yet even they do not measure the full cost of air pollution, which is estimated to cost Britain up to £20 billion a year in terms of ill health and time off work. The problem is so severe that Britain is already subject to legal action in the European Court, which could cost it hundreds of millions of pounds in fines.

At first sight, this idea seems strange. The pea-souper fogs that once defined the capital city have long vanished, the last straw being the so-called Great Smog of 1952, when a thick cloud of pollution settled over London and penetrated deep into its inhabitants’ lungs for five days. The resultant 12,000 deaths led to new policies that aimed to cut industrial emissions – the main source of air pollution at the time. A couple of decades later, the fumes caused by traffic
congestion (most notoriously in southern California) seemed to have been similarly defeated by the catalytic converter.

Although modern pollution is less visible, it is no less prevalent. Road transport is now responsible for up to 70 per cent of air pollution in urban areas, the two main culprits being nitrogen dioxide – increasingly believed to be a major cause of asthma in children and present at higher levels in London than any other capital in Europe – and tiny airborne particulates. Both are emitted by the combustion of fuel, although other particulates – sometimes as much as half of the total – can come from road dust and brake and tire wear, which are harder to measure – or regulate.

Despite tighter emissions standards, both nitrogen dioxide and the particulates have remained in the atmosphere thanks to the rise of diesel engines, which emit less carbon dioxide but produce smaller and more chemically complex particulate matter damaging to human lungs. Indeed, diesels have risen from powering eight per cent of new car registrations in the early 1990s to more than 40 per cent today, while traffic volumes have risen by a quarter.

So what are the dangers? A report by the US-based Health Effects Institute, which draws on more than 700 recent studies, shows "strong evidence" that cardiovascular and lung disease can be the result of long-term exposure to high levels of air pollution. Particularly dangerous manifestations can include atherosclerosis – a hardening of the arteries which can lead to heart attack or stroke – and a narrowing of the airways known as chronic obstructive pulmonary disease. These findings were not factored into the 12-year-old DEFRA figures for early deaths, which are yet to be updated to include the long-term effects of exposure. Nor did they include the fact that the HEI report points to stunted lung development in children and possibly complications during pregnancy as further likely hazards for those in highly exposed areas, such as homes sited within 500 meters of a major road (a category that includes nearly 12 million people in England alone, including a disproportionate number of poorer families and ethnic minorities). According to one study, children growing up with high exposure are unlikely ever to attain full lung function.

In its submissions to the Environmental Audit Committee, the Department for Transport insisted that adequate efforts were being made to reduce the impact of harmful traffic emissions. However, Graham Pendlebury, the department's environment and international director, has had to concede that a relatively small proportion of its resources are committed to air quality. Germany, for example, has roughly 40 "low emission zones" in city centers, designed to reduce pollution in the worst-hit areas; here, there is only one, which operates across London.

No wonder, then, that Britain has breached EU limits on airborne particulates (which are based on World Health Organization recommendations) every year since the rules came into force in 2005, and is equally woeful in terms of nitrogen dioxide, for which new rules came in this year. EU limits for nitrogen dioxide for the whole of 2010 were breached in less than a month in London, and scores of town and cities are set to exceed the levels now in force.

The European Commission has launched legal action to force Britain to comply (the Government has until June to apply for an extension, although its last appeal for such was rejected back in December). If Britain is punished, the cost is expected to be about £300 million. Embarrassingly, the process will come to a head around the time of the 2012 Olympics, which London has promised will be the greenest ever.
As if this wasn't bad enough, the National Audit Office revealed last month that Britain is not on target to meet even its own objectives on five different air pollutant types. Progress in improving air quality has, it said, largely stalled over the past decade. Particulate matter is still most heavily concentrated in London, though several other cities, including Glasgow and Birmingham, avoided EU fines only after last-minute appeals for extensions.

What can be done? Giving evidence to the Commons committee, Prof Kelly said that the Government, the Mayor of London and local councils had to act decisively, as in the same way they had over obesity or smoking, adding that we need to reduce the number of vehicles on the roads “by at least 20 to 30 per cent”. Some experts say that emissions from power stations and domestic gas boilers must also be addressed, with greater use made, for example, of clean renewable energy, and the promotion of the boiler scrappage scheme, which subsidizes cleaner, modern gas boilers.

Others point out that air pollution and its devastating impact on public health have long been kept in the shadows by the more headline-grabbing concerns of the green movement: the decision to promote diesel engines, on the basis of their relatively lower carbon footprint, is a classic example. It would be ironic if we succeeded in saving the planet, only to choke to death in the process.

17. Spain Making Slow Progress on Van Emissions

The Spanish presidency's hopes of making significant progress towards an EU agreement during their tenure on a European Commission proposal to curb CO₂ emissions from light commercial vehicles (LCVs) such as vans are fading as MEPs have yet to begin debating the issue.

Member state experts have been meeting regularly to debate the draft regulation but progress has been hindered by the European Parliament's lack of engagement with the issue to date. Member states are reluctant to show their hand until MEPs give an indication of their position. A first debate in the parliament's environment committee is provisionally scheduled for late March, according to reports. Spain plans to hold a council debate on 15 March and wants an agreement among governments by June.

Negotiations between member states and MEPs are likely to continue under the Belgium presidency. Two other sources told the press that the environment committee's rapporteur for the proposal, British conservative MEP Martin Callanan, did not want to rush through a first-reading deal.

In the council's preliminary discussions, only Italy has spoken out against setting a long-term 2020 target to reduce emissions, one EU source said, while several member states, including France, have questioned whether the commission's proposed limit of 135 grams per kilometer was too strict.

Several member states (France, Spain and the UK) also want to extend "super-credits" for electric vehicles beyond the commission's proposed cut-off date of 2016. These credits would count more than other carbon emission reduction measures towards achieving manufacturers’ individual limits. Green group T&E raised concerns over these credits. Because they would offset carbon emissions from other types of vehicles, the group says manufacturers would not be encouraged to reduce emissions across their fleets. They could produce up to 3.5 SUVs for every electric vehicle and still meet their targets, it estimates.
Several member states are also concerned about penalties. Last year, France, Germany and Italy wrote to the commission to say the fines were too high. They may find a sympathetic ear in Mr Callanan, who argued for lower penalties in the EU regulation on CO2 emissions from cars.

Member states want the commission to clarify how the rules would apply to so-called "multistage" vehicles, such as mobile market stalls, which are made by more than one manufacturer. There is also debate over whether minibuses and larger vehicles, between 3.5 and 12 tons, should be brought into the scope of the legislation.

18. Controversy Mounts in EU Over Unintended Consequences From Biofuel

Fresh controversy appears to be mounting within the European Union over biofuels and their unintended impact on tropical forests and wetlands. One document from the European Commission suggests biofuel from palm oil might get a boost from new environmental criteria under development. But another contains a warning that taking full account of the carbon footprint of biofuels might "kill" an EU industry with annual revenues of around $5 billion.

The European Union aims to get a tenth of its road fuels from renewable sources by the end of this decade, but has met with criticism that biofuels can force up food prices and do more harm than good in the fight against climate change. Most of the 10 percent goal will be met through biofuels, creating a market coveted by EU farming nations, which produce about 10 billion liters a year, as well as exporters such as Brazil, Malaysia and Indonesia.

Environmentalists say biofuels made from grains and oilseeds are forcing farmers to expand agricultural land by hacking into rainforests and draining wetlands -- known as "indirect land-use change" (ILUC). Clearing and burning forests puts vast quantities of carbon emissions into the atmosphere, so the EU risks promoting damage to the climate by creating such a valuable market. To counter that risk, strict environmental criteria have been put in place.

The European Commission has also been looking at introducing new rules to curb the impact of ILUC, but its progress had been complicated by conflicting opinions among specialists on trade, agriculture, energy and environment.

The stakes are high for European biofuel producers. "An unguided use of ILUC would kill biofuels in the EU," a senior agriculture official in the Commission wrote to a top energy official in a letter seen by reporters.

As part of its research, the Commission has received new scientific reports casting a new negative light on biofuels due to their indirect impact on land use, but has not made them public, says environmental group T&E. The group has made a legal request to the Commission for the documents, but it has so far taken more than three-times the statutory 30 days to provide them. "These reports need to be released so the public can see the full facts," said T&E campaigner Nusa Urbancic. "What is especially worrying is that we are seeing a pattern of manipulation of the science."

Commission officials said their research included hundreds of documents, making it difficult to meet T&E's request. "The Commission is taking indirect land use change emissions from biofuels very seriously, and is conducting a large amount of work, including modeling work, in order to understand this issue with the best science available," said Marlene Holzner, spokeswoman for Energy Commissioner Guenther Oettinger. "If the final results of this work
show that indirect land use change emissions from biofuels are significant, then the Commission will need to consider what would be the appropriate policy response," she added.

A recent Commission document on biofuels appeared to wave through the palm oil industry, which stands accused of cutting down tropical forests in Malaysia and Indonesia to make way for plantations. "A change from forest to oil palm plantation would not per se constitute a breach of the criterion," said the document seen by the press. Holzner cautioned against drawing any conclusions from an unfinished draft. "EU policy promotes only those biofuels which positively contribute towards our ambitions to decarbonize our energy systems," she added.

The industry has already been dogged by contentions that the main justification for policies supporting biofuels — that they are greener than fossil-based products — is unsound. Many environmental advocates claim that a large number of fuels grown from crops do not merit public subsidies or production incentives.

European governments agreed in December 2008 that only biofuels that reduced greenhouse gas emissions by 35 percent compared with fossil fuels should qualify for meeting the trade bloc’s current goal. But at the time, the governments directed the commission to investigate indirect land use change and, depending on the findings, to decide whether any changes needed to be made about which biofuels counted toward the goal. The commission’s studies are intended to determine the volume of emissions created when forest or land is cleared to replace food production lost to biofuel crops. Converting land can release large amounts of greenhouse gases when vegetation is cleared. Plowing also exposes carbon stored in the soil to the air.

In a memorandum, Jean-Luc Demarty, the top civil servant in the agriculture department at the European Commission, wrote to a colleague in December that “an unguided use of I.L.U.C. would kill biofuels in the E.U.” His words suggest that most of the models in the studies used for calculating emissions would rule out fuels made from crops currently produced in the European Union. That, he added in the handwritten note, “is probably the objective” of those who oppose incentives for some forms of biofuels. Mr. Demarty declined to comment, but other officials did not dispute the authenticity of the note.

In the United States, the Environmental Protection Agency has concluded that a number of biofuels would still meet emissions limits even after land-use changes resulting from increased biofuel demand. But in the case of corn-based ethanol, the agency said that manufacturers would need to use “advanced efficient technologies” during production to meet American limits.

19. Spain Sees Emissions to 2012 Breaching Kyoto Limit

Spain has predicted that its greenhouse gas emissions in the 2008-12 period will be almost 20 percent above the upper limit it was set under the Kyoto Protocol. The Environment Ministry said emissions would be, on average, 34.45 percent above 1990 levels, the benchmark year set by Kyoto, under which Spain was allowed to emit 15 percent more in 2008-12 because it was not considered fully industrialized.

It will now exceed that limit by 19.45 percent.

However, Spain has long planned to bridge a gap of 22 percent above Kyoto limits by offsetting 20 percentage points by purchasing emissions rights from less industrialized countries, and another two points by investing in carbon-capturing forests.
The Environment Ministry added in a statement that emissions in 2008 -- the last year for which figures are available -- emissions fell by 7.7 percent from the year before to the equivalent of 405.05 million tons of carbon dioxide.

The Ministry said the drop was due to renewable energy sources gradually replacing coal in the generation mix, and less fuel being consumed by transport and industries like cement manufacturing.

20. Tajani Wants EU Plan to Promote Clean Vehicles

Industry commissioner Antonio Tajani will propose an EU strategy to promote the development of clean and low carbon vehicles, he told the car industry in Brussels. The strategy would be broader than Spain's electric car initiative.

Mr Tajani welcomed the Spanish initiative, noting the increasing political interest in electric cars in some member states as well as in the media. It does not contradict the commission's "more balanced" approach towards environmentally-friendly vehicles, he said. However there is an urgent need to improve the efficiency of existing engines and to increase biofuels use because electric cars will not make a major contribution to reducing transport emissions for another 20-30 years, the industry commissioner added.

Mr Tajani also reiterated the commission's neutrality regarding green technologies. Industry stakeholders were invited to give their views on when the strategy should be proposed, and what measures it should contain. It will be followed by an action plan.

In January, a commission official told the European Parliament the EU executive was considering other green transport plans such as carbon dioxide emission standards for trucks and traffic management measures including road pricing.

21. Hedegaard to Consult Big Emitters on Climate Talks

Climate commissioner Connie Hedegaard will undertake a consultation of large CO2 emitters in the coming weeks to assess the best next steps for international climate negotiations, the European Commission has said. Ms Hedegaard's mission will be to try to revive international climate talks. In a letter to EU heads of state and government, commission president José Manuel Barroso said Europe needed to rethink its approach to other emitters if it wants to make progress.

Earlier this year a senior commission official said the EU must seriously rethink its position after Copenhagen but there has been no concrete evidence radical changes were on the way so far. Ms Hedegaard will report to European leaders in March and June.

22. JRC Study Seeks To Reassure Over Eurovignette Costs

Proposals allowing member states to charge lorries for their environmental impact, especially congestion charging, will bring significant benefits at little cost, according to a study issued last month by the European Commission's Joint Research Centre (JRC).
The commission’s “Eurovignette” proposals stalled in the Council of Ministers a year ago over fears they could disproportionately increase the cost of road freight transport. Plans for a congestion charge for trucks were particularly controversial.

The EU executive then said it would conduct further analysis on the impact of the plans in an attempt to break the deadlock. The JRC study finds the proposed congestion charge would make up only 6-18% of the total environmental charge trucks would face.

Charges for air pollution would account for the bulk of the cost at 73-87%. An earlier study estimated that congestion charging would deliver about half of a net welfare gain of €2.3bn per year, if all road transport had to pay for external costs.

Green transport group T&E welcomed the new findings. “The lion’s share of the benefit will come from reduced congestion,” said policy officer Nina Renshaw. “Whilst the congestion charge equates to less than 0.5% of transport costs on average.”

Lorries would have to pay an extra cost of €0.026-€0.053 per kilometer to cover external costs. Haulage firms’ average operating costs would increase by 1.8% to 5.2%. Even if they passed this on in full to customers, final product prices would increase by no more than half a percent, the JRC says.

Road transport volumes are expected to decrease by 0.7% or 13.5 billion ton kilometers a year under the proposals, due to more efficient operations. This would cut CO2 emissions from road freight transport by 8%, which is very significant for a sector free from carbon constraints, Ms Renshaw says.

The proposals could accelerate the proportion of trucks meeting Euro V rather than Euro IV air pollution standards, the JRC says, saving €800-€3400 per year. The Belgian EU presidency is expected to restart council discussions on the issue. Spain, the current presidency, opposes the proposal.

23. THINK welcomes Amsterdam’s Electric Transport Project Subsidy

THINK, the Scandinavian EV maker, has publically welcomed a new Electric Transport Project subsidy from the Amsterdam City Council, designed to encourage local corporations and entrepreneurs to electrify their vehicles and help reduce emissions and improve air quality in the city.

A project fund of €3 million is available for grants to entrepreneurs and companies in the city who wish to replace their existing ICE vehicles with pure electric vehicles. Grants are available to cover up to 50% of the additional costs of buying EVs, which currently cost more than conventional ICE vehicles.

Grants available are as follows:

- Up to €15,000 available to buy a single EV
- Up to €25,000 available to buy a single EV van
- Up to €45,000 available to buy a single EV truck or taxi
- Up to €250,000 available to buy fleets of 20 vehicles or more
THINK CEO, Richard Canny, says: “This project from Amsterdam City Council stands out as the most forward-thinking of initiatives in the electric vehicle sector across the whole of Europe. Business and enterprise is at the heart of any major city, and targeting this sector with such generous subsidies we think will change the face of business transport in the city. We are increasing our EV sales forecasts in the Netherlands on the back of this announcement, and urge other forward-thinking, green European cities to follow Amsterdam’s lead with this marvelous initiative.”

The THINK City is a purpose-built, all-electric car designed for urban environments. It can travel at highway speeds for some 160 kilometers on a single charge (via any 220V household outlet), with zero local emissions. It is the world’s first EV to be granted certification with the European CE conformity mark and EU homologation requirements (M1 certificate). To achieve these exacting standards, the THINK City has been through extensive testing and validation and several hundred computer simulations and correlations.

European production of the THINK City is underway in Finland with manufacturing partner Valmet Automotive, which also assembles the Boxster and Cayman models for Porsche AG. First customer deliveries are taking place across Europe in selected key EV markets such as Austria, Denmark, The Netherlands, Norway, Spain and Sweden.

THINK also recently announced plans to establish an American production facility in Indianapolis, USA.

24. "Smart" Power Key As EU Electric Car Debate Gets Underway

Electric cars must be backed by "smart" power networks if they are to help the world’s climate problems, environmentalists warned as European ministers prepared to debate a strategy for the sector.

Industry ministers will meet in San Sebastian, Spain to discuss how to realign power infrastructure, equipment standards and the marketplace so that European carmakers can race ahead of rivals in Japan, China and the United States.

The European Union has succeeded in cutting the link between economic growth and rising carbon emissions, but has failed to control the transport sector where output of carbon dioxide has soared by 38 percent over the last 20 years, EU data has shown.

European Commission President Jose Manuel Barroso has pledged to reverse that situation by trying to decarbonize transport, and new rules for cars, vans, trucks and motorcycles are being considered.

The sources of power for electric vehicles will top the agenda in San Sebastian amid warnings some can do more harm than good.

"The provision of electricity may need to be adapted to drivers’ charging patterns, causing new electricity demand peaks," says a discussion paper for the talks. For example, drivers' natural tendency to plug in their cars when they get home and charge them overnight will increase demand for steady "baseload" power generation, which in countries such as Poland comes mostly from coal.
"Charging them on electricity produced with coal results in equal or higher emissions than for comparable conventional vehicles," warned a report by Dutch consultants CE Delft, written for four environmental groups. About 400 grams of carbon dioxide are emitted on average for every kilowatt-hour of electricity in the EU, but this can more than double if coal is used, says the report.

The answer is to integrate electric cars with a "smart" electricity network, which would charge vehicles only when there was an abundance of green power from sources such as wind farms, said Franziska Achterberg of Greenpeace, one of the groups that commissioned the report.

In cities, electric cars are estimated to spend 95 percent of their time sitting in garages, giving ample opportunity for flexible battery-charging and absorbing any problematic spikes in renewable power production such as when the wind blows hard. Cars' batteries might even put electricity back into the network when household demand is high, serving as a back-up power source. But smart power networks are a largely untested concept and need both research and funding to take off.

Ministers in San Sebastian will also discuss how to boost research into better and greener batteries, how to build national networks of standardized charging stations and how to target any financial support.

Green politician Claude Turmes, from Luxembourg, said his group opposed any fresh state subsidies for energy and automotive companies without strong environmental criteria. "If not, this will just be a green wash," he added.

25. Spain Signals Support for EU Electric Car Plan

The Spanish presidency will push for the adoption of a European plan for the development of electric cars at a meeting of competitiveness ministers in May. It has the "express support" of Germany, Spanish industry minister Miguel Sebastián said. Mr Sebastián was presenting a presidency proposal for a strategy on electric cars at an informal meeting of competitiveness ministers in the Spanish city of San Sebastián. The minister was very upbeat about the meeting, describing it as "the day the electric vehicle was born in Europe".

Mr Sebastián also signaled support from France, citing his French counterpart Christian Estrosi who said that electric vehicles were "essential" and that all Europeans have to work on it together "in a coordinated way". The European Commission also supports the Spanish initiative.

In a statement at the end of the meeting Mr Sebastián described the initiative as an opportunity to advance employment through new production, technology and smart grid development while protecting the environment through reducing emissions and boosting renewables.

A presidency debate document prepared for the meeting urges consensus on the need for EU action to "ensure the consistency and transparency" of the initiatives being carried out by a number of member states. It also calls for non-fiscal measures to stimulate demand. And EU funds should be more coordinated to provide a common direction for research funding.

Dieter Zetsche, president of carmakers association ACEA, told the meeting a "3-10% share of the new vehicle market is possible by 2020-2025". He outlined a roadmap on e-mobility to define the long-term policy environment, create a charging structure, coordinate national strategies and enable quick progress on standardization.
Gunnar Lorenz of European power sector association Eurelectric, told the press that the industry is looking to Europe "to promote demonstration projects to understand more about customer reaction" and to "link up pilot projects taking place across Europe". Mr Lorenz identified battery technology as the principal bottleneck.

A report published recently by a group of NGOs identified essential requirements to ensure the initiative will lead to fewer CO₂ emissions and an increase in renewable electricity production. Green transport group T&E is particularly concerned about "super-credits" for electric cars. The additional electricity used by these cars must be 100% green, NGOs say.

But the report also points out that increased emissions from coal-fired power plants as a result of this additional demand would in principle be balanced out by reductions elsewhere because of emission caps under the EU's emissions trading scheme. Data are also needed on how much green electricity is used for vehicle charging.

The European Union faces challenges of safety, cost, competitiveness and technological harmonization in its plan to successfully develop its electric car industry, according to EU presidency holder Spain. "Obviously there are lots of questions ... issues of legal security, validation, the safety of the vehicles themselves ... and cost," Spain's industry minister Miguel Sebastian said at a news conference after a meeting with European counterparts.

EU industry ministers gathered in northern Spain ahead of an action plan for European electric vehicle industry expected in May, and saw an exhibition of 15 models of electric cars and prototypes which are being developed in Europe.

"What struck us first of all was the disorder in the charging systems ... it's all a little bit chaotic and that is something we will have to avert, in order to avoid what happened in the video industry," Sebastian said. "But harmonization doesn't cost too much money at the moment, what will cost money is if we have to say (to car manufacturers) that they have to change your designs in five years time," he added.

Spain has made the electric car a cornerstone of its six month EU presidency and has much to gain from the development of an industry which could stem the huge loss of jobs from its own auto sector and use the large amounts of renewable energy it generates at off-peak hours.

**26. Eco City Vehicles Launches Electric London Taxi**

![Taxis queue in rush hour traffic in London August 23, 2006.](image)

Britain's Eco City Vehicles has launched an electric prototype of the Mercedes Vito taxi, which it will trial later this year to test its suitability for use as
part of London's iconic black taxi fleet.

"The eVito is the first all-electric wheelchair accessible taxi with a 25-foot turning circle to be launched in the world and a major step toward our goal to become a leading supplier of niche eco-friendly vehicles," said CEO Peter DaCosta.

The firm, which sells and services cabs, said on Monday it developed the Mercedes eVito alongside its manufacturing partners Penso, Mercedes Benz UK and Zytec Automotive. Since its launch in 2008, the Mercedes Vito has proved to be a serious competitor to Manganese Bronze, the maker of London's traditional black taxis.

Eco City said last year the Vito now has a 30 percent share of new black cab taxi sales in London.

The company added the eVito would comply with clean air standards for the city's taxis which have been proposed by the Mayor of London and are due to be introduced in time for the London Olympics in 2012. "Subject to successful trials, the eVito together with the already popular Vito taxi provides London with a great opportunity to reduce air pollution with modern vehicles," DaCosta added.

NORTH AMERICA

27. EPA Moves to Tighten Health Based Air Quality Standards

The fundamental underpinning of the entire US air pollution control program has been the health based air quality standards. Traditionally these standards have been adopted based on the latest scientific evidence regarding adverse health impacts at various levels. However, in recent years, EPA has tended to ignore some of this evidence and in the case of ozone actually set more lenient standards than those recommended by its own Science Advisory Committee. In recent months, EPA has taken several steps to return to the traditional approach required by the Clean Air Act.

A. EPA Plans To Tighten Smog Limits

The United States Environmental Protection Agency has proposed the strictest health standards to date for smog. Smog, also known as ground-level ozone, is linked to a number of serious health problems, ranging from aggravation of asthma to increased risk of premature death in people with heart or lung disease. Ozone can even harm healthy people who work and play outdoors. The agency is proposing to replace the standards set by the previous administration, which many believe were not protective enough of human health.

"EPA is stepping up to protect Americans from one of the most persistent and widespread pollutants we face. Smog in the air we breathe poses a very serious health threat, especially to children and individuals suffering from asthma and lung disease. It dirties our air, clouds our cities, and drives up our health care costs across the country," said EPA Administrator Lisa P. Jackson. "Using the best science to strengthen these standards is a long overdue action that will help millions of Americans breathe easier and live healthier."

The agency is proposing to set the “primary” standard, which protects public health, at a level between 0.060 and 0.070 parts per million (ppm) measured over eight hours. Children are at the
greatest risk from ozone, because their lungs are still developing, they are most likely to be active outdoors, and they are more likely than adults to have asthma.

Adults with asthma or other lung diseases, and older adults are also sensitive to ozone.

EPA is also proposing to set a separate “secondary” standard to protect the environment, especially plants and trees. This seasonal standard is designed to protect plants and trees from damage occurring from repeated ozone exposure, which can reduce tree growth, damage leaves, and increase susceptibility to disease.

In September 2009 Administrator Jackson announced that EPA would reconsider the existing ozone standards, set at 0.075 ppm in March 2008. As part of its reconsideration, EPA conducted a review of the science that guided the 2008 decision, including more than 1,700 scientific studies and public comments from the 2008 rulemaking process. EPA also reviewed the findings of the independent Clean Air Scientific Advisory Committee, which recommended standards in the ranges proposed today.

Depending on the level of the final standard, the proposal would yield health benefits between $13 billion and $100 billion. This proposal would help reduce premature deaths, aggravated asthma, bronchitis cases, hospital and emergency room visits and days when people miss work or school because of ozone-related symptoms. Estimated costs of implementing this proposal range from $19 billion to $90 billion.

Ground-level ozone forms when emissions from industrial facilities, power plants, landfills and motor vehicles react in the sun.

B. New NAAQS Set For Nitrogen Oxides

The U.S. Environmental Protection Agency has set a new health standard for short-term exposure to nitrogen dioxide, a pollutant that's particularly harmful to people with respiratory illnesses who live near freeways and other busy roadways. As part of the Rule, EPA will also require a new network of air pollution monitors along urban thoroughfares to determine the severity of the emissions and to help agencies track cleanup progress.

Local officials expect to find unhealthful nitrogen dioxide levels along Southern California freeways, largely because of heavy truck traffic stemming from the movement of cargo from the ports of Long Beach and Angeles, said Sam Atwood, a spokesman South Coast Air Quality Management District.

The pollutant is a reddish-brown gas with a sharp odor. It is a byproduct of burning fuel. The EPA has never had a short-term standard for nitrogen dioxide. But in recent years, research has shown a correlation between illness and the high concentrations of the pollutant in neighborhoods close to clogged roads and freeways. Several studies have found that nitrogen dioxide constricts airways, making it more difficult for people to breathe. It is particularly hard on asthmatics, who are more likely to wind up in hospital emergency rooms when nitrogen dioxide levels rise in their neighborhoods, according to an EPA report.

An estimated 48 million people nationwide live within 100 yards of a major highway, railway or airport, according to EPA figures.
The health standard allows a maximum 100 parts nitrogen dioxide per billion parts of air averaged over one hour, a level that EPA experts consider safe based on their review of health studies. The standard sets the bar for future rules limiting nitrogen dioxide from factories, cars, trains, planes, boats and other sources.

The EPA expects within two years to identify the areas failing to meet the new standard. Such areas will be given a deadline to comply. Regions that don't make reasonable efforts to reduce pollution could jeopardize their share of federal transportation funds.

The EPA estimates the rule will require the placement of 122 air quality monitors near busy roads in 102 urban areas. Another 52 monitors will be installed farther from freeways in various communities.

C. EPA Releases of Draft Documents Related to the NAAQS for PM

On or about January 19, 2010, the Office of Air Quality Planning and Standards (OAQPS) of EPA is making available for public comment a draft assessment document titled, Particulate Matter Urban-Focused Visibility Assessment—Second External Review Draft. On or about January 29, 2010, OAQPS is making available for public comment a second draft assessment document titled, Quantitative Health Risk Assessment for Particulate Matter—Second External Review Draft. These two draft assessment documents describe the quantitative analyses that are being conducted as part of the review of the national ambient air quality standards (NAAQS) for particulate matter (PM). In addition, on or about February 26, 2010, OAQPS will make available for public comment a third draft document titled, Policy Assessment for the Review of the Particulate Matter National Ambient Air Quality Standards—First External Review Draft.

Comments should be submitted on or before March 15, 2010, for the first two draft documents and on or before April 12, 2010, for the third draft document.

D. Implications

It is expected that the final decisions on the ozone, NO₂ and PM standards will require the US EPA to consider further tightening of new vehicle standards and possibly lowering sulfur limits in gasoline, among other measures.

28. British Columbia, California Sign Emissions Accord

The British Columbia and California governments have signed an agreement to cooperate on implementing stringent greenhouse gas emissions standards in the two jurisdictions, British Columbia Environment Minister Barry Penner said. The memorandum of understanding commits the Canadian province's Ministry of Environment and California's Air Resources Board to share information and resources to support consistent application of vehicle emissions standards, including cooperation on vehicle test data and determination of greenhouse gas emissions associated with light-duty passenger vehicles, Penner said in a statement on December 17, 2009. "In the face of uncertainty at international and national levels, we've been working across borders and uniting in action as a province and a state to reduce greenhouse gas emissions and mitigate climate change," he said. Implementing vehicle emissions standards in British Columbia mirroring those in place in California is expected to reduce the province's emissions from light-duty vehicles by 30 percent in 2016 compared to current vehicles, he said.
British Columbia's Ministry of Energy, Mines, and Petroleum Resources has announced the enactment of its Renewable and Low Carbon Fuel Requirements Regulation, which sets standards to achieve a 10 percent reduction in the carbon intensity of transportation fuels from current levels by 2020. The new requirements apply to gasoline, diesel fuel, natural gas, propane, ethanol, biodiesel, and electricity, when used for transportation, with additional low-carbon fuels to be covered as they become commercially available, the ministry said in a written statement issued Dec. 21, 2009. The regulations do not apply to aviation and locomotive fuel.

In addition to setting a 10 percent carbon intensity reduction goal for 2020, the new regulation also replaces the December 2008 Renewable Fuel Requirements Regulation, which had set a 5 percent annual average renewable content requirement for diesel fuel by Jan. 1, 2010.

The new regulation phases in the renewable diesel fuel requirement with a 3 percent target for 2010, 4 percent for 2011, and 5 percent by 2012, the ministry said.

“This phased-in approach will provide industry with the time to put the necessary Canadian supply infrastructure in place, and address technical issues regarding the cold weather properties of biodiesel and engine manufacturer warranties, which may limit the use of biodiesel,” the ministry said. “The 5 percent renewable requirement for gasoline in 2010 remains unchanged,” it said.

The low-carbon fuel requirement is a market-based approach to achieving reductions in greenhouse gases emissions from vehicles on the province’s roads. It adopts a life-cycle analysis to determine the carbon intensity of individual fuels, the ministry said. In determining the carbon intensity of a fuel, the analysis takes into account all factors associated with the production and consumption of each fuel, including exploration and production of fossil fuels, production of crops for biofuels, and the refining, transport, and end use of the fuel, according to the ministry.

“This results-based requirement provides industry with flexibility in choosing how best to comply. Compliance options include changing the fuel mix, improving refining efficiency, or improving agricultural practices for growing biofuel crops,” it said. “The low-carbon fuel requirement will be phased in, starting with reporting only in 2010, a modest reduction of 0.25 percent in 2011, and increasing annual carbon intensity improvements to reach a total reduction of 10 percent in 2020.”

The carbon intensity reductions are expected to reduce the emissions of greenhouse gases by 3 percent to 4 percent per liter of fuel by 2020, depending on the source of the renewable content used in the fuel. The ministry said the regulations’ requirements for low carbon content and renewable content will add, on average, about 1 cent per liter to the price of transportation fuels sold in British Columbia. But it added that costs will decrease as supplies of renewable fuels increase.

The regulation was established under the Greenhouse Gas Reduction (Renewable and Low Carbon Fuel Requirements) Act passed in May 2008 and is a key element in achieving the Canadian province’s goal of a 33 percent reduction in greenhouse gases emissions from 2007 levels by 2020, the ministry said.
30. U.S. Government Ditches Transportation Funding Limits

The Obama administration is broadening the standards for how the U.S. government funds public transportation projects in order to disburse money quickly and improve the environment. "We want to base our decisions on how much transit helps the environment, how much it improves development opportunities and how it makes our communities better places to live," Transportation Secretary Ray LaHood said in announcing the change.

The Bush administration began using a formula in 2005 to approve projects that chiefly relied on commute times and costs, according to LaHood's agency.

In a speech to the Transportation Research Board, LaHood promoted the idea of "livability," or combining transportation options with urban development plans to make it easier for people to move through their towns while lessening the impact on the environment.

LaHood said the budgeting change will give the green light to popular streetcar projects and will strengthen relationships among the Transportation and Housing departments and the Environmental Protection Agency.

As part of the livability approach, the federal government will soon award $1.5 billion in economic stimulus funds to "innovative" projects across the country, LaHood said. He said the government will also award $8 billion in grants soon to lay the groundwork for high-speed passenger rail. (In his State of the Union message before a joint session of Congress, President Obama repeated this commitment.) "More than 30 rail industry manufacturers and suppliers have promised to establish or expand their base of operations in the United States if they're chosen by the states to build America's new high-speed rail lines," he said.

He pressed Congress to finish work on a job creation bill that includes major investments in transportation. Also known as the second stimulus, the bill passed by the House of Representatives in December would provide additional money for states to cover the costs of improving roads and bridges.

The Senate has yet to take up the legislation.

31. Hydro-Quebec to Launch Electric Vehicle Pilot Project

Hydro-Quebec has signed an agreement with Mitsubishi Motor Sales of Canada Inc. to cooperate on Canada's largest electric vehicle pilot project, the provincial electricity utility's president said on January 14th. Hydro-Quebec will test up to 50 i-MiEV (Mitsubishi Innovative Electric Vehicle) automobiles as part of its own fleet and the fleet of the city of Boucherville, utility president Thierry Vandal said in a written statement. "This new pilot project is part of our action plan for the electrification of vehicles. It will allow us to advance our knowledge of the technology and its integration into our grid which, in turn, will help us plan the necessary charging infrastructure." The project will study charging behavior, driving experience, and overall driver satisfaction under a variety of circumstances, notably winter driving conditions, he said. The i-MiEV is an all-electric, highway-capable, charge-at-home commuter vehicle. Boucherville was selected because of its proximity to Hydro-Quebec's research institute, the diversity of its business community, and the availability of a local Mitsubishi dealership to maintain the vehicles, he said.
32. Mexico to Set New Efficiency Rules For Autos

On January 5th, Mexico's Energy Ministry said that it will propose a national fuel efficiency standard for new cars and a limit on imports of used cars that emit relatively high amounts of greenhouse gases. The ministry said it also will propose regulations requiring fuel efficiency and low-carbon technology for new heavy vehicles.

The initiatives aim to reduce energy use by and greenhouse gas emissions from the nation's 21.4 million vehicles. The goal is to “gradually increase the average efficiency of the small and medium-size vehicular fleet in the country”.

The regulations are part of a multiyear National Program for Sustainable Energy Use, published by the administration of President Felipe Calderon in November 2009 to encourage energy conservation.

The announcement came one year after Mexico relaxed border restrictions on used car imports as required under the North American Free Trade Agreement. Critics said the January 1, 2009 move would threaten both Mexico's used car industry and the environment.

In its January 5th statement, the Energy Ministry said it would publish regulations that would set mechanical requirements and greenhouse gas emissions limits for used imported cars to “prevent the accelerated aging” of vehicles driven in Mexico while respecting NAFTA rules. For the same reason, in December 2008 the federal government imposed a 10 percent duty and stiff certificate-of-origin requirements on used car imports. Lawmakers of the main opposition Institutional Revolutionary Party strongly opposed the 2008 measure, saying it made importing used cars close to impossible. Mexican states bordering the United States said it was destroying their used car industry. The government responded by reducing tariffs solely for used cars imported into Border States from 10 percent to 3 percent. On December 24th, 2009, the government reduced them further, to 1 percent.

The January 5th statement also promised new requirements for minimum fuel efficiency and other technological and design advances for new cars that will be “in line with the vanguard of international practices.”

The ministry said it will require fuel efficiency in new heavy vehicles because even though they account for only 4 percent of all vehicles in Mexico, they “represent greater energy intensity in terms of kilometers traveled” compared to cars.

The ministry said new cars purchased by the federal government cars also will have to meet carbon dioxide emissions standards. The ministry also plans to recommend energy efficiency measures for local and state government buildings.

33. Senator Murkowski Aims to Stop EPA Carbon Controls

U.S. Senator Lisa Murkowski, a leading Republican on energy policy, has moved to stop the Environmental Protection Agency from regulating greenhouse gas emissions that are blamed for global warming. The Alaska lawmaker, in a speech on the Senate floor, said she so far had the firm support of 35 fellow Republicans and three Democrats for legislation that could move through the Senate in an expedited process.
If there is a vote on her initiative, it could be an early barometer of the Senate's willingness to address broader climate change legislation this year.

"Congress must be given time to develop an appropriate and more responsible solution" than EPA to climate change problems, Murkowski said. She warned that looming EPA regulation would lead to job losses and broader economic problems.

Murkowski is the senior Republican on the Senate Energy Committee and represents a major energy-producing state that also is showing signs of suffering from global warming. While she has said she supports looking at ways to address climate change, she has mainly supported more narrow bills on developing alternative energy and allowing more domestic oil and natural gas drilling.

Senate Environment and Public Works Committee Chairman Barbara Boxer called Murkowski's EPA legislation an unprecedented "assault," adding, "We cannot and must not repeal a scientific health finding." Speaking at a press conference, Boxer was referring to a scientific review, which concluded that greenhouse gas emissions endanger human health, the underpinning for EPA regulation under the Clean Air Act.

Murkowski faces an uphill fight in the Democratic-controlled Congress. Even if she were to convince enough Democrats in the Senate and House of Representatives to join her, the legislation would face a veto by Democratic President Barack Obama, Energy Secretary Steven Chu told reporters.

While Murkowski argued that she wants to take the power to regulate carbon out of EPA's hands and ensure Congress would decide on such a sweeping policy, many environmentalists saw her legislation as one more Republican attempt to block any meaningful action on climate control.

On December 7th, EPA cleared the way for regulating carbon dioxide and other greenhouse gases that pollute the atmosphere by industries and vehicles as they burn fossil fuels. The new EPA Clean Air Act regulations could move forward as soon as March.

Foreign countries are closely watching Washington's actions on climate control as they weigh how forcefully they will join international calls for aggressively tackling climate change problems that could range from widespread drought and flooding to melting polar ice and rising sea levels.

The Obama administration has made clear that it prefers Congress pass more comprehensive legislation to reduce carbon emissions by utilities, oil refiners and heavy industry. Supporters of a climate change bill that is stalled in Congress have used the threat of EPA regulation as a cudgel to win broader support among undecided lawmakers. Their argument is that Congress is better able to address industry concerns than the EPA.

That argument apparently was not effective with some senators, including Senator Blanche Lincoln, who faces a potentially tough re-election bid this year. "Heavy-handed EPA regulation, as well as the current cap and trade bills in Congress, will cost us jobs and put us at an even greater competitive disadvantage to China, India and others," said Lincoln, who joined forces with Murkowski. Lincoln, like several moderate Democrats, wants passage of a more limited alternative energy bill that environmentalists say would be an inadequate answer to global warming troubles.
Cummins Inc., a major motor vehicle engine company based in Columbus, Ind., will pay a $2.1 million penalty and recall 405 engines under a settlement agreement resolving violations of the Clean Air Act, the U.S. Environmental Protection Agency and the Justice Department have announced.

What did Cummins do? Well, it "shipped more than 570,000 heavy duty diesel engines to vehicle equipment manufacturers nationwide without pollution control equipment included" between 1998 and 2006. Even with that many engines sold, Cummins has agreed to recall only 405 of them because that is all that "were found to have reached the ultimate consumers without the correct ATDs." ATD here stands for exhaust after-treatment devices like catalytic converters and diesel particulate filters that control pollutants.

What effects did the faulty engines have on the environment? The EPA estimates that "approximately 167 excess tons of nitrogen oxides and hydrocarbon emissions, and 30 excess tons of particulate matter emissions" were released into the air. To make up for this, Cummins will also "permanently retire" enough emission credits to equal the excess tons of pollution.

"Reliable and effective pollution control systems are essential to protect human health and the environment from harmful engine emissions," said Cynthia Giles, assistant administrator for EPA’s Office of Enforcement and Compliance Assurance. "These requirements are a critical part of EPA’s program to reduce air pollution and secure clean air so that all Americans can breathe easier."

"This settlement assures that the environment suffers no ill effects because it requires that Cummins not only install the proper pollution control devices but also mitigate the effects of the harmful emissions released as a result of its actions," said Ignacia S. Moreno, assistant attorney general for the Justice Department’s Environment and Natural Resources Division.

Engine manufacturers must prove through testing that their engine designs meet EPA’s emissions standards and seek certificates of conformity. According to the complaint, Cummins tested the engines with the ATDs to meet the standards, but failed to include the ATDs with the engines when Cummins shipped the engines to the vehicle manufacturers. Instead, Cummins relied upon the vehicle manufacturers to purchase and install the correct ATDs. The United States alleges that the shipment of engines to vehicle manufacturers without the ATDs violates the Clean Air Act’s prohibition on the sale of engines not covered by certificates of conformity.

Over half the air pollutants in America come from “mobile sources” of air pollution, such as cars, trucks, buses, motorcycles, construction, agricultural and lawn and garden equipment, marine vessels, outboard motors, jet skis and snowmobiles. Mobile source pollutants include smog-forming volatile organic compounds and nitrogen oxides, toxic air pollutants such as cancer-causing benzene, and particulate matter or “soot.” These pollutants are responsible for asthma and other respiratory illnesses.

The State of California Air Resources Board will receive $420,000 of the civil penalty under a separate settlement agreement with Cummins, continuing a federal government practice of sharing civil penalties with states that participate in clean air enforcement actions.

The Cummins settlement was lodged in the U.S. District Court for the District of Columbia, and is subject to a 30-day public comment period.
35. CARB Fines California Company for Emissions Violations

Petaluma, California-based Golden State Lumber has been fined $20,000 by the California Air Resources Board for failing to inspect its diesel trucks in accordance with the state's smoke emissions standards.

"Diesel particulate matter is a hazard to all Californians," said Jim Ryden, ARB enforcement chief. "By taking steps to reduce soot emissions, companies that operate in the state help clean the air."

As part of the penalty, Golden State Lumber employees responsible for compliance with the inspection program are required to attend diesel education courses and provide certificates of completion within one year. The company is also required to instruct vehicle operators to meet the state's idling regulations and upgrade the company's heavy-duty diesel engine software and control technology. In addition, Golden State must provide CARB with all smoke inspection records for the next four years and properly label engines to ensure compliance with the engine emissions certification program regulations.

The California Air Pollution Control Fund, established to mitigate various sources of pollution through education and the advancement and use of cleaner technology, will receive $15,000 and the Peralta Community College District will get $5,000 from Golden State to fund diesel education courses around the state.

36. CARB Unveils LEV-3 Emissions Discussion Document

On February 10th, California Air Resources Board (CARB) officials unveiled a long-awaited "LEV-3" draft vehicle emissions limits discussion document. It will get its first public discussion at a CARB workshop March 2 in El Monte, Calif. Key elements of the draft include the following:

- New standards phased in from MY2014-2022
- SULEV (~EPA bin 2) average emissions level on average (from ~ULEV today)
- NMOG and NOx standards are combined to a NMOG+NOx standard
- There will be six categories (instead of old three: LEV, ULEV, SULEV) for averaging
- Evaporative emission controls (like PZEV)
- 150,000-mile useful life durability (instead of old 50k, 120k)
- PM standard goes from 10 mg/mi to 3 mg/mi
- Optional PM number standard of 10^12/mile (in place of mass)
- New certification fuel: E10

37. Final Rule Reduces Air Toxics from Existing Stationary Diesel Engines
The U.S. Environmental Protection Agency (EPA) is setting the first standards that will reduce emissions of formaldehyde, benzene, acrolein and other toxic air pollutants from certain stationary diesel engines. These pollutants are known or suspected to cause cancer or other serious health problems and environmental damage.

“Improving air quality is one the agency’s top priorities,” said Gina McCarthy, assistant administrator for EPA’s Office of Air and Radiation. “Controlling emissions from these engines will save lives and protect our communities from serious health problems, including heart attacks, asthma and other respiratory illnesses.”

The emission limits apply to existing diesel engines meeting certain criteria for age, size, and use. EPA estimates that more than 900,000 of the engines generate electricity and power equipment at industrial, agricultural and other facilities. The engines also are used in emergencies to produce electricity and pump water for flood and fire control. Emergency engines used at most residences, hospitals and other institutional facilities, and commercial facilities such as shopping centers are not covered by this rule.

To meet the emissions requirements, owners and operators of the largest of the engines will need to install emissions controls, such as catalysts, to engine exhaust systems. Emergency engines covered by this rule need to comply with operating requirements that will limit emissions.

EPA estimates that the rule will reduce annual air toxics emissions by 1,000 tons, particle pollution by 2,800 tons, carbon monoxide emissions by 14,000 tons, and organic compound emissions by 27,000 tons when fully implemented in 2013.

EPA will issue final emissions standards for similar existing stationary engines that burn gasoline, natural gas and landfill gas, known as spark ignition engines, by August 10, 2010.

Just in the US, there are at least 900,000 stationary diesel engines generating electricity, mostly for agricultural and industrial purposes.

38. Last-Minute Changes Will Improve Air Pollution Monitoring, EPA Says

Allegations that the White House watered down an EPA rule on air pollution monitors are false, according to a senior EPA official who says the White House’s Office of Information and Regulatory Affairs (OIRA) actually made the rule stronger.

EPA Assistant Administrator for clean air Gina McCarthy told the Wonk Room, a blog of the Center for American Progress, that OIRA prompted EPA to rearrange the placement of air pollution monitors to ultimately better protect vulnerable populations, all without reducing the overall number of monitors. Wonk Room reports this quote from McCarthy:

[OMB] asked us, “Did we respond to the states’ comments?” We realized we could design the monitoring system in a better way than we had proposed. We could take the 40 monitors and place them by roadways near our most vulnerable populations. It was a significant win for us to be able to do that. It didn’t diminish the system.

At issue is the air monitoring network for nitrogen dioxide pollution. Last month, EPA issued a final rule tightening the standard for nitrogen dioxide exposure and announced a new framework for detecting pollution levels by placing more monitors in urban areas, especially near roadways. EPA describes these environments as “high-risk.”
At first glance, it looked like OIRA had pushed EPA to reduce the overall number of monitors, just days before the rule was due. But, according to McCarthy’s comments, the last-minute changes made to the monitoring network did not reduce the number of monitors; instead, the changes grant on-the-ground EPA and state officials more flexibility to site monitors themselves.

The change means that 41 fewer near-road monitors will be required, but that 40 more monitors will be required “in communities where susceptible and vulnerable populations are exposed to NO₂.” Those communities may or may not be near roads – it’s up to EPA regional administrators, working with the states.

The rulemaking docket contains emails showing that another senior EPA official objected to a proposed reduction in the number of monitors. However, from McCarthy’s comments, it would appear the granting of authority to regional administrators appeased all sides, since the total number of monitors remains about the same.

39. Group Petitions EPA to Reduce Soot

An environmental group has petitioned the Environmental Protection Agency to reduce soot, saying it accelerates the melting of glaciers and sea ice. The Center for Biological Diversity called for the regulation of black carbon pollution under provisions of the Clean Water Act.

Center attorney Matt Vespa says soot darkens the atmosphere, snow and ice, absorbing heat. Vespa says the petition is the first to explicitly seek protection of ice -- water in its solid form. It asks the EPA to set water-quality criteria for concentrations of black carbon on sea ice and glaciers.

40. Texas and Virginia Challenge EPA On Greenhouse “Endangerment” Finding

Texas and Virginia have asked the courts to review a finding issued by the Environmental Protection Agency in December that greenhouse gases endanger public health. The ruling does not impose new requirements on industry, but allows the federal government to regulate vehicle emissions under the Clean Air Act.

The Lone Star State filed a petition for review with the U.S. Court of Appeals for the District of Columbia. It will also file papers asking the EPA to review its ruling.

"Texas is aggressively seeking its future in alternative energy through incentives and innovation, not mandates and overreaching regulation," Gov. Rick Perry said in a statement. "The EPA’s misguided plan paints a big target on the backs of Texas agriculture and energy producers and the hundreds of thousands of Texans they employ."

"EPA has ignored extensive research on greenhouse gas emissions and based this significant regulation on faulty data," Texas Agriculture Commissioner Todd Staples added.

In Virginia, Attorney General Ken Cuccinelli also asked the appellate court to review the finding, and for the EPA to hold new hearings to allow the public to comment on new information on the issue.

The EPA opened its "endangerment finding" to a 60-day public comment period in April last year. The agency approved the finding in December after reviewing 380,000 comments.
Democrats and environmentalists had welcomed the finding. Republicans criticized it as harmful to the economy, and the American Farm Bureau Federation warned that regulating emissions would force many farmers out of business.

The ruling declares that current and projected levels of six gases - carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulfur hexafluoride - threaten public health. The finding was issued in response to a 2007 U.S. Supreme Court decision that greenhouse gases are air pollutants covered by the Clean Air Act and should be regulated in cars and trucks by the EPA.

The finding is part of a larger debate on climate change, which conservatives such as Sen. James Inhofe (R-OK), the top Republican on the Senate Environment and Public Works committee, and former House Speaker Newt Gingrich dismiss as hoax. They cite weather patterns such as the snowstorm last week that brought more than 30 inches of snow to Washington, D.C.

The Environmental Defense Fund (EDF) called Perry's action "a step backward."

The lawsuit filed by Perry asks the Environmental Protection Agency to ignore the Supreme Court's decision in U.S. vs. Massachusetts, Jim Marston, EDF’s regional director, said in a statement. "[It] evokes memories of a sad time in Texas history.... when Texas politicians sought to nullify decisions of the U.S. Supreme Court. Not only is it legally unsound, it puts Texas on the side of the 1950s economy, against the clean energy economy of the future."

Another advocacy group, Environment America, said, "We have the technology and resources to be the world leader in clean energy, but instead the Governor is putting the interests of the oil industry ahead of the welfare of Texas families."

**41. Business Challenges How Gases to Be Curbed**

The Chamber of Commerce is mounting a legal challenge to the Obama administration's bid to regulate greenhouse gas emissions through the Clean Air Act. "The U.S. Chamber strongly supports efforts to reduce greenhouse gas emissions in the atmosphere, but we believe there's a right way and a wrong way to achieve that goal," said Steven Law, a legal official for the business lobby group, in a statement on the chamber's website.

Law said the right way to proceed was through a bipartisan effort that promotes new technology for reducing emissions, not through the Environmental Protection Agency, which has ruled greenhouse gases a health risk. Greenhouse gas emissions are blamed for heating up the planet.

Law said the Chamber of Commerce was "filing a formal petition indicating it will challenge EPA's decision to trigger Clean Air Act regulation" in federal court and that it would release more details about how it is doing so later.

EPA regulations could go forward as early as March but the chamber's action could be the first of a barrage of lawsuits to try to prevent the agency from acting.

The EPA is threatening to regulate carbon emissions if Congress will not. The House of Representatives narrowly passed a cap and trade bill in June, but it has stalled in the Senate.
Opponents are expected to argue it is the job of Congress, not the EPA, to try to stem greenhouse gas emissions.

President Barack Obama would rather have Congress act on a bill that could provide more protections for industry while also accomplishing more comprehensive pollution control. But he is using the threat of EPA regulation to encourage lawmakers.

Some prominent Senate Democrats have predicted that comprehensive climate control legislation, including a cap and trade mechanism allowing industry to buy and trade pollution permits, will not pass this year.

A recent poll by the Pew Research Center for the People and the Press said only 28 percent of those surveyed now listed global warming as a top priority this year, down from 38 percent in 2007.

Under cap and trade, utilities, oil refineries and factories would be required to reduce their emissions of greenhouse gases over the next 40 years. Companies would have to obtain permits for each ton of carbon dioxide they emit and the permits would be traded on a regulated exchange.

**42. House Bill Would Prevent EPA Regulating Carbon**

With congressional action on climate legislation in doubt, two House committee chairmen have filed a bill to block the government from regulating greenhouse gases under its own power.

The lawmakers say Congress, not "unelected bureaucrats," should set environmental policy. Congress has squabbled for months over a comprehensive climate change bill. Some members say the best bet is to encourage renewable energy production.

The Environmental Protection Agency cleared the way for regulation under air pollution laws a month ago, when it ruled that greenhouse gases endanger human health. EPA could act as early as March to offer regulations.

Efforts were being made in both chambers of Congress to derail EPA regulation. It normally takes months for Congress to agree on legislation.

Besides blocking EPA regulation of six gases, including carbon dioxide, methane and nitrous oxide, blamed for global warming, the House bill would remove two roadblocks to greater use of biofuels.

The bill, which would face a tough fight in Congress and be opposed by the president, would adopt a broad definition of biomass -- including crops, trees, algae and manure -- that can be used in making renewable fuels.

It also would bar EPA, when it calculates if biofuels are cleaner than petroleum, from holding U.S. fuels responsible for forest clearing and cropland expansion overseas.

Armed Services Committee Chairman Ike Skelton, the lead sponsor, said the House bill "gets EPA under control" and strengthens American-made renewable fuels.
"I have no confidence that the EPA can regulate greenhouse gases under the Clean Air Act without doing serious damage to our economy," said Agriculture Committee Chairman Collin Peterson. Peterson and Rep. Jo Ann Emerson are cosponsors.

Critics say federal attempts to constrain emissions of greenhouse gases will result in higher petroleum prices and retard U.S. growth.

An administration analysis says 6 percent of U.S. crop and pastureland would be converted to woodlands, resulting in slightly higher food prices, under the House-passed climate bill.

At least one other bill, also with three sponsors, was pending in the House to block EPA regulation of carbon dioxide.

In the Senate, Lisa Murkowski spearheaded a resolution to block EPA regulation. She is supported by at least 39 of the 100 senators.

"We are continuing to work on our votes," Murkowski told reporters. Asked when she might ask for a vote, Murkowski said, "Somewhere between now and the next couple months."

43. Administrator Jackson Sends Letter to Senators Clarifying GHG Intentions

U.S. EPA Administrator Lisa P. Jackson issued a letter responding to a letter sent to her the evening of February 19th by eight U.S. Senators asking about the agency's plans for 2010. In the letter, the administrator outlines several of the decisions she has made for 2010-2011:

- No facility will be required to address greenhouse gas emissions in Clean Air Act permitting of new construction or modifications before 2011.

- For the first half of 2011, only facilities that already must apply for Clean Air Act permits as a result of their non-greenhouse gas emissions will need to address their greenhouse gas emissions in their permit applications.

- EPA is also considering a modification to the rule announced in September requiring large facilities emitting more than 25,000 tons of greenhouse gases a year to obtain permits demonstrating they are using the best practices and technologies to minimize GHG emissions. EPA is considering raising that threshold substantially to reflect input provided during the public comment process.

- EPA does not intend to subject smaller facilities to Clean Air Act permitting for greenhouse gas emissions any sooner than 2016.

44. Activist, Industry Group Pushes For Tighter California Smog Program for Cars

A coalition of environmental and industry groups is floating a number of legislative proposals aimed at tightening California’s vehicle Smog Check program, including incorporation of “on-board diagnostic” (OBD) testing for newer vehicles, annual testing of older vehicles, and giving the Bureau of Automotive Repair (BAR) authority to levy new fines for stations conducting fraudulent inspections. The coalition argues that these improvements to the Smog Check program are necessary because it is not as effective as it could be in reducing emissions.
The coalition’s legislative proposal comes on the heels of a report issued by the state’s Smog Check oversight panel that claims about half of the vehicles that pass inspections fail follow-up inspection only weeks later.

The California Environmental Dialogue (CED) recently finalized a policy paper outlining its legislative recommendations to reform California’s Smog Check program. CED is a coalition of environmental groups -- including Sierra Club California and the Natural Resources Defense Council -- and industry groups, such as the California Council for Environmental & Economic Balance and the utilities Pacific Gas & Electric Co. and Southern California Edison.

CED’s recommendations are expected to be distributed to the governor’s office and all lawmakers. Some of the recommendations include implementing the use of OBD testing for newer model-year vehicles, specifically post-2000 model years. The paper says California is one of only two states operating an inspection and maintenance program that fails to use OBD testing exclusively for newer model-year vehicles. “The primary advantages of OBD-only testing are a lower cost to the consumer and a more effective testing procedure,” the CED paper argues.

The coalition also calls for annual Smog Check inspections for vehicles more than 15 years old, or pre-1996 model years, instead of the current biannual requirement. “It is well established that vehicles that are 15 years and older have much higher Smog Check failure rates than newer vehicles and that their emissions are significantly higher when they do fail the Smog Check inspection.”

CED also wants legislation that would authorize BAR to set a fine or penalty structure of up to $5,000 per violation for stations that falsify inspections or improperly test vehicles. “There is evidence of widespread falsification and improper testing by Smog Check inspection stations,” the coalition argues. “Current fines for conducting improper Smog Check inspections fail to change technicians’ behavior. When technicians are issued a citation under [current law], they are only required to undergo additional training and they pay no monetary fine.”

**45. DEQ Bringing Vehicle Emissions Testing To SW Idaho**

Vehicle emission testing will begin June 1 in Canyon County, the Idaho Department of Environmental Quality says. But local government officials remain opposed to the testing, and a lawmaker from the region is trying to gut the 2-year-old state law that cleared the way for testing to begin.

The agency said there will be 20 test locations in Canyon County and two more in Kuna in neighboring Ada County.

“One hundred and ninety-five thousand people in Canyon County do not want this program shoved up their tailpipes,” Canyon County Commissioner Steve Rule said.

Canyon County commissioners vowed not to test the 200 county vehicles to show their displeasure with the required program.

The goal is for the region to stay below federal regulations aimed at controlling ozone levels, a key ingredient in smog that can cause heart and asthma attacks.
The emission testing is aimed at avoiding punitive measures that the federal government could impose if air pollution exceeds federal standards.

A bill introduced by Rep. Steve Kren in the House State Affairs Committee would gut the state Department of Environmental Quality's ability to implement its own emissions testing program, if it determined a county's alternative plan wasn't going to be effective.

The Department of Environmental Quality in October rejected a plan by Canyon County to reduce vehicle emissions with a voluntary system, including a lottery as an incentive, because it wouldn't have reduced pollution as much as requiring vehicle testing. Kren contends that air quality is getting better in the region, not worse.

"There's definitely a need for Canyon County residents to see why it's getting better without an inspection program," said Kren, whose bill would also allow vehicles driven less than 1,000 miles in a year to skip any testing.

Other officials also questioned the need for testing. For example, Wilder Mayor John Bechtel told the Idaho Press-Tribune, "DEQ has not proven that the automobile is the culprit in the air-quality problem".

But large amounts of the two pollutants that produce ozone in the region come from vehicle emissions, said Pete Wagner, Boise regional administrator for the DEQ.

The agency said it estimates mandatory testing will reduce nitrous oxides by 114 tons and volatile organic compounds by 138 tons. Testing will cost no more than $11 per vehicle and will be required every two years. Electric and hybrid vehicles are exempt along with certain other vehicles.

The Idaho Department of Transportation would revoke registrations of vehicles not taken in for testing.

46. USDA’s Vilsack Backs Revival of Biodiesel Credit

Agriculture Secretary Tom Vilsack has urged Congress to reinstate the $1 a gallon biodiesel tax credit, calling it "an important credit" and "a support mechanism" for renewable fuels. The credit expired at the end of 2009.

Farm groups and allies in Congress are seeking a revival retroactive to January 1, but do not yet have a legislative vehicle for it.

At the Agriculture Department's annual Outlook forum, USDA chief economist Joe Glauber said the future of soyoil as a feedstock for biodiesel is dependent on the future of the credit. Without it, other vegetable and animal oils will be more economical, he said.

USDA forecasts 2.2 billion lbs of soyoil will be used to make biodiesel this marketing year and 2.4 billion lbs in the 2010/11 marketing year, which opens October 1st.

The United States produces about 19 billion lbs of soyoil annually.

47. New Rules on Corn Ethanol Remain Controversial
The Environmental Protection Agency unveiled what amounted to a tweaking of the national renewable fuel standard in early February, and found that ethanol made from corn is still cleaner than conventional gasoline, dashing the hopes of some critics. The EPA’s new assessment basically calls for corn ethanol output to rise from around 12 billion gallons this year to around 15 billion gallons annually starting around 2015, which the industry was already on track to reach regardless of agency’s action.

The aim of the renewable fuel target is to move the country toward more production of advanced biofuels from sources such as wood chips. But corn ethanol, which consumes about a third of the U.S. corn crop, will still likely make up about 42 percent of the 36 billion gallon biofuel mandate in 2022 -- something that will continue to support farmer incomes and help boost demand fundamentals of commodity markets.

Detractors of corn ethanol argue the 15 billion gallon output mandate will lead to larger corn crops, which will require the use of more fertilizers and pesticides. Runoff from nitrogen fertilizers is already blamed for a so called "dead zone" in the Gulf of Mexico, where poorly oxygenated water is disrupting marine ecosystems. Also, some fertilizers release nitrogen directly into the atmosphere forming greenhouse gases that are 200 times worse than carbon, said James Coan of Baker Institute for Public Policy at Rice University.

The EPA considered indirect land use change as it calculated the emissions of different fuel sources. This method attempts to measure the emissions released when land is cleared in other countries to grow more food or biofuels to make up for the large amounts of land used in the United States to grow grains for ethanol.

The connection between U.S. agriculture and deforestation in developing countries is hotly disputed among experts and ethanol supporters.

Still, despite its inclusion of indirect land use in the final rule, the EPA determined that ethanol produced from corn at a natural gas-fired facility using efficient technologies met the law's criteria carbon emissions compared to gasoline.

One of the main selling points for corn ethanol is that it is supposed to be a green alternative to dirty fossil fuels. A 2007 law requires that corn ethanol produced at new plants release 20 percent less carbon dioxide than gasoline over its life cycle to qualify for the renewable mandate.

This standard will have little impact on most of the current U.S. ethanol capacity, because corn ethanol plants built before December 19, 2007 are exempt from these rules.

The draft regulations EPA proposed last year sparked outrage from biofuels advocates and farm-state lawmakers who maintained the agency was unfair to ethanol.

Environmental groups and the biofuels industry have been in a tug of war -- with EPA in the middle -- on the inclusion of indirect international emissions caused when farmers produce fuel instead of food.

The EPA proposal measures emissions from "indirect" land-use changes associated with biofuels -- such as land that is deforested in other countries because of increased crop growth in the United States. The agency concluded, depending on the time frames modeled, that traditional corn ethanol could have a slightly larger emissions footprint than gasoline when land-use changes are factored in.
House and Senate Agriculture committee members and renewable-fuels industry representatives blasted the proposal, saying it would be too difficult to make those links between corn grown in the United States and international deforestation. Further, they said EPA's analysis did not consider indirect emissions from gasoline, such as emissions related to shipping the fuel or procuring it overseas, making the comparison unfair.

House Agriculture Chairman Collin Peterson (D-Minn.) added language to the House climate and energy bill in June that would bar EPA from considering including emissions from indirect land-use changes abroad for five years.

And Sen. Tom Harkin (D-Iowa) threatened to add an amendment to an appropriations bill last year that would have stopped EPA's work on the measure. But he backed down after EPA Administrator Lisa Jackson told him the agency was taking his concerns into account and would conduct an "uncertainty analysis" on the land-use issue.

48. Obama Eyes Biofuels, Clean Coal in New Climate Push

President Barack Obama has laid out new steps to nudge the United States toward energy independence, backing measures to boost production of biofuels and bury pollution from coal.

Using the new initiatives to garner support for a climate and energy bill stalled in the U.S. Senate, Obama met with a handful of state governors to press his policies to fight global warming and wean the nation from imported fossil fuels.

"America can win the race to build a clean energy economy, but we're going to have to overcome the weight of our own politics," he said at the meeting, noting China was pushing aggressively to lead in "clean" energy technology. "We have to focus not so much on those narrow areas where we disagree, but on the broad areas where we agree," he said.

Agreement on a climate bill is still far from certain, and the legislation faces further obstacles after the election last month in Massachusetts that gave Republicans a Senate seat long held by Democrats, depriving the president's party of 60 votes that could overcome procedural hurdles.

Obama has acknowledged that a controversial “cap and trade” system could be separated from other parts of the bill, though he is adamant that a market-based mechanism be put in place to make high polluting fuels more expensive for industry than less-polluting, renewable energy sources.

Biofuels represent one renewable energy source the administration wants to promote, and a new interagency report spelled out ways the country would achieve that going forward. "By 2022, we will more than double the amount of biofuels we produce to 36 billion gallons, which will decrease our dependence on foreign oil by hundreds of millions of barrels per year," Obama said.

He also announced a new task force to forge a plan for rolling out affordable carbon capture and storage technology in 10 years, including having 10 commercial demonstration projects up and running by 2016. Carbon capture and storage is meant to capture the emissions from carbon-polluting coal plants and bury them underground rather than spewing them into the atmosphere but the technology is still being researched.
The Environmental Protection Agency has said that ethanol and other renewable fuels must account for 8.25 percent of gasoline sales in 2010 to meet Congress' mandate that nearly 13 billion gallons of renewable fuels be produced this year. That is lower than last year's 10.21 percent renewable fuel standard that the EPA announced in November 2008.

49. Advocates Searching For Alternatives to Cap and Trade Legislation

Climate Change legislation, according to conventional wisdom, is all but dead for the year. It fell victim to Senate gridlock, yawning gaps between lawmakers over how and even whether to tackle the issue and President Obama's decision last year to place it third on his list of priorities, after the stimulus and health care. The president himself seemed to admit at least temporary defeat last week; at a town hall meeting in New Hampshire, Mr. Obama cited speculations that the Senate might pass only a modest energy bill. Such a bill inevitably would contain expensive subsidies and research programs, but it would not place a price on carbon.

Putting a price on the burning of oil, gas and coal is the most efficient way to limit American greenhouse emissions, but Mr. Obama -- though he supports the idea -- didn't even mention carbon pricing when he discussed energy with reporters.

A version of such a scaled-down energy bill passed the Senate Energy Committee last year, and it contains some worthwhile provisions, such as updating building codes and the electricity grid. It is also incomplete, lacking both much in the way of revenue to pay for its programs and any economy-wide emissions limit. The House-passed Waxman-Markey climate bill, by contrast, contains a cap-and-trade provision aiming to provide for both, but that bill is marred by giving away pollution permits, a scheme of which many senators are skeptical.

Is there no alternative between simple do-nothingism and House complexity? In fact, there is. An alternative proposal increasingly capturing interest on Capitol Hill is the CLEAR Act, sponsored by Sens. Maria Cantwell (D-Wash.) and Susan Collins (R-Maine). The bill would cap the amount of carbon the United States produces and sell pollution permits to those who produce or import dirty fuels. Suppliers would pass these costs to customers, which would discourage carbon-guzzling. It would also raise costs, of course, but the government would rebate 75 percent of the revenue from the permit auctions back to the populace.

Ms. Cantwell and Ms. Collins estimate that 80 percent of Americans would break even or come out ahead, even as consumption patterns shifted toward greener goods and greater energy efficiency. Congress would use the rest of the money to pay for some of the things in that energy bill, things that merely raising the price of carbon might not accomplish -- investing in transmission infrastructure, for example, or basic research and development. There is a risk that lawmakers will waste some of this cash, but it's a defensible one.

Meanwhile, there are reports that Sen. Lisa Murkowski (R-Alaska) might propose a simple tax on carbon, with all proceeds returned to taxpayers, perhaps via a cut in payroll taxes. Though it might be tougher to pass, such an approach is also very appealing for similar reasons. At the same time, Sen. Lindsey O. Graham (R-S.C.), who is trying with Sen. John F. Kerry (D-Mass.) and Joseph I. Lieberman (I-Conn.) to assemble a bipartisan bill, has been discussing the Cantwell-Collins proposal with his colleagues, reportedly to some favorable reaction. In other words, there is a chance that the failure of the House's bill in the Senate and the search for a Plan B will yet produce better legislation.
50. IEA Says U.S. Must Adopt Carbon Pricing System

The United States must adopt a carbon pricing system, like the one President Barack Obama has submitted to Congress, if it hopes to meet its U.N. commitments on greenhouse gas emissions, according to the International Energy Agency's head. Nobuo Tanaka, executive director of the Paris-based IEA which advises 28 industrialized nations on their energy policy, said Washington's 2020 target of cutting carbon emissions by 17 percent from 2005 levels meant it would have to adopt new legislation imposing a cost on carbon waste.

Tanaka said the U.S. Senate needed to pass an energy bill, already given initial approval by the House of Representatives, which would allow a cap-and-trade system to set limits on greenhouse gas emissions and allow companies to trade permits.

"To really achieve these (emission) targets, the U.S. certainly has to introduce carbon prices either by cap-and-trade or carbon tax," Tanaka told reporters. "The Senate must pass this comprehensive energy and climate bill otherwise it cannot design a cap and trade system."

Facing opposition from states with big coal reserves, Democratic senators are still working on the details of the mechanism, with the aim of presenting the bill by April.

Tanaka said the impetus for a recovery in oil demand this year would come from developing nations like China and India, with consumption in the 30-nation Organization for Economic Cooperation and Development -- which accounts for roughly half of global demand -- remaining flat.

Tanaka said he was "disappointed" by a U.N. summit in Copenhagen in December which failed to set new emissions targets and put off talks on a legally-binding U.N. treaty on climate change until a new conference in Mexico in November. "Huge private sector investment is necessary and to make it happen Copenhagen should have set a more clear target," he said.

51. Caterpillar Joins FutureGen Clean Coal Alliance

Caterpillar Inc has announced that it will join the FutureGen Alliance to build a $1.5 billion near zero emissions coal-fueled power plant to produce hydrogen and electricity while capturing and sequestering carbon dioxide underground in Mattoon, Illinois. Last month, Exelon Corp, the nation's biggest power company, also said it would join the FutureGen Alliance.

The U.S. Department of Energy plans to provide more than $1 billion to help fund the 275-megawatt project as part of federal efforts to reduce greenhouse gas emissions such as carbon dioxide while keeping coal in the nation's power generation mix.

Coal is the most carbon intensive fossil fuel but it generates about 44 percent of the country's electricity. The United States has enough coal to last more than 100 years - some say 250 years - at current rates of consumption, according to federal and other data.

The FutureGen project, which will generate power for about 150,000 homes, will cost about three times more than a traditional pulverized coal fired power plant. The Alliance expects the plant will prove the technical and economic feasibility of producing low cost power and hydrogen from coal while nearly eliminating emissions.
FutureGen will use integrated gasification combined-cycle (IGCC) technology, which turns coal into gas before removing impurities such as sulfur dioxide, particulates and mercury before burning the coal gas to generate power.

The FutureGen Alliance’s total anticipated financial contribution is $400 million to $600 million, based on a goal of 20 members each contributing $20 million to $30 million over a four to six year period.

52. Oil Firms Drop Group Lobbying For U.S. Climate Bill

BP and ConocoPhillips will drop out of a group lobbying for the U.S. climate bill as proposed legislation would hurt the motor fuel and natural gas industries, the companies have announced. The oil companies and Caterpillar Inc said they will not renew their memberships in the U.S. Climate Action Partnership, or U.S. CAP.

The coalition of companies and moderate environmental groups formed a blueprint early last year outlining what they wanted in U.S. climate rules. The blueprint helped steer climate legislation passed in the House of Representatives last June. But the bill has stalled in the U.S. Senate, amid opposition from oil and coal states, and faces an uncertain future.

BP said it still supports the blueprint which called for a cap-and-trade market on emissions blamed for warming the planet, but that the current legislation is plagued with problems that would penalize the petroleum industry. "We would expect to see an increase in (oil) product imports, the closure of U.S. refineries, and the loss of jobs if we move forward with a poorly designed climate bill," said Ronnie Chappell, a BP spokesman.

President Barack Obama still wants a climate bill to cap emissions and Senators John Kerry, a Democrat, Lindsey Graham, a Republican, and Joe Lieberman, an independent, are trying to hammer out compromise legislation. They are expected to unveil the bill next month.

In a move designed to advance legislation, Obama recently announced $8.3 billion in loan guarantees to help build the first U.S. nuclear power plant in nearly three decades.

And U.S. CAP still includes energy heavyweights like Shell Oil Co and Duke Energy, a big power generator, and General Electric Co.

But withdrawal of the companies from the group, which now has 28 companies, is another blow to supporters of an energy bill that would limit emissions across all sectors, including the power industry, automobiles and heavy industry and forces all of them to partake into a cap-and-trade market.

U.S. CAP said it expects U.S. action on climate this year and that it expects to add new members to the group in coming months. But it has lost powerful friends in the oil companies who have complained that the bill would hurt U.S. refineries because they could face much tougher regulation than similar plants in developing countries.

Jim Mulva, Conoco’s chairman and chief executive, said in a release that the bill passed in the House and climate proposals in the Senate would hurt the transportation industry and saddle drivers with higher fuel prices. He said domestic oil refineries would be "unfairly penalized" compared to their peers in developing countries which may not face strict emissions limits in an international climate agreement.
The bill also ignores the big role natural gas can play in cutting greenhouse gas emissions, said Mulva.

In addition, companies said the bill as written would not create a functioning cap-and-trade market on emissions.

Chappell said the bill would give too many free credits to parties that would not need them to meet the emissions cap. “The result will be a market that is volatile and the price on carbon will be volatile as well,” said Chappell.

53. Ford Passes GM In U.S. Sales With 43% Jump In February

Ford Motor Co. reported a 43 percent U.S. sales gain in February as it leaped over rival General Motors Co. in monthly sales. Ford sold 142,006 light vehicles last month -- 471 more than GM, which advanced 12 percent. It was Ford’s fifth straight monthly increase in its home market.

The last time Ford topped GM in monthly sales appears to have been July 1998, when GM was crippled by a strike at its Delphi parts unit. GM has been No. 1 annually since 1931.

On an industry wide basis, analysts expect U.S. auto sales to be near a seasonally adjusted annual rate of about 10.4 million, down from January but higher than year-earlier levels when sales rates were near the bottom of the deepest downturn in almost three decades.

ASIA PACIFIC

54. Australia Considers Adoption of Euro 5/6

Emissions from road vehicles are significant contributors to key air pollutants in Australia’s cities. National actions to strengthen vehicle emissions standards and improve fuel quality are accepted as key measures to reduce urban air pollution from the road transport sector and deliver associated health benefits. In Australia, vehicle emissions standards are set via the Australian Design Rules, which are legislative instruments under the Motor Vehicle Standards Act 1989. Fuel standards are set under the Fuel Quality Standards Act 2000.

The Australian Government has a policy of harmonizing Australia’s vehicle standards wherever possible with the international standards established by the United Nations Economic Commission for Europe (UN ECE) and the current emissions ADRs adopt the standards known as Euro 4. New Euro 5 and Euro 6 standards have recently been agreed for light duty vehicles, and a draft Regulation Impact Statement (RIS) has been prepared to consider the merits of adopting these latest standards in Australia.

Given that ECE R83/06 at this stage only adopts the Euro 5 emissions limits, it is proposed that the ADR vehicle emissions package be presented to Ministers in two parts as follows:

- Part 1 would ask the Councils to recommend that the Minister for Infrastructure, Transport, Regional Development and Local Government determine as soon as possible a new ADR79/03 which adopts the final text of UN ECE R83/06 (Euro 5) emissions standards for light duty petrol, diesel, LPG and NG vehicles; and
- Part 2 would ask the Councils to recommend that the Minister for Infrastructure, Transport, Regional Development and Local Government determine a new ADR79/04
which adopts the version of UN ECE R83 which adopts the Euro 6 emissions standards for light duty petrol, diesel, LPG and NG vehicles (when finalized).

Australia adopted sulfur limits that link to Euro 3 equivalent sulfur limits for petrol (150ppm) from 1 January 2005 and the Euro 4 equivalent sulfur limit for diesel (50ppm) from 1 January 2006, to support the introduction of the equivalent vehicle emissions standards. From 1 January 2008, a 50ppm limit was applied to higher octane grades of unleaded petrol (95 RON PULP) to support Euro 4 petrol vehicles. The maximum sulfur level allowable in LPG is currently 100ppm and is currently under review. Since 1 January 2009, the sulfur limit in diesel was further reduced to 10ppm, primarily to support the introduction of new emissions standards for heavy diesel vehicles.

55. Fuel Supply Problems in India Hamper Efforts to Meet Emissions Standards

India appears headed to miss an April 1 deadline to enforce tighter emissions standards for vehicles, with oil refiners saying they need more time to provide cleaner fuels. India’s Bharat Stage III and IV standards mandate provision of higher-grade petrol and diesel, which emit lesser amounts of pollutants such as sulfur, benzene, nitrous gases, carbon monoxide, and particulate matter.

However, an oil refiners’ committee, led by state-controlled Indian Oil Corp. and constituted to look into supply of fuels in accordance with the new policy, suggested in September 2009 that the petroleum ministry ask for a deferment of the deadline to give them time to make and supply adequate quantities to run upgraded automobiles. Now the Petroleum Ministry has written to oil companies asking them to file an affidavit in the Supreme Court by January 31st to seek deferment of the introduction of Bharat Stage III petrol and diesel, which is supposed to be made available in the entire country except for the 11 metropolitan areas where the stricter Bharat IV norms will apply.

Automakers, meanwhile, warn that the greener models they have developed and sold in the market could suffer damage if they run on the fuels currently supplied. Pawan Goenka, president of the Society of Indian Automobile Manufacturers (SIAM), told reporters at the 10th Auto Expo in New Delhi on January 8th that the delay of better-quality fuels could disrupt auto production in the next fiscal year. However, he added, the government should push back the deadline in case cleaner fuel is not available.

“SIAM has already made representations to the government that if fuel is not available, then implementation of the new emission norms should be postponed by three to six months in those regions where fuel is not available or across the country,” Goenka said, adding auto companies cannot test their new models without the mandated quality fuel.

Following a Supreme Court order in 1998, India enacted a National Auto Fuel Policy in 2003 that established norms for clean fuels and more fuel-efficient automobiles. The new norms were to be phased in. Each stage, from I through IV, provides for successively higher fuel quality and fewer emissions.

Automakers and petroleum companies have had more than six years to prepare for the April 1 deadline. On that day, 11 metro regions are set to graduate from Bharat Stage III norms for four-wheelers to Bharat Stage IV, while the rest of the country moves from Stage II to Stage III. However, while petroleum companies are prepared for Bharat Stage IV in the 11 metropolitan
areas, they have said they are unable to provide Bharat Stage III grade fuel in the rest of the country.

Refineries serving northeastern and southern India as well as large parts of central India are unable to supply cleaner fuels due to inadequate refining and transportation capacity.

Petroleum companies are now expected to approach the Supreme Court for a deferral of the deadline until October 1st as recommended by the petroleum companies’ committee.

56. **Indian Oil Corporation Fears Rs 12,000-Cr Loss in '09-10**

Indian Oil Corporation (IOC) has said that if the government does not increase the subsidy amount given to it for losses incurred on sale of cooking fuels, the company will end the year with a revenue loss of Rs 12,000 crore\(^1\). IOC argues that it is currently losing about Rs 110 crore per day on selling fuels below cost. It lost Rs 5.42 per liter on petrol, Rs 3.65 a liter on diesel, Rs 17.23 on every liter of kerosene sold through the public distribution system (PDS) and Rs 299 per 14.2-kg domestic LPG cylinder.

While losses on petrol and diesel for the quarter ended December 31, 2009, were fully made up by Oil and Natural Gas Corporation as well as Oil India Ltd, the government's cash compensation of Rs 7,100.18 crore left most of IOC's domestic LPG and kerosene losses uncovered.

Out of the total government support, the company accounted for Rs 4,482.49 crore in the third quarter. "After accounting for Rs 4,482.49 crore in one quarter, even though it was for the first nine months, we had a net under-recovery (revenue loss) of Rs 800 crore," IOC Chairman Sarthak Behuria said after announcing the results.

The compensation received was inadequate to cover for LPG and kerosene losses and, if it was not increased, the company would end the year with a revenue loss of Rs 12,000 crore, he said.

In fact, the 76 per cent dip in IOC's net profit for the quarter ended December, 2009, came even as the company's refining margin was better than the previous year's same quarter margin. Refinery margins help downstream companies to make up for the losses incurred on the marketing business due to non-revision of auto and cooking fuels in line with international prices.

The October-December 2009 net profit stood at Rs 696.59 crore, compared with Rs 2,958.59 crore during the same period a year ago. The company's refining margin or earnings from processing every barrel of crude, stood at $3.64 (nearly Rs 170) a barrel in October-December 2009 compared to minus $1.98 (minus Rs 91) in the year-ago period.

For the nine-month period ended December 31, 2009, the biggest petroleum retailer in the country posted a net profit of Rs 4,663.78 crore, compared with a net loss of Rs 3,673.41 crore during the year-ago period. This makes the situation appear better this year, despite the delay in release of compensation by the government.

Under-recovery on account of non-realization of market-related prices for superior kerosene oil (PDS) and LPG (domestic) during the nine-month period ended December 31, 2009, was Rs 7,936 crore, compared with Rs 7,539 crore in the corresponding period of the previous year for

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\(^1\) 10 million
petrol, diesel, PDS kerosene and LPG (Domestic). The under recoveries were after considering an upstream discount of Rs 4,303 crore and budgetary support of Rs 4,483 crore from the government.

57. India Moving on Vehicles, Biofuels Policy, Green Tribunals

India will continue to bolster its regulatory regime to steer economic development on ecologically sustainable pathways, while stepping up efforts to reduce vehicle emissions and to slow the increase in the country's greenhouse gas emissions. New vehicle emissions standards are expected in April (See story above regarding likely delay), with a new policy for biofuels expected this year as well. Fuel efficiency labeling requirements also are in the works, but likely will not take effect until 2011.

Legislation to establish a National Green Tribunal is currently pending before Parliament. If approved, as expected, the new tribunal would have authority to grant environmental clearances for projects and could hear cases involving industrial pollution and other environmental accidents.

The government also is expected to determine whether or not to allow commercial use of a genetically modified type of eggplant, known as Bt Brinjal. Its approval could indicate that additional approvals are on the way for as many as 40 other genetically modified food crops currently in various trial stages across the country.

Climate change and sustainability also figure to be a priority for India in 2010, with the government expected to introduce legislation that would lay out possible scenarios for controlling the growth of the country's greenhouse gas emissions. In addition, various agencies continue their work to finish the eight “missions” outlined in India's National Action Plan on Climate Change.

The Bharat Stage IV standards for all four-wheeled vehicles, including cars and trucks, enter into force April 1 for 11 of the country's largest cities - Delhi, Mumbai, Kolkata, Chennai, Ahmadabad, Hyderabad, Bangalore, Kanpur, Pune, Surat, and Agra. Bharat Stage III standards will be extended to the rest of the country.

The new norms were put in place in February 2009, giving the $14.4 billion Indian automobile industry more than one year to overhaul its vehicles. Automakers have been introducing newer engines, and oil companies have been making arrangements to produce and to supply higher grades of fuel. The changes are expected improve air quality in India's largest and fastest-growing cities, while paving the way for cleaner, more efficient engines across the country.

By 2011, automakers will be required to affix energy efficiency tags on any vehicles they sell in India, according to India's Environment Ministry. Labels would report fuel consumption per kilometer. Environment Minister Jairam Ramesh said there would be different standards for different categories of automobiles, to help customers make an informed decision while buying a vehicle.

The government is preparing guidelines for vehicle labeling, which initially would be voluntary, but mandatory requirements would then be phased in over time. The Bureau of Energy Efficiency, the federal authority that oversees the government's energy efficiency initiatives, has been put in charge of administering the vehicle labeling program.
Mandatory fuel-efficiency standards are among the steps India is taking to demonstrate its commitment to tackle global warming.

Biofuels producers expect a new biofuels policy in the next year, as well as stricter enforcement of standards already in place. The new Biofuels policy, unveiled on December 23rd, encourages production of nonfood biomass on degraded or waste land, thereby avoiding any food-versus-fuel conflict, the Ministry of New and Renewable Energy said in a statement.

Employment on biofuels plantations will be covered under the National Rural Employment Guarantee Scheme, a federal government plan that guarantees 100 days of employment to one member of each rural family.

Subsidies and grants will be offered to “second generation” biofuels such as cellulosic ethanol and algal biodiesel, and a National Biofuel Fund could be considered, the policy document said. In addition, biofuel plantations and processing units have been declared a priority sector for the purposes of lending by financial institutions and banks.

Producers will be assured a minimum support price, to be announced soon and to be subject to periodic revisions. In addition, the policy noted that bioethanol already enjoys a concessional excise duty of 16 percent and biodiesel is exempt from excise duty, with no other federal tax or duty proposed.

The policy proposed an “indicative” target of a 20 percent blend of biofuels—both biodiesel and bioethanol—with petrol diesel by 2017. The government made 10 percent ethanol blending with petrol mandatory in October 2008 but this policy has not been strictly enforced.

To encourage the indigenous biofuel industry, import of free fatty acids such as palm oil for biodiesel production has been disallowed. Import and export of biofuels will be tightly regulated, the policy document said.

A National Green Tribunal, proposed by the Ministry of Environment and Forests in July 2009 as an independent institution dedicated to arbitrating environmental disputes, will be established soon, likely in the first half of 2010. The bill to set up the National Green Tribunal, which is currently before Parliament, would replace the existing arbitration mechanism for environmental licensing and impact assessments—made up of the largely defunct National Environment Appellate Authority, sundry state-level authorities, and Supreme Court-appointed bodies—with an all-in-one tribunal. This new tribunal is much awaited by industry as environmental clearances are effectively on hold, delaying projects indefinitely, because the National Environment Appellate Authority is now in limbo with many of its top positions currently vacant.

The new tribunal would grant environmental clearances to infrastructure and industrial projects and would hear cases related to conservation of forests and natural resources, as well as industrial pollution and accidents.

An institutional counterpart of the tribunal, the National Environment Protection Agency, also was proposed in September 2009 in a discussion paper issued by the Environment Ministry. Once established, the agency would oversee regulation, monitoring, and enforcement of laws and policies formulated by the Environment Ministry. Although the ministry has not set itself a timeline for setting up the new agency, officials say it may come in the latter part of 2010.
The government is likely to introduce and to pass climate change legislation showing possible greenhouse gas emissions pathways, or emissions growth rates, for the country. The legislation likely would define broad objectives for every sector, which the ministry has said would only be aspirational targets.

In addition, various ministries and departments are working to finalize the remaining five of eight “missions” outlined in India’s National Action Plan on Climate Change announced in June 2008. The National Solar Energy Mission, National Energy Efficiency Mission, and the National Mission on Strategic Knowledge for Climate Change have already been announced.

Among the remaining missions, a National Mission on Sustainable Habitats is taking shape, with the government considering a green buildings code, ramping up urban waste management and recycling mechanisms, introducing auto fuel efficiency norms, and encouraging public transportation.

58. India to Tackle Pollution with Energy Cuts

India is planning to create a £10 billion-a-year market in energy-saving certificates that officials hope will burnish the country's green credentials and help to avert a looming energy crisis. Under the plans, due to be implemented in April next year, more than 700 of the country’s most polluting industrial units, such as steel and cement plants, will be given targets for reducing energy consumption. Those that better their targets will be able to sell energy savings credits to those that fail to make the required cuts.

Ajay Mathur, director-general of the Bureau of Energy Efficiency, the government department leading the project, told The Times he believed that the scheme could save the equivalent of 10 million tons of oil a year.

Officials believe that transactions in energy savings certificates could reach £10 billion a year and help to save about 5 per cent of the national energy consumption by 2015.

The move comes as India struggles to provide power to its people, 400 million of whom live in houses that are not connected to the national grid. Manmohan Singh, the Prime Minister, has pledged "power for all" by 2012, but demand for electricity is likely to increase more than fivefold to 3,870 terawatt hours a year by 2030, according to McKinsey, the consultancy.

In the same period, the number of vehicles on India’s already congested roads is expected to rise sevenfold, to about 380 million vehicles.

If those predictions are realized, India, which relies on its modest coal reserves for the lion’s share of its power and already imports 70 per cent of the oil it uses, would become the third-largest consumer of energy, after the United States and China. Its share of world energy consumption will nearly double, pitting it against international rivals in a fierce battle for scarce resources.

The energy savings trading scheme is one of several projects designed to tackle the power deficit and cut the emissions blamed for climate change.

There are also plans to distribute 200 million solar powered lamps in the next few years, and to install solar panels on all government buildings by 2012.
Among the more eye-catching experiments is a recent bonus plan for banking executives. Those whose lending results in villages becoming “fully solar electrified” — by funding small photovoltaic systems capable of powering portable TV sets and street lights — will receive a 100,000 rupee cash prize from the Ministry of New and Renewable Energy, enough to buy a car.

The grandest scheme of all is a $19 billion (£11.67 billion) plan to make India a global leader in solar power. The plan calls for India to generate 200GW of power from solar sources by 2050. The entire world can generate about 14GW of solar power today.

India will join a growing number of counties exploring energy savings trading schemes. Several states in the US have instituted similar initiatives, as has New South Wales in Australia. Italy, Britain and France have also established schemes for energy-saving certificates. However, only a handful of trades have occurred in the British scheme, which is overseen by Ofgem, the regulator of gas and electricity markets, according to the World Resources Institute, meaning that effective prices have not been set.

59. South Korea Finalizes Climate Change Law

On January 13th, South Korean President Lee Myung-bak signed a climate change law that lays the groundwork for an ambitious greenhouse gas and sustainable development agenda under the government’s “green growth” initiative, the Office of the President said. The Basic Law on Low-Carbon Green Growth will provide “a strong legal and institutional basis for South Korea’s leadership in green growth efforts worldwide,” Lee said during the signing ceremony.

The new law and a set of subsequent rules and regulations, scheduled to go into force April 14 after a three-month grace period, will implement South Korea’s national goal of reducing greenhouse gas emissions by 4 percent through 2020 from 2005 levels and other mid- and long-term strategies for fostering environment-friendly industries and renewable energy sources.

The green growth law combines climate change and sustainable development provisions scattered across different laws and government jurisdictions. The Presidential Committee on Green Growth, co-chaired by the prime minister and a civilian partner, will set strategic priorities and action plans as a top decision making body.

Businesses responsible for heavy greenhouse gas emissions and high energy use will be required to report volumes of each to the government regularly and comply with statutory limits. Automotive greenhouse gas emissions limits will be introduced in addition to tougher fuel economy standards.

The green growth law stipulates that an emissions trading platform should be established under a separate law, which has yet to be worked out, to provide a legal framework for a national carbon exchange that allows companies to trade emissions quotas.

With the enactment of the green growth law, three competing bills containing similar greenhouse gas emissions reduction mandates for industry have been dropped by the National Assembly.

60. Chinese City Sets Up Electric Vehicle Charging Areas

The city of Shenzhen in south China’s Guangdong province has put its first two electric vehicle charging stations into operation along with 134 charging poles in residential and public parking
lots, the state-run Xinhua news agency reported on December 30\textsuperscript{th}. A third charging station is in the planning phase. The city hopes to have 12,750 charging poles constructed by 2015, Xinhua reported. The initiative is part of a national plan to boost the number of electric and hybrid vehicles in 13 major Chinese cities. Shenzhen's goal is to put 24,000 electric vehicles, including those for public transportation and government use, on the road by 2012, and 100,000 by 2015, the news agency said. Of the current two operational charging stations, one has six charging machines that can handle 12 cars charging at one time, and the other has three charging machines to accommodate six cars at once. The charging fee at the station is 1 Yuan ($0.14) per 0.8 kilowatts during peak hours from 7 a.m. to 11 p.m. and 0.3 Yuan per 0.8 kilowatts ($0.04) during off-peak hours, according to the Price Control Administration of Guangdong province.

61. Toyota in Lithium Deal for Hybrid Car Push

A sister company to Toyota Motor Corp has secured a lithium supply deal in Argentina that could help the world's largest automaker keep its lead in gasoline-electric hybrid cars. The deal sent shares in the lithium project’s owner and operator, Australian-listed Orocobre Ltd, soaring almost 50 percent to an all-time high.

Lithium, a highly reactive and versatile metal, is expected to be in increasing demand as carmakers choose costly but more efficient lithium-ion batteries to power hybrid and electric vehicles. "When it comes to mass production of hybrids, the main hurdle has been a shortage of batteries," said Yoshihiko Tabei, chief analyst at Kazaka Securities. "Toyota is taking a step on its own to secure the materials it needs to ensure stable production."

Toyota Tsusho Corp, a trading house and key Toyota supplier 22 percent-owned by the automaker, said it would jointly develop a new lithium project in Argentina with Orocobre.

The Salar de Olaroz project in Argentina is estimated to cost around $80-$100 million, with the final figure to be determined after a feasibility study, Orocobre spokesman Paul Ryan said, adding the study should be complete by end-September.

Toyota uses nickel-metal-hydride batteries for the current Prius hybrid but has decided on lithium-ion batteries for future plug-in models.

Toyota aims to double its global output of gas-electric hybrid cars to 1 million units in 2011, as it fights to stay in the lead in the growing market for low-emission cars, the Nikkei business reported this month.

Subject to the finalization of the terms, Toyota Tsusho will acquire a 25 percent equity interest in the joint venture while Orocobre will continue to own the remaining 75 percent of the project and will operate the venture.

Bolivia has around 50 percent of the world's lithium reserves, but does not yet mine the metal, while Chile, China and Brazil also hold big reserves.

62. China's BYD to Invest $3.3 Billion in Solar Battery Plant

Chinese car and battery maker BYD Co Ltd, 10 percent owned by U.S. billionaire Warren Buffett's Berkshire Hathaway, will invest 22.5 billion Yuan ($3.30 billion) over five years to build China's largest solar power battery plant, according to a recent report. Shenzhen-based BYD, which aims to sell 800,000 vehicles next year, will build the plant in China's Shaanxi province, a
The plant will have capacity to produce a total of 5,000 megawatts of batteries, the report said.

In December, BYD received 15 billion Yuan in credit from the Bank of China. The company is likely to use the credit to invest in new areas, such as solar energy and new energy vehicles, Frank He, an analyst with BOCI Research in Hong Kong, said at the time.

BYD's F3 sedan was the best-selling car in China in the first 11 months of 2009, leading other popular domestic and foreign models, such as Hyundai Motor's new Elantra and Chery Automobile's QQ.

BYD plans to start selling its first electric car, the e6, in the first quarter of 2010, Paul Lin, manager of the company's marketing department said in late December.

63. Japan to Propose Detailed Marine Fuel Levy Plan

Japan, one of the world's top shipping operators, will submit details of its proposal for an international levy on marine fuel ahead of a meeting of the U.N.'s shipping agency in March, a government official said recently.

Under the proposal, which was first touted last year as an alternative to an emission trading system in the sector, money raised would be used to help cut carbon dioxide emissions relating to shipping in developing countries.

Funds would be spent in areas including improving conditions at ship recycling yards, many of which are located in India and Bangladesh, the official said.

Ships that improve their fuel efficiency and new ships that exceed efficiency requirements would be offered partial refunds on the levy.

The European Union has called for shipping to cut emissions to 20 percent below 2005 levels over the next decade as part of international efforts to fight global warming.

"Our scheme is a levy, but it includes a system to pool money to be used to help reduce emissions and refunds for environment-friendly ships. It would encourage R&D for ships powered by renewable energy and support developing countries," said Akihiro Tamura, deputy director at the Ministry of Land, Infrastructure, Transport and Tourism's safety and environment policy division.

Apart from negotiations over a broader U.N. climate pact, the body's shipping agency, the International Maritime Organization (IMO), is holding separate talks on reducing the sector's emissions, which account for about 3 percent of man-made CO₂ and are expected to rise because of growing demand for goods in emerging economies.

At the last meeting of the IMO's Marine Environment Protection Committee in July, delegates approved voluntary guidelines on an energy efficiency design index for new ships, as well as an index for existing vessels. Tamura added that Japan, together with Norway and the United States, will propose that the new vessel index, effectively a league table of ship efficiency, becomes mandatory and be used to prevent inefficient craft from being built. If approved, this would prompt shipbuilders to produce vessels that emit less CO₂. New vessels with lower fuel efficiency than multilaterally agreed would eventually be banned from sale.
Japan accounts for about 15 percent of the global shipping industry, based on its number of owners, vying with Greece for the No.1 position.

**64. Beijing Mayor Says City Faces Serious Pollution**

Beijing's mayor Guo Jinlong said that the Chinese capital faces an "extremely serious" pollution problem, unveiling a target for "blue sky days" below the number achieved for all of 2009. Beijing is frequently enveloped in foul-smelling smog, the result of a private car boom on the back of breakneck economic growth, the rapid development of industry around the city, and a reliance on coal power stations for electricity. Guo promised the city of 17 million would give greater priority to public transport by building bus lanes and new subway lines as well as raising the proportion of green energy resources used and removing high-emission vehicles from the road.

"The problems between population, resources and the environment are extremely serious," Guo told the opening session of Beijing's parliament, held at a conference centre in a remote northern suburb.

He said the city will aim to have 73 percent of the days this year with air quality judged excellent or fairly good, known as "blue sky days". That works out at about 266 days, as opposed to 285 for 2009.

But residents of the capital need not get too gloomy about his forecast: the target doesn't necessarily represent a retreat. In fact, Beijing consistently low-balls predictions. Last year's blue-sky target was 71%, or 259 days, well below the actual number of blue days. This year's prediction falls in line with that trend. It's a partly a case of managing expectations by setting an easy goal. Better to outperform then under deliver. It also reflects the reality that city planners can't control all the factors that affect air quality. Gasoline and car emission standards have been tightened, large polluting factories moved out, and a lot of coal-fired boilers shut down. But Beijing can't control the weather (apart from some rain- and snow-making). Some weather patterns trap smog over Beijing like a flipped saucer traps steam over hot milk.

Beijing also can't always control what neighboring provinces are up to. During the 2008 Summer Olympics, when athletes worried that smog would hurt performance, Beijing took emergency measures including shutting down hundreds of steel mills in the provinces around Beijing after studies showed they contributed to Beijing's own problems. But that was temporary. Now, China's the economic stimulus, steel output is roaring back – and so are those steel mills.

"We will control the total quantity of pollutants generated and undertake trial reforms in the trade of pollution discharge rights," Guo added, without elaborating.

"We will deepen the development strategy of giving priority for public transportation, and build a green commuting system that gives priority to rail transit and emphasizes surface public transportation," he said.

Beijing's notoriously poor air quality was put in the global spotlight ahead of the city's hosting of the 2008 Olympics, leading the government to launch a major clean-up campaign, including shutting down many dirty factories. But more than a year after the Games, Beijing is still periodically shrouded by smog, endangering the health of residents and making the city a less attractive place for foreign executives and their families.
Guo told the more than 700 delegates that he hoped to turn Beijing into a "global city" and would "vigorously entice multinational corporations to set up their regional headquarters in Beijing".

65. Hong Kong Air Pollution, Climate Top 2010 Agenda

The Hong Kong Special Administrative Region will continue to implement environmental policies and actions laid out in the chief executive's 2009-2010 policy address, paying special attention to local and regional air quality issues as well as climate change, officials said.

The government recently finished major consultations on air quality objectives and climate change with final, revised documents to be announced in the first quarter of 2010, a spokesperson from the Environmental Protection Department said.

Details of the consultation on climate change policies, launched in 2008, will be released in early 2010. They will provide the basis for policy recommendations for long-term mitigation of greenhouse gas emissions and adaptation to climate change and will provide updated information on the region's carbon inventory, officials said.

Hong Kong's consultation on its Air Quality Objectives (AQOs) Review was released in July 2009 after a two-year study period. The government's final draft of the AQOs will be released early in 2010. It will be used as a blueprint for bringing the Air Pollution Control Ordinance, unchanged since it was established in 1987, closer to World Health Organization targets.

It is expected that Euro 5 fuels, currently encouraged by tax incentives, will become mandatory in mid year but Euro 5/V vehicle standards will likely be further delayed.

This year Hong Kong and Guangdong province expect completion of a study they commissioned to examine the progress of the Pearl River Delta Air Quality Management Plan, which was launched in 2003. The two governments also recently agreed to commission a study to help develop a regional water quality management plan for the delta. The deadline for completing the study is 2013.

Environmental groups said they expect environmental impact assessments to be released on potential sites for proposed incinerators in mid-2010. The government has said existing landfills in Hong Kong will reach their maximum capacities in early to mid-2010.

66. China Becomes World's Biggest Car Market

China fulfilled industry expectations to become the world's biggest car market in 2009, overtaking the US by a significant margin. The China Association of Automobile Manufacturers (CAAM) reported total vehicle sales of 13.64 million units in 2009, up 46.15% from 9.4 million the previous year. Although US data, showing sales of 10.43 million units, includes only light vehicles, China's heavy trucks account for just 650,000 units. Removing them from the equation still leaves China ahead by over 2 million units. While the extension of government incentives should make for another year of healthy sales, the same level of growth is not expected to be sustained in 2010; more restrained growth of around 12%, to 15.3mn units, is expected as a natural cooling off period will follow such a high.
As a result of the surge in sales, several carmakers in China are planning capacity expansion, which has fuelled concerns of overcapacity when sales growth slows. The government has urged consolidation, particularly among domestic producers, to avoid such a glut, while exports are expected to rise by more than 16% this year, partly as a result of added capacity. Although installed capacity continues to grow, total vehicle sales growth is forecast to slow by an annual average of 1% over the next five years, meaning growth in actual output required to meet demand will also be lower, falling to below 10% by 2014.

Carmakers have been buoyed by China's 2009 performance. This is particularly true of US and European carmakers that have suffered in their domestic markets. General Motors Company reported growth of 66.9%, to 1.83mn units, for its combined Chinese operations. Ford Motor and its partners achieved growth of 44%, to more than 440,000 units. Volkswagen recorded growth of 36.7%, to achieve record total sales of 1.4mn units through its local operations. The market's growth is likely to be sustained to some extent as the government announced in December 2009 that not only will the incentives be carried on for a longer period than initially intended, but they will be extended to cover all passenger cars rather than just those with engines under 1.6-litres.

67. Indian Oil Sector Pushes for Rationalization of Duties; Subsidy Clarity

The Indian oil industry continues to press for rationalization of duties and taxes for both upstream and downstream activities and answers to the issue of subsidy on domestic LPG and PDS kerosene.

Pushing for deregulation of auto fuel prices, players in the oil products retailing business (public and private) feel that a decision should be taken on a viable and sustainable system of pricing of petroleum products. This would not only ensure a good financial health of the public sector oil marketing companies — Indian Oil Corporation, Hindustan Petroleum Corporation, and Bharat Petroleum Corporation — but will also create a level playing field for the private players such as Reliance Industries Ltd and Essar Oil.

Industry watchers feel that the “subsidy for domestic LPG and PDS kerosene should come as part of the Budget. This would end the current uncertain situation, where the nodal Ministry has to keep knocking at the doors of the Finance Ministry for support.”

Currently, the PSU oil retailers suffer under recoveries for selling petrol, diesel, PDS kerosene and domestic LPG at a Government-controlled price. While the Government meets the total under recovery on cooking fuels either through bonds or in cash, the same on petrol and diesel is met by upstream companies — ONGC and Oil India, as well as GAIL (India).

Consultants such as E&Y feel that “let the supply and demand curves come to play and decide on the petroleum prices.”

Any decision on oil product pricing has to be suitably supported by a flexible duty structure in line with international price movement. At present, there is zero Customs duty on crude oil, domestic LPG and PDS kerosene. There is 2.5 per cent Customs duty on petrol and diesel and five per cent on other petroleum products. The excise duty on domestic LPG and PDS kerosene has already been reduced to zero. The basic excise duty on petrol and diesel (other than branded) has also been reduced to Rs 13.35/liter on petrol and Rs 3.60/liter on diesel.
“Higher excise duty gives only temporary relief to the Government,” industry trackers said. The industry supports the suggestions made by the Kirit Parikh Committee on fuel pricing.

The Parikh Committee has suggested an additional excise duty on diesel-driven vehicles corresponding to the differential tax in the form of higher excise duty on petrol consumed by average petrol driven car, which will act as the equalizer.

“There is also the cascading impact of taxes such as entry tax/octroi imposed by the State governments on crude oil, petrol, and diesel. Almost 20 per cent of the price build up of petroleum products is attributed to State taxes. This needs to be rationalized to achieve faster adaptation of domestic price of petrol and diesel to international crude price,” the Committee has opined.

The Committee, however, did not give any recommendations on taxation of petroleum products, as the Empowered Committee of State Finance Ministers is already working with the Central Government to prepare a roadmap for the introduction of the Goods and Services Tax (GST) with effect from April 1.

On the GST, the industry holds the view that the petroleum products should be brought under this regime to avoid cascading impact of duties and taxes on end consumer prices. The players also feel that special GST rates may be maintained to protect revenues of State and Centre.

Those in the business of oil and exploration are seeking more fiscal incentives so that they can take more risk in the untapped areas which have a lower and unknown probability of striking oil reserves and increase the capital investments.

The industry wants the anomalies in definition of ‘mineral oil’ and ‘undertaking’ clarified. Experts say, “It is necessary to clarify that the definition of mineral oil includes natural gas retrospectively irrespective of the NELP round and that the benefits would be available to CBM.”

In other words, it should be explicitly provided that the term ‘mineral oil’ will include natural gas for all past and future rounds of production of natural gas for the availability of tax holiday. This should also include CBM.

“Also, the limitation of the tax holiday for oil and gas to a single undertaking based on a single production-sharing contract is regressive and inconsistent with the construct of tax holidays for other sectors. The eligibility of an undertaking that qualifies for the tax holiday should be redefined so that each distinct field development evidenced with separated development plan is considered as an undertaking eligible for the deduction,” industry says.

Further, the tax holiday available to the upstream industry for the initial seven years from the commencement of the commercial production should be allowed for any seven years in the block of first 10-15 years.

68. Road Map on Decontrol of Petrol, Diesel Likely In Budget

Faced with a huge fiscal deficit and rising costs of social security programs, the United Progressive Alliance-II government could announce possible decontrol of petrol and diesel prices in the Union budget to be presented by Finance Minister Pranab Mukherjee on February 26.
This could provide the road map for partial deregulation of the petroleum sector and help it cut down on subsidies. Official sources in the Petroleum Ministry said both Mr. Mukherjee and the Petroleum and Natural Gas Minister Murli Deora discussed such a road map that could ultimately provide an alternative to the oil marketing companies (OMCs) to review the prices of petrol and diesel on a regular basis.

“There is a strong view in the Ministries, that notwithstanding the opposition within the UPA, it is high time that petrol and diesel are totally decontrolled and left to market forces to decide the ups and downs in their price movement. LPG and kerosene could continue to be administered by the government,” the sources said.

Mr. Mukherjee is reported to have told Mr. Deora that it would not be possible to provide huge subsidies to the OMCs in future, especially in view of the commitment of the UPA regime to flagship social security programs that require huge allocations. “The Finance Ministry is in favor of decontrolling auto fuel prices to limit the government's subsidy. A decision is expected to be announced shortly, but most likely will find mention in the Budget,” the sources said.

The two sides discussed a proposal to put in place a regime that would allow the OMCs to review or revisit petrol and diesel prices every 30 days based on the average international price of the last one month. It was felt that the current low international crude oil prices provided the best opportunity to usher in reforms without consumers feeling the pinch. As such, it was pointed out that motor vehicles were the biggest consumers of diesel, at 12 to 14 per cent, compared to the agriculture sector, at 10 per cent.

69. Tata Motors To Up Prices of Commercial, Passenger Vehicles

Tata Motors said it will hike commercial vehicle prices by up to 2% on account of new emission norms. The company also announced plans of bidding for an Rs 350 crore defense contract to supply light bullet-proof vehicles.

"New emissions norms require new technologies; therefore the prices will have to go up. Prices can go up by 1-2%,” Tata Motors president (commercial vehicles) Ravi Pisharody said. Stricter Bharat IV emission norms come into force in 13 cities from April this year, requiring companies to make changes to engine and exhaust systems.

PM Telang, MD of the company’s Indian operations, said, "There will be an increase in prices of passenger vehicles but I cannot comment further right now."
The company said it would look at opportunities in a contract for supply of light bullet-proof vehicles to the Indian Army, estimated at about 1000 units. The company, that launched an anti-mine vehicle for use by the Indian Army, paramilitary and police forces, said defense offers a good business proposition. "Defense brings in big business for us," Ravi Kant, V-C of Tata Motors, said.

Carl-Peter Forster, the new CEO of Tata Motors, expressed confidence on his assignment but sought at least 100 days to get a grip on the job. "Give me that time and we'll meet again," he said.

70. Fujian Province Records High Levels of Acid Rain, Blames Neighbors

The coastal province of Fujian logged high levels of acid rain during the last three months of 2009, with the provincial capital of Xiamen experiencing acid rain in each precipitation event, the provincial environmental protection bureau said in a January 13th release of fourth-quarter air and water quality data.

Fourth-quarter data showed that 17 of Fujian's 23 largest cities recorded acid rain during the quarter, with seven experiencing acid rain in more than half the precipitation events, the bureau said. Xiamen had the most occurrences of acid rain, and the city of Shaowu had the highest levels of acidity in rainfall, with pH levels of 3.31 recorded, it said.

Dust and acid rain were the main problems during the fourth quarter, the bureau said. Because sulfur dioxide levels are generally low in Fujian, environmental officials blamed the acid rain on pollution from provinces further inland. The biggest culprit is the burning of fossil fuels by coal-fired power plants, factories, and automobiles. It damages streams and forests.

According to the U.S. Environmental Protection Agency, pure water has a pH of 7.0. However, normal rain is slightly acidic with a pH of about 5.6.

Urban air quality across Fujian province was “generally good,” according to Air Pollution Index figures released by the bureau, with the number of days meeting national standards for Grade II levels of ambient air quality reaching 95.8 percent in the fourth quarter. Levels above Grade II are considered harmful to people with sensitive medical conditions.

Six of the 23 largest cities registered overall air quality levels of “fairly good” during the period.

71. Tibet Temperatures Hit Record High In 2009

Temperatures in Tibet rose last year to the highest level since records began for the remote Himalayan region, which scientists say is particularly vulnerable to global warming, state media has reported. The average temperature in Tibet in 2009 was 5.9 degrees Celsius (42.6 degrees Fahrenheit), 1.5 degrees higher than "normal," the official China Daily newspaper reported, citing the latest figures from the regional climate center.

"Average temperatures recorded at 29 observatories reached record highs," Zhang Hezhen, a specialist at the regional weather bureau was quoted saying, adding temperature rises occurred in both summer and winter. Temperature records for Tibet started in 1961, the paper said.
Tibet, with an average altitude of over 4,000 meters, is particularly vulnerable to the impact of climate change, scientists say. Warming is already melting glaciers that feed rivers providing hundreds of millions of people with water. The area acts as a "magnifier" for global warming, Zheng Guoguang, head of China Meteorological Administration, said at a meeting in Lhasa last spring. "The impact of global warming has accelerated glacial shrinkage and the melting glaciers have swollen Tibet's lakes... If the warming continues, millions of people in western China would face floods in the short term and drought in the long run."

There are also concerns climate change may melt the permafrost on which the regional railway, linking Tibet with neighboring Qinghai province, is built.

Some parts of Tibet were as much as 2.3 degrees Celsius warmer than normal last year, said weather specialist Zhang.

In Shigatse city, the maximum daytime temperature hit 32.5 degrees Celsius, 0.5 degrees above the previous record, while in Lhasa temperatures were also 0.5 degrees above a previous record set in 1971.

The warm weather also brought drought to parts of Tibet, with rainfall down at least 20 percent, Zhang said. "Tibet received an average precipitation of 363 mm last year, a record low in 39 years," she said.

Nearly 30,000 hectares of cropland, one eighth of Tibet's total arable land, were affected by a sustained drought over the summer and autumn of 2009, state media said. Water shortages were so bad people in some areas had to buy bottled water to drink.

72. China Reportedly To Set Up Renewable Energy Center

China plans to build a national renewable energy center to enhance the country's clean energy development, the China Daily reported, citing a government official. The center, still at a preliminary planning stage, would be responsible for policymaking, key projects, program management, market operations and international coordination, said Han Wenke, director general of the Energy Research Institute under the National Development and Reform Commission, the country's top economic planning agency, the newspaper reported.

Renewable energy consumption accounted for 8.3 percent of the China's total in 2009. The country consumed a total of 3 billion tons of standard coal equivalent in the year, more than 90 percent of which was derived from traditional fossil fuels, with more than 70 percent from coal.

China wants renewable energy sources to make up 15 percent of total power generation by 2020. It also aims to reduce carbon intensity, or the amount of carbon produced per unit of GDP, by between 40 and 45 percent by 2020 compared with 2005.

73. Japan to Expand Cash-for-Clunker Subsidy; Japanese Standards Concern

Japan will revise its fuel efficiency gauging regulations to allow vehicles manufactured in the United States, Europe, and elsewhere to qualify for Japan's cash-for-clunkers program, formerly known as the Eco Motor Vehicle Program, the Ministry of Economy, Trade, and Industry (METI) said on January 19th.
On January 21st, government and industry officials said the decision could be a potential setback for Japan’s plan to improve automobile fuel efficiency and to reduce carbon dioxide emissions. It also could pave the way for the U.S. government and the European Commission to demand that Japan accept U.S. and EU auto fuel consumption measurement methods over Japan’s measuring methods, the officials said.

“It is like opening a can of worms,” Kunihiko Ono, senior managing director of the Japan Automobile Importers Association, told the press. “Since the latest measure was decided in response to the U.S. government’s demand [that Japan revise its fuel efficiency gauging regulations], European automakers are not happy about it at all and they are planning to demand that Japan accept the European fuel gauging method.”

Japan’s Eco Motor Vehicle program provides tax breaks to encourage consumers to purchase more energy-efficient vehicles as well as incentives to replace old commercial vehicles.

On January 19th, Japan said that, effective immediately, it will allow vehicles imported under Japan’s simplified Preferential Handling Procedure (PHP) certification process to apply for the Eco Motor Vehicle subsidy, based on fuel efficiency and emissions data, which are usually not certified under the streamlined PHP process.

PHP was introduced in 1986 to allow some foreign-manufactured vehicles to avoid Japan’s more comprehensive “type designation” approval system by allowing certification for importation of vehicles in a volume of less than 2,000 per vehicle type. The type designation system, used for cars to be sold in Japan in larger quantities, is more rigorous and involves inspection of a sample of a vehicle model as well as a manufacturer’s quality control systems.

A METI official estimated that roughly 700 U.S.-made vehicle types will now likely qualify for the Eco Motor subsidy.

European automakers obtain type designation certification for most of their models. About one-third out of roughly 150,000 European vehicles sold in Japan already qualify for the Eco Motor subsidy.

The Eco Motor program will be extended through the end of September 2010 if the fiscal 2010 budget bill clears the Diet (Parliament).

A senior official with the Automotive Transport Bureau of the Ministry of Land, Infrastructure, and Transport (MLIT) told reporters that the decision to allow PHP-certified vehicles to qualify for the subsidy was made by the Ministry of Economy, Trade and Industry over MLIT’s opposition. “We are concerned that this might lead to backpedaling of our fuel efficiency standards,” said the official, who wished to remain unnamed. He said the decision means that Japan now accepts that U.S. vehicles consume the same amount of fuel as comparable-sized Japanese engines, even though U.S. vehicle fuel performance can be 10 percent to 20 percent less efficient that Japanese vehicles.

According to Ono with the Japan Automobile Importers Association, European automakers are not happy with the METI decision because they have been largely abiding by the more comprehensive type certification process. Ono said the Europeans may now demand that Japan accept EU fuel measuring methods for European-made vehicles sold in Japan, rather than continue to go through the more comprehensive type vehicle process.
The MLIT official said METI's decision comes at a bad time: when a METI and MLIT policy panel are in the process of evaluating 2020 fuel efficiency standards for Japan. He said this could result in different standards for vehicles by 2020, with one mileage and efficiency standard for Japanese-made vehicles, but separate standards for vehicles imported from the United States and the European Union.

This may disadvantage Japanese automakers because the next Japanese standards are likely to be tougher than U.S. and EU standards and possibly more costly for manufacturers, the MLIT official said. That could prompt Japanese consumers to buy U.S. and European cars instead of Japanese-made vehicles and could also compromise Japan's fuel efficiency and carbon dioxide emissions standards, the official said.

Auto-derived carbon dioxide emissions account for about 25 percent of total Japanese greenhouse gas emissions.

U.S. Rep. John Dingell wrote in January 25th letters to Japanese Ambassador Ichiro Fujisaki and the U.S. trade representative that Japan should use the U.S. Environmental Protection Agency's combined fuel economy rating to determine participation of U.S. autos in the Eco Motor program. “The combined rating is the most balanced, fair, and accurate measurement of a vehicle's fuel economy,” Dingell said. “It is therefore the most appropriate criteria to use to assess eligibility for Japan's fleet modernization program.”

In its January 19th announcement, METI said that fuel efficiency performance would be based on the official value given by the manufacturing country, and gave the example of city miles per gallon (MPG) for the United States. The U.S. EPA calculates the city, highway, and combined MPG, with the highway rate the most efficient and the city rate the least efficient.

On January 26th, Steven Collins, president of the Automotive Trade Policy Council, which represents U.S. automakers, told reporters that using the EPA city MPG could cut the number of U.S. autos able to participate in the Japanese program by 50 percent to 75 percent. He said, however, his organization was still assessing the data and was writing to USTR and Japanese officials asking METI to consider using the other EPA measures.

Prior to the January 19th announcement, no U.S.-made vehicles were eligible under Japan's Eco Motor program, according to Dingell.

Penetration of the Japanese auto market by foreign automakers is only 3.9 percent.

**74. New Vehicle CO2 Emissions Continue to Decline in New Zealand**

New vehicle imports are reducing New Zealand's CO2 global warming footprint, according to figures released by the Motor Industry Association.

Carbon emissions from new cars have dropped steadily over the last few years, from an average of 220.7 grams per kilometer in 2006, to 204.2 last year. This has been due to a combination of factors. Globally car companies are being driven by stringent Japanese, US and European limits, and the benefits of the resulting technology improvements have for sometime been entering the New Zealand market via MIA members.

These improvements are further boosted by the continuing shift to smaller, more fuel-frugal vehicles.
The average emissions for each marquee range from a high of 234 g/per km to a low of 114 – the latter figure being obtained by a niche brand.

The arrival of new, emissions-friendly cars will gradually lower New Zealand’s carbon footprint, but the overall improvement will be slow because the average amount of carbon emitted by all the cars on New Zealand’s roads is impacted by the age of the fleet. The mean age of a New Zealand car in December 2009 is almost 12 years old, and that vehicle was built to meet 12-year-old standards. It emits carbon at a far higher level than new cars do today.

MIA CEO Perry Kerr says that as a result, “The overall safety and environmental performance of our vehicle fleet is compromised, and certainly lower than other comparable markets, for example Australia.” Mr Kerr says, “The MIA would like to see further Government involvement aimed at encouraging younger used imports and specific polices directed at reducing the age of the fleet.

**75. Coastal Sea Levels in China Highest Measured**

Sea levels along China's coast are on average 2.67 inches higher than they were when measuring began nearly three decades ago, the State Oceanic Administration said on January 27th. Over 27 years of data tracking, sea levels have risen an average of 0.10 inch per year, though between 2008 and 2009 they rose an average 0.31 inches, the agency said in a news statement.

The agency predicted that by the end of 2010, sea levels along China's coast will be on average between 3.14 and 5.11 inches higher than they were nearly three decades ago because of global warming.

Coastal sea levels rose significantly in southern China between 2008 and 2009, while in the north they remained relatively stable, according to the statistics. Along Guangdong, Fujian, Zhejiang, and Hainan provinces, levels rose 1.06 inches in the one-year period. Over the past 27 years, waters around Hainan, an island province off south China, and Guangdong rose 4.44 inches and 3.66 inches, respectively, the agency reported.

Agency experts called the rising sea levels a “disaster in slow-motion” and said the long-term effects will be increased storm surges, coastal erosion, coastal soil salinity, tidal flooding, and seawater intrusion into freshwater resources.

**SOUTH AMERICA**

**76. Chile Creates Environment Ministry, Helps Meet OECD Requirements**

On January 12th, President Michelle Bachelet signed into law legislation to create Chile's first Environment Ministry. The law (No. 20,417) also creates the Superintendencia del Medio Ambiente, or Environmental Regulator’s Office, to enforce regulations, as well as an independent evaluation service responsible for ensuring that new investment projects comply with environment rules.

According to Bachelet, the new ministry will be “politically responsible in the field of the environment, with specific skills, clear rules, new management tools, an exclusive and powerful regulatory body, and a demanding system of accountability.”
The new law, the biggest change to Chile’s environmental legislation since the 1994 Basic Environmental Law, also will allow wider popular participation in the evaluation of new projects and will require investors to explain how their projects fit into the territorial development plans of each region.

During debate over the legislation in Congress, the government promised to propose two additional pieces of legislation within one year of promulgation of the new law. One bill would create specialized courts to settle disputes involving environmental regulations; the other would create a system to manage the country’s protected areas and biodiversity, a role currently performed by national forestry corporation CONAF.

The president said creation of the new institutions would help Chile to meet its requirements as a new member of the Paris-based Organization for Economic Cooperation and Development. Chile joined the OECD on January 11th at a signing ceremony in Santiago.

Together with the establishment in 2009 of Chile’s first Energy Ministry, the creation of the Environment Ministry represents a substantial step “toward what we believe is the future, a green economy, and toward a society that is more respectful of the environment,” Bachelet said.

Environment Minister Ana Lya Uriarte said the new institutions respond to demands of the country. “Our people are interested in nature, want to live in a cleaner environment, have decontaminated cities, and improve their quality of life,” she said. Speaking to journalists, the minister said it will take about one year for the necessary regulations to be drawn up and the new institutions should start functioning in 2011.

The task of creating the new institutions will fall to Chile’s next president, businessman Sebastián Piñera who takes office in March.

The new environmental institutions may face an early challenge in the evaluation of two major investment projects to exploit the significant hydroelectric potential of the remote Aysen region. The projects—one controlled by London-listed mining firm Xstrata Plc and the other by Chilean energy companies Colbun and Endesa Chile—have to convince regional authorities not only of the viability of their projects but also of the desirability of huge transmission lines to transport the power to the main consumption centers thousands of kilometers to the north. Seventeen percent of Chile’s national territory is currently protected as national parks and reserves. Although that is a considerably greater proportion than is protected in the United States or most European countries, environmental advocates say it is insufficient as a number of critical habitats are either underrepresented or left out altogether.

Also on Chile’s agenda are key regulations on air pollution. In August 2009, CONAMA published proposals to cut levels of respirable particulate material (measuring 2.5 microns or less in diameter) in the atmosphere to “acceptable levels” by 2032, to improve air pollution in cities throughout Chile. As a first step, levels of PM$_{2.5}$ would be reduced to less than 25 micrograms per cubic meter (µg/m³) by 2012, from a current average of 32 µg/m³ in the greater Santiago region.

On December 15, 2009, CONAMA published long-promised proposals to limit emissions of gases and heavy metals from the country’s thermoelectric plants, targeting in particular sulfur dioxide, nitrogen dioxide, mercury, and nickel. A 60-day period of public consultation is under way, with the final regulation likely to be published in 2010.
This year will also see the implementation of legislation requiring 5 percent of electricity sold on the country's two largest grids to be derived from nonconventional renewable energy, a category which covers wind, geothermal, and biomass but not hydroelectric plants with a capacity of more than 20 megawatts. The last two years have seen a boom in investment in such renewable technologies, especially wind farms, and the energy sector is expected to be able to comply with the law, although plans are afoot to form a market to allow those with surplus renewable energy to sell to those with less than the required amount.

This law is seen by the Chilean government as a key part of its response to climate change, which will be another priority area for the new government. Chile views itself as particularly vulnerable to the effects of rising temperatures, which are set to reduce precipitation in the already arid north and center of the country and devastate glaciers, a key source of freshwater along much of the Andes.

Policies are likely to emphasize adaptation to changing conditions, including increasing the efficiency of water use in agriculture and mining and helping farmers to cope as the most productive areas move slowly southward.

77. Chile Switches to Low-Sulfur Diesel To Cut Emissions

Chile’s state oil company, Empresa Nacional del Petróleo (ENAP), has begun selling low-sulfur diesel fuel throughout the country in line with tighter fuel standards that came into force on January 1st. Presenting the new Grado B brand of diesel, CEO Rodrigo Azócar said the fuel compares with the cleanest fuels available in Europe and the United States.

Supreme Decree 319, issued by the Ministry of the Economy in 2006, required diesel sold outside the Santiago metropolitan region starting January 1st to contain no more than 50 parts per million of sulfur, down from 350 ppm in 2009 and 3,000 ppm before 2004. Diesel sold in the greater Santiago area has been limited to 50 ppm sulfur since July 2004.

Production of the new fuel required the investment of more than $600 million in hydrocracking and desulfurization plants at ENAP’s Aconcagua and Biobio refineries, the executive said.

The fuel is expected to lead to an 85 percent drop in emissions of sulfur dioxide from transportation and industry and to allow wider use of Euro IV light vehicles without risking their sensitive emissions control systems.

Low-sulfur diesel fuel also will allow the incorporation of post-treatment emission systems, such as diesel particulate filters, in new and existing buses and trucks, said Alvaro Sabag, executive director of Chile’s National Environment Commission (CONAMA). Studies carried out by CONAMA and the Ministry of Transport suggest such measures could reduce emissions of coarse (PM_{10}) and fine (PM_{2.5}) particulate material by 90 percent and 99 percent respectively, helping cities throughout Chile fulfill air decontamination plans.

“Now, when we already have three districts in a state of saturation, this measure that ENAP has taken, and this fuel made available to us, is magnificent news for our region,” said Jaime Toha, governor of the southern Biobio region where the fuel was officially launched. Under Chilean law, authorities can declare an area to be saturated in terms of air pollution. The designation requires the implementation of a decontamination plan and prohibits the installation of additional fixed sources of emissions. Concepcion, the biggest city in Biobio, is one such zone.
Gasoline sulfur levels are expected to fall to 15 ppm in the Santiago Metropolitan Region in the coming months and diesel sulfur should be down to 15 ppm in early 2011.

Since 1 January 2010, all the new public transport buses entering the Santiago metropolitan area must meet Euro III standard with particulate filters (DPF) from the factory. On 6 January the first batch was already in operation: 680 buses. An additional 120 buses with filters were introduced into operation since 2007. Both measures aimed at reducing emissions of particles, especially black carbon.

78. Colombia Plans Tougher Emissions Standards, Strengthened Enforcement

This year Colombian environmental officials plan to strengthen their regulation of air pollution, to implement a law punishing environmental offenders, and to prepare for the effects of climate change, the minister of the environment told reporters. Colombia will leapfrog its pollution emissions standards for buses in the capital, Bogota, and second-largest city, Medellin, from the current Euro 2 standards to Euro 4, according to Environment Minister Carlos Costa Posada. Buses in the rest of the country will have to comply with Euro 4 standards by 2013.

Posada said he also expects Colombia to develop new standards for emissions from other vehicles in 2010.

Colombia's state oil company, Ecopetrol, has been providing progressively cleaner grades of gasoline and diesel fuels. As of January 2010, the diesel fuel in Bogota is supposed to contain no more than 50 parts per million of sulfur, down from 300 ppm in 2009. The use of this cleaner fuel will permit buses to comply with the stricter standards, Posada said.

Posada said norms for fixed sources of air pollution will not be updated during 2010. However, the ministry will expand its national network of air quality monitors and develop a website providing air quality information in real time.

Posada said 40 percent of vehicle batteries must be collected by manufacturers and importers and properly disposed of in 2010, with the percentage increasing in subsequent years.

During 2009, Colombia's Parliament passed a Law of Environmental Sanctions, which increases penalties for environmental offenses and makes it easier for authorities to win judgments against offenders. In 2010, the minister said, the ministry will write and implement the detailed regulations required to put the law into effect.

For its part, Bogota's Environmental Secretariat plans to continue working with smokestack industries in heavily polluted neighborhoods, using a combination of incentives and sanctions, to encourage them to reduce their air and water pollution. In addition, the city will expand its program of measuring vehicles' tailpipe emissions, the secretariat said. During 2010, the secretariat also plans to produce the city's first 10-year air pollution reduction plan, to continue inventorying sources of water pollution, and to study the health effects of noise pollution on schoolchildren.

79. Panama's Air, Water Quality to Benefit From Public Works Projects

The Panamanian government will move forward in 2010 with two major public works projects aimed at improving air and water quality for the country's 3.3 million people. “The construction of
a new public transportation system and sewage system in Panama City will radically reduce air pollution and help us start cleaning up the [Panama] bay,” said Modesto Tunon, a spokesman for the state’s National Environmental Authority (ANAM).

Panama City is home to one-third of the country’s population. Tunon said the city’s chaotic transportation system is one of the main sources of air pollution, while untreated wastewater—dumped directly into rivers—from the city and surrounding urban areas has completely contaminated the Bay of Panama.

There are 20 local and international companies interested in the new public transportation system, according to state agency Panama-Compra, which is in charge of the bidding process. Specifications for the system were made public on Nov. 26, 2009, and the agency will take bids through Feb. 26, 2010. The winning tender will be made public at the end of March.

Elvin Britton, project manager for the Natura Foundation, one of the country’s principal environmental organizations, said redesign of the transportation system in Panama City and other urban areas is an urgent necessity on a number of fronts.

“There has been no regulation of vehicles in the country, which has led to environmental problems, as well as labor issues and a general collapse of road infrastructure,” Britton said.

**80. Brazil Lowers Required Ethanol Mix in Gasoline**

On January 11th, Brazil's government announced that it will drop the required percentage of ethanol in gasoline from 25 percent to 20 percent for 90 days starting on February 1st. The decision by the Mines and Energy and Agriculture ministries is intended to reduce the price of sugarcane-based ethanol, which rose after heavy December rains reduced the harvest, a Mines and Energy Ministry spokesman told reporters. Although ethanol prices went up 7.9 percent in the first 12 days of January, the fuel was still 28 percent cheaper than gasoline at the pump, a spokesman for Sincopetro, an association of gas station owners in Sao Paulo state, the center of ethanol production, said. And as flex-fuel vehicles make up 30 percent of Brazil’s car fleet, the rest being gasoline or ethanol-fueled ones, drivers are still opting for ethanol. The Sincopetro spokesman added that, as gasoline costs more to produce than ethanol, less ethanol in gas could cause gas prices to increase by up to 4 percent after February 1st. The MME spokesman said the reduced blend requirement will last only 90 days because by then, the next sugarcane harvest will boost ethanol stocks and stabilize prices.

**MIDDLE EAST**

**81. Israel Government to Work to Cut Air Pollution**

From solid-waste management to curbing air pollution and climate change, Israel's Environment Ministry faces a number of major tasks in 2010. Environmental Protection Minister Gilad Erdan said the “environment should be one of the main levers for economic growth,” given Israel’s unique advantages and expertise in such areas as desalinization, desertification prevention, water-efficient agriculture, and renewable energy.

Israel is a small country—smaller in area than the U.S. state of New Jersey—with scarce land and water resources. As such, priorities for Erdan's ministry in 2010 will be to find production and consumption patterns that enable the country to improve standards of living in a sustainable way.
Many of Erdan’s goals overlap with those of his predecessor, Gideon Ezra from the Kadima Party, namely waste management, air pollution, climate change, and the greening of the economy.

Over the past year, the Environmental Protection Ministry has been busy laying the groundwork for Israel’s Clean Air Act. The Knesset, or legislature, passed the act in June 2008 and the measure will go into effect in 2011. Efforts to reduce air pollution include preparing an infrastructure for issuing emission permits to major industrial polluters, establishing emission standards, drafting and approving a national plan, preparing guidelines on the collection of fees from large industrial plants, authorizing and training inspectors, regulating vehicular emissions, and regulating the electricity sector.

To help reduce air pollution further, the ministry is looking to increase energy efficiency in products such as light bulbs and to switch to more renewables such as solar energy. It also is considering more use of public transportation and energy-efficient vehicles as well as a switch to clean industry and the development of green technologies.

Some regulations under the Clean Air Act have been in force since October 2009, including a provision that requires all car importers to advertise data on fuel consumption and the level of air pollutants emitted from a vehicle. The regulations are meant to encourage vehicle manufacturers to use green technology and to increase imports of cleaner vehicles. A color-based classification for vehicles reflects the quantity of pollutants emitted.

A similar requirement was imposed Dec. 30, 2009, on advertisements for two-wheel vehicles.

Israel signed on to the Kyoto Protocol in 2004 but is not classified as an Annex 1 country, meaning it has no greenhouse gas emissions-reduction obligations under the agreement. At the time, Israel was classified as a developing country. But government officials are aware that Israel likely will be required to take on commitments in any global agreement that might succeed the Kyoto Protocol when its emissions-reduction provisions expire at the end of 2012. Israel has taken steps both to mitigate and to adapt to climate change in preparation for any post-Kyoto obligations.

Environment Minister Erdan has said the government will “spearhead a true environmental revolution” by establishing a reduction target of 37 percent of total greenhouse emissions by 2030. Erdan also has asked Prime Minister Benjamin Netanyahu to establish a ministerial subcommittee on transferring to renewable energy. The subcommittee would push to have 25 percent of the country’s energy come from renewable sources.

82. OECD Says Israeli Car Tax Could Discourage Environmentally Friendly Models

Israel should rethink its 90 percent tax on purchases of new cars because, among other things, it could discourage purchases of cleaner-running models, the Organization for Economic Cooperation and Development said in a report released on January 20th. The OECD Economic Survey of Israel 2009 said the country increased its tax on new car purchases—which started out as a trade barrier—from 75 percent to 90 percent in July 2009 while attempting to give it an environmental “twist.” The nation maintained a 30 percent tax rate on hybrid cars and introduced a 10 percent rate on electric vehicles. The tax can now be offset by rebates of up to 15,000 shekels ($4,030), depending on the vehicle’s emission characteristics.
However, "despite the environmental component, the case for such heavy taxation of car purchases is rather weak. Such taxes are attractive revenue-raisers, and justifying them can entail a generous interpretation of their environmental returns," OECD said.

Noting that Israel lacks a variety of transportation alternatives, the report said high taxes are unlikely to induce many to abandon car ownership. "And they probably encourage many to replace cars less frequently, slowing the introduction of newer, more environmentally friendly, models," the 154-page report said.

OECD said there are better ways to accomplish environmental objectives, such as gas taxes, congestion charges, tolls, and parking fees.

Israel is a candidate to join the Paris-based organization, which has 30 members, including the world's richest economies.

83. Israel Ministry Doubles its Environmental Legislation Initiatives in 2009

In 2009, the Legal Division of the Ministry of Environmental Protection increased its legislative steps dramatically in line with the ministry's new policy - moving from reaction to probation. According to Environmental Protection Minister Gilad Erdan: "The activities of the Legal Division of the Ministry of Environmental Protection in 2009 reflect the change which has taken place in the ministry last year. The ministry is in the midst of a momentum of environmental legislation, on the one hand, and showing zero tolerance toward polluters on the other hand. We mean to broaden this trend this year."

Following are some of the major achievements of 2009:

- A major increase in legislation: 2009 witnessed a major increase in the number of environmental bills submitted by the Ministry of Environmental Protection - 32 legislative initiatives compared to 14 in 2008. In addition, it dealt with 47 secondary legislation bills, of which 30 were initiated by the ministry, and reviewed 49 bylaws, of which treatment was completed in 40 or for which the ministry’s comments were sent. Thirteen regulations were promulgated at the initiative of the ministry in 2009, 14 regulations were prepared and are at different stages of consultation and approval and others are in preparation.
- Enforcement: A total of 462 cases were dealt with by the Legal Division, of which 98 were new cases received in 2009, on subjects as diverse as: waste hazards, illegal signposting, water and stream pollution, asbestos, air pollution, hazardous substances, marine pollution and pesticides. The timetable for dealing with criminal cases was shortened significantly (to less than a month) bringing about a significant increase in indictments (94 in 2009). Sentences were handed down in 55 cases, of which only two were acquittals.

84. Better Place Sees Electric Cars on Roads In 2011

Better Place has said it expects at least 45,000 electric cars on Israeli roads in the next five years, starting in 2011. The company, which is building a network of charging stations for electric cars in Israel, Denmark and Australia, said it had signed up 92 corporate fleet owners in Israel to rotate in electric vehicles when leases expire in coming years.
"That's one-third of the fleet and half the fleet cars," Shai Agassi, Better Place’s founder and chief executive, told reporters after an event to open a center in Israel to showcase the prototype cars and its electric technology.

He noted that the top 280 fleets in Israel comprise some 100,000 cars. "By 2020 there will be more electric cars sold per year than gas cars," Agassi said.

Sales of the Renault-Nissan-made electric cars -- which will be manufactured in Turkey -- will be available in Israel next year following tests later in 2010. Sales will be limited to 1,000 cars per month.

"We believe this has real potential," said Nicholas Remise, a manager for Renault's electric car program, adding that past failures were due to a lack of infrastructure.

Agassi noted Better Place was in talks with other automakers but declined to say if or when any deals would be made.

Last month, U.S.-based Better Place received a $350 million infusion led by HSBC and Morgan Stanley Investment Management, putting the value of the firm at $1.25 billion. "We think there will be extremely large demand and Better Place can rapidly achieve profitability," HSBC's Mark Norbury told reporters. "We like Better Place's business model."

Agassi said most of Denmark was already set with charging stations. Israel has about 1,000 such stations and a number of Dor Alon gas stations across the country will have a lane where the heavy 250-kilo battery can be changed should drivers reach the maximum range of 160 kilometers.

By next year, there will be tens of thousands of stations in Israel.

Better Place's concept is for battery-swapping stations to complement a network of charge spots so that electric cars can extend their range without the need of an additional back-up engine that burns fossil fuel.

"We are reinventing a $3 trillion a year market," Agassi said.

He believes the car prices will be far lower than comparable gas-powered autos -- partly due to tax incentives. Taxes on electric cars in Israel will be 10 percent compared with a minimum of 82 percent for gas cars. In Denmark, where taxes on autos are 180 percent, there will be no taxes on electric cars.

Included in the price of the car will be a charging station -- about the size of a fire hydrant -- that will be installed at the customers' home and work. Prices will be announced later in 2010.

Better Place said it strives for battery charging stations to come from renewable energy sources, like wind and solar.

Agassi said Better Place hopes to move into all of Europe.

85. Report on Cairo Metro Line Encouraging for Impact Assessment Process
The Egyptian government's move to examine the potential environmental consequences of construction of Cairo's fourth subway line is seen as an encouraging sign by some who say such concern has been lacking in the past.

An economic impact assessment performed by the Egyptian environmental consultancy firm Environics said the project posed few environmental problems and suggested ways to limit the extent of any damage. Environics was hired by the Japanese International Cooperation Agency, which had been asked by the Egyptian National Authority for Tunnels to look into the matter.

Mohamed Hassan, a Cairo-based urban planner who has worked with SODIC, Egypt's third largest real estate developer, told reporters on January 16th that a report of this nature should be praised regardless of content.

“We should all see this as a move toward linking environment issues with construction,” Hassan said. He said work on infrastructure, offices, and streets has typically been unimpeded by possible environmental impacts. Now, the government is seeing the “larger picture,” he said.

“If we look around the region, Egypt is already leading on this fact,” he said. “Israel has just started calling for construction and environmental concerns to go hand in hand, but here in Egypt we have started publishing the reports that detail these issues.”

George Naguib, an economics professor at Cairo University who has worked with the government on cost-cutting measures in new construction, said similar impact reports must consider financial implications. The government cannot implement proposals to limit environmental impact if cost-effectiveness is not taken into account, he told the press. “This report has a few ideas that will not cost the government much, which means it can be tackled and implemented with speed and ease,” he said. “But if, in the future, the reports fail to list easy and affordable compromises, the government could simply disregard the matter and move on in the construction.”

According to the environmental assessment, the new line will have a positive impact on the environment and society by reducing traffic congestion in the capital. Up to 3 million cars ply Cairo's streets daily.

The assessment, published on December 28th, said air and noise pollution will rise during the pre-construction and construction phases, as soil is removed, machines operate, and vehicles are forced onto detours. These effects could be limited through the use of machinery in proper working condition and the use of mufflers, the study said.

Construction of the 15-mile metro line is scheduled to begin in 2011. Its cost has not yet been disclosed because the Japanese International Cooperation Agency feasibility study will not be completed for another few months, that agency told reporters. There will be at least 15 stations, all underground, and the government hopes to have a stop under the Grand Egyptian Museum to be built near the Giza Pyramids. The antiquities museum could open as early as 2011, the Supreme Council of Antiquities said.

On January 27th, Yussif Aboul Fotouh, a Ministry of Environment adviser consulting on the project, told the press, “We expect this and other reports to be used in the developing of other construction projects in the country in the near future. For businesses in Egypt it is a turning point for the government in dealing with environmental concerns and new projects.”
Naguib said he is hopeful that assessments of environmental issues are becoming a more integral part of the building process in Egypt. He said other nations, especially in the Third World, can follow suit and see that “it doesn’t cost that much to be friendly to our surroundings.”

AFRICA

86. South Africa's Petroleum Industry Discusses Cleaner Fuel Standards

The South African Petroleum Industry Association has begun talks with the government regarding a possible new standard for cleaner vehicle fuel, according to a SAPIA adviser. Anton Moldan said SAPIA is “in the process of finalizing the Industry's view on the long-term fuel requirements for South Africa, which would be in the best interests of the country as a whole.” “This will lay out the vision for the next 20 years and which we hope will be ready for discussion with stakeholders early in 2010,” according to Moldan.

The association represents Shell South Africa Ltd., Chevron South Africa Ltd., BP Southern Africa Ltd., Engen Petroleum Ltd., and Total South Africa Ltd., among others.

South Africa's fuels currently meet Euro II emission standards. New standards could force the industry to eventually meet the more stringent Euro IV norms. The Euro standards set acceptable limits for the exhaust of carbon monoxide, nitrogen oxide, and other pollutants from new vehicles sold in the European Union. Refinery upgrades would be required if fuels were to meet Euro IV standards.

“We're looking for fuel specifications to be officially promulgated … so we know with certainty what direction we need to take,” Moldan said. “We can't start with these major investments until we have regulatory certainty. We obviously can't invest if we don't know what the end goal would be.”

An assessment by engineering consultants Foster Wheeler Energy Ltd. concluded that a transition to Euro IV standards would require six years from the time the government officially published the fuel specifications. It estimated the cost to produce fuels for Euro IV-type vehicles to be on the order of $3.3 billion. Moldan said that cost relates only to “refinery capital process changes” and that significant additional costs have yet to be calculated.

Several governmental departments are involved in discussions of cleaner fuel standards, including the Department of Energy, Department of Environmental Affairs, Department of Transport, and Department of Trade and Industry. The specifications would be drawn up under the Bureau of Standards and would be enforced through regulations under the Petroleum Products Act.

“We need a holistic, integrated approach with the goal being improved air quality,” Moldan said. He said the process requires input from additional stakeholders, including nongovernmental organizations, the Automobile Association, road freight, business interests, and the National Association of Automobile Manufacturers of South Africa. “We are in talks with the motor industry,” he said. “We wish to have as united a position as possible with them.” Moldan said one outstanding issue regards timing. The automotive industry group “would like to see cleaner fuels come in earlier, which we're currently working on to find a solution,” he said.

87. South Africa To Introduce New Car Tax Despite Concerns
South Africa's National Treasury will press on with plans to introduce a new tax on vehicles designed to curb carbon dioxide emissions, according to an official, despite concerns this could hamper the ailing auto sector's recovery. The motor industry is struggling to get back on its feet after being hit by the global economic crisis and depressed local demand which saw new vehicle sales fall to 6-year lows in 2009.

The new tax, mooted last February, is part of government efforts to limit greenhouse gas emissions as well as increase tax revenues that have declined sharply as Africa's economy grappled with its first recession in 17 years, which it exited in Q3 2009.

"The adjusting of existing ad valorem excise duties on motor vehicles to take CO2 emissions into account will still be implemented on 1 March 2010," said Treasury spokeswoman Thoraya Pandy.

The National Association of Automobile Manufacturers (NAAMSA) says it accepts the new tax in principle, but its early timing could hinder recovery prospects for struggling auto makers.

"The industry is currently emerging from one of the deepest and most severe recessions in its history and the introduction of additional taxes ... could, if they are too punitive, result in the industry lapsing back into recession," said NAAMSA director Nico Vermeulen. Additional taxes usually meant higher prices, which could knock sales volumes and curb job creation, he added.

Car makers BMW, Ford, General Motors, Daimler, Nissan Motor Co. Ltd, Toyota Motor Corp. and Volkswagen all have manufacturing plants in South Africa.

The unavailability of cleaner fuels is also a concern for manufacturers, who cannot bring in new less-polluting engines because the proper fuel for those is not yet sold in South Africa. South Africa currently only conforms to Euro 2 engine emissions levels, whereas many of the newer vehicles already have Euro 5 compliant engines, Vermeulen said.

"Vehicle producers and importers are presently constrained, as a result of the unavailability of Euro IV/Euro V enabling fuel in South Africa, in offering latest highly fuel efficient products to the domestic market," he said.

Vermeulen said the South African motor industry and oil industry were involved in extensive research and negotiations to fast-track the introduction of the new fuels locally by 2012. "It is NAAMSA's view that the introduction of CO2 new car taxes and the introduction of Euro IV enabling fuel in South Africa should go hand in hand," he said.

88. New Green Tax Proposed On Enviro-Unfriendly South African Vehicles

Among the 2010/11 Budget tax proposals tabled by Finance Minister Pravin Gordhan, is one to impose a CO2 emissions tax on all such new vehicles from September 1 this year. According to an explanatory document handed out by the Treasury, the tax "will be implemented as a specific tax, instead of the previously proposed ad valorem tax".

New passenger cars would be taxed based on their certified CO2 emissions at R75 per gram per kilometer (g/km) for each g/km above 120g/km.

"This emissions tax will be in addition to the current ad valorem luxury tax on new vehicles," it said.
According to a table in the document, the emissions tax on vehicles emitting between 300g/km and 450g/km of carbon dioxide - a category that includes many four-by-fours and large-engined luxury cars - will range from R13,500 up to R24,750.

Vehicles certified below the 120g/km threshold will incur no tax.

A Treasury official said the new tax would increase national revenue by R450 million in the coming 2010/11 financial year, and about R1 billion the following year.

According to the Treasury, the aim of the tax is to "influence the composition of South Africa's vehicle fleet to become more energy efficient and environmentally friendly". It says the tax will be extended to commercial vehicles once CO₂ standards have been set for these vehicles.

**CLIMATE CHANGE**

89. U.N. Officials ‘Taking Stock’ After Copenhagen Summit

The United Nations is “taking stock” after December’s largely unproductive climate change summit, U.N. officials told reporters, adding that 2010 is likely to prove transitional for the process of developing a successor to the Kyoto Protocol before its first compliance period concludes in 2012. The Copenhagen summit began with hopes for a strong political agreement that would pave the way for a legally binding treaty in 2010. Instead, the Dec. 7-19 talks produced the Copenhagen Accord, a three-page document that critics say lacks specifics.

Officials, who spoke to the press on the condition of anonymity, said the focus is now on seeking endorsements for the Copenhagen Accord. As of January 11th, only four countries—Australia, Canada, the Maldives, and Papua New Guinea—had officially stated they support the document and one, Cuba, had declared it does not support it. Countries have until Jan. 31 to state a preference one way or the other.

“The document fell short of what many would have liked to come out of Copenhagen, but it can nonetheless be useful,” one official said. “If a hundred countries come out in favor of it, then it can be used as a starting point that can give the process guidance going forward. That guidance could be helpful in laying groundwork for a future deal.”

Discussions are already under way on a long series of minor legal implications that emerged from the 15th Conference of the Parties (COP-15) to the U.N. Framework Convention on Climate Change whenever a delegation head called on the conference chair to take certain steps. Though many of these remarks were meant as contributions to the summit's final communiqué, they are considered official national statements that can be used as a basis for future talks.

Another important step, one U.N. official said, is filling in the tables and other appendixes related to the Copenhagen Accord, such as those that state each wealthy country's voluntary greenhouse gas emissions reduction goal for 2020.

The meeting schedule for 2010 has yet to be finalized. The official U.N. calendar currently lists only one meeting for the year, the subsidiary bodies meeting in Bonn May 31-June 11th.
The 16th Conference of the Parties, which will be held in Mexico, was originally scheduled for November 8-19. The dates were then switched to November 29-December 10 before the meetings were officially removed from the calendar pending an official decision from host country Mexico.

Officials said another meeting is likely between the subsidiary bodies meetings this spring and the end-of-the-year COP, but that a date and site have not been selected. There was little possibility that a large meeting will take place before the subsidiary bodies meetings, however.

“There is little feeling that what is needed now is another chance to send negotiators into the ring,” a source said. “Countries have to continue taking stock and decide what they are willing to do.” Officials said the first months of the year will likely be taken up by that kind of stocktaking, including discussion of whether the process should be divided into a wide part that focuses on adaptation efforts and a more narrow part that focuses on mitigation with the participation of large polluters.

Meetings on “national, bilateral, and regional” levels in the coming weeks and months can also help “build bridges” so that when talks resume, negotiators will be closer to agreement in some areas than they were at the end of the Copenhagen conference, one official said.

90. Air Transport Association, Airlines Sue Over Adoption of Emissions Rule

The Air Transport Association (ATA) and three U.S. airlines have sued the British government over its plan to institute EU caps on airline emissions of greenhouse gases. The lawsuit said a 2008 EU directive requiring members to extend its Emission Trading System to airlines (Directive 2008/101/EC) violates the principle of a nation's sovereignty over its airspace and also violates the 2007 Air Transport Agreement between the European Union and United States, known as the Open Skies Agreement, and the Kyoto Protocol to the United Nations Framework Convention on Climate Change.

American Airlines, Continental Airlines, and United Airlines joined ATA in filing the lawsuit on December 17, 2009, in the United Kingdom's High Court of Justice, which has primary jurisdiction over all high-value and high-importance cases. While only the European Court of Justice can declare EU legislation invalid, ATA and the airlines said they lacked standing to bring a direct challenge against the 2008 directive that brought airlines under the Emission Trading System. National courts lack the power to declare acts of the European Union invalid. They can, however, refer questions to the European Court of Justice for a ruling on whether the acts are valid, according to the lawsuit.

Thus the “only means open to the Claimants to challenge the validity of the 2008 Directive is by means of proceedings against national measures implementing the 2008 Directive,” the plaintiffs said in their lawsuit. The plaintiffs said they are ultimately seeking an order by the European court to quash the “appropriate parts of the 2009 Regulations,” the U.K. law implementing the directive, or a declaration on the legality of the appropriate parts of the 2009 regulations.

The EU Council approved legislation on October 24th to include aviation emissions in the trading plan. The legislation sets an emissions cap for 2012 of 97 percent of average annual emissions between 2004 and 2006, beyond which airlines must buy additional carbon allowances. The cap will fall to 95 percent of annual emissions from 2004-2006 when the third phase of the EU Emission Trading System begins in 2013.
Top aviation industry executives issued a joint pledge on April 1 to push for initiatives aimed at reducing emissions from aircraft through better air traffic management, including using satellite-based navigation systems and more efficient approach patterns at airports.

91. Second meeting of Ministers of BASIC Group Supports Copenhagen Accord

The second meeting of Ministers of the four BASIC Group countries took place in New Delhi. The Ministers who participated in the meeting were Mr Xie Zhenhua, Vice Chairman of the National Development and Reforms Commission from China, Mr Carlos Minc, Minister for Environment from Brazil, Ms Buyelwa Sonjica, Minister of Water and Environmental Affairs from South Africa and Sh Jairam Ramesh, Minister of State (Independent Charge), Environment and Forests. A joint statement was issued at the conclusion of this meeting of ministers of BASIC Group.

The Ministers recalled that the BASIC Countries functioning as a cohesive group had made important and constructive contributions at the recently concluded COP-15 in Copenhagen. They re-emphasized their commitment to working together with all other countries to ensure an agreed outcome at COP-16 in Mexico later this year.

The Ministers underscored the centrality of the UNFCCC process and the decision of the Parties to carry forward the negotiations on the two tracks of Ad hoc Working Group on Long-term Cooperative Action (AWG-LCA) under the Convention and the Ad hoc Working Group on further emission reduction commitments for Annex I Parties under the Kyoto Protocol (AWG-KP) in 2010 leading up to COP-16 and COP/MOP6 at Mexico. The Ministers reiterated that all negotiations must be conducted in an inclusive and transparent manner.

The Ministers called upon the COP President (Denmark) to convene meetings of the two negotiating groups — (AWG-LCA and the AWG-KP) — in March 2010 and to ensure that the AWGs meet at least 5 times before the Mexico Conference. They emphasized that funding, logistics and other procedural issues should not be allowed to become a constraint in the convening of these meetings which are essential to make progress towards an agreed outcome at COP-16.

While underscoring their support to the Copenhagen Accord which is in the nature of a political agreement, the Ministers recalled the important contribution of the BASIC countries in its finalization. They underlined the importance of the Accord as representing a high level political understanding among the participants on some of the contentious issues of the climate change negotiations. They expressed the hope that this would facilitate the two-track process of negotiation under the Bali Roadmap to lead to a successful conclusion of ongoing negotiations in Mexico.

The members of the BASIC Group have already announced a series of voluntary mitigation actions for 2020. The Ministers expressed their intention to communicate information on their voluntary mitigation actions to the UNFCCC by January 31, 2010.

The Ministers called for the early flow of the pledged $10 billion in 2010 with focus on the least developed countries, small island developing states and countries of Africa, as proof of their commitment to urgently address the global challenge of climate change. In this context, the Ministers welcomed the progress made on the proposal for financing and implementation of the REDD+ mechanism and decided to undertake close coordination to this end.
The Ministers agreed to meet at the Ministerial level every quarter, and welcomed the offer of South Africa to host the next meeting of the BASIC Ministerial Group in late April, 2010. They agreed to coordinate their positions closely as part of climate change discussions in other forums. They emphasized the importance of working closely with other members of Group of 77 & China in order to ensure an ambitious and equitable outcome in Mexico through a transparent process.

The Ministers also emphasized that BASIC is not just a forum for negotiation coordination, but also a forum for cooperative actions on mitigation and adaptation including exchange of information and collaboration in matters relating to climate science & climate-related technologies. The Ministers expressed their desire to enhance South-South cooperation with other countries on various issues including those relating to scientific cooperation and support for adaptation to vulnerable countries’

92. Liner Shipping Sector Calls For Efficiency Standards

New ships should meet binding efficiency standards and existing ships should face fines if they drop below a separate efficiency benchmark, says the World Shipping Council (WSC), which represents the liner shipping industry. The proposals, outlined by the trade body, are intended to feed into discussions on shipping emissions within the International Maritime Organization (IMO). They build on the IMO's work on an energy efficiency design index for new ships. Its next meeting is in March.

The WSC suggests a less ambitious standard for existing ships, which would face a sliding scale of fines depending on how inefficient they were compared to the benchmark. Revenues would flow to an IMO fund, but the group does not say how the funds should be spent.

The proposals mirror those put to the IMO by Japan and the US and, crucially, do not envisage an emissions cap for the shipping sector. But an IMO representative at the Copenhagen summit suggested the sector could be open to a cap, and five shipping bodies have proposed cutting emissions through a cap-and-trade scheme. In a separate submission to the IMO, the WSC says a cap should only be considered in the context of a truly “global cross-sectoral emission trading scheme”. Such a scheme would have to cover all transportation modes. Shipping should be treated no differently to other transport modes, it points out.

The most challenging part of the WSC's proposals would be agreeing on a classification of ships into categories, within which their efficiency would be benchmarked, and agreeing the benchmarks, according to a WSC representative.

93. Climate Bill Setback Forces Clean Development Rethink

Still reeling from disappointing UN climate talks in Copenhagen in December, clean energy project developers were dealt another blow this week when U.S. Democrats lost their Senate supermajority, potentially killing a federal cap-and-trade scheme for some time to come.

Although the passage of a U.S. bill to cap greenhouse gas emissions in 2010 was far from certain, the election of a Republican in Massachusetts to the Senate derailed any momentum President Obama had following his healthcare push toward introducing a cap-and-trade scheme this year.
This coupled with a disappointing UN climate summit in the Danish capital last month where leaders from over 190 countries failed to agree a legally-binding pact to succeed the Kyoto Protocol, is causing concern for some clean energy project developers and forcing them to reassess their game plan.

"I'm not as bullish as I was a year ago," said Sascha Lafeld, an executive board member at First Climate AG. "The U.S. pre-compliance market is cautiously developing, so our strategy is also one of caution ... We're on hold, we'll keep our two U.S. offices open but we're not expanding this year." Frankfurt-based First Climate has a global project portfolio of some 250 projects, including around 20 projects in the U.S., that generate carbon offsets by cutting carbon dioxide.

Observers say the spotlight in the U.S. now shifts back to state and regional schemes launched by a handful of states during George W. Bush's presidency, when the prospect of a federal U.S. carbon market was a distant mirage.

"It's not ideal but we welcome this as a fallback solution," said Alexander Sarac of JP Morgan-owned EcoSecurities, one of the world's biggest aggregators of carbon offsets. "Some states are prepared to address climate change rather than defer action, (but) we urge legislators to set up these regional schemes in a way that they can be easily linked to a national one."

Sarac, general counsel for EcoSecurities, said the company was confident about its U.S. approach. "Our strategy has been to get to know the market, work on our brand and develop a product that U.S. buyers like, so no reason to change that," he added.

Under these regional schemes, polluters like steel plants and power generators can outsource their carbon cuts by buying offsets, making it cheaper for them to meet emissions targets.

Lafeld said the most promising is California's Assembly Bill 32 (AB 32), which established statewide emissions reduction targets of 1990 levels by 2020, and cutting that by 80 percent by 2050. "AB 32 looks like the future. We believe California will be the U.S. hub for emissions trading," he said. The bill recommends launching a cap-and-trade program by 2012, covering 85 percent of the state's emissions that would link to the Western Climate Initiative (WCI), a collaboration between seven U.S. states and four Canadian provinces.

Another scheme called the Regional Greenhouse Gas Initiative (RGGI) was launched in 2009 by 10 northeastern U.S. states, but critics say its loose emissions caps will keep carbon permit prices low and limit offset demand. RGGI currently allows offsets from five different types of clean energy projects including capturing methane from landfills and livestock manure, while WCI is considering a similar list.

Developers said these two schemes have already sparked U.S. demand for offsets and, remembering the barren regulatory landscape under President Bush just over a year ago, said too much focus was suddenly put on the prospect of a federal bill.

"While some debate whether a federal market will exist or not, there's already a deep market for offsets," said Sindicatum Carbon Capital CEO Assaad Razzouk, adding that his firm gets strong interest for every offset its U.S. projects generate. Sindicatum has a portfolio of 20 clean energy projects in the U.S. and Asia.

With so much uncertainty in the U.S., many developers have maintained a focus on the Kyoto Protocol's larger, more lucrative Clean Development Mechanism (CDM) offset market. Worth
$6.5 billion in 2008, the CDM is the main source of offsets for Europe's emissions trading scheme, allowing participants to procure from a wide range of carbon-cutting projects in countries like India, China and Brazil. But that scheme's future was thrown into jeopardy following the Copenhagen talks' failure, meaning the CDM could expire along with Kyoto in January 2013.

Scott McGregor, CEO of Camco International, said although Copenhagen fell short of what he expected, there was no clear opposition to keeping the CDM, so Camco will continue to develop projects and originate offsets. "There will be healthy demand for offsets from the EU and we see other countries like Australia being very keen on them as well, so in terms of developing CDM projects our strategy is still one of expansion," First Climate's Lafeld said.

94. UN Panel "Regrets" Exaggeration Of Himalayan Thaw

The U.N. panel of climate scientists expressed regret for exaggerating how quickly Himalayan glaciers are melting in a report that wrongly projected that they could all vanish by 2035. Leaders of the Intergovernmental Panel on Climate Change (IPCC) "regret the poor application of well-established IPCC procedures in this instance," they said in a statement on the flaw in a paragraph of a 938-page scientific report.

They noted that the projection of a thaw by 2035 did not make it to the final summary for policymakers in its latest report in 2007. The summary projected a faster thaw in the coming years for glaciers from the Andes to the Alps.

India and some climate researchers have criticized the IPCC in recent days for over-stating the shrinking of Himalayan glaciers, whose seasonal thaw helps to supply water to nations including China and India. A disappearance of the glaciers would badly disrupt flows in Asia that are vital for irrigation. The IPCC leaders said they were strongly committed to ensuring a high standard for the reports.

The offending paragraph says: "Glaciers in the Himalaya are receding faster than in any other part of the world and, if the present rate continues, the likelihood of them disappearing by the year 2035 and perhaps sooner is very high if the Earth keeps warming at the current rate."

Indian Environment Minister Jairam Ramesh said that "glaciers are receding, but the report that glaciers will vanish by 2035 is not based on an iota of scientific evidence."

The IPCC statement said that the 2035 projection was based on "poorly substantiated estimates of rate of recession" and that proper checks were not made. The IPCC's core finding in 2007 was that it was more than 90 percent sure that mankind is the main cause of global warming, mainly by using fossil fuels.

95. Ambassador Calls for Upgraded EU-U.S. Cooperation After Copenhagen

The European Union and the United States should redouble their efforts to seek a legally binding international deal to tackle climate change and should cooperate in particular on environmental technology and investment, U.S. Ambassador to the EU William E. Kennard said on January 13th. "The role of innovation will be central to our discussion" on how to move forward on international climate policy after the limited outcome of December's 15th Conference of the Parties (COP-15) to the United Nations Framework Convention on Climate Change in Copenhagen, Kennard said at an event organized by the European Policy Center think tank.
He added that the Obama administration remains optimistic that a “tangible and legally binding” international climate deal can be achieved at the next major U.N. climate meeting, the COP-16 in Mexico at the end of 2010.

Kennard said the outcome of Copenhagen had not been as hoped, but he called the Copenhagen Accord resulting from the meeting “a significant step” that had created “forward momentum.”

Kennard added that “the view from the very highest levels of our government is we need Europe more than ever” to resolve the international climate impasse and to deal with other global issues.

Kennard was speaking at his first public engagement in Brussels following his presentation of credentials on January 6th to European Commission President José Manuel Barroso. Kennard was previously chairman of the U.S. Federal Communications Commission under the Clinton administration, and managing director of the private equity firm the Carlyle Group.

Kennard said that achievement of a stronger international climate treaty would depend on the Obama administration securing strong domestic climate legislation, and that the prospects of this would in turn be strengthened if there were a “powerful consensus globally that the world is moving to a tangible agreement” to succeed the Kyoto Protocol.

Kennard added that a basis for more extensive EU-U.S. cooperation, especially on issues such as renewable energy and clean technology investment, could be created by upgrading the Transatlantic Economic Council, a discussion forum on regulatory and trade issues.

Previous discussions in the council, which was established in April 2007, had been too detailed and too focused on trade disagreements, Kennard said.

There is potential for a “wonderful dialogue to be held through the TEC,” and talks should be “elevated to a more strategic discussion,” he added.

The council has so far held four meetings, most recently in October 2009. Meetings have been chaired by European Commission Vice President Günter Verheugen and Michael Froman, deputy assistant to the U.S. president and deputy national security adviser for international economic affairs.

European Commission spokeswoman Catherine Bunyan told reporters that because of organizational changes under way in the EU administration, with new EU commissioners being appointed, it was too early to comment on the future of the council. “It is not clear yet who will be dealing with [the council] and who [from the European side] will take policy decisions,” Bunyan said.

96. Road Transportation Emerges as Key Driver of Warming

For decades, climatologists have studied the gases and particles that have potential to alter Earth’s climate. They have discovered and described certain airborne chemicals that can trap incoming sunlight and warm the climate, while others cool the planet by blocking the Sun’s rays.
Now a new study led by Nadine Unger of NASA's Goddard Institute for Space Studies (GISS) in New York City offers a more intuitive way to understand what's changing the Earth's climate. Rather than analyzing impacts by chemical species, scientists have analyzed the climate impacts by different economic sectors.

Figure 1. Motor vehicles give off only minimal amounts of sulfates and nitrates, both pollutants that cool climate, though they produce significant amounts of pollutants that warm climate such as carbon dioxide, black carbon, and ozone. Credit: NASA's Langley Research Center

Figure 2. The on-road transportation sector releases significant amounts of carbon dioxide, black carbon, and ozone; all substances that cause warming. In contrast, the industrial sector releases many of the same gases, but it also tends to emit sulfates and other aerosols that cause cooling by reflecting light and altering clouds. Credit: NASA GISS/Unger

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will have the greatest warming impact on the climate, while the shipping, biomass burning, and industrial sectors will have a cooling impact. By 2100 (right), the model finds that the power and industrial sector will become strongly warming as carbon dioxide accumulates. **Credit:** NASA GISS/Unger

**Figure 4.** Unger’s analysis is one of the first of its kind to incorporate the multiple effects that aerosol particles can have on clouds, which affect the climate indirectly. **Credit:** NASA’s Johnson Space Center

Each part of the economy, such as ground transportation or agriculture, emits a unique portfolio of gases and aerosols that affect the climate in different ways and on different timescales.

“We wanted to provide the information in a way that would be more helpful for policy makers,” Unger said. “This approach will make it easier to identify sectors for which emission reductions will be most beneficial for climate and those which may produce unintended consequences.”

In a paper published online on Feb. 3 by the *Proceedings of the National Academy of Sciences*, Unger and colleagues described how they used a climate model to estimate the impact of 13
sectors of the economy from 2000 to 2100. They based their calculations on real-world inventories of emissions collected by scientists around the world, and they assumed that those emissions would stay relatively constant in the future.

**Snapshots of the Future**

In their analysis, motor vehicles emerged as the greatest contributor to atmospheric warming now and in the near term. Cars, buses, and trucks release pollutants and greenhouse gases that promote warming, while emitting few aerosols that counteract it.

The researchers found that the burning of household biofuels -- primarily wood and animal dung for home heating and cooking -- contribute the second most warming. And raising livestock, particularly methane-producing cattle, contribute the third most.

On the other end of the spectrum, the industrial sector releases such a high proportion of sulfates and other cooling aerosols that it actually contributes a significant amount of cooling to the system. And biomass burning -- which occurs mainly as a result of tropical forest fires, deforestation, savannah and shrub fires -- emits large amounts of organic carbon particles that block solar radiation.

The new analysis offers policy makers and the public a far more detailed and comprehensive understanding of how to mitigate climate change most effectively, Unger and colleagues assert. “Targeting on-road transportation is a win-win-win,” she said. "It's good for the climate in the short term and long term, and it's good for our health."

Due to the health problems caused by aerosols, many developed countries have been reducing aerosol emissions by industry. But such efforts are also eliminating some of the cooling effect of such pollution, eliminating a form of inadvertant geoengineering that has likely counteracted global warming in recent decades.

"Warming should accelerate as we continue to remove the aerosols," said Unger. "We have no choice but to remove the aerosol particulate pollution to protect human and ecosystem health. That means we'll need to work even harder to reduce greenhouse gases and warming pollutants."

By the year 2100, Unger's projections suggest that the impact of the various sectors will change significantly. By 2050, electric power generation overtakes road transportation as the biggest promoter of warming. The industrial sector likewise jumps from the smallest contribution in 2020 to the third largest by 2100.

"The differences are because the impacts of greenhouse gases accumulate and intensify over time, and because they persist in the atmosphere for such long periods," said Unger. "In contrast, aerosols rain out after a few days and can only have a short-term impact."

**Factoring in Clouds**

For each sector of the economy, Unger's team analyzed the effects of a wide range of chemical species, including carbon dioxide, nitrous oxide, methane, organic carbon, black carbon, nitrate, sulfate, and ozone.
The team also considered how emissions from each part of the economy can impact clouds, which have an indirect affect on climate, explained Surabi Menon, a coauthor of the paper and scientist at the Lawrence Berkeley National Laboratory in Berkeley, Calif.

Some aerosols, particularly sulfates and organic carbon, can make clouds brighter and cause them to last longer, producing a cooling effect. At the same time, one type of aerosol called black carbon, or soot, actually absorbs incoming solar radiation, heats the atmosphere, and drives the evaporation of low-level clouds. This process, called the semi-direct aerosol effect, has a warming impact.

The new analysis shows that emissions from the power, biomass burning, and industrial sectors of the economy promote aerosol-cloud interactions that exert a powerful cooling effect, while on-road transportation and household biofuels exacerbate cloud-related warming.

More research on the effects of aerosols is still needed, Unger cautions. "Although our estimates of the aerosol forcing are consistent with those listed by the International Panel on Climate Change, a significant amount of uncertainty remains."

97. U.N. Climate Panel Admits Dutch Sea Level Flaw

The U.N. panel of climate experts overstated how much of the Netherlands is below sea level, according to a preliminary report, admitting yet another flaw after a row last month over Himalayan glacier melt. A background note by the Intergovernmental Panel on Climate Change (IPCC) said a 2007 report wrongly stated that 55 percent of the country was below sea level since the figure included areas above sea level, prone to flooding along rivers.

The United Nations has said errors in the 2007 report of about 3,000 pages do not affect the core conclusions that human activities, led by burning fossil fuels, are warming the globe.

"The sea level statistic was used for background information only, and the updated information remains consistent with the overall conclusions," the IPCC note dated February 12th said.

Skeptics say errors have exposed sloppiness and over-reliance on "grey literature" outside leading scientific journals. The panel's reports are a main guide for governments seeking to work out costly policies to combat global warming.

The 2007 report included the sentence: "The Netherlands is an example of a country highly susceptible to both sea level rise and river flooding because 55 percent of its territory is below sea level." "A preliminary analysis suggests that the sentence discussed should end with: 'because 55 percent of the Netherlands is at risk of flooding'," the IPCC note said.

The Netherlands Environmental Assessment Agency, the original source of the incorrect data, said on February 5th that just 26 percent of the country is below sea level and 29 percent susceptible to river flooding.

The IPCC said the error was widespread -- it quoted a report from the Dutch Ministry of Transport saying "about 60 percent" of the country is below sea level, and a European Commission study saying "about half."

The panel expressed regret last month after admitting that the 2007 report exaggerated the pace of melt of the Himalayan glaciers, which feed rivers from China to India in dry seasons, in
a sentence that said they could all vanish by 2035. The 2035 figure did not come from a scientific journal.

98. Stern Says US to Stay In Climate Pact Even Without China

The United States would remain a participant in the newly struck Copenhagen Accord on global warming even if other major polluting countries like China and India did not formally "associate" themselves with the deal, according to a high-ranking U.S. official. Todd Stern, the lead U.S. negotiator in international climate talks, was asked by a reporter whether the United States might pull out of the Copenhagen Accord if China and India do not formally sign on. Stern responded: "No ... we have put forward our own submission. It's consistent with what President (Barack) Obama announced back in November, so I don't think it's a question of the U.S. saying 'never mind ... that's not the plan."

Last month, the Obama administration informed the U.N. that it wanted to formally sign onto the non-binding climate control deal struck in Copenhagen in December. At the same time, it formally submitted its pollution-cutting goals.

The United States has offered to reduce its emissions of carbon dioxide and other greenhouse gases blamed for global warming by around 17 percent by 2020, from 2005 levels. The final target would be set when domestic legislation is enacted.

On the question of whether they formally would be "associated" with the accord, Stern said, "China and India have conveyed something which is not entirely clear." He added, "I think that will get clarified though, that is my guess, over the course of the next few days."

But he said those countries, both major carbon polluters, have been "perfectly clear" in their carbon-reduction targets. China has sketched out a goal of cutting the amount of carbon produced per unit of economic output by 40 percent to 45 percent from 2005 levels. This "carbon intensity" goal would let emissions keep rising, but more slowly than economic growth.

India would try to cut its emissions intensity of gross domestic product by 20 percent to 25 percent from 2005 levels.

Supporters of strict international climate control steps hope the Copenhagen Accord can be built upon with the negotiation in coming months of a binding international treaty. They hope all major polluting countries choose to list themselves at the top of the accord, or "associate" themselves, to give a much-needed boost to global negotiations.

99. Yvo de Boer Announces Resignation

The head of the UN Framework Convention on Climate Change (UNFCCC), Yvo de Boer, has said he will step down in July. The UN has not yet announced his replacement. Mr de Boer received many tributes. Described as a passionate and sometimes outspoken diplomat, he has often voiced his frustration at the sluggish progress in climate talks at key meeting such as Bali and, more recently, Copenhagen. His job as a lead facilitator for the talks was increasingly challenging.

Analysts said the departure of the energetic and often sharp-tongued de Boer was unlikely to dent U.N.-led climate talks meant to agree a successor to the Kyoto Protocol but stalled over sharing the cost of cutting carbon emissions.
The Dutch former environment official, who has run the Secretariat since 2006, will join KPMG in London. He was also considering part-time work at universities -- Yale in the United States and Maastricht and Utrecht in the Netherlands.

"I've found this job incredibly challenging," he told reporters in a telephone interview. "It was a very exciting place to be but it also takes a huge toll on you personally."

"I feel that Copenhagen has put a new era of climate policy on the tracks and that offers me an opportunity to come at this from a new direction," he said of his shift to focus on business involvement in combating climate change.

U.N. Secretary-General Ban Ki-moon would decide on a replacement in coming months to head the Bonn-based Secretariat of the U.N. Framework Convention on Climate Change (UNFCCC). De Boer's two predecessors were from the Netherlands and Malta.

Janos Pasztor, Director of Ban's Climate Change Support Team, said: "There is no prescription about where the new executive secretary should come from, whether it should be from a developing or developed country."

The Copenhagen meeting in December missed de Boer's own benchmarks for success, neither specifying exact emissions limits for developed nations nor a timeframe to agree a pact. But it was applauded for harnessing pledges from both rich and poor to curb their greenhouse gas emissions by 2020. And as part of a Copenhagen Accord, rich nations agreed to provide $10 billion a year from 2010-12, with a goal of $100 billion a year from 2020, to help poor nations deal with climate change.

De Boer said that meant the Secretariat would have to shift to help implement the national plans as part of efforts to help slow droughts, floods and rising sea levels.

A successor would have to be "someone sensitive to the concerns of developing countries," he said. The shift did not mean giving up on securing more ambitious pledges to cut greenhouse gases.

U.N. rules require consensus among all 194 countries, partly hampering climate talks and leading some analysts to call for a new approach, for example through G20 world leaders.

"We must quickly find a suitable successor who can oversee the negotiations and reform the UNFCCC to ensure it is up to the massive task," said British Energy and Climate Change minister Ed Miliband.

De Boer said "it remains to be seen" if the next annual meeting in Mexico in November and December would agree a full treaty. He said there seemed to be support for an extra set of U.N. talks in April, perhaps in Germany or France.

"Yvo de Boer has been an enormously dedicated leader in the fight against climate change and has made a major contribution in advancing that effort," U.S. climate envoy Todd Stern said.

"I have always greatly appreciated Yvo de Boer; his engagement and his sharp tongue," EU Climate Commissioner Connie Hedegaard said. She said he was "not always the perfect diplomat" but communicated the urgency of climate change.
100. Arctic Climate Changing Faster Than Expected

Climate change is transforming the Arctic environment faster than expected and accelerating the disappearance of sea ice, scientists said in giving their early findings from the biggest-ever study of Canada's changing north.

The research project involved more than 370 scientists from 27 countries who collectively spent 15 months, starting in June 2007, aboard a research vessel above the Arctic Circle. It marked the first time a ship has stayed mobile in Canada's high Arctic for an entire winter.

"(Climate change) is happening much faster than our most pessimistic models expected," said David Barber, a professor at the University of Manitoba and the study's lead investigator, at a news conference in Winnipeg.

Models predicted only a few years ago that the Arctic would be ice-free in summer by the year 2100, but the increasing pace of climate change now suggests it could happen between 2013 and 2030, Barber said. The Arctic is considered a type of early-warning system of climate change for the rest of the world.

"We know we're losing sea ice -- the world is all aware of that," Barber said. "What you're not aware of is that it has impacts on everything else that goes on in this system." The loss of the sea ice is taking away areas for the region's mammals to reproduce, find food and elude predators, said Steve Ferguson, a scientist with the Canadian government who took part in the study. Whale species previously not found in the Arctic are moving into the region because there is less sea ice to restrict their movements. Climate change is also bringing more cyclones into the Arctic, dumping snow on the sea ice, which limits how thick it can get, and bringing winds that break up the ice, Barber said.

The study is part of the International Polar Year, a large scientific program focused on the Arctic and Antarctic. The scientists have not yet produced conclusions, but they expect to publish dozens of academic papers.

The cost of the Arctic's rapid melt will be $2.4 trillion by 2050 as the region loses its ability to cool the global climate, the U.S.-based Pew Environment Group said. The group released a report showing the Arctic is warming at twice the rate of the rest of the planet.

101. Countries Submit Emissions Goals to U.N.; ‘More than 100’ Support Copenhagen

On February 1st, the United Nations Framework Convention on Climate Change said 55 countries had submitted greenhouse gas emissions reduction targets, while U.N. officials told reporters that "more than 100 countries" had declared official support for the Copenhagen Accord by the January 31st deadline.

Combined, the two lists of countries help fill in the appendixes to the Copenhagen Accord, the 12-paragraph document that was the centerpiece of December's Conference of the Parties meeting in Copenhagen.
Together, the pledges from 55 countries account for 78 percent of the world's greenhouse gas emissions, the UNFCCC said. UNFCCC Executive Secretary Yvo de Boer said in a written statement that the pledges “represent an important invigoration of the U.N. climate change talks.”

The pledges are voluntary targets for countries to reduce greenhouse gas emissions compared to a baseline year of their choice. Industrialized countries list their pledges in Appendix 1 of the Copenhagen Accord, while developing countries list their nationally appropriate mitigation actions in Appendix 2. The UNFCCC already has provided lists of those countries that have submitted their national targets for either Appendix 1 or 2.

U.N. officials told the press that an official list of countries that have officially declared their support for or opposition to the Copenhagen Accord will be released “within days,” although at a January 21st briefing de Boer said the January 31st deadline for countries to state their view was flexible.

Officials said that “more than 100” countries had declared their support for the Copenhagen document, although the United Nations was waiting on a few remaining countries before publishing the list. At last count, Cuba was the only country to officially state its opposition to the accord.

Leading up to the deadline, officials close to the process said that a large degree of support for the accord could give the document new importance, following the close of the U.N. climate change summit in Copenhagen, where the main plenary agreed only to “take note” of the agreement rather than to officially endorse it.

Many nations submitted targets which they previously had pledged to meet.

The United States agreed to reduce its emissions 17 percent by 2020 compared to 2005 levels, as long as other industrialized Annex 1 Parties under the Kyoto Protocol, as well as the more advanced non-Annex 1 parties associated with the accord, submit mitigation actions. Australia said it would reduce its emissions by 5 percent from 2000 levels by 2020 and by 25 percent with concerted global action. Japan submitted its existing pledge of a 25 percent cut by 2020, compared with 1990 levels, while the European Union stood by its 20 percent emissions reduction target from 1990 levels, with a conditional offer to cut emissions 30 percent if other nations make similar efforts.

India pledged to reduce its emissions intensity—a measure of emissions per unit of gross domestic product—20 percent to 25 percent by 2020 compared to 2005 levels, excluding emissions from the agricultural sector.

China promised to reduce its carbon intensity 40 percent to 45 percent compared to 2005 levels, to increase to 15 percent the use of non-fossil fuels in “primary energy consumption,” and to increase forest coverage by 40 million hectares (98.8 million acres), all by 2020.

The pledges of China and India followed a meeting in New Delhi Jan. 24, in which environment ministers from the two countries, as well as from Brazil and South Africa, issued a joint statement indicating their support for the accord, but only as part of a two-track negotiating process: one on long-term cooperation under the UNFCCC and the other on further greenhouse gas emissions reduction commitments for industrialized nations under the Kyoto Protocol.
The so-called BASIC nations also challenged rich countries to make available to developing countries pledged funds for climate change aid. They agreed to continue discussions, including talks on a proposal for the four nations to establish their own fund to help poorer countries, at a ministerial-level meeting of the four countries in South Africa in April.

102. UN Climate Chief Defends Pachauri Under-Fire

The United Nations' top climate official has backed leading global warming scientist Rajendra Pachauri, saying he should ignore calls to resign over errors in a key 2007 report. Yvo de Boer, executive director of the UN Framework Convention on Climate Change (UNFCCC), said Pachauri was not personally responsible for the claim that global warming could melt Himalayan glaciers by 2035.

De Boer told reporters in New Delhi it would be "senseless" for Pachauri, the chief of the UN Intergovernmental Panel on Climate Change (IPCC), to take the blame for the blunder, which has been traced to a 1999 magazine article. "I believe that the scientific evidence that is provided by the IPCC has not been shaken in spite of the very unfortunate mistake," said de Boer. He added that Pachauri was a "good chairman" who "has been a very vocal advocate of the need to address climate change at the global level".

In an interview broadcast on Indian television, Pachauri accused "vested interests" of using the glacier error to attack him personally and undermine the case for action to halt global warming. Rejecting allegations that he benefited financially from his position, Pachauri said he was being targeted by an organized campaign. "You can think of some fossil fuel companies, you can think of those who are in the business of exporting fossil fuels and of course those who earn a living from the automobile industry," Pachauri told the NewsX television network. "This is an organized block of vested interests," he said.

The IPCC has faced fierce criticism over the glacier mistake -- which has been discredited by glaciologists and is being withdrawn -- and the controversy has given fresh ammunition to climate skeptics. The IPCC's landmark Fourth Assessment Report in 2007 said the probability of glaciers in the Himalayas "disappearing by the year 2035 and perhaps sooner is very high."

But there is no evidence the claim was published in a peer-reviewed journal, a cornerstone of scientific credibility, and reports in Britain have said the reference came from green group the WWF, who in turn sourced it to the New Scientist magazine.

103. EU Offers To Update IPCC Report

A day after it received Prime Minister Manmohan Singh's backing, the Inter-governmental Panel on Climate Change (IPCC), headed by RK Pachauri, got support from the European Union which offered to update its report.

"We fully support the IPCC report. The level of science and research has improved so much," Teresa Ribera, president of the EU's council of environment ministers, told reporters. Spain currently holds the rotating presidency of the EU.

Ribera, also Spanish Secretary of State for Climate Change, said her country and the EU were ready to offer their expertise in updating the methodology of the IPCC report.
Ribera also expressed the EU's support for the Copenhagen accord and stressed that all countries need to work together to come out with "a transparent and credible" global treaty to combat climate change at Mexico.

The EU has pledged its commitment to cut greenhouse gases and help by way of mitigation and financing, she said.

The IPCC has been facing flak since revelations last month that its landmark Fourth Assessment Report mistakenly predicted that Himalayan glaciers could disappear by 2035 as a result of global warming.

Inaugurating the three-day Sustainable Development global conference, the first such meet after the UN meet in Copenhagen in December last year, Prime Minister Manmohan Singh said that India had full confidence in the IPCC process and its leadership.

Pitching for a legally binding global treaty to curb global warming, the prime ministers of Norway, Greece, Finland, Slovenia and Bhutan, too, joined Manmohan Singh in backing embattled UN climate change panel chief R.K. Pachauri, saying global warming has the potential to melt polar ice and lead to a rise in sea levels.

The European Commission has formally notified the EU's willingness to be associated with the Copenhagen accord and submitted for information the EU's established greenhouse gas emissions reduction targets for 2020.

These consist of a unilateral commitment to reduce the EU's overall emissions by 20 percent from 1990 levels, and a conditional offer to increase its cut to 30% provided other major emitters agree to take on their fair share of a global reduction effort.

104. Poor Give Muted Backing to Copenhagen Climate Deal

A "Copenhagen Accord" for fighting climate change has won only half-hearted support from major emerging nations led by China and India, leaving question marks over a pact they agreed with the United States.

Indian officials said the BASIC group -- China, India, South Africa and Brazil -- feared that ringing endorsement of the accord could detract from the 1992 U.N. Climate Convention, which says rich nations must lead action to slow global warming.

"There seems a deliberate ambiguity," a Danish official source said after China, India and some other emerging nations met a January 31 deadline set by December's low-key accord for outlining climate plans but did not say if they endorsed it.

The United Nations says that 55 countries, including all major emitters and accounting for almost 80 percent of world greenhouse gas emissions, submitted goals for curbing emissions by 2020 by the Sunday deadline in the accord.

But it has not yet published which countries want to be "associated" with the accord despite a request by the U.N. Climate Change Secretariat in a January 18th letter that also set a Sunday deadline for replies. The deadlines are flexible.
Many developing nations submitted 2020 targets but dodged the second question. Countries wanting to be "associated" will be more tightly involved since their names will be formally listed at the top of the three-page accord.

One Indian official said Beijing and Brasilia had suggested keeping a question mark hanging over their support, and thereby the accord's legitimacy, fearing that some developed nations would try to turn it into a full legal treaty.

South Africa said it was "associated" with the Copenhagen Accord as a tool to promote the existing twin-track U.N. talks.

Letters sent by China and India outlining their 2020 targets did not even mention the Copenhagen Accord, even though leaders of the BASIC group worked out the deal with U.S. President Barack Obama in a late-night meeting on December 18th in Copenhagen. India and China have publicly said they "support" the deal. But Indian officials say there is a distinction between expressing support and explicitly becoming "associated."

The United States, by contrast, told the United Nations in a letter of "its desire to be associated with the Copenhagen Accord." And the 27-nation European Union, Japan, Australia, Canada, New Zealand and Norway also all explicitly said they want to be "associated."

**105. China's Wen Seeks Binding Climate Deal in Mexico**

China backs a climate change accord struck at a contentious summit late last year and wants a binding global agreement from talks culminating in Mexico later this year, Chinese Premier Wen Jiabao has said. The Chinese leader endorsed the "Copenhagen Accord" in letters on January 29 to the United Nations Secretary-General Ban Ki-moon and Danish Lars Lokke Rasmussen, whose country hosted the rancorous summit that produced the controversial, last-minute document on fighting global warming, the official Chinese Xinhua news agency reported.

Since then, China and over 50 other nations have outlined their plans for reducing greenhouse gases and addressing climate change under a January 31 deadline, aiming to set in motion negotiations seeking a full pact in Mexico late in 2010.

In its submission, China repeated what it calls a voluntary domestic goal to cut the amount of the main greenhouse gas, carbon dioxide, produced for every unit of economic output by 40 to 45 percent by 2020, compared to levels in 2005.

This "carbon intensity" goal would let China's greenhouse gas emissions keep rising, but more slowly than economic growth.

But Beijing's official submission did not mention the Copenhagen Accord, which was thrashed out after sometimes bitter negotiations in which China, the world's biggest emitter of greenhouse gases from human activity, was accused by some negotiators of frustrating stronger agreement.

The U.N. had asked all to take sides on the Accord by January 31st.

Now Premier Wen has publicly backed the Accord, and said his country wants a binding deal to emerge in Mexico -- a goal that many observers say will be difficult to achieve.
“(Wen) stated that China positively assesses and supports the Copenhagen Accord,” said the Xinhua report, citing his letters to Ban and Rasmussen.

China wants the negotiations culminating in Mexico to "reach a comprehensive, effective and binding outcome," the report cited Wen as saying.

But Wen stressed that outcome should be bound to a UN convention and to the Kyoto Protocol, the treaty governing countries’ duties to fight global warming that runs until the end of 2012. Those agreements say that developing countries, including China, should not shoulder the same absolute goals to cut greenhouse emissions that apply to rich countries.

As the world's biggest emitter, China has faced growing pressure from developed countries and some poor ones to set firmer and deeper goals to curb its greenhouse gases. China says that its emissions have historically been much lower than the developed world's, and its emissions per capita are still much lower than those of wealthy societies.

**HEALTH**

106. **Children with Asthma at Higher Risk for Hospitalization on Warm, Smoggy Days**

Children with asthma are at much higher risk for landing in a hospital – and even in intensive care – on days when there are higher ozone levels in the New York air, according to researchers at Long Island Jewish (LIJ) Medical Center and New York University (NYU).

The new study, published in the Journal of Allergy and Clinical Immunology, was based on data collected from 74 hospitals in all five New York City boroughs, involving more than 75,000 asthma-related hospitalizations from 1999 to 2006. The study provides substantial evidence that the pollution that settles into the air in warmer seasons increases the risk that a child with asthma will have an episode severe enough to require hospitalization.

“This is a major problem,” said Robert A. Silverman, MD, research director for the LIJ Medical Center Emergency Department, associate professor of emergency medicine at the Albert Einstein College of Medicine in the Bronx and an associate investigator at The Feinstein Institute for Medical Research in Manhasset, NY.

Dr. Silverman, Kazuhiko Ito, PhD, an environmental scientist at the NYU Nelson School of Environmental Medicine and other researchers utilized air pollution data from 37 federally-placed monitors situated throughout the New York City metro area that are used by the US Environmental Protection Agency (EPA) to measure air pollutants. Twenty-four of the sites measure small particle emissions and 13 monitor the ambient air for ozone. Investigators focused on the warm weather months because ozone levels are at their highest and small-particle pollution is also high. Ozone levels are generally higher in the warmer months because heat and sunlight enhance the production of ozone – a chemical component of the smog formed by a reaction of pollutants from cars, factories and gas vapors. The main sources of small particle air pollution in the eastern United States during the summer, also known as PM$_{2.5}$, are coal-burning power plants in the Ohio Valley region and local traffic.

Dr. Ito compared the asthma-related hospital admissions to the varying levels of air pollutants between April and August. They found substantial increases in the number of hospital admissions in children on days when small particles and ozone were elevated, and that the
prevalence of asthma hospitalizations was more common among children than adults. In fact, in children between the ages of 6 and 18, there was an approximately 20 percent increase in asthma hospitalizations on higher small particle days and a 26 percent increase in admissions to the intensive care unit (ICU). For ozone, it was a 19 percent increase in ICU admissions and higher ozone days.

"Children were far more vulnerable," wrote Drs. Silverman and Ito. By comparison, adults over age 50 had a three percent increased risk of hospital admission on high small particle days and a six percent increase on high ozone days. In 19-to-49 year olds, there was an eight percent increased risk for hospitalization on high-pollution days.

Importantly, increases in air pollution also were also associated with life-threatening asthma that required an admission to an ICU. This association was seen primarily in school-aged children. In the study, about one out of 10 children between the ages of 6 and 18 hospitalized for asthma was admitted to the ICU. There did not seem to be an increased risk for older adult asthma suffers to land in the ICU.

Dr. Silverman said that there was a direct correlation between age and the risk for asthma-related hospitalizations. Children under age six did not have the same high risk as school-aged children having the highest risks. The older people get, the lower the risk. Dr. Silverman said he thinks that this may be because school-aged children are more likely to play outdoors and take in more air pollution, which is a trigger for asthma. “Children also normally have faster breathing than adults, and their lungs and immune systems are still developing. They are more sensitive to the harmful effects of air pollution,” he said.

They also looked at the measures of air pollution and found that there was no threshold of pollution that was safe.” The higher the air pollution concentrations, the scientists said, the greater the risk for a severe asthma attack.

The EPA is now holding hearings on whether to reduce the acceptable safety threshold for air pollutants. “EPA scientists need to revise what safe levels are,” Drs. Silverman and Ito wrote. “These levels should take into account the fact that children are more sensitive to air pollution.”

107. Study: Freeways Will Harden Your Arteries

A new study found that people who live near freeways are more likely to develop hardening of the arteries – which increases the chances of a heart attack and stroke -- than those who live farther away. Researchers at the University of Southern California and UC Berkeley along with colleagues in Spain and Switzerland used ultrasound to measure the carotid artery wall thickness of 1,483 people who lived near freeways in the Los Angeles area -- taking measurements every six months for approximately three years.

What they found was that the artery wall thickness among those living within 100 meters -- 328 feet -- of a highway increased by 5.5 micrometers per year, or more than twice the average progression.

"For the first time, we have shown that air pollution contributes to the early formation of heart disease, known as atherosclerosis..." said study co-author Michael Jerrett, UC Berkeley associate professor of environmental health sciences in a statement. "The implications are that by controlling air pollution from traffic, we may see much larger benefits to public health than we thought previously," Jerrett added.
The 5 freeway, which cuts through the heart of Orange County, was built to carry 115,000 cars in the 1950's and now carries an average of 370,000 vehicles a day. The 57 freeway carries 300,000 and is projected to carry 360,000 by 2025.

In the Southern California area roughly 1.5 million people live close — within 300 meters -- of major freeways, according to new reports

**GENERAL**

108. Asian Ozone Raising Levels of Smog in Western United States, Study Shows

Ozone blowing over from Asia is raising background levels of a major ingredient of smog in the skies over western US states, according to a new study appearing in the journal Nature. The amounts are small and, so far, only found in a region of the atmosphere known as the free troposphere, at an altitude of two to five miles, but the development could complicate US efforts to control air pollution.

Though the levels are small, they have been steadily rising since 1995, and probably longer, said lead author Owen R Cooper, a research scientist at the University of Colorado attached to the National Oceanic and Atmospheric Administration's Earth System Research Laboratory in Boulder, Colorado. "The important aspect of this study for North America is that we have a strong indication that baseline ozone is increasing," said Cooper. "We still don't know how much is coming down to the surface. If the surface ozone is increasing along with the free tropospheric ozone, that could make it more difficult for the US to meet its ozone air quality standard."

The study is the first link between atmospheric ozone over the US and Asian pollution, said Dan Jaffe, a University of Washington-Bothell professor of atmospheric and environmental chemistry. He contributed data from his observatory on top of Mount Bachelor in Oregon to the study.

The US Environmental Protection Agency is considering lowering the current limit on ozone in the atmosphere by as much as 20%, and has been working with China to lower its emissions of the chemicals that turn into ozone.

Ozone is harmful to people's respiratory systems and plants. It is created when compounds produced by burning fossil fuels are hit by sunlight and break down. Ozone also contributes to the greenhouse effect, ranking behind carbon dioxide and methane in importance.

Ozone is only one of many pollutants from Asia that reach the United States. Instruments regularly detect mercury, soot, and cancer-causing PCBs.

Jaffe said it was logical to conclude that the increasing ozone was the result of burning more coal and oil as part of the Asia's booming economic growth.

The next step is to track the amounts of Asian ozone reaching ground levels on the west coast, said Cooper.
Work will start in May and end in June, when air currents produce the greatest amounts of Asian ozone detected in the US weather balloons and research aircraft will be launched daily to measure ozone closer to ground, where it affects the air people breathe, Cooper said.

The study to be published in Nature looked at thousands of air samples collected between 1995 and 2008 and found a 14% increase in the amount of background ozone at middle altitudes in spring. When data from 1984 were factored in, the rate of increase was similar, and the overall increase was 29.

When ozone from local sources was removed from the data, the trend became stronger, Cooper said. Using a computer model based on weather patterns, the ozone was traced back to south-eastern Asia, including the countries of India, China, Vietnam, Laos and Cambodia.

The ozone increases were strongest when winds prevailed from south-eastern Asian, Cooper said.

In a commentary also published in Nature, atmospheric chemist Kathy Law of the Université de Paris in France said the study was "the most conclusive evidence so far" of increasing ozone over the western United States. Law noted that natural sources of ozone could contribute to the increases, and there were limitations to the computer model used to trace the sources of the increases, but the study remained a "vital benchmark" that could be used to test climate change models, which have been unable to reproduce increases in ozone.

William Sprigg, a research professor at the University of Arizona who studies the global movement of airborne dust, said he agreed with Law's comments, adding that studies like this one make it possible to control air quality.

"Part of the solution to controlling emissions from abroad is to show the negative consequences and our own efforts to lower emissions," he wrote.

109. Known Lithium Deposits Can Cover Electric Car Boom

Hopes of an electric car boom are spurring companies to seek new lithium sources, but new finds may be lower quality and costlier to develop than established deposits able to meet demand for years to come.

Lithium is a key component in rechargeable batteries that power laptop computers, digital cameras and cell phones. Demand for the silver-white metal is expected to surge if carmakers start producing electric or hybrid vehicles on a large scale.

Excitement is brewing about new projects in Bolivia -- which could hold the world's largest lithium bounty -- and in Mexico, where a small company says it has a site with up to 800,000 tons of the highly reactive and versatile metal.

But all lithium deposits are not created equal and experts say the new finds may be poor quality or expensive to extract.

Some companies are choosing to play it safe with leading lithium suppliers and start-ups in Argentina and Chile, the source of over half of the world's lithium output.
A sister company to Toyota Motor Corp agreed with Australia's Orocobre Ltd in January to jointly develop an $80-$100 million lithium project at Argentina's Olaroz salt lake, for example.

"It seems generally accepted that reserves and resources will be adequate, but it's easy for junior exploration companies to raise money on the strength of the lithium buzz," Keith Evans, one of the world's leading lithium experts, said.

"Exploration activity has exploded. They all hope to find sources that can be competitive, (but) Chile and Argentina have sufficient reserves for billions of years," Evans said.

Across the globe, there are nine pipeline projects in places like Australia, Finland, Canada, Serbia, and the United States and about 60 early-stage exploration projects, Evans said.

Lithium consulting company TRU Group says that existing lithium plants will continue to dominate the market through to 2020 and that pipeline projects will account for less than one-fifth of production by 2017.

Bolivia has a huge lithium deposit at the Uyuni salt lake, but state-run mining company Comibol may struggle to exploit it lacking know-how and capital. A high degree of magnesium and regular flooding may complicate lithium recovery.

To develop the area, the Bolivian government would have to spend $500 million on roads, water and energy infrastructure.

Last year, Mexican company Piero Sutti announced the discovery of a major lithium and potash deposit in the central state of Zacatecas and is ramping up exploration on the property spanning 124,000 acres. But experts still know little about what the source could hold.

"Being spread out over a large area is not a benefit, on the contrary, it makes it much more difficult and costly to extract," William Tahil at Meridian International Research said. "These resources are unlikely to make Mexico a major producer like Chile or even Argentina," he said.

In Chile and Argentina, a flurry of companies are expanding exploration at known sites as automakers race to develop low-emission cars powered by lithium-ion batteries thought to be more friendly to the environment.

Demand for lithium ion batteries had been increasing by more than 20 percent annually in recent years but is now flattening on global economic worries, says Roskill Information Services.

The Salar de Atacama, the largest salt flat in Chile, is believed to contain the best quality lithium deposits. Chile is debating whether to allow more private companies to extract lithium or to protect the deposits for national business.

Chile's giant fertilizer producer Soquimich (SQM) and U.S.-based Rockwood operate in the Atacama and experts say they have the potential to surpass many times the some 20,000 tons of lithium produced in 2009.

In neighboring Argentina, Canada's Lithium One is exploring the Salar del Hombre Muerto, where top producer FMC Corp already has a lithium plant and more projects are on the way as international companies show increased interest.
Projects in the two countries should be able to fuel the electric car craze for a long time, lithium expert Evans said.

SQM, FMC and Rockwood together control some 8 million tons of lithium, said Evans, roughly a quarter of the world’s reserves.

Just one million tons of lithium is enough to produce 395 million units of Chevrolet’s Volt electric car (16kWh) or 250 million units Nissan’s Leaf (24 kWh), Evans said.