

Industrial Affairs Department

13 August 1999

*UNICE's views on
New proposals on European air quality*

Summarised Key Points

UNICE advocates a step-by-step approach to improving air quality and therefore calls on the Council, Parliament and (via the UN/ECE negotiations) national governments, to adopt more realistic air quality targets.

The first step needs to be a proper assessment of the effects and benefits of existing legislation.

The second step would be to adopt more realistic air quality targets, while also identifying longer-term optimum targets.

UNICE also notes that the wider participation of the UN/ECE activity should allow a more cost-effective solution to be achieved than through the EU15 alone.

This preferred approach, outlined above, would combine good protection of human health with a minimisation of the impact on the competitiveness of EU business.

I. Introduction

There are new demands being proposed for further air quality measures.

The European Commission are working on a package of related measures on European air quality. The United Nations Economic Commission for Europe (UN/ECE) are working on a proposal as a basis for negotiations of the forthcoming “Gotheburg” protocol, also called multi-pollutant / multi-effect protocol.

<u>European Commission</u>	<u>United Nations Economic Commission for Europe</u>
Proposal for a directive on national emission ceilings for certain atmospheric pollutants (99/0067(COD)): national emission limits on total emissions of SO ₂ , NO _x , VOCs and NH ₃ ¹	Multi-pollutant/ multi-effect protocol: contains proposals on national emission ceilings for SO ₂ , NO _x , VOCs and NH ₃
Proposal for a directive relating to ozone in ambient air (99/0068(COD)): long term objectives, target values and monitoring requirements for concentrations of ozone in ambient air	Multi-pollutant/ multi-effect protocol: contains proposals on ozone quality targets in ambient air
Revision of Directive 88/609/EEC on large combustion plants: limitation of emissions of certain pollutants into air from large combustion plants	Multi-pollutant/ multi-effect protocol: contains technical annexes including emissions limit values for new and existing plants and description of control measures for technologies and products
The <u>purpose</u> of these proposals is to control acidification, eutrophication and tropospheric ozone <u>across the EU</u> by 2010.	The <u>purpose</u> of this protocol is to control acidification, eutrophication and tropospheric ozone <u>all over the wider European area</u> by 2010.

As the European Commission and the United Nations Economic Commission for Europe are working on a similar but not identical context, this paper serves as a briefing of UNICE’s views on the best way to approach these new measures. **It states the position of the European business and industry federations that UNICE represents.**

¹ SO₂: Sulphur Dioxide, NO_x: Nitrogen Oxides; VOCs: Volatile Organic Compounds; NH₃: Ammonia

II. UNICE views on national emission ceilings

Context:

- The European Commission and the UN/ECE proposals on national emission ceilings must be viewed in the context of the wide range of air-quality driven legislation introduced in Europe recently. The benefits of the established legislation will become apparent during the coming decade.
- Collectively the established measures are described as the Reference Scenario. This Reference Scenario will cost 67.3 billion Euros per annum each year for more than 10 years: 58.8 billion Euro per annum in the EU-15 and 8.5 billion Euro in non-EU countries.

Observation:

- UNICE believes that insufficient effort has been focused on assessing what benefits will flow from the Reference Scenario. Only when this is done, can the extra benefits and costs of further measures be assessed.
- However, the current European Commission and UN/ECE proposals seek to impose further and binding emission reductions on certain countries that go well beyond what they are already committed to in the Reference Scenario. An extra-spend of 8.5 billion Euros per annum would be introduced.
- Further, the new proposals are based on modelling, known to contain considerable uncertainties.

Conclusion:

The fundamental question is whether setting emission reduction targets beyond the Reference Scenario is appropriate until the effects and benefits of the Reference Scenario have been properly assessed. It is for this reason that several parties as well as UNICE, support a two-step approach to improving air quality. European business and industry experts involved in the EU and UN/ECE processes are convinced the following would be the most sound and practical:

Step 1:

- Establish national emission ceilings that ensure timely delivery of the Reference Scenario.
- Set a single health-based interim target for ozone in line with the US EPA proposal of 160 $\mu\text{g}/\text{m}^3$ (8-hour)², that it will be possible to deliver at a high degree of compliance.

Step 2:

- Member States should be given a chance to use the huge amount of monitoring data that are currently being collected. They should use this information to assess real life environmental benefits that will be delivered as the Reference Scenario measures take force.
- This will allow gaps in knowledge to be filled, and modelling problems to be resolved.
- This would then deliver a sound basis from which to establish the need for further legislation. 2005 could be a suitable date for a review of the process to take place.

² The US EPA indicates that an area will attain the standard when the 3-year average of the annual 4th-highest daily maximum 8-hour concentrations is less than or equal to 0.08ppm (EPA's revised ozone standard, July 1997).

III. UNICE views on air quality targets for ozone in ambient air

Context:

- Models agree that the Reference Scenario can deliver $160 \mu\text{g}/\text{m}^3$ (8-hour) at a high degree of compliance by 2010. This has been assessed by the US EPA as giving confidence of preventing statistically significant health effects in sensitive populations. This means that delivering the Reference Scenario should adequately protect human health.

Observation:

- Having said this, we fully recognise the aspiration of the European Commission and the UN/ECE who want to go further as quickly as possible. However, we believe this should be done on a sound basis that can be established whilst we are all fully engaged in delivering the ambitious Reference Scenario.

Conclusion:

UNICE argues the benefits of putting in place an initial ozone target based on $160 \mu\text{g}/\text{m}^3$ (8-hour) that can be practically achieved with a high degree of compliance, and is considered - by US EPA - to offer a high degree of health protection to sensitive people.

IV. UNICE views on emission limit values for new and existing installations

Context:

- Under the Integrated Pollution Prevention and Control (IPPC) directive, new installations are required to comply with local emission limit values that are set on best available techniques. This taken into account local environmental needs, technical feasibility and economic impact.
- The proposed revision of the directive on large combustion plants additionally envisages the introduction of uniform emission limit values for both new and existing plants.
- On top of this, the UN/ECE multi-pollutant/multi-effect protocol also makes proposals for emission limit values for new and existing installations and best available technology recommendations in the technical annexes.

Observation:

- Issues relating to emission limit values for installations are satisfactory covered by the IPPC directive and the forthcoming directive on national emission ceilings. Therefore by adding similar but not necessarily identical measures via the revised directive on large combustion plants and the technical annexes to the UN/ECE protocol there is a serious risk of generating conflicting requirements.
- Under the IPPC directive flexibility is provided to select controls adjusted to local environmental and economical factors. Prescribing binding emission limit values based on separately developed emission controls may jeopardise the intention of IPPC.

- One of the features of a national emission ceilings approach to air quality should be to allow maximum flexibility in meeting any ceiling target. Introducing a prescriptive approach seriously compromises Member States' flexibility to meet emission ceilings in the most cost-effective way.

Conclusion:

UNICE is opposed to the idea of binding emission limit values for installations appearing in the UN/ECE multi-pollutant/ multi-effect protocol. Only national emission ceilings should be made binding on parties of the protocol.

Technical annexes on emission limit values and control measures belong to a separate discussion, for example the on-going approach within the Institute for Prospective Technological studies in Seville is focusing on developing guidance.

Furthermore, UNICE strongly recommends that the revised directive on large combustion plants ensures alignment and consistency with the objectives of IPPC and national emission ceilings in order to give the right to individual Member States to determine national solutions cost-effectively.

V. Overall Conclusions

UNICE advocates a step-by-step approach to improving air quality and therefore calls on the Council, Parliament and (via the UN/ECE negotiations) national governments, to adopt more realistic air quality targets.

The first step needs to be a proper assessment of the effects and benefits of existing legislation.

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UNICE also notes that the wider participation of the UN/ECE activity should allow a more cost-effective solution to be achieved than through the EU15 alone.

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