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PROPOSED OZONE AIR QUALITY AND NATIONAL EMISSION CEILINGS DIRECTIVES

UNICE POSITION

Commission air quality objectives

Two interrelated Commission proposals to improve air quality are being discussed in the Council of Ministers, the European Parliament and the Economic and Social Committee of the European Communities. These are the proposals of national emission ceilings for atmospheric pollutants (SO_2, NO_x, VOC, NH_3), and ozone air quality targets in ambient air. The proposal of national emission ceilings for atmospheric pollutants is focused on combating the problems of acidification, tropospheric ozone, and eutrophication, in line with the Commission's acidification and ozone strategies. A key link between the two proposals comes from the Commission's choice of tropospheric ozone targets, which are important factors in proposing national emission ceilings for VOC and NO_x pollution, which are contributors to ozone.

It is the Commission's declared intention to propose ambitious targets, without regard for the fact that these go far beyond those of our global competitors, especially the USA and Canada[1]. European business and industry has major reservations about the environmental justification and their potential competitive impacts. Instead, UNICE advocates a staged approach, that would deliver good improvements in air quality on a realistic time scale.

Need to add value to existing air quality legislation

EU business and industry has committed to delivering over the next decade the emission reductions from agreed legislative measures that comprise the Commission's Reference Scenario. These measures include Auto-Oil I, Solvent Emissions, Off-road Vehicles and Sulphur in Liquid Fuels directives, and the Large Combustion Plant proposal. This Reference Scenario is already delivering major environmental improvements and is expected, for example, to give some confidence that the whole of the Community will comply with the health-based ozone target of an 8 hour average of 160 µg/m³ (80 parts per billion) proposed by the US Environmental Protection Agency. This scenario is also expected to protect almost of EU ecosystems from acidification.

The total cost of the measures in the Reference Scenario has been estimated by the Commission to reach EUR 59 billion per annum. The fundamental test of all further emission reduction targets should

[1] UN/ECE multi-pollutant protocol provisions relevant to the USA and Canada do not commit beyond the Reference Scenario and the current Air Quality Standards of these countries

be environmental need and improvements, combined with the cost-effectiveness of measures proposed to achieve the targets.

Member State commitments to the UN/ECE trans-boundary air pollution protocol

At their 12 October 1999 Council meeting, EU Ministers of Environment confirmed Member State 'bids' of emission ceilings for these same pollutants, within the framework of the United Nations Economic Commission for Europe (UN/ECE) Convention on Long-range Trans-boundary Air Pollution, a protocol of which was signed by ministers on 1 December 1999, aimed to abate acidification, eutrophication and ground-level ozone.

European business and industry believe that the ceilings agreed within the UN/ECE process represent an ambitious and demanding commitment, which must be recognised in the Community process. These ceilings will deliver significant improvements in ambient air quality, acidification and eutrophication, going beyond the substantial improvements already occurring as a result of current and planned measures, that commit investments to abate emissions. Member States have judged that these national emission ceilings are the strictest they consider both affordable and practically achievable beyond the Reference Scenario.

Commission proposals of ceilings and targets

In contrast, the Commission proposal for national emission ceilings goes far beyond the ceilings agreed within the UN/ECE protocol, and is certainly over ambitious. On top of the huge costs of the Reference Scenario, it has been estimated that the implementation costs of these two additional proposals would amount to a further EUR 7.5 billion per annum[2].

In the recitals to the proposed directive on national emission ceilings, the Commission acknowledges that its proposed long-term objective of an 8 hour average of 120µg/m³ for ozone is not currently achievable, so making essential the setting of an interim Community target, with a compliance level sufficiently relaxed to make it achievable in practice.

The Commission recently undertook an analysis of the incremental differences of benefits offered by Member States UN/ECE ceilings, and the Commission's proposed ceilings. Although further improvements are predicted, differences are very small, local, and their significance is very uncertain.

- Implementing the ceilings proposed by the Commission, rather than those committed to UN/ECE, shows a forecast improvement of only 5 days less per year of exceeding the 120µg/m³ 8 hour average ozone target over only 2% of the area of the Community.

- Ecosystem protection is predicted to increase by just 1.4%, compared with the Reference Scenario, most of which is in any case achieved by implementing the new UN/ECE protocol.

Need for a soundly based review process

It is important to appreciate that the air quality improvement these scenarios will deliver is quite uncertain, and that this uncertainty has not been properly quantified. Improvements have been assessed through computer modelling, which, although state of the art, is known to provide only a broad

[2] Commission proposal, COM(1999)125final, Annex I, Table 8, p 47

indication to eventual outcomes. In consequence, the national emission ceilings proposed give a false impression of certainty.

For these reasons, UNICE believes that an ongoing review of progress is essential. This should make use of real life environmental monitoring data, to determine objectively the actual environmental improvements being delivered by already agreed measures (including UN/ECE commitments), and to validate and refine the computer models and their predictions. This approach is consistent with the Clean Air For Europe (CAFE) philosophy that the Commission is preparing, through which air quality targets and achievements will be periodically reviewed.

Conclusions and recommendations

- Air quality in Europe is improving at an unprecedented rate. This improvement will continue as already agreed measures are fully implemented. Associated environmental impacts, such as acidification, are declining rapidly in parallel with falling emissions.

- UNICE continues to advocate improving air quality in soundly based practical steps, targeting demonstrable benefits using cost-effective options. Consistent with this approach, UNICE has proposed 160µg/m³ as a sound interim ozone air quality target that would protect human health. We believe that the emission ceilings committed to in the UN/ECE protocol are consistent with practical delivery of this target, with confidence of having only a very few exceedances.

- The next step should be to incorporate the commitments made to UN/ECE into the proposed national emission ceilings directive, since there must be a consistent framework for establishing the measures that will be needed to deliver the air quality targets.

- Before committing to additional measures beyond UN/ECE, a key part of the process must be to carefully assess the benefits of agreed measures: what air quality and other environmental improvements are actually being delivered. This would provide a sound, objective basis from which to establish the need for any further legislation. This is consistent with the Commission's CAFE approach, which should have as its aim to combine sound improvements in air quality with protecting the competitiveness of European business and industry.