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Car lobby loses fight to ease emission rules

- Surprise as MEPs vote for tough CO2 targets
- Committee spurns move by Merkel and Sarkozy

Ian Traynor in Brussels

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MEPs yesterday put the European parliament on a collision course with Germany's chancellor, Angela Merkel, and its powerful car lobby by rejecting Berlin's campaign to water down European proposals for slashing greenhouse gases from road traffic.

In a move that stunned the car industry and green campaigners, the parliament's environment committee voted by a sweeping majority to force car manufacturers to reduce the carbon dioxide emissions of new vehicles by 2012 and to maintain stringent fines on those that fail to do so.

The MEPs threw out amendments that the car lobby had introduced which would have eased the costs to industry and delayed the measures. By voting them down, the MEPs rejected a Franco-German pact hatched by Merkel and France's president, Nicolas Sarkozy, in June.

As part of its drive to lead the world in tackling climate change, the European commission last year proposed that all new cars would have to cut their CO2 emissions to 130 grammes per kilometre by 2012, roughly a 17% reduction on average emission levels. The German auto industry, a world leader in the large car sector, cried foul and mounted ferocious lobbying to dilute the proposals.

Merkel has fought energetically for months to get the proposed regime weakened. At a summit in June with Sarkozy (who is currently chairing the EU and responsible for steering the climate- change package into law by the end of the year), both leaders agreed that the original commission proposals should be weakened by staggering the cuts until 2015, and halving the proposed fines levied on car firms for each offending vehicle they produced from $\mathfrak{C}95$ (£75) per excess gramme/kilometre to $\mathfrak{C}50$.

The environment committee yesterday rejected both compromise measures, backing the commission's initial proposals and stipulating that CO2 emissions should come down further, to 95g/km by 2020. The parliament's industry committee had already caved in to pressure and supported the diluted proposals.

"The parliament appears to have stood up to the demands of the car industry and four or five car-producing member states, and has sent a strong signal that Europeans need fuel-efficient cars now, not in five or 10 years," said Jos Tings, of the Transport and Environment pressure group.

"The lobby from the car industry lost," said Chris Davies, the Liberal Democrats' environment spokesman. "MEPs today stood up for tougher measures to combat global warming and sent a strong message to corporate lobbyists to back off. A good day for democracy."

The result was all the more surprising since, under intense car industry pressure, the two biggest caucuses in the parliament, the centre-right European People's party and the socialists, had tabled amendments in line with the Merkel-Sarkozy deal. But in the end the committee's vote was 46-19.

The CO2 emissions of cars make up about 14% of such emissions in Europe. The commission proposals are a key part of the overall climate-change package to cut greenhouse gas emissions by 20% by 2020 - proposals that need to be turned into law by the end of the year if the EU is to maintain its credibility as a world leader in the fight against global warming. The overall package has to be agreed by the commission, the parliament and the 27 EU governments, meaning there is now likely to be a showdown between Berlin and the parliament before Christmas.

"This was a big surprise," said the German Green MEP Rebecca Harms. "There was a big fight with industry and governments, and the Germans and French were adding a lot of pressure."

European leaders have endorsed the broad aims of the commission proposals and proclaimed themselves world leaders in tackling global warming, but the real battles - about dividing the burden between nations and sectors of industry - are now breaking out.

Backstory

A summit of European leaders agreed in March last year to cut **greenhouse gases** by a minimum of **20%** by 2020. A month earlier the commission had proposed to compel the car industry to cut CO2 emissions from new cars and vans to **130g/km**. The commission refined its proposals last December. But **Merkel**, a former environment minister who presided over the March summit and was hailed as a hero, railed against the **costs to industry**. In March this year she broached the topic with **Sarkozy**, who was preparing to assume the EU presidency and steer the climate change package into law. At a bilateral summit in June, the two agreed to **water down** the proposals.

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