Michael Roberts
Chair
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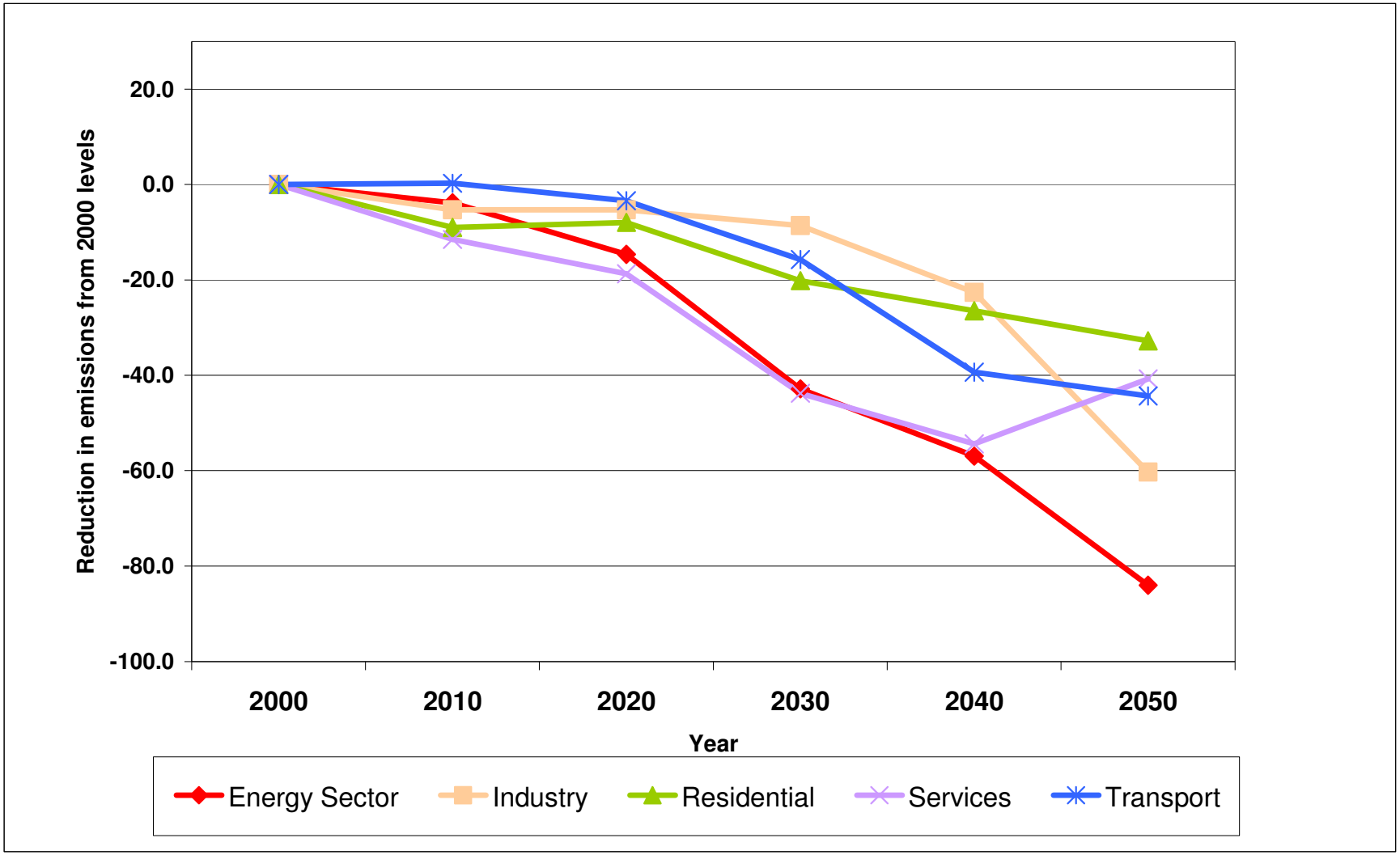
To establish transport's role as part of wider efforts across the economy to deliver the most cost-effective carbon reductions consistent with the Government's 2050 aspiration.

Transport and carbon emissions so far

- total UK emissions down since 1990 - but transport up
- transport in 2004 (incl international) = 32% UK total (52.7 MtC) – largest single sector (end user)
- road transport = c 93% all transport emissions (33MtC) – cars making up 54%.
- Freight = growing but question mark over total contribution (NB vans)
- international air = currently small share but fastest growth (123% since 1990)

Cost-effective carbon reductions by sector to 2050 (DTI, 2007, Energy White Paper)



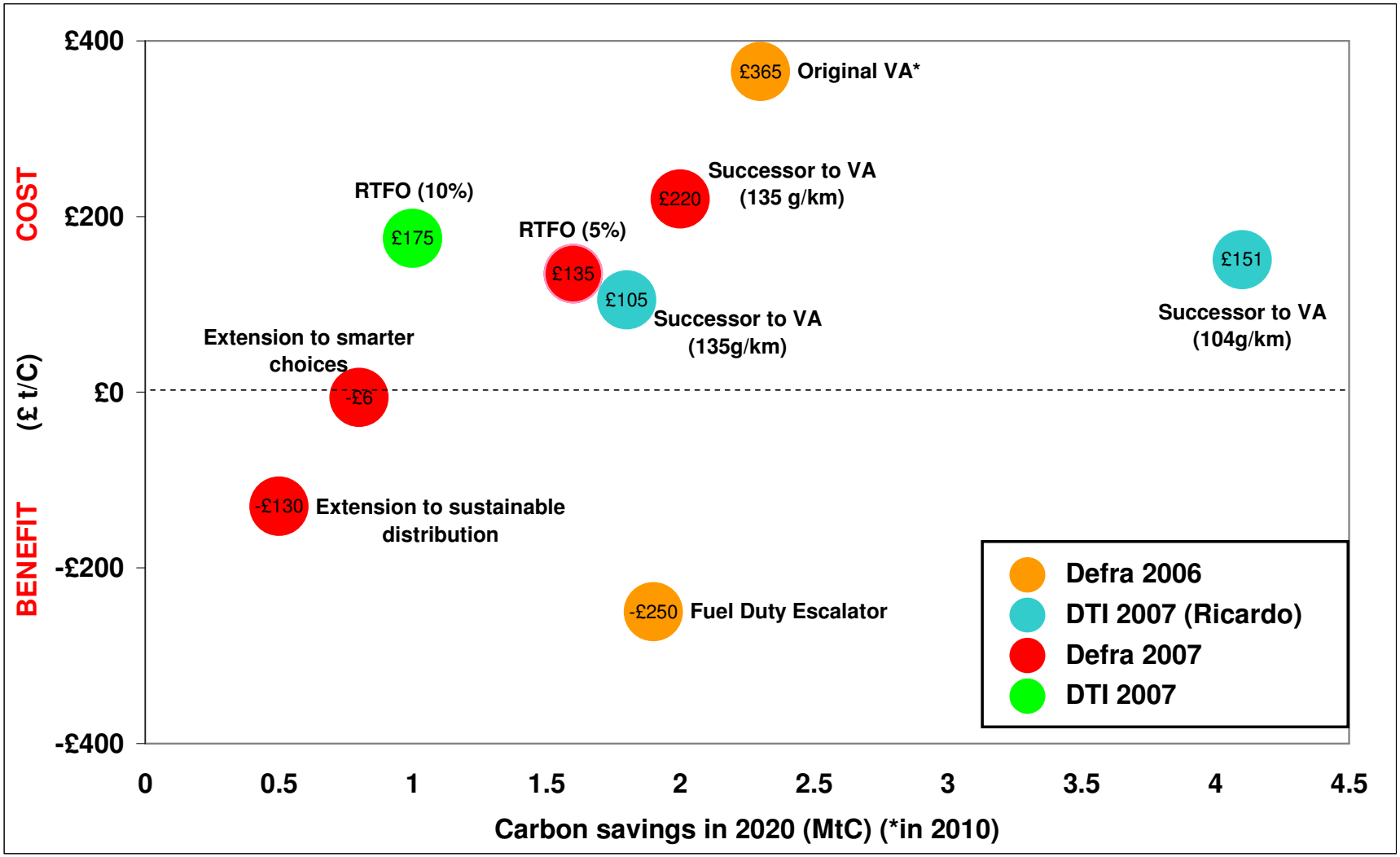
Projected transport carbon emissions

- Impact of Govt policies: domestic transport emissions stabilise at 2005 levels by 2020 – but treat with care:
  - international aviation/shipping not included, new assumptions e.g. flatter car traffic growth, etc
- Govt scenarios for all economy to 2050: transport's role becomes more significant after 2020 – but treat with care:
  - focused on technology rather than behaviour, international aviation/shipping not included
- mixed evidence on cost-effectiveness of transport measures – but NB eg smart measures + packages

Observations on Cost Effectiveness

- Transport element of CCP reliant on relatively expensive technology-based carbon abatement opportunties
- Question marks over ability of major elements to deliver reductions (e.g. VA, RTFO)
- Behavioural change cost-effective, but difficult to implement. NB Rebound effect - importance of “locking in” benefits of technology development.
- The role of international transport is unclear

Comparative Cost Data (CCP Policies)



CfIT Approach

- Focus on period to 2020
- Aim to improve deliverability, cost-effectiveness and carbon benefit of existing programme
- Five packages of measures
- More emphasis on behaviour change to ‘lock in’ the benefits from technological developments
- CfIT proposals could increase carbon savings by 71% vs existing programme

Recommendation One: Vehicle Efficiency

- Adopt mandatory new car CO_2 target - complemented by supporting measures
  - 100g CO2/km by 2020
  - VED differential
  - Company Car Tax
  - Labelling
  - Public procurement
  - Gear Shift Indicator & Tyre Pressure Monitoring System
  - Improvements to vehicle test cycle

» CO2 saving by 2020 = 2.4 MtC

Recommendations Two and Three: Behaviour

- Reinforce driver behaviour
  - Stable, sustained fuel prices
  - Eco-driving
  - 70mph speed limit adherence

- Intensive application of Smarter Choices
  - Workplace/school travel plans
  - Car clubs, car sharing
  - Information & marketing
  - Teleworking / teleconferencing
  - Public transport

» CO_2 saving by 2020 = 2 MtC

Recommendation Four: Sustainable Distribution

- Secure savings from freight industry through technological, purchasing and operational changes
  - Higher uptake of freight best practice programme
  - Incentives to buy lower carbon/alternatively powered vehicles (VED)
  - Reduction in light van emission – via technology developments
  - Improvements in energy efficiency, vehicle utilisation and modal shift

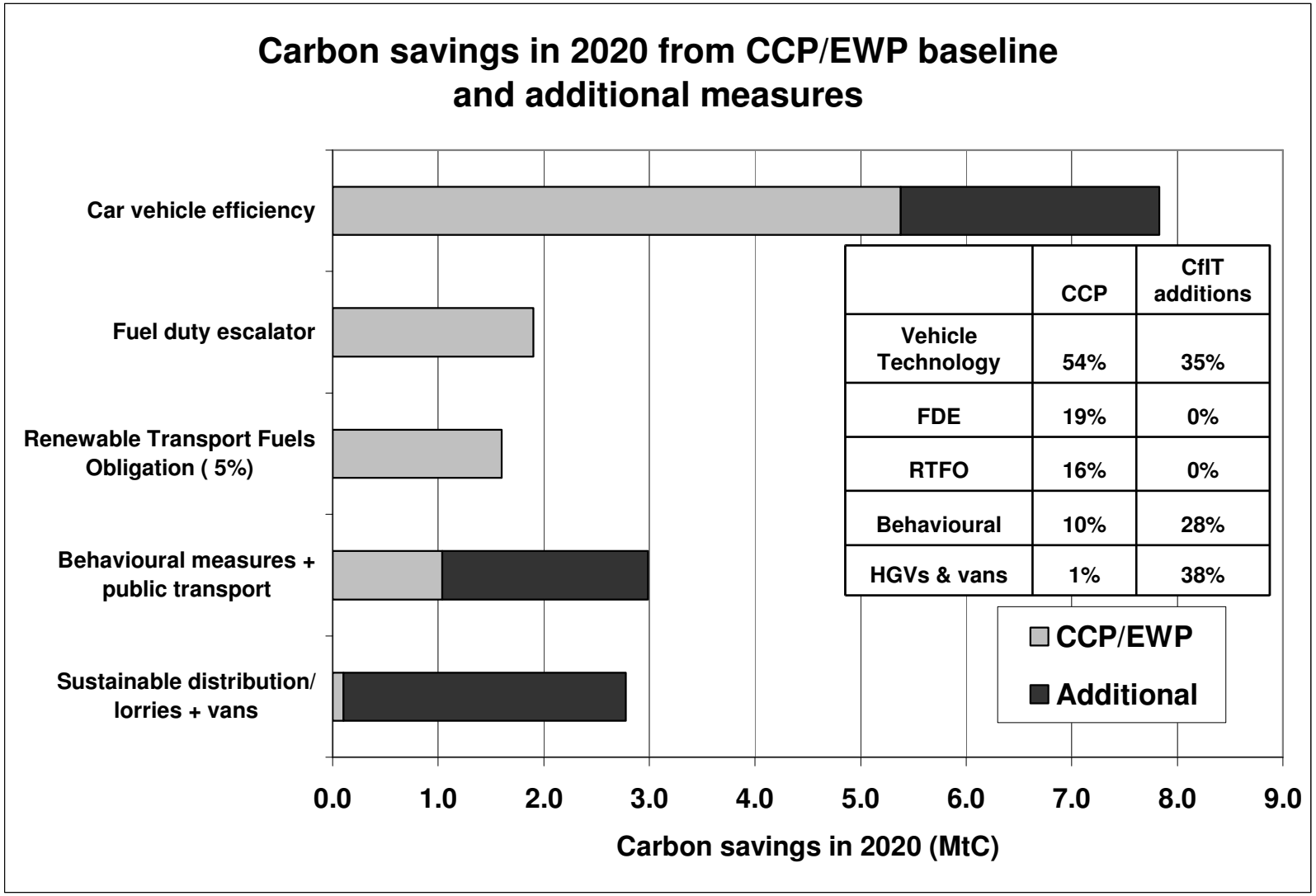
» CO_2 saving by 2020 = 2.7 MtC

Recommendation Five: Aviation

- Secure inclusion of aviation in EU ETS + consider range of other options to reduce emissions
  - Support EUETS commitment
  - Consider replacing APD with an emissions charge in future
  - Link other charges (eg air navigation and infrastructure) to CO2 and NOx emissions

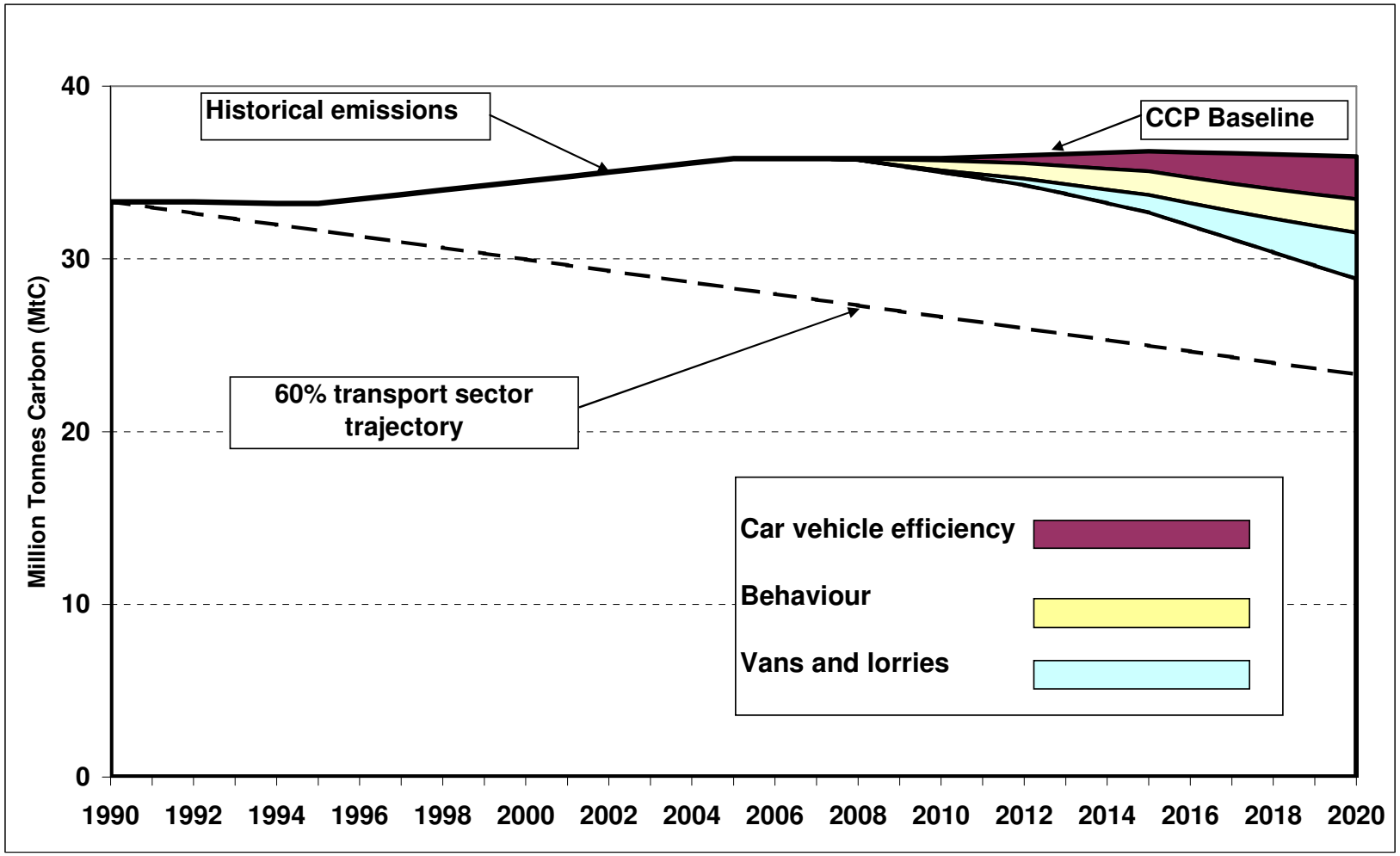
Emissions savings in 2020

CCP/EWP baseline and additional measures proposed by CfIT



Emissions savings to 2020

CCP/EWP and additional measures proposed by CfIT



Conclusion

- DfT response to Stern/Eddington, Climate Change Bill
- Road transport potentially a major area of carbon abatement – cars, lorries, vans
- No easy options – technology or behaviour
- Knowledge gaps need to be filled eg vans
- Preparing for the longer term (post 2020) eg technology pathways, road pricing, land-use planning, trading