

AmCham EU response to the European Commission consultation ‘Promoting the development of harmonised carbon footprinting measures for both freight and passenger transport services in Europe’

Executive summary

Carbon footprinting and Life Cycle Assessment (LCA), if designed properly, can be useful tools for industry to measure its carbon footprint and help identify the CO₂ ‘hotspots’ that should be addressed as a priority. However, AmCham EU is not convinced that carbon footprinting is the best tool to drive the carbon efficiency of products and organisations, and we are therefore concerned by the tone of this consultation which seems to favour carbon footprinting transport modes as the primary tool to drive this agenda.

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AmCham EU speaks for American companies committed to Europe on trade, investment and competitiveness issues. It aims to ensure a growth-orientated business and investment climate in Europe. AmCham EU facilitates the resolution of transatlantic issues that impact business and plays a role in creating better understanding of EU and US positions on business matters. Aggregate US investment in Europe totalled €2 trillion in 2013 and directly supports more than 4.3 million jobs in Europe.

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Carbon footprinting, in its current state, should not be used as a regulatory compliance tool

Carbon footprinting and Life Cycle Assessment (LCA), if designed properly, can be useful tools for industry to measure its carbon footprint and help identify the CO₂ 'hotspots' that should be addressed as a priority. Companies use these tools both to assess and develop their products, as well as 'audit' their processes.

Harmonisation of greenhouse gas (GHG) calculation approaches and impact factors could make carbon footprinting for transport easier and more consistent, if done properly and with a stakeholder participation/feedback mechanism to ensure usability and implementability.

However, AmCham EU is not convinced that carbon footprinting is the best tool to drive the carbon efficiency of products and organisations, and we are therefore concerned by the tone of this consultation which seems to favour carbon footprinting transport modes as the primary tool to drive this agenda.

We are also concerned by the apparent lack of coordination between DG MOVE (the current consultation), Environment (Product Environmental Footprint and Organisation *Environmental* Footprint pilot projects) and CLIMA (emissions from heavy duty vehicles) on this particular issue.

Transport in Europe is highly regulated, where many considerations and trade-offs between safety, efficiency and environmental impact must be taken into account while designing the new generation of products and services. Carbon footprinting is just one aspect and should be considered within the context of other important aspects. A singular focus on carbon footprint could mislead the consumer.

In the business-to-business world, many more factors than GHG emissions drive a company's decision to use one mode of transport over another. Often the decision to use a mode of transport in Europe is driven by certain transport markets not being liberalised and efficient enough to meet business needs. Furthermore, for certain destinations, lacking infrastructure means road transport is the only available option. This is why AmCham EU has always been supportive of a co-modality approach. We are therefore disappointed that this consultation seems biased in favour of modal shift, instead of pushing for greater market liberalisation, which would make it easier for companies to shift on their own accord to less carbon intensive modes of transports.

Indeed, there is an incentive for companies to use less carbon intensive modes of transport, as they tend to be less expensive (e.g. freight via inland waterways or rail,). However, the practical reality is that these modes cannot always meet business and consumer needs, and are therefore not always viable alternatives. Having an EU wide footprinting scheme would inform but not change these current realities of the EU Single Market.

It is because of these differences in focus, and interpretation of the problems at hand, that AmCham EU has decided to answer the Commission consultation in a qualitative, rather than a quantitative multiple-choice format.

AmCham EU recommendations

The development of harmonised methods and impact factors for assessing carbon footprint of transportation would potentially make such calculations easier and more consistent. A stakeholder participation/input/feedback mechanism is essential to ensure that harmonised methods are usable and implementable.

However, transport operations should not be regulated solely based on carbon footprint, as there are many other factors to consider including infrastructure availability, safety, and delivery needs. There are more effective approaches to reduce CO₂ emissions from transport than to draw up an EU-wide footprinting scheme specific to transport.

So far, transport is regulated on a product basis, and we think, given the current state of the EU transport market that is far from liberalised, that this is the most effective regulatory path for the EU regulator to focus on.

AmCham EU members are strong believers in LCA, and have been using it to make strategic internal decision for years, such as how best to develop low carbon products and reduce the energy and manufacturing GHG footprinting. LCA is therefore a valuable tool to gain market share and to manage raw materials and energy costs.

However, we fail to see how LCA could be used as a regulatory compliance tool. We ask that the Commission take these insights into account, and not pursue regulatory developments which will be expensive and time consuming.