

Q 1.1. - Do you think the "possible way forward" described above is feasible?

EUROPIA is committed to the effective introduction of biofuels and will welcome the opportunity to contribute to stakeholder consultations on certification methodologies and implementation issues.

EUROPIA understands the need to characterise the sustainability of biofuels. The required criteria would need to be practical and easy to implement. It would be preferable to have Government-to-Government agreement on these criteria to ensure a proper level playing field. Moreover, EUROPIA believes that biofuel sustainability schemes should be developed via a multi-stakeholder consultation process.

With regard to the GHG reduction, CONCAWE, EUCAR, JRC have already developed know-how and expertise demonstrated in the joint "Well-to-Wheels" study. Therefore, we are well positioned to contribute to defining a biofuels GHG characterisation methodology. It is our intention for a designed methodology to be simple and practical.

Q 1.2. - What do you think the administrative burden of an approach like the "possible way forward" would be? (If possible, please quantify your answer.)

Given the lack of details in the proposal, in particular related to the necessary support frameworks and reporting requirements, it is not possible at this stage to directly comment on the likely administrative burden.

However, directionally, the administrative burden should be kept for all involved stakeholders at the lowest possible level.

In particular, if there are multiple policies addressing biofuels, we consider this already as an administrative burden.

Q 1.3. - Please give your general comments on the "possible way forward", and on how it could be implemented. Does it give an adequate level of assurance that biofuels will be sustainably produced?

If you think the problem should be tackled in a different way, please say how, giving details of the procedures that would be used.

EUROPIA believes that the schemes currently being developed within Europe should be reviewed in a multi-stakeholder process with the objective of delivering a harmonised scheme for Europe that draws on the best and most practical aspects of the schemes and that would also recognise suitable crop specific schemes.

Moreover, once a suitable scheme has been defined, a trial period is required for feasibility evaluation before implementation.

Q 1.4. - Carbon stock differences between land uses would be taken into account under criterion 2. Should they also be taken into account under criterion 1? If so, what method should be used to determine how the land in question would have been used if it had not been used to produce raw material for biofuels?

Q 1.5. - As described in the "possible way forward", criterion 3 focuses on land uses associated with exceptional biodiversity. Should the criterion be extended to apply to land that is adjacent to land uses associated with exceptional biodiversity? If so, why? How could this land be defined?

Q 1.6. - How could the term "exceptional biodiversity" (in criterion 3) be defined in a way that is scientifically based, transparent and non-discriminatory?

EUROPIA does not have specific comments on the questions 1.4 to 1.6.

However, a properly constructed review of the schemes currently being developed would assist in resolving the above questions.

Q 2.1. - Please give your comments on the "possible way forward" described above. If you think the problem should be tackled in a different way, please say how.

Q 2.2. - Do you think it is possible to link indirect land use effects to individual consignments of biofuel? If so, please say how.

EUROPIA does not have specific comments on the questions 2.1 to 2.2

Q 3.1. - How should second-generation biofuels be defined? Should the definition be based on:

a) the type of raw materials from which biofuels are made (for example, "biofuel from cellulosic material")?

b) the type of technology used to produce the biofuel (for example, "biofuels produced using a production technique that is capable of handling cellulosic material")?

c) other criteria (please give details)?

Q 3.2. - Please give your comments on the "possible way forward" described above. If you think the problem should be tackled in a different way, please say how.

Q 3.3. - Should second-generation biofuels only be able to benefit from these advantages if they also achieve a defined level of greenhouse gas savings?

EUROPIA believes that there is no need for a definition of 2nd generation biofuels as all biofuels must follow the principles of a technology neutral and performance orientated approach in a nondiscriminative way. Therefore, neither definition "a" nor "b" is, at present and in isolation, a suitable approach to define a framework to promote the development of biofuels that would meet agreed sustainability criteria. Specifically, biofuel regulatory mechanisms should focus on encouraging / supporting biofuels based on their sustainability performance (both "Well-to-Wheels" GHG emission performance and social, economic and environmental factors associated with feedstock production).

Q 4.1. - Should the legislation include measures to ensure that diesel containing 10% biodiesel (by volume) can be placed on the market, and is in fact placed on the market?

Q 4.2. - Should the legislation include measures to encourage the use of ethanol and biodiesel in high blends? If so, what?

Q 4.3. - Should the legislation include measures to encourage the use of biomethane, methanol and DME in transport? If so, what?

EUROPIA is not supporting further diversification of the current fuel pool. Keeping standardised EN228 gasoline and EN590 diesel grades holds significant advantages for EU consumers and businesses, the automotive industry, and for the EU as a whole. It is the best guarantee of continuous quality and it will contribute to the attainment of biofuel targets. In view of these advantages, EUROPIA believes that:

1. The increased use of biofuels should be associated with the standardised grades of road transport fuels and should not result in the proliferation of additional grades.

2. The mismatch between the current Biofuel Directive targets and the biofuel specification limits set out in the Fuel Quality Directive and the corresponding CEN specifications (EN228 and EN590) must be resolved by the Commission.

Therefore, the recommended way forward is to:

- Within CEN, work with the automotive industry towards acceptance of higher levels of biofuels components within the standard grades of transport fuels. The experience from markets where a 10% ethanol gasoline blend is marketed as standard grade (e.g. USA, Australia) should be taken into consideration.

- The stakeholders should determine, within the framework of CEN, the maximum acceptable biofuels technical limits that are suitable both for the existing vehicle fleet and for new vehicles entering or about to enter the market.

- Such limits could then be raised on a phased basis over time as the vehicle fleet evolves (i.e. with the scrapping of older vehicles), and as more experience is gained with actual performance in the field.

- This approach would maximise fuel flexibility, reduce costs in supply and distribution, and ensure optimum contribution of biofuels to EU targets for air quality, GHG emission reduction and energy security. Furthermore, it is also essential that the legislative framework includes provisions to ensure that future vehicle fleet remains compatible with the aspirations of the biocontent of fuels. Attached to this contribution are EUROPIA's "Comments on the CEN Gasoline, Diesel Norms and Maximum Biofuel Limits", which specify our position in more detail (Attachment 1).

Q 4.5. - Should the legislation ask the Commission to review, by a given date, whether it is possible to be confident that the 10% target can be achieved through:

a) rules that allow 10% blending by volume of ethanol in ordinary petrol, plus

b) rules that allow 10% blending by volume of biodiesel in ordinary diesel, plus

c) the four options listed under 'other options for solving the problem';

If so, what should the date be?

If the review were to conclude that the target is unlikely to be met, what action should the Commission take?

Given the general reliance of the attainment of targets on the availability of biomass, the evolution of biofuels targets should be adjusted based on progress against the following criteria:

1. Progress against the target.
2. Status of development of the biofuel sector, and introduction of advanced biofuel technologies.
3. Availability of biofuel imports.
4. Impact on supply and cost on the EU road transportation fuels.
5. Impact on sustainability.
6. Impact on car park and OEM's strategies.

Q 4.6. - More generally, what role should taxation play in the promotion of biofuels (considering different situations such as low blends, high blends and secondgeneration biofuels)?

EUROPIA understands that the use of biofuels in transport is a political choice as it is NOT effective when compared to other applications of biomass such as in stationary applications. In order to promote investments in R&D projects to bring advanced biofuels into the market, taxation may have to play an important role. However, EUROPIA does not support the current application of tax incentives throughout the EU for the following reasons:

1. The lack of harmonisation of excise duties across Europe leads to an inherent lack of harmonisation of biofuel incentives. As this is currently the case, an extension of such approach to advanced biofuels would hamper the development of this sector.
2. Applying the principle of the excise incentive to the country from which the bio-components are supplied, necessitates the tracking of blended bio-components across borders. This is a complex, administratively intensive, and in some cases, impractical task.
3. Currently, there is a wide range of incentive systems in operation across the Member States. Critically, there are varying degrees of access to the available incentives as some countries employ restrictive schemes where incentives are open only to indigenous sources of biofuel production.
4. The use of excise exemptions is inherently linked to overall fiscal policy, and therefore it is difficult to provide the market with the necessary long-term certainty necessary to encourage investment. The use of capital grants can also play a role. However, typically such mechanisms are best used to support pilot activities. The use of such instruments long-term risk the establishment of a

capital-inefficient and uncompetitive infrastructure.