GREEN WEEK CONFERENCE 2013 Siim Kallas 07.06.2013

Ladies and gentlemen,

• I welcome the invitation by Commissioner Potočnik to join him today at the closing ceremony of Green Week 2013. Green Week indeed provides an essential platform for the discussion of environmental challenges and EU policies to address, and I am pleased to have the opportunity to discuss in particular how to achieve 'clean air for all'.

• With this aim in mind, allow me to present in particular the Commission's Clean Power for Transport package adopted in January this year.

• Europe depends heavily on imported oil for its mobility and transport. The EU spends 1 billion euros every day on buying imported oil and burns more than half of it in road vehicles, aircrafts and ships.

• Legislative measures already exist to improve energy efficiency and work on all fronts will continue: research and development, taxation, CO2 emissions targets. However an ambitious alternative fuels strategy is needed if we are to move beyond the oil dependency for which we currently pay 2.5% of our GDP every year.

• By acting quickly and decisively in a new and rapidly growing market such as alternative fuels, we would not only be addressing a situation that is

unsustainable economically and environmentally. We would also be creating new business opportunities for our companies and new job opportunities for our citizens.

• EU manufacturers also have an opportunity to lead, and raise their global competitiveness for all transport modes. This will stimulate economic growth in Europe and create more employment. But we need to start now.

• This is an occasion to create the conditions for a market for alternative fuels to power transport in the future, where everyone benefits. Full-scale deployment of these fuels has been held back by the high retail cost of vehicles, low consumer acceptance and a lack of infrastructure for recharging and refuelling. This is a vicious circle that can be broken by making sure the EU has at least minimum numbers of refuelling and recharging stations, along with common technical standards.

The alternative fuels strategy

• In this package, the Commission proposes that Europe's transport system gradually moves away from oil through a coherent and concerted strategy. The proposal will serve to stimulate economic growth and employment in Europe; but it will also have an enormous impact on the way we view mobility in the future.

• The perspectives for the different alternative fuels are different. They differ in maturity for broad deployment and in their potential in the long-term.

• Electricity and hydrogen are energy carriers, which can be produced from any primary energy source, and in principle be made CO2 free.

• Electrification of road transport could deeply modify the way mobility is organised, in particular in urban areas. Ultra-clean and silent buses could improve the image of public transport; clean and silent service and delivery vehicles could improve the quality of life in cities.

• In that respect, this initiative aims to achieve a minimum EU wide coverage of recharging infrastructure for electricity and to kick-start the market for EVs.

• Across Europe, we see that it is essential to engage the general public and stakeholders in order to create awareness, acceptance and ownership of the new technology at all stages of implementation. Awareness-raising campaigns such as European Mobility Week and the Do the Right Mix campaign are particularly important in this context.

• Let me now turn to **waterborne transport** which you have discussed in a dedicated session

• About 100 years ago, in 1912, the MS Selandia, the first diesel powered ocean going vessel had to fill up very large tanks to go all the way without refuelling from Europe to Singapore. Its emissions were much lower than those of the other ships still using coal (which was the only available fuel on the route and it stayed like that for another 20 years).

• Today, even though we are facing challenging economic times, also in the shipping sector, I believe we are privileged to witness again the beginning of a new era. Natural gas is globally available and liquefied natural gas has been identified as a much cleaner fuel for shipping.

But just as the MS Selandia in its time, today's ships are facing a challenge when trying to access this fuel. Since early 2013 the first large LNG ferry is sailing between Turku and Stockholm. It is being fuelled by a custom made bunker barge in Stockholm, the first one in EU shipping. We urgently need more fuelling stations; with the Clean Power for transport Directive I propose to mandate LNG fuelling stations at all 83 core network maritime ports by 2020. I am confident that it will take less than 20 years before most ships will be able to use LNG, also on intercontinental journeys.

• In the last 100 years, the rate of innovation has drastically increased as well. In a much more globalised environment, we see that there are niches for alternative solutions, and some of them might even become global solutions in the longer term.

• In yesterday's session on zero emission for waterborne transport, we have learned about innovative shipowners testing methanol and hydrogen as fuel. Furthermore, liquefied gas, methanol and hydrogen can potentially be obtained from renewable sources.

• As policy makers we want to support these approaches. At the same time we need to ensure that we maintain the delicate balance between environmental

requirements (and related costs for the industry) and competitiveness (and related financial power of the industry).

• On the inland waterway side, the Commission is willing also to help the sector to move towards the greening of the fleet. A communication called Naiades II is going to be adopted in the coming weeks with the objective of strengthening the advantages of inland waterway transport, focusing on the sustainable development of this sector usually considered as the greenest but which has some efforts to accomplish.

• The communication will, in particular, be accompanied by a staff working document dealing with "the ways for achieving low pollutants emissions for inland waterway transport". Alternative fuels, new technologies and more stringent emission limits could help the sector remain "green".

Conclusion

• The proposal for the deployment of alternative fuels infrastructure will have an enormous impact on the way we think of mobility in the future.

• This is about an important choice: a mobility choice. But it is above all a choice to be endorsed by the general public, to move towards more economic and environmental sustainability, and 'clean air for all'.