
Carbon Monitor

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NZ Forest Industry hopes for Carbon Credit Returns

The forestry industry is hopeful carbon credits will be restored to what it sees as their rightful owners.

Energy and Climate Change Minister David Parker has released the terms of reference for the New Zealand Energy Strategy and the Kyoto Forestry Association believes the initial papers indicate the Government will consider returning carbon credits to the tens of thousands of New Zealanders who have invested in forestry since 1990.

Spokesman Roger Dickie says the industry has suffered since the credits were confiscated in 2002 and a return would be a positive step. He says it would help arrest the deforestation trend and get people planting again.

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EU ETS to hit Aviation

MEPs have backed the idea of including aviation in the EU's cap-and-trade system for CO2 emissions and for ending tax exemptions on kerosene. The airline industry reacted furiously, saying the proposals totally ignore economic realities.

The European Commission suggested including aviation in the EU's emissions trading scheme (ETS), in a Communication published on 27 September 2005. Under the proposal, a cap on CO2 would be set for all flights departing from the EU.

Air traffic is estimated to contribute to about 3.5% of the total share of human activities held responsible for climate change. This share is expected to grow to 5% by 2050 and threatens to undermine global warming mitigation efforts made in other industrial sectors.

Issues:

The European Parliament on 4 July has voted by 439 in favour, 74 against and 102 abstentions in favour of measures to address the impact of aviation on the world climate and apply the 'polluter pays principle' to international flights.

The report, drafted by MEP Caroline Lucas (Greens/EFA, UK), is a non-binding one as there is no formal proposal on the table yet. But it sends a strong political message at a moment when the Commission is drafting a legislative proposal to include aviation in

the EU emissions trading scheme, due before year end.

The Parliament suggested that aviation falls under a special pollution-cutting scheme, similar to the ETS but separate from it. In a first stage, a pilot phase would be launched, covering the period 2008-2012, which corresponds to the second trading period of the ETS. Then, when aviation is eventually incorporated into the wider ETS, special conditions would apply to ensure it does not distort the market to the detriment of less protected sectors. Special conditions could for example include a cap on the number of emissions rights the aviation sector is allowed to buy from other sectors as well as a requirement to reduce emissions without trading.

Other proposals in the report include:

- the introduction of a kerosene tax on intra-EU flights (flights en route to non-EU destinations would be exempted)
- a recognition that other tax exemptions enjoyed by air transport lead to "very unfair competition between aviation and other transport sectors". However, specific calls to end VAT tax exemptions, supported by the Greens, failed

However, there is little chance that these options will be considered by the Commission when it tables its legislative proposal later in the year. Indeed, the introduction of specific taxes on aviation has already been ruled out by the Commission as the unanimity rule means it has little chance of going past the EU Council of Ministers.

www.euractiv.com

Biodiesel Support in USA

Biodiesel will help fuel the cross-country deliveries of everything from groceries to big screen televisions, thanks to a new rebate program. CaseStack, Inc. is offering a rebate to truck drivers who fill up with biodiesel fuel while carrying a CaseStack load.

CaseStack, a logistics company, warehouses and handles shipping for several companies. CaseStack officials estimate that 70 percent of the truckers targeted in this program deliver to Wal-Mart

distribution centers.

The Green Rebate Program began July 1 and will end two months later on September 1, 2006. CaseStack will give a rebate of 10 cents per gallon on any blend of biodiesel - up to \$50.00 for the entirety of the program - per truck driver. Detailed information can be obtained through CaseStack Web site, www.casestack.com, by calling toll free 1-866-567-6644 or by texting the word "green" to 30364.

Sustainability is good business said Dan Sanker, president and CEO of CaseStack. CaseStack™ work in encouraging the use biodiesel with its many positive benefits, including the reduction of air pollution, greenhouse gasses and cancer risk to truckers, will help preserve the environment for generations to come.

Biodiesel, made from vegetable oils or animal fats, can be blended with diesel fuel at any level. B20, a blend of 20 percent biodiesel and 80 percent diesel, can be used in any diesel engine with no modifications.

"I admire CaseStack" "passion for promoting biodiesel because it is driven by a desire to improve the environment" said Tom Verry, Director of Outreach and Development for the National Biodiesel Board (NBB). "The clean air benefits are especially important for the trucking industry, as truckers are around exhaust during their daily jobs. CaseStack is working to get other, larger companies on board with biodiesel, too. We consider the company a biodiesel trailblazer."

CaseStack provides retailers with consolidated shipments and logistics solutions. Not only does consolidation make economic sense, it saves fuel by combining the contents of two or more trucks into one.

Product manufacturer clients of CaseStack can also participate by taking part in the Green Consolidation Program where they have various opportunities to offer support, including showing preference to truckers using biodiesel. CaseStack will identify all participating companies as Green Partners and include them in all recognition marketing such as national and regional targeted advertising campaigns, public relations announcements and online marketing.

Biodiesel significantly cuts harmful environmental emissions, promotes greater energy independence and boosts our economy. Today, more than 600 major fleets use biodiesel commercially, and 850 retail filling stations make it available to the public.

Additional information about biodiesel and NBB is available online at www.biodiesel.org.

EU Prices Remain Steady

EITG

Environmental Intermediaries & Trading Group Limited

Recent trading has seen a slight softening of the price after a sustained increase in prices over the last month.



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