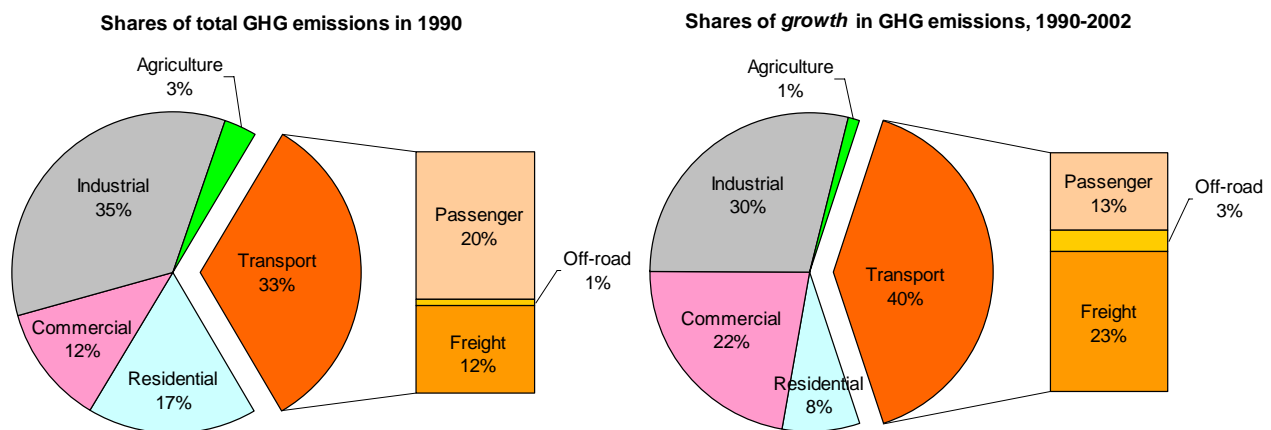




BACKGROUND TO THE CENTRE'S PRESS RELEASE ON THE IMPLEMENTATION OF THE KYOTO PROTOCOL¹

Figure 1 shows that since 1990, **transport has been a major contributor to the growth in Canada's emissions of greenhouse gases (GHGs).**² In 1990, transport contributed 33% of end-use emissions, but contributed 40% of the *growth* in emissions between 1990 and 2002. Freight activity, notably trucking, made the largest contribution to the growth in GHG emissions from transport.

Figure 1. Shares by sector of total GHG emission in 1990 and of *growth* in GHG emissions between 1990 and 2002, detailing elements of the transport sector's share.



Preliminary data suggest that growth in GHG emissions from transport in each of 2003 and 2004—trucking in particular—was as high as or higher than the average growth during 1990-2002.³

The overall growth since 1990 in GHG emissions from all sectors now likely exceeds 20%. This poses huge challenges for any effort to reduce emissions to 6% below the 1990 level by 2008-2012, as committed by Canada in its ratification of the Kyoto Protocol to the United Nations Framework Convention on Climate Change, due to come into effect on February 16, 2005. Moreover, Canada has committed to show “substantial progress” in emissions reduction by 2005.

Actions by the Government of Canada towards meeting its Kyoto Protocol obligations have not reflected transport's share of total GHG emissions, or transport's much larger share of the *growth* in emissions or the major contribution made by emissions from freight transport. For example, the 2002 *Climate Change Plan for Canada* allocated no more than about 12% of proposed reductions to the transport sector, even though transport was accounting for 40% of the increase in GHG emissions by 2002 (see Figure 1). Moreover, even though freight movement had contributed almost two thirds of the increase due to transport, the *Plan* proposed that it contribute no more than a quarter of transport's reductions in emissions.

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² The data in Figure 1 are from Natural Resource Canada's *Comprehensive Energy Use Database*, available at http://oee.nrcan.gc.ca/neud/dpa/comprehensive_tables/index.cfm?Text=N&PrintView=N (accessed February 7, 2005).

³ This statement is based current fuel use information from Statistics Canada's files.

Recent media reports suggest that because Canada's previous plans to curb GHG emissions have been ineffective, new measures will be announced in the February 22 budget. A published list of what may be the proposed measures⁴ included none that would reduce GHG emissions from transport by more than trivial amounts, with an overall effect that would fall far short of attainment of the Kyoto target.

Here are measures that implemented soon could ensure that transport's GHG emissions in 2012 will be nearer 6% below 1990 levels rather than the projected 40% above those levels:

- If constraints on oil production (see below) are not pushing pump prices for gasoline and diesel fuel well above \$1.00 a litre, raise transport fuel taxes and/or other automotive user charges enough to reduce fuel use significantly by 2009, using the proceeds to reduce other federal taxes, improve transit and provide incentives to build multi-unit dwellings. [Even with a hefty increase, pump prices would still be lower than in many countries.]
- As well as higher fuel taxes and/or user charges, provide additional disincentives for operating trucks that are less than three-quarters full. [Available data suggest that half of all trucks on the road are half empty, adding hugely to GHG emissions per tonne of goods transported.]
- Require auto manufacturers to increase the fuel economy of all new road vehicles progressively to reach a target of a 35% improvement over 2005 by 2010. [The industry achieved this degree of improvement between 1975 and 1980 and could do it again.]
- Fund public transit in ways that double present ridership levels by 2010, with as much of the increase as is feasible to be carried by electrically powered vehicles. [Use of trolley buses, streetcars, light rail, and subways will help ensure low oil use and low GHG emissions.]
- Implement a range of transport-demand-management measures—including tax exemptions for employer-provided transit benefits and promotion of intermodal transport—to support the foregoing and achieve additional emissions reductions.
- Step up data collection so that progress towards emissions reduction can be monitored with precision and measures adjusted as may be required.

Meeting the Kyoto target is important but **there may be an even better reason to implement these measures**. The best available evidence suggests that world oil production will peak during the next decade, with consequent shortages or large price increases, or both.⁵ Highly transport-dependent Canadians need to be prepared for this eventuality. The best preparation will have Canadian oil consumption on a downwards trajectory when high prices hit, while improving transit and maintaining economic and social development.

Canada has the toughest job among countries obliged by the Kyoto Protocol to reduce GHG emissions. It is the only one of the ratifiers experiencing substantial population growth between 1990 and 2012. For example, although the 15 European Union countries agreed in 1997 to an 8% reduction in GHG emissions, and Canada to a 6% reduction, the EU15 population will grow by only 7% between 1990 and 2010 whereas Canada's population will grow by 22%. Thus, the *per-capita* reduction in GHG emissions required of EU15 residents is 14%, while the per-capita reduction required of Canadians is 23%.

Canada's laudable ratification of the Kyoto Protocol, notwithstanding its population challenge, must be followed through with actions effective enough to ensure that the obligations will be met. Canada's Kyoto target will not be met without strong measures to curb GHG emissions from transport.

⁴ Steven Chase, Ottawa to revamp Kyoto strategy, *Globe and Mail*, January 31, 2005.

⁵ For authoritative information on this matter, see issues of the *Newsletter* of the Association for the Study of Peak Oil and Gas, and sources cited therein, available at <http://www.asponews.org>. Also, see the recent report by New York's Lehman Brothers anticipating that the oil output of nine of the world's top ten producing countries—all except Canada—will be lower in 2015 than in 2003 (Shawn McCarthy, Syncrude chief extols oil sands to U.S. market, *Globe and Mail*, February 9, 2005). The ten countries' overall output will be 11% down. Meanwhile, according to the International Energy Agency's *World Energy Outlook 2004*, potential world demand for oil will be 30% higher in 2015 than in 2005. (China's oil imports were up 44% in 2004 over 2003!) Such a combination of increasing demand and falling production could result in much higher prices than we have ever seen.