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Prime Minister.

You may like to express a
"welcome", particularly to W.
Waldegrave, in response to his.

MEW 28/3

PRIME MINISTER

VEHICLE EMISSIONS

Yes - letter
would be appropriate
not

Since we discussed at Cabinet on 21 March the outcome of that morning's Environment Council agreement on vehicle emissions, I have seen the reporting telegram and had a word with William Waldegrave.

I share his assessment that the agreement, while still only the framework of a package, is a substantial step forward because it spells out very fully that the standard set for medium (and a fortiori, small) cars must be achievable by lean burn techniques as we have defined them. The detailed emission limits for the Directive will now need to be worked out in the expert level within the terms of the agreement. As a first step I understand that officials from the Departments concerned are seeing our own car industry this week.

For my part, I am grateful to Nicholas Ridley, Norman Tebbit and Geoffrey Howe for the help which they, their Ministers and their officials have given us.

This progress on vehicle emissions completes a period during which worthwhile progress on environmental issues has been made at the EC Council. (Community Environment Ministers have this month reached agreement on directives on unleaded petrol, on environmental impact assessment and on the recycling of beverage containers; steady progress is being made on water pollution; and the Community's representatives, including the UK, have played a leading role in successfully negotiating a United Nations Convention for the protection of the ozone layer). However, assuming that the vehicle emissions Directive is satisfactorily finalised in June, the focus will now shift both inside and outside the Council to the proposed Large Plants Directive and acid rain. Since Britain is now alone amongst the larger Community countries in opposing action on this, environmental peace is likely to be short lived.

I am sending copies of this minute to colleagues named above, to other members of E(A) and to Sir Robert Armstrong.

W. Callaghan
L P

28 March 1985

Approved by the Secretary of State and signed in his absence.

BRIEFING FOR THE PRIME MINISTER FOR QUESTION TIME
PROVIDED BY MR N BROWNE UKREP OVER THE TELEPHONE FROM BRUSSELS

LINE TO TAKE

PLEASED THAT ENVIRONMENT COUNCIL HAS JUST REACHED AGREEMENT IN PRINCIPLE FOR NEW DIRECTIVE TO LIMIT VEHICLE EMISSIONS.

WE HAVE ALWAYS INSISTED ON IMPORTANCE OF BALANCING INDUSTRIAL AND CONSUMER FACTORS WITH THE NEED FOR INCREASED ENVIRONMENTAL PROTECTION. AGREEMENT ACHIEVED THESE OBJECTIVES. VEHICLE EMISSIONS WILL BE CUT BY 60% COMPARED TO 1975 LEVELS. EXPENSIVE 3-WAY CATALYSTS WILL BE REQUIRED ONLY FOR LARGE VEHICLES OVER 2000 CC. EACH CATEGORY OF VEHICLE WILL HAVE DIFFERENT STANDARDS DEPENDING ON DIFFERENT IMPACT ON ENVIRONMENT. The lean burn option for medium and small cars is guaranteed, as UK wanted.

NOW LOOK FORWARD TO CO-OPERATION WITH COMMUNITY PARTNERS IN COMPLETING WORK ON DIRECTIVE BY NEXT ENVIRONMENT COUNCIL IN JUNE.

21 March 1985

BACKGROUND

Environment Council on 20/21 March achieved UK's objectives after difficult discussions lasting until 8 a.m. Member States agreed that there should be a different approach for each category of vehicle, so that medium vehicles (1400 cc - 2000 cc) will be treated differently from large vehicles. Also agreed that for medium vehicles European standards should be achievable by simple lean-burn technology combined with oxidation catalysts (not three way catalysts) or comparable cost-effective technology. In return Germans will be able to start a limited fiscal incentive scheme from 1 July. Also all Member States have accepted the principle that European standards will be fixed so that the effect on the European environment should be equivalent to that produced by USA standards.

Next step will be for the High-Level expert group in Brussels to agree on standards for each category of vehicle. There is still room for disagreement with the Germans over medium sized vehicles. But it should be possible to draft new Directive for consideration at the next Environment Council in June. Council also finally adopted Directive removing lead from petrol.

BY HAND
DEPARTMENT OF THE ENVIRONMENT

Mr. Plesher



PRIVATE SECRETARY TO THE
PARLIAMENTARY UNDER-SECRETARY
OF STATE (Mr Waldegrave)

To Mr

(Mr Waldegrave)

Principal Press Secretary to the Prime Minister
10 Downing St.

✓
N.W.M.

I attach a copy of the letter which my Minister has this afternoon sent to the Editor of 'The Guardian' in response to this morning's letter from Friends of the Earth about vehicle emissions and the forthcoming EC Council of Ministers.

Barbara Jones

BARBARA JONES
PS/Mr Waldegrave

18 March 1985

BY HAND

Dept : Mr Reynolds

cc letter only : Dr Fish

Mr. Griffiths - Jones

Mr Gee

PS) Secretary of State

18 March 1985

When he says (letters, 18 March) that British policy on vehicle emissions is "both economically misguided as well as environmentally disastrous", Dr Russell Jones is wide of the mark.

I agree with him that hydrocarbons as well as oxides of nitrogen (NOx) have been implicated among the possible causes of forest damage in Germany. For this reason, we would like to see lean burn technology combined with a simple "oxidation" catalyst, which will control hydrocarbons in exactly the same way as the "3 way" catalyst does.

We want to see the lean burn engine developed for two reasons. One is the significant potential for energy saving - at least 10%.

The second is the reduction in NOx emissions. Although on a test basis NOx emissions from a lean burn engine are marginally higher than those achieved by a "three-way" catalyst system when it is new, over the whole lifetime of a car they will be the same or perhaps even lower because of the greater inherent robustness of the lean burn technology.

So in environmental terms, we are convinced that this technological approach is one effective solution for Europe. And in terms of resource costs to the Community, the difference is enormous - not just in energy terms, as I have said, but also in the cost of a new car to the consumer. The additional cost of a "three way" catalyst system would be £400 - £600. (Dr Russell Jones' figure of £50 ignores the complex additional controls needed for a "three way" catalyst). By contrast, the additional cost of a lean burn engine equipped with a simple oxidation catalyst would be about a quarter of this.

Dr Russell Jones himself sees "no reason why catalytic converters cannot be combined with lean burn engines to produce vehicles which are both pollution free and economical to man." This is indeed true for the simple oxidation catalyst I have mentioned. It is not true for the "three way" catalyst system, which is incompatible with lean burn because lean burn engines run on too weak an air-fuel mixture for the NOx - reduction element of a "three way" catalyst to operate.

WILLIAM WALDEGRAVE