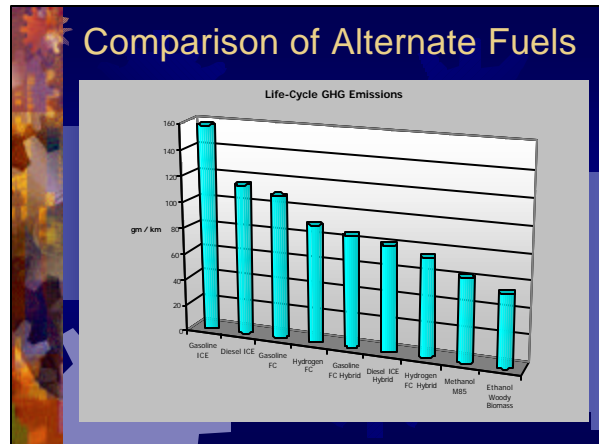


Means to Reduce Emissions From Transport

- Short term
 - Intensify conversion to alternative fuels
 - Increase tariffs on fossil fuels
 - Timeframe: ratification – 1 year
- Long term
 - Improve mass transit systems
 - Improve non-motorized transit
 - Transport emissions standards
 - Shift to new technology
 - Timeframe: 10-20 years

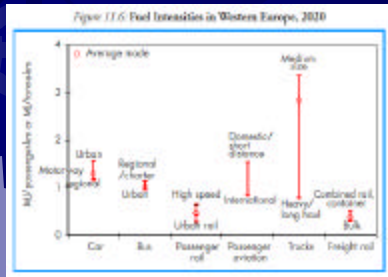
Alternative Fuels

- Natural Gas (mostly methane)
 - 30-40% reduction in CO₂
- Biodiesel (alternative to diesel)
 - 15-20% reduction in CO₂
- Methanol or Ethanol (alcohol fuels)
 - Very low emissions (up to 80% reduction in CO₂)
- Hydrogen Fuel Cells
 - No emissions, only water created
- Hybrid Vehicles
 - Low emissions and high fuel economy



Mass Transit : Annex I

- Plan communities for transit rather than privately owned vehicles
- High-speed rail systems



Policies for Annex I Parties

- Mandate increased fuel efficiency standards for all fossil fueled vehicles
- Potential tariffs on fossil fuels and allocate revenue for mass transit
- Subsidize alternative fuels
- Provide “fast track” approval for corporate investment in Annex II transit

Details on Fuel Efficiency Standards for Annex I

- Mandated increased fuel efficiency standards
 - Initially a 15% increase within 10 years
 - Many nations already have fuel efficiency goals, incl. EU and Japan (24% and 17% increase, respectively)
 - Economic costs are minimal
 - Increased fuel efficiency will benefit the consumer and the environment

Details on Alternate Fuel Subsidies for Annex I

- Mandated subsidies for the use of alternate fuel vehicles (AFVs)
 - Make clean-burning fuel prices competitive with those of gasoline
 - Drive innovation for new mobile energy sources
 - This will eventually lower the actual cost of AFV technology

Policies for Annex I Parties

- Encourage World Bank and IMF to invest in transit
- Incremental reductions of emissions
- Cost-effective over state-of-the-art



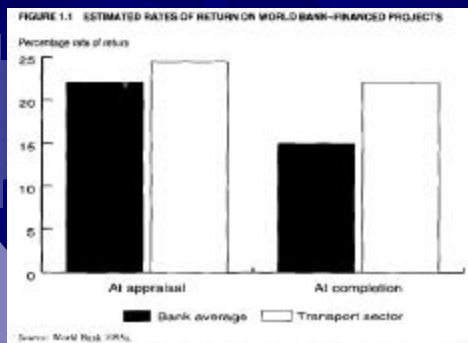
Incremental Reduction of GHG emissions for Annex II

- Smaller reductions in emissions due to limited means
- Build mass transit systems using funding from the World Bank or the IMF
- Encourage urban planning to limit use of personal vehicles, and cater to non-motorized transport
- Citizens will receive a higher standard of living, and less potential health risks from transportation emissions

Incentives for Investing in Annex II Transportation

- Result in benefits for all parties involved
- Likely high returns on transportation investments
- This would create new market opportunities

World Bank: Investment Returns



Total Transport Costs

- Increased Fuel Efficiency
 - Consumers directly benefit
 - One-time cost of development
 - 15% increase incurs little additional cost for Annex I parties
- Alternative Fuel
 - Fuel is near cost-competitive: \$2.32 a gallon for biodiesel
 - Implementation costs
 - Subsidies provided for interim

Total Transport Costs Cont.

- Rail
 - \$10 M subsidies for NY subway system
 - \$27 M / mile of TGV high-speed rail in France
 - \$10 B for Los Angeles– San Francisco high speed rail system
 - High costs mitigated by savings in time and lives: \$0.241 for rail vs \$0.23 for road
- Cost-effective transport systems in Annex II

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