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JOINT EC PRESS CONFERENCE BY DANISH ENVIRONMENT MINISTER SVEND AUKEN AND  
EC ENVIRONMENT COMMISSIONER IOANNIS PALEOKRASSAS AT THE NATIONAL PRESS  
CLUB IN WASHINGTON ON APRIL 6 (B. Julien)

Danish Environment Minister Svend Aukén and Environment Commissioner Ioannis Paleokrassas spoke on-the-record today at the National Press Club about the outcome of their first meetings with US Vice-President Albert Gore, EPA Head Carol Browner, and other members of the Administration on environmental matters.

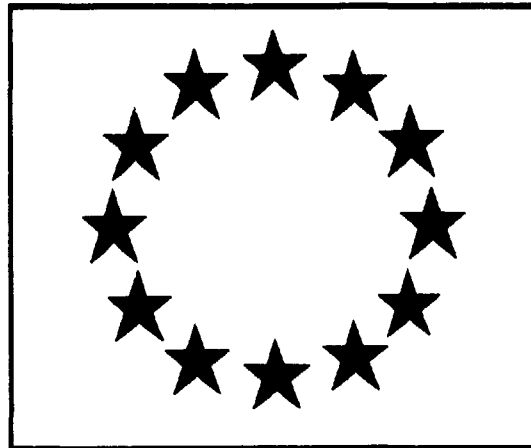
Minister Aukén said this was "at a crucial time" when the EC and the US have the opportunity for joint leadership in environmental protection. Specific issues discussed during the meetings included the CO<sub>2</sub> tax, the Biodiversity Convention, export of hazardous waste and efforts to speed up the ban on CFC's. He was joined by Mr. Paleokrassas in saying the meetings demonstrated a "similarity in commitment and analysis" on both sides and that they were returning to Europe with "high expectations" of continued EC-US cooperation on environmental policy.

#### Carbon tax

Mr. Aukén welcomed US interest in an energy tax as "an important step". Concerning the EC's own proposal, he said "We have received a very warm and supportive reaction from the US" which he expected would speed up progress in the EC because of the proposal's "conditionality". The ambition of the Danish EC Presidency was to have a political decision in the Council on the Commission proposal by the end of June. US support would be especially encouraging for the UK. Mr. Paleokrassas explained that the condition of parallel progress was "a condition to move in the same direction, not to harmonize all carbon tax legislation". Certain minimum standards would be laid down in the form of a directive which would be binding for all member States. He said there was a "growing favorable position among the institutions of the EC" concerning the imposition of such a tax.

Asked about the nature of the carbon tax vis-à-vis an energy tax, Mr. Paleokrassas explained that the CO<sub>2</sub> tax is more environmentally skewed than the energy tax because it focuses on the output of CO<sub>2</sub> emissions. Under the Commission's proposal, heavy pollutants such as fossil fuels would be taxed more heavily than cleaner natural gas. Energy is already taxed at high levels in the EC (Mr. Aukén said the rate was up to 50 percent for gasoline in Denmark).

Concerning the impact of the tax on industrial competitiveness, both Mr. Aukén and Mr. Paleokrassas said that a CO<sub>2</sub> energy tax would add only 0,2 percent to a firm's production costs. The anti-tax forces in the US could not argue against the tax on this point since energy costs, which usually are between 2-3 percent of total production costs, are much lower in the US than in Japan or Europe. In fact, Japan's very high energy costs have had the effect of higher energy efficiency and productivity for that country.



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No "escape clauses" are envisaged in the EC initiative in the event of a continued economic slowdown. The recession should not set back environmental priorities. Commissioner Paleokrassas explained how the Community's Fifth Action Program was planning to integrate the environment into all policies and to create economic instruments for its protection. In this connection he mentioned the Safe Seas report as an example of policy integration, as well as the Eco-Audit Scheme, Eco labelling and current work on a waste packaging directive as initiatives for environmentally-safer industry.

After the meeting with Vice-President Gore, Commissioner Paleokrassas underlined the open spirit and the excellent atmosphere. The Commissioner noted close positions between the US and the EC on all environmental matters which have been discussed during the meeting.

The Commissioner concluded "our visit in the United States showed that there is a United States of mind in the environmental matters."

Amitiés,

Bruno Dethomas