



## Peter Mather

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Norman Baker MP  
PUSS (Regional & Local Transport)  
Department for Transport  
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Dear Norman

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Thank you again for being part of the panel today on 'Infrastructure for Diversity', the second in the BP Biofuels Sustainable Resilience Series. Your contribution was very much appreciated by all, particularly given the heavy demands on your diary.

The discussion around the future energy mix, the implied costs and policy requirements, the role of the consumer etc (to name but a few of the issues raised) was stimulating, thought-provoking and contributed significantly to this crucial debate.

I took the liberty of briefly bending your ear afterwards on Article 7A of the Fuels Quality Directive, about which we have serious concerns.

We are in discussion with your officials, and there is a telecon on Thursday I understand, but I just wanted to make you aware of the key concerns we have about the unintended consequences of this proposed legislation:

- This issue is not really about oil sands as this type of refinery feedstock is highly unlikely to come to Europe, remaining primarily in North America for logistical reasons
- This proposal would require a full GHG certification system to be in place for all imported crude oil and refined products. The industry is not in a position to create and run such a system as the methodology is uncertain and the EU - and more importantly the oil importers - has no extraterritorial power to implement and audit such a system. The regulatory burden would be considerable at a time when the industry is already creaking under the weight of a heavy regulatory regime, and there is always a fear that legislation of this nature could open the door to fraud
- This will have a significant economic impact on the value of crude oil and refined products coming into the EU this and will be costly for the European refining industry which is already under considerable financial stress - and indeed for the consumer too.

In summary, the proposed DG CLIM implementing measures of the FQD which will be discussed at the 25th October comitology meeting in Brussels would have serious economic and regulatory impact for the EU whilst most probably failing to deliver any environmental benefit for the EU or the rest of the world. We understand that DG ENTER, ENERGY and TRADE all opposed this current text and we would hope that the Member States would follow suit.

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We look forward to further discussions with your officials and please do let us know if we can be of any further help in this matter.

Once again, many thanks for your participation today.

Best wishes



Peter Mather  
Group Regional Vice President, Europe & Head of Country, UK