

...THE ICCT
LEVERAGES THE
COLLECTIVE EXPERTISE
OF A GLOBAL NETWORK
OF GOVERNMENT
OFFICIALS TO PROMOTE
NATIONAL POLICIES
FOR CLEAN, EFFICIENT
TRANSPORTATION.

icct

THE INTERNATIONAL COUNCIL
ON CLEAN TRANSPORTATION



THE COUNCIL

Yasuhiro Daisho, Waseda University, Japan

Adrian Fernandez-Bremauntz, Instituto Nacional de Ecología, Mexico (retired)

Andre Ferreira, Instituto de Energia e Meio Ambiente, Brazil

Axel Friedrich, Umweltbundesamt, Germany (retired)

Dan Greenbaum, Health Effects Institute, U.S.

Kebin He, Tsinghua University, China

Sandra Herrera, Secretaría de Medio Ambiente y Recursos Naturales, Mexico

Youngil Jeong, Center for Environmentally Friendly Vehicles, Korea

Yuefu Jin, China Automotive Technology and Research Center

Sandeep Garg, Ministry of Power, India

Steve McCauley, Environment Canada

Mario Molina, Centro Mario Molina, Mexico

Mary Nichols, California Air Resources Board

Margo Oge, U.S. Environmental Protection Agency

Teruyuki Ohno, Tokyo Metropolitan Government

Philip Owen, European Commission Directorate General Climate Action

Emiliano Pedraza, Comisión Nacional para el Uso Eficiente de la Energía, Mexico

Leonora Rojas Bracho, Instituto Nacional de Ecología, Mexico

Anumita Roychowdhury, Center for Science and Environment, India

Dagang Tang, Ministry of Environmental Protection, China

Michael P. Walsh, Chair of the ICCT Board

Michael Wang, Argonne National Laboratory, U.S.

Supat Wangwongwatana, Ministry of Natural Resources and Environment, Thailand

BOARD OF DIRECTORS

Michael Walsh (chair), international consultant

Charlotte Pera (vice chair), Senior Vice President, Energy Foundation

Mark Burget, President, ClimateWorks Foundation

Daniel Greenbaum, President, Health Effects Institute

Drew Kodjak, Executive Director

Alan Lloyd, President

Leonora Rojas Bracho, Director General, Research on Urban and Regional Pollution, Instituto Nacional de Ecología

Michael Wang, Manager, Systems Assessment Section, Center for Transportation Research, Argonne National Laboratory

LETTER FROM THE EXECUTIVE DIRECTOR

This is a busy time for the ICCT and the dedicated government officials we work with. Nations around the world are drafting policies to lower conventional pollutants and improve energy efficiency of cars, trucks, ships and planes. The motivations are diverse — public health, climate change, industrial revitalization, oil security — but the policy outcome is the same: emission standards.



The pace of regulatory developments is quickening. As I write, I've just returned from President Obama's announcement of the largest improvement in passenger vehicle fuel economy since the 1970s. Other nations are considering first-ever standards for cars and light trucks (Mexico, India) or improvements to existing standards (Europe, Japan, China).

Cars are only part of the story. In emerging economies like China and India and Brazil, energy consumption in the transport sector is dominated by commercial trucks rather than cars. China is about to leapfrog Europe in setting fuel economy standards for heavy-duty vehicles. And just last month the International Maritime Organization announced the first global standards for oceangoing ships, demonstrating that the differences between developing and developed nations over "common but differentiated responsibilities" can be resolved.

Conventional pollutant emission standards are advancing as well. India adopted Euro IV standards in major cities for cars and commercial trucks last year. Brazil will take the unprecedented step of skipping a regulatory generation to adopt Euro V-equivalent standards for trucks in 2012. Sulfur remains the bottleneck, and we are working with energy consultant firms to estimate the cost of lowering fuel sulfur in Mexico, India, and China.

2010 was a year of tremendous growth for the ICCT, as we built the staff and other resources we need to engage in this vibrant area of environmental policy on a global scale. We are thankful to the continuing generous support of our funders, as we look forward to the demands of the coming year.

A handwritten signature in black ink that reads "Drew Kodjak". The signature is fluid and cursive, with a long horizontal stroke at the beginning.

Drew Kodjak

MISSION AND ORGANIZATION

The International Council on Clean Transportation is an independent nonprofit organization founded to provide high-quality, unbiased research and analysis to environmental regulators. Our mission is to improve the environmental performance and energy efficiency of road, marine, and air transportation sectors and fuels, in order to benefit public health and mitigate climate change.



The council comprises some two dozen high-level civil servants, academic researchers, and independent transportation and environmental policy experts from the world's largest and fastest-growing vehicle markets. In 2010, nearly 70 million passenger vehicles and heavy-duty commercial trucks were sold throughout the world, nearly 90% of them in the European Union, China, the U.S., Japan, Mexico, India, Brazil, Korea, and Canada.

Council participants come together at regular intervals to collaborate as individuals on setting a global agenda for clean transportation: sharing experiences, discussing best practices, cultivating a network of expertise equal to the challenges of crafting technically and scientifically sound, practicable, sustainable policies to reduce air pollution and promote clean transportation worldwide.

The organization's technical staff, about thirty researchers and program personnel, works with national and regional governments as well as multilateral bodies such as the International Maritime Organization and the International Civil Aviation Organization. Through published research, sponsored workshops and other meetings, and engagement with public-sector agencies, the ICCT leverages the collective expertise of a global network of government officials to promote national policies for clean, efficient transportation.

PROGRAM OVERVIEW

The ICCT is at the forefront of developing the technical basis for fuel economy and greenhouse gas regulations for passenger vehicles worldwide. In the EU, we are working to provide information on costs and benefits of technology packages to support the 2020 target of 95 gCO₂/km. In the U.S. we are supporting standards that will put new vehicles on par with Europe and Japan by 2025. We are active in India on behalf of that nation's first-ever fuel economy standards, in Mexico providing technical help on vehicle fuel economy rules, and in China supporting development of its Phase IV standards.



A unique opportunity exists to establish precedent-setting greenhouse gas and fuel efficiency standards for trucks and buses in the United States, the European Union, Canada, China, and Mexico in the 2011-2014 time frame. ICCT's staff is engaged with agencies in those regions to support progress toward that ambitious goal.

In 2010 we deepened our focus on global goods transport. Through work with the International Maritime Organization and the International Civil Aviation Organization, as well as governments in the U.S. and Europe, we are promoting new CO₂ standards for aircraft and adoption of design standards, retrofit technologies, and operational measures that improve ship energy efficiency and reduce GHG emissions from oceangoing vessels.

Our public health-related efforts have recently emphasized the health effects of black carbon. Mobile sources are a significant contributor to worsening air quality in major cities around the world. The advanced emission control technologies needed to reduce conventional pollutants are impaired by the high-sulfur fuels currently used in developing nations such as Mexico, India, China, and Brazil. We have launched a series of national studies to assess the costs and benefits of achieving ultra-low-sulfur fuels.

Policy makers on both sides of the Atlantic continue to grapple with the challenge of bringing low-carbon fuels to market. The ICCT has been in the middle of the debate, both with research and through international workshops bringing policy officials together. Our groundbreaking report on the emissions associated with crude oil from different oilfields has helped open the possibility of differentiated regulatory treatment of crude in both California and Europe.

REGIONAL HIGHLIGHTS

CHINA

ICCT staff assisted the Ministry of Industry and Information Technology and the China Automotive Technology and Research Center in developing the implementation regulation for the Phase III light-duty vehicle corporate average fuel-consumption standards, the test procedures for measuring medium- and heavy-duty vehicle fuel consumption (a critical step in setting China's first-ever HDV fuel-consumption standards), and incentives to promote fuel-efficient vehicles. We also provided expertise to support Ministry of Environmental Protection and local environmental officials in defining national and local vehicle emission control standards and programs. These initiatives will help to promote strong fuel-consumption and emissions standards for light-, medium-, and heavy-duty vehicles, as well as effective enforcement of these standards.



EUROPE

In 2010 the ICCT opened a Brussels office, signaling our deepening connections to the European Commission, regulators in EU Member States, and other stakeholders. We remain closely involved in preparatory work for CO₂ emissions standards for new cars, vans, and heavy-duty vehicles, as well as fuel quality and renewable fuels legislation. Key areas of emphasis ranged from laying the groundwork for renewed discussion of appropriate indexing parameters for vehicle CO₂ standards (vehicle weight versus vehicle size) to assessing CO₂ emission reduction potentials and costs of various vehicle technologies. We hosted productive workshops for legislators on indirect land use change and low-carbon fuels.



UNITED STATES

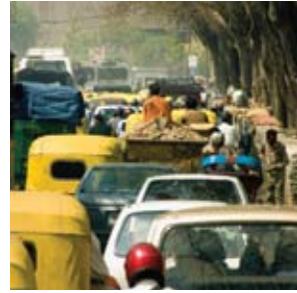
A very active year saw the U.S. finalize 2012–2016 greenhouse gas standards for passenger vehicles that will translate into an annual savings of 400 Mt of CO₂ by 2030, and release a regulatory proposal for 2014–2017 heavy-duty GHG standards. In California, which is developing a screening and reporting tool to identify high carbon intensity crudes and regulate them under LCFS, a review of indirect land use calculations is likely to



lead to revisions in the coming year. And the federal government has already begun work on a proposal for 2017–2025 that would mandate annual reductions in GHG emissions from new vehicles of between 3% and 6%, roughly equivalent to 40–60 mpg by 2025.

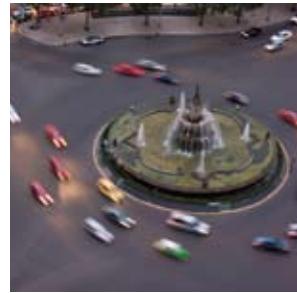
INDIA

After stalling in the first half of 2010, the push for national fuel economy standards revived after Prime Minister Manmohan Singh intervened to end an impasse between the ministries of power and road transport. Stakeholder negotiations were renewed in the third quarter of 2010. A draft notification of standards and labeling is expected by the third quarter of 2011.



LATIN AMERICA

A March ICCT workshop on fuel economy and CO₂ standards for passenger vehicles in Latin America, jointly sponsored by the Secretaría del Medio Ambiente y Recursos Naturales, the Instituto Nacional de Ecología, the Comisión Nacional para el Uso Eficiente de la Energía, and the Global Fuel Economy Initiative (GFEI), helped catalyze the regulatory process in Mexico.



Our partner in Brazil, the Instituto de Energia e Meio Ambiente (IEMA), has been following the initial steps for the National Plan for Climate Change, and it is likely that they will have a key role in the development of the transportation sector plan. Although Brazil has a strong sugar cane-based ethanol program, there are no vehicle fuel efficiency standards in place. With IEMA, we are working to make this a sound plan that sets the stage for development of fuel economy/CO₂ standards for vehicles. In Chile, we have been working with the Centro Mario Molina to help them develop a “feebate” system of incentives for efficient vehicles and technologies. While similar systems have been adopted elsewhere, this would be the first incentive program implemented before standards and could be a precedent for developing countries worldwide.

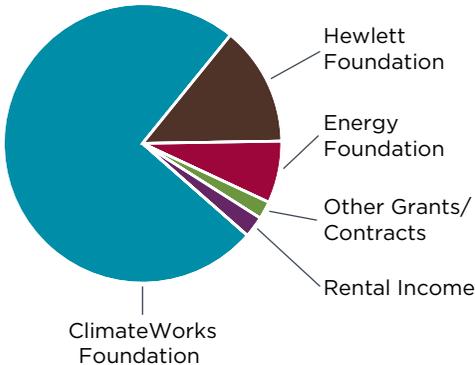
AUDITED FINANCIALS

BALANCE SHEET

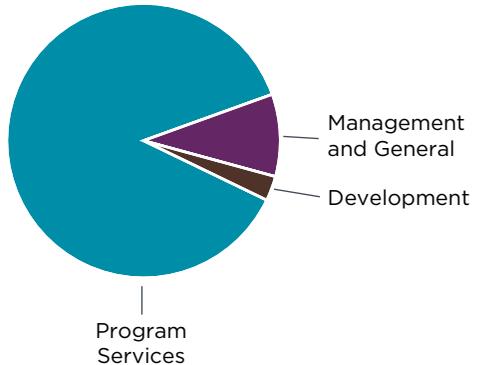
December 31, 2010 and 2009

ASSETS	2010	2009
ASSETS		
Cash and cash equivalents	\$ 2,442,859	\$ 294,672
Certificate of deposit - letter of credit	250,985	249,666
Grants receivable	1,369,000	2,800,000
Prepaid expenses	54,081	13,162
Deposits	22,354	22,354
Deferrred rent	54,186	26,903
Property abd equipment, net	844,291	945,314
TOTAL ASSETS	<u>5,037,756</u>	<u>4,352,071</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 180,705	\$ 239,893
Deferred rent	164,803	115,010
Due to ClimateWorks Foundation	567,000	-
Loan Payable	-	20,676
TOTAL LIABILITIES	<u>912,508</u>	<u>375,579</u>
NET ASSETS		
Unrestricted	\$ 2,760,248	\$ 2,526,492
Temporarily restricted	1,365,000	1,450,000
TOTAL NET ASSETS	<u>4,125,756</u>	<u>3,976,492</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,037,756</u>	<u>\$ 4,352,071</u>

2011 Budget Revenue



2011 Budget Expenses

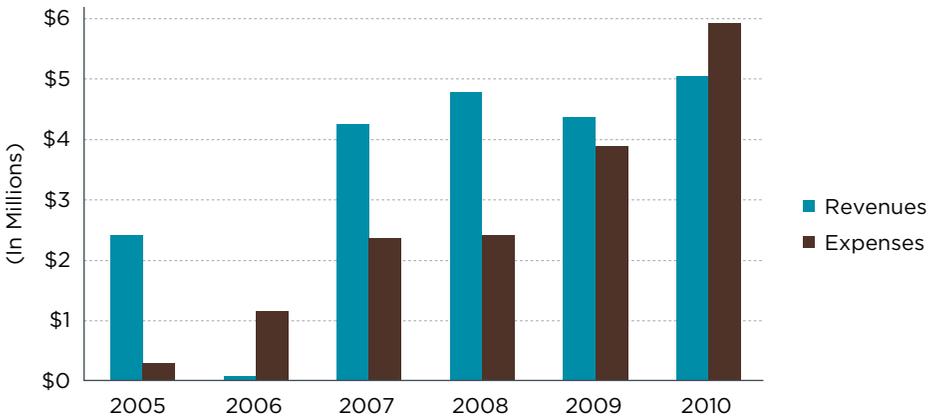


STATEMENT OF REVENUES AND EXPENSES

Years ended December 31, 2010 and 2009

	2010	2009
REVENUES		
Grants and contributions	\$ 5,603,000	\$ 3,585,000
Rental income	287,891	230,077
Contract revenue	25,000	51,418
Interest income	5,036	10,567
TOTAL REVENUES	<u>5,920,927</u>	<u>3,877,062</u>
EXPENSES		
Program services	4,485,686	3,691,868
Management and general	1,163,084	1,428,033
Development	123,401	60,405
TOTAL EXPENSES	5,772,171	5,180,306
CHANGE IN NET ASSETS	148,756	(1,303,244)
NET ASSETS, BEGINNING OF YEAR	<u>3,976,492</u>	<u>5,279,736</u>
NET ASSETS, END OF YEAR	<u>\$ 4,125,248</u>	<u>\$ 3,976,492</u>

Operating Revenue And Expense Trend



PARTNERSHIP HIGHLIGHTS

MEXICO

In August, the ICCT signed a Memorandum of Understanding with the Comisión Nacional para el Uso Eficiente de la Energía to collaborate on light-duty and heavy-duty fuel economy standards, as well as standards on used vehicles. CONUEE has adopted an aggressive schedule, and aims to have a proposal ready to be signed into law by the end of 2011.



JAPAN

The ICCT and the Tokyo Metropolitan Government have signed a Memorandum of Understanding to collaborate on clean transportation initiatives including vehicle fuel economy standards, non-CO₂ climate forcers, non-road emissions (with an emphasis on marine and aviation), and a climate change transportation roadmap. Priority will be given to projects that contribute to Tokyo's climate change goals of reducing the transportation sector GHG emissions 40% below 2000 levels by 2020. The MOU formalizes a history of collaboration dating back to 1999, when ICCT chair Michael Wash partnered with the current Director General of the Tokyo Metropolitan Bureau of the Environment, Teruyuki Ohno, on an in-use emission control policy for diesel vehicles.



STAFF

Alan Lloyd, President

Drew Kodjak, Executive Director

Francisco Andrieu,
Accounting Manager

Anup Bandivadekar,
Senior Researcher

Gaurav Bansal, Researcher

Anil Baral, Senior Researcher

Katherine Blumberg,
Program Director

Cristiano Façanha, Climate
Roadmap Program Lead

Freda Fung, Senior Policy Analyst

John German, Senior Fellow/
Program Director

Hui He, Policy Analyst

Galen Hon, Marine Program Lead

Andrew Jens, Director of
Finance and Operations

Fanta Kamakaté, Program Director

Yulee Kim,
Communications Analyst

Chris Malins, Clean Fuels
Program Lead

Patrice Mattingly, Contracts
Management Specialist

Ray Minjares, Climate and Health
Program Lead

Peter Mock, Senior Researcher

Juan Pablo Osornio, Project Lead
for Strategic Alliances

Ed Pike, Senior Researcher

Francisco Posada Sanchez,
Researcher

Daniel Rutherford, Aviation
Program Lead

Benjamin Sharpe, Researcher

Joe Schultz, Communications
Director

Diane Tworog, Program Associate

Vance Wagner, Senior Researcher

Haifeng Wang, Policy Analyst

Mazyar Zeinali, Senior Researcher

1225 I Street NW, Suite 900
Washington DC 20005

One Post Street, Suite 2700
San Francisco CA 94104

48 Rue de Stassart Bte. 6
1050 Brussels

19 Jianguomenwai Dajie
Rm 2403
Beijing 100004

info@theicct.org

www.theicct.org

