

EP ENVI Committee - 12 May 2020

Exchange of views with Ms Adina Vălean, Commissioner for Transport, on sustainable mobility post COVID-19 and developments related to CORSIA

Chair Pascal Canfin (RE, FR)

- he reflected on the matters that would be dealt with in the present meeting:
 - the impact of the COVID-19 crisis on the mobility sector;
 - the support to hard hit sectors such as aviation or the automotive industry and the possibility of including conditionality to principles of the European Green Deal (EGD);
 - regarding the CORSIA negotiations, the need for the EU to not give up its right to legislate on its own turf. He reflected that EVP Timmermans had answered the same question with clarity but, as Commissioner Vălean was directly in charge of that issue, he would like more information on the matter.
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Adina Vălean, Commissioner for Transport

- she reflected that the transport sector was one of the hardest hit by the COVID-19 crisis and that it would play a key role in a successful economic recovery;
- the strategy on Sustainable and Smart Mobility, which she would present in the second half of 2020, would have an added focus on the recovery of the transport sector;
- she emphasised the high level of priority that sustainable transport had on her agenda, and the need to advance the uptake of clean fleets and alternative fuels for road, aviation, maritime and rail transport;
- she noted that the support measures granted by several Member States (MS) to aviation companies would include environmental conditionality. She was very positive about the role that sustainable alternative fuels would play in the coming years in the decarbonisation of the sector and highlighted that the Commission would make a proposal on this subject by the end of 2020;
- as regards CORSIA, which would start its pilot phase on 1 January 2021, she noted that according to the ICAO, it was 'ready for takeoff'. She considered that it was important for the EU to be part of it in order to ensure the efforts of all major players in aviation emissions' reduction. Additionally, it would allow for the EU to play its part in raising its standards in the upcoming revision in 2022;
- answering a parliamentary question submitted by Chair Pascal Canfin, CORSIA would be implemented through an amendment to the ETS directive, based on a proposal by the Commission, following the subsequent impact assessment. She clarified the involvement of the EP in the process;
- she considered that supporting green manufacturing and ensuring that these production facilities remained in Europe were important steps to give thrust to sustainable transport;
- innovation played a crucial part in GHG reduction: in sustainable fuels for aviation or in the development of electric and hydrogen-powered vehicles (respectively, light and heavy duty vehicles). She noted that each generation of planes had decreased its emissions by 20% in respect to the previous one;
- in order to increase the market uptake of zero emission vehicles, she pointed out the need for the further development of charging infrastructure for both electricity and hydrogen for all modes of road transport. She echoed an estimation in the EGD communication of 1 million electric charging points by 2025 and more than 3 million by 2030. She again highlighted the need to further develop hydrogen charging infrastructure;
- the need for investments in the transport sector was crucial in order for it to fulfil the EGD targets;

- she asked for the support of the ENVI Committee as regards the new proposal for the MFF, in order to boost the Connecting Europe Facility (CEF), an instrument which gave support to rail and inland water transport;
 - she closed by emphasising that the recovery was not only about jobs and growth, but also about being back on track with the EU strategic plans.
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Peter Liese (EPP, DE)

- he believed that CORSIA was ‘far below’ what science established as necessary. However, he would support CORSIA if it was compatible with the ETS directive and would not serve to weaken it. He asked Commissioner Vălean to confirm this;
 - as regards state aid in the transport sector, he reflected that the current spending would be paid for by upcoming generations. He was of the opinion that the Commission should lead the restructuring of the European aviation industry in order for it to be future-proof, more sustainable, and to, as a result of the COVID-19 crisis, reduce its current capacities.
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Jytte Guteland (S&D, SE)

- she explained the position of the ENVI Committee on CORSIA, which was to ensure that the EU did not end up limiting its own ambitions;
 - she emphasised that changes to the ETS directive needed to be agreed by the EP. In this same vein, she believed that the EP had not been ‘properly consulted’ on this matter. She wanted to know more about the specific plans of the Commission to involve the EP and to keep MEPs in the loop on progress made on the implementation of the pilot phase;
 - she asked if the Commission would clarify in the draft proposal that the EU position would be an interim measure, until the revision of the ETS. Furthermore, she asked about Commissioner Vălean’s plan to ensure the regulatory independence of the ETS and if wording would be included in the decision text rather than an explanatory statement.
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Frédérique Ries (RE, BE)

- she required further information on what the exact conditions would be for aviation companies to receive support measures and echoed a statement by EVP Timmermans noting that MS ‘*may condition this aid*’. She acknowledged the difficult situation this sector was going through but believed that clear information was needed;
 - she agreed with Peter Liese (EPP, DE) and believed that, aside from its need to become cleaner, aviation would probably require a reassessment of its activities She questioned if this would mean ‘*flying less and flying differently*’.
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Aurelia Beigneux (ID, FR)

- the much needed confinement measures had hit the transport sector and would probably cause the collapse of research and development budgets for transport companies in the upcoming years, slowing down their climate and environmental efforts;
 - in her view, the only existing viable alternative for the aviation industry was to use biofuels, which she feared could lead to greater deforestation;
 - finally, she believed there was an ongoing battle between the UN and the EU on CORSIA and asked Commissioner Vălean how she planned to apply CORSIA in the future.
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Bas Eickhout (Greens/EFA, NL)

- he wished for more specific information rather than general statements;
- it was clear to him that national decisions on state aid were creating unfair competition between companies. He referenced the aviation and car industry in this regard. He also asked for clarity from the Commission to ensure that this necessary intervention was coordinated, and aligned with EU competition policy and the EGD;

- he was of the opinion that the EP had not received direct information through formal channels on the next steps to be taken on CORSIA. He agreed with Jytte Guteland (S&D, SE) as regards giving clarity to ICAO in the formal decision that this was an interim solution prior to the upcoming official amendment;
- he asked Commissioner Vălean for more information about the impact assessment and wondered if it would compare intercontinental flights under the ETS with intercontinental flights under CORSIA in order to see which was most efficient. In his view, the priority was to determine the most efficient system.

Anna Zalewska (ECR, PL)

- she regretted that there was no available analysis of the impact of the COVID-19 crisis on the transport sector but observed the difficult situation, more particularly for SMEs;
- she would like the focus to be on coordinating state aid so that the necessary support can be given to companies in the transport sector;
- she echoed the appeal by Transport Ministers of several MS calling for work on the Mobility Package to be stopped until there was a financial analysis available on the consequences of the current crisis.

Malin Björk (GUE/NGL, SE)

- she emphasised that the transport sector was crucial but reflected that the current situation was an opportunity to move towards more sustainable models;
- she was surprised that Commissioner Vălean did not specify which transport sectors may see an increase or a decrease in activities in the future;
- she believed that more concrete measures were needed and called for conditionality to be part of the support package. In her view, the conditions should be related to the 2030 and 2050 GHG reduction targets;
- she called for the aviation industry to not go back to ‘business as usual’ and called for restrictions on aviation for short distances;
- she also called for support measures for rail transport (both for people and goods) to be included in the economic recovery plan.

Adina Vălean, Commissioner for Transport

- she emphasised that CORSIA did not hamper the ETS regulation. Rather it would serve to complement it, as it would deal with aspects that the ETS did not cover. She noted that the scope of the ETS covered intra EU flights while CORSIA covered international flights across the world;
- the revision of the ETS directive, in combination with CORSIA, would shape actions in the aviation sector under the EGD;
- as regards the involvement of the EP in CORSIA, she noted that the EP had the right to be informed, not consulted, when elaborating the EU’s common position on ICAO matters;
- the impact assessment required to amend the ETS directive would evaluate the best way forward for MS to comply with EU and international commitments;
- the Commission was going to start an impact assessment to analyse options when implementing CORSIA but she was unable to inform the Committee about which options would be selected for this evaluation;
- she noted that due to liquidity problems caused by the COVID-19 crisis, the Commission had to halt the airport slots regulation and allow for more flexibility on state aid;
- she also informed the Committee that the conditionality of state aid was a decision to be taken by the MS only, and that in the current stage, this support was crucial to avoid dire consequences. However, the second review of the framework for state aid would include

transparency requirements for large companies, requiring them to justify how they were using the funds in order to meet EU targets on digitisation and the EGD;

- she clarified that the Commission, in the long run, was not planning to support investments which did not contribute to the strategy of a sustainable and smart transport sector;
- as regards the comments on a readjustment of the different transport modes and flying less, she noted that rail transport was a priority and that most of the investments under the CEF were devoted to this means of transportation. She echoed the efforts to raise the profile of rail transport and anticipated more concrete proposals that would allow it to become an alternative and more sustainable mode. She referenced the European Year of Rail in 2021 and that more concrete proposals would be included in the strategy;
- as regards rail freight transportation, she would prefer to decrease the volume of road freight and noted the investment plans for building smart terminals in the long run;
- answering Anna Zalewska (ECR, PL), she noted that the Commission had expressed its reservations on two provisions under the Mobility Package. She believed that the return of trucks in 8 weeks would be a problem in the current context and stated that an impact assessment was being conducted in order to evaluate any possible legislative modifications to these provisions. Overall, the Mobility Package presented good modifications to conditions for workers and it was not the case that the Commission did not support the package in its entirety:
- the main instruments for the recovery would be the updated Commission work programme and the new MFF;
- she highlighted the ongoing work to analyse the impact of the COVID-19 crisis on the transport sector, jointly with MS and stakeholders;
- she reiterated that the economic recovery of the sector would be smart and sustainable.

Traian Băsescu (EPP, RO)

- he asked if the Commission was looking into the possibility of revising the Mobility Package, as the conditions of the transport sector had drastically changed;
- he thought that the current situation was a great opportunity to look into the possibilities that the Rhein-Main-Danube corridor offered for increased inland waterways from the North Sea to the Black Sea.

Miriam Dalli (S&D, MT)

- she believed that the COVID-19 crisis made it necessary to reassess the shift towards sustainable mobility;
- she agreed with Commissioner Vălean about the need for investments in sustainable transportation, namely sustainable public transport, such as buses, which had been vital for essential workers during this pandemic;
- she wanted to know about current actions of the Commission to upgrade and develop the sustainable public transport infrastructure. She asked for a timeline of actions and information regarding the allocation of funds.

Catherine Chabaud (RE, FR)

- she enquired about envisaged actions by the Commission to transform the shipping sector, which had effects on GHG emissions, biodiversity loss and public health;
 - she referenced the creation of a maritime network to promote less polluting sources for the sector;
 - she called for actions directed at the renovation of the energy infrastructure of ports;
 - the stream was cut due to poor quality.
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Maria Spyraiki (EPP, EL)

- she focused on the implementation of CORSIA, which would lead to a suspension of ETS allowances, including those in the special reserve, and create an extra burden on airlines;
- with this in mind, she enquired if the Commission was planning an exceptional activation of the special reserve in order to mitigate the negative effects of the COVID-19 crisis on the affected air transport sector.

Jutta Paulus (Greens/EFA, DE)

- she reflected that the current situation the aviation sector was facing should lead to a halt in the construction of new airports and their expansion;
- she asked Commissioner Vălean her opinion on whether state aid granted to airlines should include conditionalities on alternative fuels and emission reductions, as with the case of Air France;
- she was concerned about a Commission amendment on temporary state aid requiring a compulsory ex-post report (to be published a year after a company's receipt of state aid), explaining alignment of activities with EU green and digital transformation objectives. She wanted to know what sort of criteria the Commission would use when assessing these reports and if there could be any legal possibilities to reclaim public money from non-compliant companies;
- as regards the maritime sector, which was struggling, she asked if the Commission would propose at least a temporary slow steaming agreement. This would lead to cost reduction for companies and more activity in ports, as well as lower emissions and noise levels.

Mohammed Chahim (S&D, NL)

- in his opinion, under the current model, company profits were divided among shareholders but losses had to be covered by tax payers. He believed this was the case for airlines and considered it to be unfair;
- he echoed the idea of making airlines part of a broader public system at the European level. This would be done by factoring in sustainability, route optimisation and coordination with different modes of transport.

Eleonora Evi (NI, IT)

- she regretted that the Commission had recently decided to fund an infrastructure project between Lyon and Turin, which would lead to higher CO2 emissions. In the current economic context, she believed that these resources should be used for other sectors.

Pietro Fiocchi (ECR, IT)

- he asked if Commissioner Vălean was in favour of measures to resume travel into the EU, mainly to facilitate the summer season for the tourism sector;
- he wanted to know Commissioner Vălean's opinion on the view that current support to airlines was benefitting major companies but not regional airlines;
- he noted that bad traffic management in the aviation sector had led to an extra 10-15% of GHG emissions;
- he asked if the Commission would support a plan aiming at the ban of the least-efficient engines, particularly in third world countries;
- finally, he asked Commissioner Vălean's opinion on the completion of the East-West and North-South corridors as a method of reducing emissions.

Mick Wallace (GUE/NGL, IE)

- he highlighted the letter sent by 12 MS asking for the suspension of Regulation 261 which required airlines to fully reimburse passengers for cancelled flights. He believed that consumers should not be forced to pay the bill of the economic crisis and noted that those citizens were, as well, under economic pressure;
- in this regard, he asked if the Commission could provide an assurance that there would be no change to Regulation 261;
- he asked if the Commission was considering alternatives to market based solutions like CORSIA and the ETS and highlighted options such as banning short -haul flights, banning airport expansions and taxing aviation fuels.

Adina Vălean, Commissioner for Transport

- she noted that measures aimed at ‘greening’ the shipping sector should be worked on jointly with the IMO;
- she highlighted rail transport and inland waterways as the two most sustainable methods of freight transport in Europe. She would do her best to spur the development of the Rhein-Main-Danube corridor, both regarding its governance and needed investments for infrastructure;
- she reflected that swift action was needed on shipping emissions as the ships produced now would be in service for 25 years. In this regard, she clarified that measures should focus on both retrofitting existing ships and on innovative technologies for new ships;
- ships must use cleaner energy and less energy. Promoting the usage of cleaner energy required low carbon fuels and onshore power supply for ships at berth. This was a challenge and would necessitate coordinated action between ship operators, fuel producers and distributors, and port facilities for bunkering and power supplies. She explained that the Commission was working on ideas concerning the demand aspects;
- alternative fuels were part of the solution for decarbonising the aviation sector but there was a need to develop an integrated value chain in the fuels market that could generate enough volume to supply the sector. The Commission was currently evaluating alternative fuels such as synthetic ones and would come forward with proposals ‘as soon as possible’. In parallel, schemes and incentives for fleet renovation were being analysed;
- DG COMP was currently developing criteria to assess whether money given through state aid was used to support EU goals such as the EGD or digitisation;
- she highlighted that the Commission was currently supporting the electrification of bus fleets, under the CEF, but that more resources were needed for this;
- she believed that the Lyon-Turin project was necessary, as it provided added value to European corridors and expanded the available rail infrastructure;
- she announced that on Wednesday, 13 May 2020, the Commission would announce a package of measures related to the ‘exit strategy’. This would include a recommendation for passenger rights, which she considered to be a basic right, that would try to make vouchers attractive but should leave the option for passengers to be reimbursed, if that was their wish;
- she noted that the Commission was aiming to provide safety measures for all transport modes in order to minimise health risks and allow for the recovery of the sector.