

The European Commission's Work Programme 2015: Energy and Transport

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Europe

The new European Commission's Work Programme for 2015 lists several items of critical importance to energy and transport companies.

Below we provide our analysis on what we expect to happen on each of these.

Energy Union and Climate Change Policy

The Commission expects to publish a strategy framework for an Energy Union that will focus on increasing security of supply through a stronger and more integrated internal market, less dependence on imports from third countries, and more research and innovation. It will also aim at reducing the EU's environmental impact by decarbonizing the energy mix and promoting energy efficiency.

In line with above, the Commission will start tabling proposals for the implementation of the 2030 Climate and Energy Package, recently agreed by the European Council. This will include a revision of the EU Emissions Trading System (ETS) and a non-binding Communication outlining the EU position ahead of the United Nations Framework Convention on Climate Change (UNFCCC) Conference in Paris at the end of 2015.

The Commission also intends to withdraw two important proposals in the environmental field: the so called Circular Economy package (on waste, packaging waste, etc.) and the Clean Air directive (on the reduction of emissions of certain atmospheric pollutants). However, the Commission will put forward a "more ambitious proposal" in favor of a circular economy by the end of 2015, which shall replace the proposal it is recommending to withdraw.

The proposals linked to the Energy Union will have a major impact on a broad range of industries, well beyond the energy and transport sectors. Many questions remain unanswered on the feasibility of the Commission's contradictory ambitions as well as on the economic impact of the measures to be taken. In effect, the Commission's Work Programme fails to define whether the Commission will encourage renewable energies, nuclear power, and/or the exploration and production of unconventional fossil fuels. It is also unclear whether the Parliament and Council will let the Commission go ahead with its intent to withdraw its Clean Air proposal.

Green Transport and Smart Cities

The Commission will continue its efforts to improve the regulatory framework for interconnected, safe and secure transport services with reduced greenhouse gas emissions and digitalized transport systems. As part of this, the Commission will focus on its smart cities and green transport policies.

The policies are likely to include initiatives such as the promotion of low carbon public transport, smart applications for ticketing, intelligent traffic management, demand management, travel information, and communication and freight distribution. Many engineering, manufacturing, software and logistics firms might find opportunities through EU funding, but also constraints through new regulation for smart cities projects. Keeping abreast of these changes will be crucial to be able to benefit from them.

Aviation Package

The Commission shall introduce an aviation package, including a communication identifying challenges and measures for improving the competitiveness of the EU aviation sector and plans to revise the EASA regulation (on aviation safety). The Commission has also withdrawn a proposed directive on aviation security charges, which had been blocked by Parliament since 2010.

EU aviation is facing major challenges, with sluggish passenger growth leading to the consolidation of European airlines and stiff competition from low cost carriers and Middle Eastern airlines. The aviation package proposed by the Commission remains vague but should include measures to boost the competitiveness of the EU aviation sector, improve connectivity among airports and review current measures on aviation safety.

Contact

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