WEEK IN BRUSSELS

Week ending Friday 23 May

Commission sets out strategy to curb CO_2 emissions from trucks, buses and coaches

The European Commission has set out a new strategy to reduce the amount of CO_2 emitted by trucks, buses and coaches, and to also lower the amount of fuel they consume. The strategy states that heavy-duty vehicles (HDVs) are responsible for around a quarter of CO_2 emissions from road transport in the EU and that without action HDV emissions in 2030-2050 will remain close to current levels. Connie Hedegaard, Climate Action Commissioner, said, "We first regulated cars and vans, and now we can see the results...That is why we turn now to trucks and buses. This strategy outlines new measures which over time will cut CO_2 emissions of these vehicles." The Commission has developed a computer simulation tool, VECTO, to measure CO_2 emissions from new vehicles. With the support of this tool the Commission intend to bring forward proposals for legislation next year which would require CO_2 emissions from new HDVs to be certified, reported and monitored. The Commission may consider further measures to curb emissions from HDVs once this legislation is in force such as to set mandatory limits on average CO_2 emissions from newly-registered HDVs, as is already done for cars and vans. Other options could include the development of modern infrastructure supporting alternative fuels for HDVs, smarter pricing on infrastructure usage, effective and coherent use of vehicle taxation by Member States and other maker-based mechanisms. The European Automobile Manufacturer's Association (ACEA) has stressed that CO_2 emissions from HDVs cannot be addressed through a 'one-size-fits-all' policy, and that introducing a mandatory limit on emissions would not necessarily translate into improvements in the real world. The strategy will be proposed to the European Parliament and to the Council, who have been invited to endorse it and to help deliver the actions outlined within. (Source: European Commission)
http://europa.eu/rapid/press-release_IP-14-576_en.htm

Fifth round of US trade negotiations take place

The fifth round of negotiations of the EU-US Transatlantic Trade and Investment Partnership (TTIP) are taking place in Virginia. The European Automobile Manufacturers' Association (ACEA), the American Automotive Policy Council (AAPC), and the Alliance of Automobile Manufacturers (Alliance) have reiterated their strong support for an ambitious automotive sector component in any final package. It has also been announced that the second part of a study is underway, which aims to evaluate whether motor vehicles which are manufactured in compliance with either the EU or US regulatory requirements provide essentially equivalent real-world safety performance when driven on European roadways or on US roadways. Phase 1 of the study has already been completed, in which the University of Michigan Transportation Research Institute (UMTRI) and SAFER, a transportation research centre at Chalmers University in Sweden, have developed a methodology to analyse real-world traffic accident data using three statistical approaches, to provide a sound technical basis for assessing the similarities or differences in safety performance between EU and US-regulated vehicles. The organisations have used this research to identify potential country-specific and multinational datasets to use in Phase 2 of the study. AAPC, ACEA and the Alliance believe that the benefits of any ambitious agreement can only be reached if sufficient regulatory harmony is achieved. These associations have been working together since the announcement of the TTIP negotiations to harmonise positions and to

deliver supporting evidence of essentially equivalent real-world safety performance.
(Source: ACEA)
http://www.acea.be/press-releases/article/ttip-study-examines-eu-us-vehicle-safety-equivalence

State Aid Modernisation package updated

The European Commission has presented the key elements of its State Aid Modernisation reform package. This package includes a modernised framework for research, development and innovation, where the EU aims to increase R&D spending to 3% of GDP in order to boost economic growth. The new rules for R&D&I will enter into force on 1 July 2014. The package also includes a revised General Block Exemption Regulation (GBER), which will also enter into force on 1 July 2014. The main improvements brought by the revised GBER include greater scope through increased thresholds and additional categories of aid, and simplification. Finally, the package contains a communication on transparency, which states that for each state aid award above €500,000, Member States will be required to publish the identity of the beneficiary, the amount and the objective of the aid and the legal basis.
(Source: European Commission)
http://ec.europa.eu/competition/state_aid/modernisation/index_en.html

Spring economic outlook

BusinessEurope have published their spring economic outlook, which provides further evidence that the European economy is continuing to slowly gain strength. Director General Markus Beyrer of BusinessEurope commented on the figures, stating "growth of 1.6% in the EU in 2014 and 1.2% in the Euro Area remains too weak to make inroads into Europe's unacceptably high levels of unemployment. We need a greater focus from policy-makers on securing the recovery and reducing unemployment, particularly through the implementation of ambitious labour market reforms in a number of member states and taking concrete action to address growing concerns, especially of SMEs, regarding access to finance." BusinessEurope's economic outlook predicts:

- GDP growth of 1.6% in the EU and 1.2% in the Euro Area in 2014
- GDP growth of 1.9% in the EU and 1.6% in the Euro Area in 2015
- Domestic demand should gradually replace net exports as the main growth driver. Private consumption in the EU is expected to grow by 1.2% in 2014, while investment is projected to expand by 2.5%
- Inflation is expected to gradually rise during the next 18 months. Inflation in the Euro Area is predicted to be 1.1% by the end of 2014 and 1.3% in 2015 (1.2% in 2014 and 1.5% in 2015 in the EU)

BusinessEurope have noted that economy recovery remains fragile, in particular an escalation of the tensions in the Ukraine present a number of risks to the EU economy.
(Source: BusinessEurope)
http://www.businesseurope.eu/content/default.asp?PageID=568&DocID=33044

European elections

The UK elections for the European Parliament took place on Thursday 22 May. Results will be announced on Sunday 25 May. The newly elected MEPs will take up office in Brussels in June, whereupon they will nominate a new European Commission which will be finalised in October.

Week ahead

European Commission
No relevant activity

Council of Ministers
Monday 26 May
Competitiveness Council – A general approach on EU motor vehicle approval system requirements for fitting eCall devices in new models of vehicles.

European Parliament
The parliament is no longer sitting due to the European elections.