

**Subject:** ICE ban battle begins  
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# POLITICO PRO

## Morning Mobility

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By MARTINA SAPIO

with JORDYN DAHL and TOMMASO LECCA



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### SNEAK PEEK

- **The European Parliament and member states got their first opportunity to react to the European Commission’s automotive action plan:** They want more.
- **Member countries will continue talks today on passenger rights reform based on a text proposed in 2013** — which has been panned by the European Consumer Organization.
- **Experts say LNG transport routes could shift as Europe turns to alternatives,** including Russian supplies, amid new tariffs on U.S. exports.

**Good morning, and welcome to Morning Mobility.** After years of slamming electric vehicles, U.S. President Donald Trump [rolled](#) out the red carpet for Tesla at the White House on Tuesday, pledging to buy a bright red model. Ethics watchdogs raised eyebrows, Tesla stock [ticked up](#), and Trump, who hasn’t driven in years, said his staff would enjoy the car instead.

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### DRIVING THE DAY

**GET READY TO RUMBLE:** In presenting the Automotive Action Plan to the plenary on Wednesday, Transport Commissioner Apostolos Tzitzikostas tried to head off any lobbying to reverse the 2035 internal combustion engine ban. “This is not the moment, and I want to stress that, to reopen discussions on the broader legislation,” he said.

**Catch up:** Commission President Ursula von der Leyen is to submit an amendment tweaking new emissions limits (part of the broader 2035 legislation) by allowing automakers to average their emissions over three years instead of hitting the new targets in 2025. The executive is also [advancing](#) a review of the 2035 ban from 2026 to this year. Wednesday's plenary and Competitiveness Council meetings gave the first indications of whether member states and the Parliament will take the offering or ask for more.

**Our demands:** The right-wing European Conservatives and Reformists group said a three-year average was insufficient and called for a five-year average instead. The European People's Party, which campaigned on overturning the ban, went a step further: "We call for a revision of the internal combustion engine ban before the end of this year," said Jens Gieseke, the group's TRAN coordinator and author of its automotive paper.

**Behold the resistance:** The left was quick to strike back, saying dilution of the targets will open Pandora's box. "You're allowing the internal combustion engine ideologues to sway you, generating insecurity and uncertainty for consumers, for investors and for business. You're not showing how we can stand up to competition from China," said Michael Bloss of the Greens.

**A more subdued take:** Industry ministers at the Competitiveness Council were more circumspect, opting not to address the emissions standards directly and instead saying the plan needs more work and additional transition-related funding. The exception was the Czech Republic, which urged the Commission to use a five-year average for the emissions.

## CARS

**NORTHVOLT EXPIRES:** Swedish battery-maker Northvolt — Europe's best chance at competing with China in the sector — filed for bankruptcy Wednesday, ending a saga befitting Silicon Valley, whose hype-fueled startups can crash out after a few years. Northvolt's demise was sealed last year when automotive companies pulled out of their contracts and the firm filed for Chapter 11 bankruptcy in the U.S.

**Anyone?** A court-appointed trustee will now sell off what remains of the business. Sweden's Social Democrats want the government to rescue Northvolt, but that won't happen. "The Swedish government is letting down all of Europe by not taking responsibility," said Swedish MEP Sofie Eriksson.

Jordyn has the story [here](#).

**Now read this:** Tom Johnstone, the interim chair of Northvolt, [spoke with the FT](#) and urged Europe to invest in a homegrown battery sector.

## AVIATION

**TALKS ON PASSENGER RIGHTS REFORM IN COUNCIL TODAY:** Countries will continue negotiations today on the reform of passenger rights, a text proposed by the European Commission in 2013 and unfrozen by the Polish presidency after transport ministers gave the green light to resume talks in December.

**Memory jog:** The sticking points are mainly how long a "long delay" needs to be (currently three hours) to qualify for compensation, and the lack of clarity on the "extraordinary

circumstances” exempting airlines from compensating stranded passengers. The current legislation has been referred several times to the Court of Justice for clarification.

**What’s new:** Ahead of today’s Council working party on aviation, the European Consumer Organization (BEUC) published a [position paper](#) on the rules revision based on the Commission’s 2013 proposal. Here are the key points:

**Three the magic number for compensation:** According to BEUC, a long delay should remain three hours and should not be expanded to five, nine or 12 hours depending on the distance flown — as the Commission proposed. If the time limit were changed it “would deprive 85 percent of passengers of a right to compensation,” the organization said, citing [a study](#).

**Speaking of compensation:** The current indemnity amounts — from €250 to €600, depending on the distance — “were set as a deterrent to correct inconveniences,” BEUC said of the current regulation dating from 2004. But those amounts should be adjusted for inflation, BEUC added, to between €340 and €816.

**Airlines have a point:** According to BEUC, “too frequently, airlines call upon [the] ‘extraordinary circumstances’ clause ... to avoid paying compensation,” which is why the organization supports “the introduction of a clear definition of the concept” and even a list of such circumstances. But BEUC wants the list to be “non-exhaustive” and subject to a five-year review. Airline lobby A4E also supports a non-exhaustive list as leading “to greater clarity for all,” it said in [its position](#) on the reform.

**Bottom line:** BEUC made clear that such a list should not include strikes by airline workers, which are “intrinsically linked to the airline’s activity and organization.”

**More sticks, fewer carrots:** The main problem with the current regulation, according to BEUC, is enforcement — with only one in three passengers who are entitled to compensation actually able to exercise their rights. Accordingly, BEUC wants national enforcement bodies to have “stronger and harmonized investigative and sanctioning powers” to hit carriers that systematically break the rules.

**Airlines react:** “BEUC’s demands overlook economic realities and operational constraints, creating a framework that is neither practical nor effective in achieving that goal,” A4E told Tommaso. “A revised EU261 [passenger rights regulation] must establish clear rules that strike a fair balance between passenger rights and operational realities ... not rigid, one-size-fits-all obligations that create uncertainty and unintended consequences for all.”

**CLARIFICATION ON REFUELEU FINES:** On Wednesday we [reported](#) on the risk that billions of euros in fines will be imposed under the ReFuelEU regulation. The most appropriate term to define the potential recipients of fines is “fuel suppliers,” since any company that sells fuel to airlines is potentially subject to sanctions under the legislation — regardless of who produced the fuel.

## Behind the Draghi lens: Space takes off

BY AMANDA KRALEY

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### SHIPPING

**GAS SHIPPING SHAKE-UP AFTER TARIFFS:** New U.S. tariffs could disrupt transport routes for liquefied natural gas (LNG), experts say, potentially shifting Europe toward alternative sources, including Russia.

**Context:** U.S. tariffs on steel and aluminum imports from the EU took effect Wednesday, triggering swift a response from Brussels. A [list](#) of possible retaliation targets was shared, with concrete action expected in the coming weeks.

**Ripple effect:** While the tariffs don't directly target LNG shippers, they could still affect the industry by altering shipping routes and supply chains.

**Transatlantic line:** The U.S. has been Europe's main LNG supplier since Russia invaded Ukraine in 2022. Over 70 percent of U.S. LNG shipments went to Europe in 2024.

**Looking elsewhere:** The new tariffs may push European buyers to seek alternative routes, said Pratiksha Negi, an analyst at shipping think tank Drewry, in a market opinion [piece](#).

**Who else is there?** Possible replacements include Qatar, the United Arab Emirates, Oman and African producers Nigeria, Algeria and Angola.

Still, most such shipments must pass through the Red Sea, where instability remains a significant concern (see below).

**Not again:** If alternatives fall short, Russia could regain a foothold in the European market. Even now, despite EU efforts to limit Russian LNG imports, Spain and France remain among the largest buyers of Russian gas.

**Failing other options:** Some Central European buyers may reconsider Russian LNG and Russian transport pathways if no other viable options emerge, Negi noted.

Meanwhile, infrastructure bottlenecks in Southern Europe — such as limited pipeline connectivity in Italy and Spain — could also force the region to turn to Russian gas or to Turkey as a transit hub, shifting LNG flows from the Atlantic to the Mediterranean.

**Industry silence:** Shipbuilding and shipowner associations declined to comment, citing

uncertainty about how the situation will unfold.

**Shipping adapts:** Despite the turbulence, ocean carriers remain flexible. “A decline in one trade route can result in growth elsewhere,” said Joe Kramek, president of the World Shipping Council.

## PIT STOPS

Yemen’s Houthi rebels have announced they will [resume](#) strikes on Israel-linked ships, citing the Gaza aid cutoff.

The European Parliament on Wednesday [approved](#) the EU-Canada agreement on the transfer and processing of air passenger data.

Commission President von der Leyen and European Council President António Costa are in Cape Town to launch the Clean Trade and Investment Partnership.

**THANKS TO:** Camille Gijs.

## HEADLINES

Here’s a recap of yesterday’s news, along with Pro articles and alerts from overnight.

### [EU battery champion Northvolt’s collapse undermines Europe’s independence drive](#)

The disappearance of the once high-flying company is “downright disgraceful,” says an MEP.  
By Jordyn Dahl · Mar 12, 2025, 7:13 PM

### [Europe’s great battery hope Northvolt files for bankruptcy in Sweden](#)

“The EU must not give up on building a European battery industry,” says senior MEP.  
By Jordyn Dahl · Mar 12, 2025, 9:18 AM

### [On the EU’s tariff hit list: American chicken wings, motorbikes and ... women’s negligees?](#)

The European Commission is seeking feedback on a 99-page hit list and respondents have until March 26 to reply.  
By Douglas Busvine · Mar 12, 2025, 8:09 AM

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