

Greenhouse gas emission allowance trading within the Community: inclusion of aviation activities in the scheme

2006/0304(COD) - 27/05/2008

The Committee on the Environment, Public Health and Food Safety adopted a report drafted by Peter **LIESE** (EPP-ED, DE), recommending several amendments to the Council's common position for adopting a directive of the European Parliament and of the Council amending Directive 2003/87/EC so as to include aviation activities in the scheme for greenhouse gas emission allowance trading within the Community.

The Committee inserted several amendments from 1st reading that had not been taken up by Council in the common position. The main amendments are as follows :

Cap: for the period from 1 January 2011 to 31 December 2012, the total quantity of allowances to be allocated to aircraft operators shall be equivalent to 90% of the sum of the historical aviation emissions multiplied by two. The common position had the start date of January 2012 and stated that the total quantity of allowances to be allocated to aircraft operators shall be equivalent to 100 % of the historical aviation emissions.

Starting in 2013, the quantity of aviation allowances issued each year shall decrease in a linear manner corresponding to the overall reduction target applicable to the emissions covered by the emissions trading system in reference to the annual value established as above.

A new recital states that the Directive should not prevent any Member State from maintaining or establishing other complementary and parallel policies or measures that address the aviation sector's total impacts on climate change.

Start date: from 1 January 2011 (rather than 2012), all flights which arrive at or depart from an aerodrome situated in the territory of a Member State to which the Treaty applies shall be included, taking into account the special situation of flights between ultra-peripheral regions and the European continental zone.

Auction a larger share of emission permits: the Committee states that 25% of allowances shall be auctioned, rather than 10% as the Council had wanted. From 2013, the percentage to be auctioned shall be increased, in accordance with the maximum level of auctioning in other sectors.

Revenues: the Council had stated that it shall be for Member States to determine the use to be made of revenues generated from the auctioning of allowances. The Committee's amendment stipulates that revenues generated from the auctioning of allowances shall be used to reduce greenhouse gas emissions and to adapt to the impacts of climate change in the EU and third countries, especially in developing countries, and to fund research and development for such mitigation, especially in the airline sector, and adaptation. In order to reduce to some extent the burden on citizens, revenues generated by auctioning shall also be used to lower taxes and charges on climate-friendly transport such as rail and bus. The proceeds of auctioning shall in particular fund contributions to the Global Energy Efficiency and Renewable Energy Fund and measures to avoid deforestation. They may also be used to cover the

Member States' justified costs in administering the Directive. Member States may also use the revenues to mitigate or even eliminate any accessibility and competitiveness problems arising for outermost regions and problems for public service obligations in connection with the implementation of this Directive.

Global agreement: the Community and its Member States shall continue to seek an agreement on global measures to reduce greenhouse gas emissions from aviation. The Commission must consider options available in order to provide for optimal interaction between the Community scheme and another scheme especially to avoid double charging where a third country adopts measures for reducing the climate change impact of large aircraft departing from that country which land in the Community.

Nox: provided that there are no Community measures which incentivise the reduction of releases of nitrogen oxides from relevant aircraft, and which ensure the same ambitious level regarding the protection of the environment as the Directive, the amount of carbon dioxide which an allowance, other than an aviation emissions allowance, or a CER or ERU permits an aircraft operator to emit shall be divided by an impact factor of 2.

The Committee also stated that it was important to monitor the effects of cirrus clouds and address the question as soon as enough scientific evidence is available.

Limits on purchase of allowances: Member States shall allow each aircraft operator to use allowances issued under Chapter III, CERs and ERUs from project activities up to a percentage of the number of allowances it is required to surrender, this percentage being the average of the percentages specified by Member States for the use of CERs and ERUs for the relevant period. The percentage of CERs and ERUs usable in relation to aviation activities shall be reviewed alongside their use in other sectors as part of the ETS review.

Efficiency: every year, aircraft operators wishing to surrender allowances other than aviation emissions allowances, shall be required to submit to the administering Member State verified tonne-kilometre data for relevant aviation activities performed in that calendar year. The Commission shall determine an efficiency indicator for all aircraft operators, calculated by dividing the total emissions from aircraft operators by the sum of the tonne-kilometre data. **Exemptions:** the Committee deleted exemptions, inter alia, for flights performed for the transport of a reigning Monarch and Heads of State and Government and for flights performed by a commercial air transport operator operating, for three consecutive four-month periods, fewer than 243 flights per period. It added exemptions for flights for humanitarian purposes under a mandate from the UN and Emergency Medical Service flights, and flights performed for the purpose of scientific research, and flights performed by a commercial air transport operator for which the aircraft operator's total annual carbon dioxide emissions are less than 10 000 tonnes per calendar year.

Review: the Commission must review the functioning of the Directive by 1 June 2013 (rather than 1 June 2015). The impact of the competitiveness of European airports and airlines should be addressed in the review

Report: the Commission shall, having regard to aircraft operators' pledge to increase the efficiency of aircraft engines by 50% in 2020, report to the European Parliament in 2010 and 2015 on progress made towards achieving that target.

On the basis of the experience acquired during the period 2011-2012, the Commission shall submit a proposal concerning the quota of greenhouse gas emissions permits the aviation sector is authorised to purchase on the secondary market for wider greenhouse gas emissions permit schemes.