

Scheme for greenhouse gas emission allowance trading: temporary derogation from the EU Emissions Trading System (EU ETS) Directive

2012/0328(COD) - 20/11/2012 - Legislative proposal

PURPOSE: to derogate temporarily from Directive 2003/87/EC of the European Parliament and of the Council establishing a scheme for greenhouse gas emission allowance trading within the Community with a view to facilitate progress and reinforce momentum towards the goal of the global regulation of aviation emissions.

PROPOSED ACT: Decision of the European Parliament and of the Council.

BACKGROUND: significant progress has been made in the International Civil Aviation Organisation towards the adoption at the 2013 ICAO Assembly of a framework facilitating States' application of market-based measures to emissions from international aviation, and on developing a global market-based measure.

In order to facilitate this progress and provide momentum, it is desirable to **defer enforcement of requirements relating to flights to and from aerodromes outside the Union** and areas with close economic connections to the Union and a shared commitment to tackle climate change arising prior to the 2013 ICAO Assembly.

IMPACT ASSESSMENT: the Commission did not undertake an impact assessment.

LEGAL BASIS: Article 192(1) of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: this proposal for a Decision seeks to enhance the chances of a successful outcome of the 2013 ICAO Assembly in terms of developing a global market-based measure (MBM) and adopting a framework facilitating States' application of market-based measures to international aviation.

The Decision would "stop the clock," **by temporarily deferring enforcement of the obligations** of aircraft operators in respect of incoming and outgoing flights under the European Union's Emission Trading System (ETS). **Action should therefore not be taken against aircraft operators in respect of requirements resulting from Directive 2003/87/EC** establishing a scheme for greenhouse gas emission allowance trading within the Community **arising before 1 January 2014** as regards incoming and outgoing flights. The condition for this is that they have either not received, or have returned, 2012 free allocations granted for such activities to or from aerodromes outside the EU and closely connected areas with a shared commitment to tackle climate change. Proper monitoring, reporting and verification of emissions from such flights is welcomed, but **no compliance sanctions** will be applied in respect of the non-reporting of such emissions.

Directive 2003/87/EC continues to apply in full in respect of flights between aerodromes in the EU and closely connected areas with a shared commitment to tackle climate change.

To provide further momentum to the international discussions and continue EU leadership in this process, the Commission considers it is important that this proposal is agreed between the European Parliament and Council swiftly and ideally by March 2013.

BUDGETARY IMPLICATION: the proposal has no implications for the Union budget.