

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

2012/0328(COD) - 13/03/2013 - Committee report tabled for plenary, 1st reading/single reading

The Committee on the Environment, Public Health and Food Safety adopted the report by Peter LIESE (EPP, DE) on the proposal for a decision of the European Parliament and of the Council derogating 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.

The parliamentary committee recommends that the European Parliament's position adopted at first reading according to the ordinary legislative procedure should be to amend the Commission's proposal as follows:

**Derogation from Article 16 of Directive 2003/87/EC** (penalties applicable to infringements of the national provisions adopted pursuant to the Directive): provisions are contained in the text to give further momentum to the shared commitment of the International Civil Aviation Organisation (ICAO) Member States to address aviation emissions at a global level, it is desirable to defer enforcement of requirements arising prior to the 2013 ICAO Assembly relating to flights to and from aerodromes outside of the Union and areas with close economic connections to the Union and that have a shared commitment to tackle climate change.

By means of their amendments, Members wish to:

- stipulate that **action should not be taken against aircraft operators in respect of requirements relating to the calendar years 2010 to 2012** for reporting verified emissions and for the corresponding surrender of allowances from incoming and outgoing flights to and from such aerodromes resulting from Directive 2003/87/EC;
- clarify that the **number of allowances to be returned is based on the share of verified tonne-kilometres of the relevant flight activities based on the reference year 2010**;
- clarify that **only aviation allowances for 2012 qualify as allowances to be returned for cancellation**.

**Cancellation and auctioning of allowances:** according to the amended text, the Member States **should cancel all 2012 aviation allowances** in respect of flights to or from aerodromes referred to in the proposed decision that have either not been issued or, if issued, have been returned to them. By way of derogation from Directive 2003/87/EC, **Member States shall auction a reduced number of aviation allowances in respect of 2012**.

Members consider that the number of aviation allowances auctioned by the Member States should be reduced in accordance with the calculations of the Commission, resulting in **15% of the overall amount of 2012 aviation allowances in circulation**.

**Use of the revenues generated from the auctioning of allowances:** the report calls on the Member States to use revenues generated from the auctioning of allowances for efforts to (i) **tackle climate change**, in particular at international level; (ii) reduce **greenhouse gas emissions** and adapt to the impacts of climate change in developing countries; and (iii) fund **research and development** for mitigation and adaptation including in particular in the field of aeronautics and air transport.

Revenues generated from auctioning shall also be used: (i) on **low-emission transport**; (ii) to fund contributions to the **Global Energy Efficiency and Renewable Energy Fund** and the **Green Climate Fund** under UNFCCC, and (iii) on measures to avoid **deforestation**.

**Regular information to Parliament:** the Commission shall regularly inform the European Parliament and the Member States concerning the progress of the ICAO negotiations and submit a report on the results achieved at the ICAO Assembly. If the ICAO Assembly does not achieve substantial progress on a global market-based mechanism (MBM), the European ETS will again include all international flights from and to the Union from 2013 onwards. If, however, it succeeds in setting a framework for **global market-based measures**, the Commission may propose further actions.