

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

2012/0328(COD) - 16/04/2013 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 577 votes to 114 with 21 abstentions, a legislative resolution 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.

Parliament adopted its position in first reading following the ordinary legislative procedure. It amended the Commission 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):** the text provides that 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 its amendments, Parliament specifies the following:

- **action should not be taken against aircraft operators in respect of the requirements resulting from Directive 2003/87/EC** for the reporting of verified emissions for the calendar years 2010, 2011 and 2012 and for the corresponding surrender of allowances for 2012 from flights to and from such aerodromes;
- the derogation will only apply to aircraft operators who have not been issued free allowances for such activity in respect of 2012 or, if they have been issued such allowances, have returned, **by the thirtieth day following the entry into force of this Decision, to Member States for cancellation a number of 2012 aviation allowances corresponding to the share of verified tonne-kilometres of such activity in the reference year 2010.**

**Cancellation and auctioning of allowances:** the amended text states that 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.

In respect of the cancellation, Member States shall **auction a reduced number of 2012 aviation allowances**. That reduction shall be proportional to the lower number of total aviation allowances in circulation. To the extent that the reduced number of those allowances has not been auctioned prior to 1 May 2013, Member States shall adjust accordingly the number of aviation allowances to be auctioned in 2013.

**Market-based measures:** in a new recital, it is clarified that this derogation is provided by the Union to **facilitate an agreement at the 38th session of the ICAO Assembly on a realistic timetable for the development of a global MBM** beyond the 38th session of the ICAO Assembly and on a framework for facilitating the comprehensive application of national and regional MBMs to international aviation,

pending the application of the global MBM. On this basis, further steps could be considered. In this respect, the Commission should, when assessing the need for further action, also take into account the possible impact on intra-European air traffic with a view to avoiding any distortions of competition.

**Implementation and keeping Parliament informed:** the Commission will: (i) issue the guidance necessary for the implementation of this Decision; (ii) regularly inform the European Parliament and the Council on the progress of ICAO negotiations and shall provide a full report to them on the results achieved at the 38<sup>th</sup> session of the ICAO Assembly.