EU Emissions Trading System (EU ETS): continuing current limitations of scope for aviation activities and preparing to implement a global market-based measure from 2021

2017/0017(COD) - 17/07/2017 - Committee report tabled for plenary, 1st reading/single reading

The Committee on the Environment, Public Health and Food Safety adopted the report by Julie GIRLING (ECR, UK) on the proposal for a regulation of the European Parliament and of the Council amending Directive 2003/87/EC to continue current limitations of scope for aviation activities and to prepare to implement a global market-based measure from 2021.

The committee recommended that the European Parliament's position adopted at first reading in accordance with the ordinary legislative procedure should amend the Commission proposal as follows.

Quotas for the aviation sector: Members called for the intercontinental **exemption from EU Emissions Trading System (ETS) rules until** December 2020, pending the introduction of a worldwide scheme to offset CO2 emissions from air transport.

They requested that the total quantity of allowances to be allocated to aircraft operators in 2021 shall be **10 % lower** than the average allocation for the period from 1 January 2014 to 31 December 2016, so as to bring the cap for the aviation sector more in line with the other EU ETS sectors by 2030.

For aviation activities to and from aerodromes located in countries outside the EEA, the quantity of allowances to be allocated from 2021 onwards may be adjusted taking into account the ICAO global market-based measure to be implemented from 2021 to offset international aviation emissions above 2020 levels.

From 1 January 2021, 50 % of allowances shall be auctioned and the resulting revenue should be reserved to **finance climate change**. On this issue, Members suggested that special attention should be paid to Member States using revenue from auctioned allowance to co-finance research and innovation programmes or initiatives under the Ninth Research Framework Program (FP9).

As regards activity in the period from 1 January 2017 to 31 December 2020, Member States shall publish the number of aviation allowances allocated to each aircraft operator by 1 September 2018.

Commission report on the implementation of the ICAO global market mechanism: the Commission shall report to the European Parliament and the Council, by **1 January 2019** at the latest and regularly thereafter, on ICAO standards and recommended practices (SARPs), ICAO Council approved recommendations relevant to the global market-based measure or other legal instruments.

By 1 March 2020, the Commission shall report on the adequacy of those ICAO instruments and options for those ICAO instruments to be implemented in Union law through a revision of this Directive. The report shall also examine the ambition and overall environmental integrity of the global market-based measure including its general ambition in relation to targets under the Paris Agreement.

If necessary, the Commission may propose to amend, delete or replace the derogations, with the aim of reducing any ambiguity in advance of CORSIA becoming operational.

Transparency: Members considered that ICAO member states, aircraft operators and civil society continue to be engaged in the ICAO's work to implement the global market-based measure and that the ICAO reaches out to all **stakeholders to inform them about progress and decisions** in a timely manner. In order to achieve that, they suggested revising the non-disclosure protocols for members and observers of the ICAO Committee on Aviation Environmental Protection (CAEP).