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

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The Committee on the Environment, Public Health and Food Safety adopted the report by Peter **LIESE** (EPP-ED, DE) amending - at 1st reading under the codecison procedure - the proposal for 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 objective of this Directive is to reduce aviation's contribution to global climate change by including emissions from aviation activities in the Community scheme.

The principal amendments adopted in committee are as follows:

- the Commission proposes that 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 100% of the sum of the historical aviation emissions in relation to each year. The committee proposes that the quantity be equivalent to **75%**;

- depending on the choice for a post-2012 carbon dioxide reduction target of either 30% or 20% with 1990 as a base year, the Commission shall reduce the total quantity of allowances to be allocated to aircraft operators in the further periods in accordance with the regulatory procedure with scrutiny. This **downward review** will provide a mechanism to ensure that the environmental effectiveness of the scheme is maintained. There shall be provision for subsequent downward reviews of the total quantity of allowances allocated;

- the committee suggests that from **2010**, emissions from **all flights** arriving at and departing from Community airports should be included in the Community scheme.

- **starting in 2010, 50% of allowances shall be auctioned** as opposed to a percentage corresponding to the average percentage proposed by the Member States including auctioning in their national allocation plans. The percentage of allowances being allocated by auctioning should not be fixed in comitology but in codecision procedure by Council and Commission;

- 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 environment-friendly transport such as rail and bus; cover the Member States' justified costs in administering this Directive; 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;

- in order to avoid the creation of inappropriate market access barriers, a proportion of the allocated allowances should be reserved for **new entrants** in the aviation sector;

- in the event of a merger or takeover involving several carriers during a given period, the allowances which have been allocated to them or which they have acquired shall be retained by the new entity. If a carrier ceases to operate, the Member State to which it is attached shall

place the relevant allowances on the secondary market for allowances. At the beginning of the following year, the share of the allowances still available shall be allocated in full for auctioning, taking account of the general rate of reduction of authorised allowances;

- for legal clarity, the committee has introduced an article on the granting of greenhouse gas emissions permits as well as on the conditions for and contents of the greenhouse gas emissions permit;

- given that aircraft operators have pledged to increase the efficiency of aircraft engines by 50% in 2020, the Commission shall report to the European Parliament in 2010 and 2015 on progress made towards achieving this target;

- lastly, the committee members deleted the derogation concerning flights performed exclusively for the transport, on official mission, of a reigning Monarch and his immediate family, Heads of State, Heads of Government and Government Ministers.

The report also highlights the following points:

- to assist with the reduction of emissions from aircraft, the Commission should carry out a feasibility study by 2009 into the possibility of laying down emissions standards for aircraft engines;

- aircraft and engine manufacturers, and fuel producers, are urged to research and implement changes in their respective fields which will significantly contribute to reducing the climate impact of aviation;

- Community Institutions should continue their support for the "Clean Sky" Joint Technology Initiative (JTI) in the 7th Framework Programme for Research (FP7) which aims to radically reduce the impact of air transport on the environment. The Community should continue to give strong support to the work of ACARE (Advisory Council for Aeronautical Research in Europe), and more particularly its Strategic Research Agenda (SRA), which sets emissions reduction targets for the air transport industry of 50% for carbon dioxide per passenger kilometre and 80% for nitrogen oxide by 2020;

- subsidies to airports give in some cases wrong incentives concerning the emission of greenhouse gases. Therefore the Commission must fully respect existing competition law;

- lastly, 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.