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*Committee on Industry, Research and Energy*

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**2013/0344(COD)**

28.11.2013

## **DRAFT OPINION**

of the Committee on Industry, Research and Energy

for the Committee on the Environment, Public Health and Food Safety

on the proposal for a directive of the European Parliament and of the Council amending Directive 2003/87/EC establishing a scheme for greenhouse gas emission allowance trading within the Community, in view of the implementation by 2020 of an international agreement applying a single global market-based measure to international aviation emissions (COM(2013)0722 – C7-0374/2013 – 2013/0344(COD))

Rapporteur: Eija-Riitta Korhola

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## SHORT JUSTIFICATION

### Background

Climate change is a global problem and hence needs to be tackled globally. The inclusion of aviation to the EU ETS was a decision that was done due to the slow progress in the ICAO process and seemed as a good idea at the time. It was thought to be an example that others would follow and that could encourage the international community to develop a truly global solution. Many countries were already planning MBMs (market-based measures) at the time, yet a global deal seemed still to be far away. However, after adopting the EU Aviation ETS, imposing its provisions on 3rd country carriers was immediately a topic of great concern and soon after had its clear repercussions. Throughout the implementation of the aviation EU ETS since the beginning of 2012 the Member States and their airlines have encountered retaliatory measures by the 3rd countries that have greatly weakened airlines' competitiveness and potential for growth. Due to this and the clear unwillingness of the 3<sup>rd</sup> countries to cooperate and comply with the EU ETS, the EU had to 'Stop the clock', a decision that since turned out to be a correct and wise one.

### Present situation

In the opinion of the rapporteur there are several reasons why the ICAO process now needs to be let to be developed in peace without trying to continue to impose EU internal legislation on 3rd countries which would not only risk the ICAO process itself but also expose the Member States and EU airlines to further retaliatory measures and trade wars. Firstly, the decisions towards a global MBM have been made and the process is under way; ICAO is the only body where a global solution can be reached. Secondly, a global mechanism is clearly being actively supported also outside of the EU for the first time ever and major players are literally on board. Thirdly, all the stakeholders including the airlines and aviation industries support this global solution that is now closer than ever before. The countries are ready and more involved and willing to agree than before. In addition, the EU proposed Airspace was specifically rejected by the ICAO.

### Conclusion

The rapporteur believes that due to this fact, the EU needs to be an active actor in promoting a global deal and not continue to act unilaterally which will only bring the process backwards. The EU needs to avoid any actions that will be seen as unconstructive by our international partners and which will obstruct the ICAO negotiations. All the reports from the 3rd countries concerning this proposal at hand tell the contrary, therefore the rapporteur suggests to continue the "Stop the clock" as intra-EEA until the year 2016. Also with this scope of the EU ETS, the EU would continue to show leadership in early action to curb aviation emissions. Even if the EU has its sole right to legislate on its own territory, the rapporteur believes this is not the right way to go if we really want a real global solution. Climate diplomacy means that every party involved needs to be a team player, building towards a mutual goal with mutual means. In addition to reaching a global solution, the EU's priorities need to be securing our aviation industries welfare, competitiveness and operational possibilities in this highly competitive field.

Due to the above mentioned reasons the rapporteur suggest to continue the intra-EEA "Stop the clock" provisions until the ICAO general assembly in 2016 in order to get a real global solution that will be truly beneficial for the climate and all the actors involved.

## AMENDMENTS

The Committee on Industry, Research and Energy calls on the Committee on the Environment, Public Health and Food Safety, as the committee responsible, to take into account the following amendments:

### Amendment 1

#### Proposal for a directive

#### Recital 2

*Text proposed by the Commission*

*Amendment*

*(2) Consequently it is desirable to temporarily consider the requirements set out in Directive 2003/87/EC of the European Parliament and of the Council<sup>4</sup> as satisfied, when obligations are met in respect of a certain percentage of the emissions from flights to and from aerodromes in third countries. In doing so, the Union emphasises that requirements can be applied in respect of certain percentages of emissions from flights to and from aerodromes in countries of the European Economic Area (EEA), in the same manner as legal requirements can be placed on more of the emissions from flights to and from such aerodromes.*

*deleted*

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<sup>4</sup> *Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32)*

*Justification*

*Recital redundant due to limiting the scope of the directive to apply to intra-EEA flights only*

**Amendment 2**

**Proposal for a directive**

**Recital 3**

*Text proposed by the Commission*

*Amendment*

*(3) While the application of Directive 2003/87/EC continues to be based on arrival at or departure from aerodromes in the Union, in order to be a simple and workable means to limit the application of regional market-based measures for the 7 years until a global market-based measure begins operation, the percentages have been calculated by Eurocontrol on the basis of the proportion of the Great Circle Distance between the main airports in the EEA and in third countries that is not more than 12 miles beyond the furthest point of EEA coastline. Since the Union does not consider that a global market-based measure should be based on actual airspace considerations, as compared to the arrival or departure from aerodromes, the relevance of the percentages is limited to the period up to 2020.*

*deleted*

*Justification*

*Recital redundant due to limiting the scope of the directive to apply to intra-EEA flights only*

**Amendment 3**

**Proposal for a directive**

**Recital 6**

*Text proposed by the Commission*

*Amendment*

***(6) In order to establish a percentage of verified emissions for flights to and from aerodromes in third countries, whole flight emissions have to be known. However, no account is being taken of emissions not covered by that percentage.*** ***deleted***

Or. en

*Justification*

*Recital redundant due to limiting the scope of the directive to apply to intra-EEA flights only*

#### **Amendment 4**

##### **Proposal for a directive Recital 7**

*Text proposed by the Commission*

*Amendment*

***(7) In addition, in respect of flights to and from third countries, an aircraft operator should be able to choose not to report verified emissions from these flights but instead to rely upon a determination of estimated emissions taking place not beyond EEA Member countries from such flights that is as accurate as possible.*** ***deleted***

Or. en

*Justification*

*Recital redundant due to limiting the scope of the directive to apply to intra-EEA flights only*

#### **Amendment 5**

##### **Proposal for a directive Recital 9**

*Text proposed by the Commission*

*Amendment*

***(9) The application of a percentage to verified emissions for flights to and from aerodromes in third countries, or the use of an alternative approach by operators, should relate to emissions from 2014 onwards to give time for operators to understand these approaches when planning their flight activities,***

***deleted***

Or. en

*Justification*

*Recital redundant due to limiting the scope of the directive to apply to intra-EEA flights only*

#### **Amendment 6**

#### **Proposal for a directive**

#### **Recital 10**

*Text proposed by the Commission*

*Amendment*

***(10) Without prejudice to the global market-based measure applying from 2020, emissions from flights to and from countries which are developing countries and whose share of total revenue ton kilometres of international civil aviation activities is less than 1% should be exempted for the period 2014 to 2020. Countries considered to be developing for the purposes of this proposal should be those which benefit at the time of adoption of this proposal from preferential access to the Union market in accordance with Regulation (EU) No 978/2012 of the European Parliament and of the Council, that is those which are not classified in 2013 by the World Bank as high-income or upper-middle income countries.***

***deleted***

Or. en

*Justification*

*Recital redundant due to limiting the scope of the directive to apply to intra-EEA flights only*

**Amendment 7**

**Proposal for a directive**

**Article 1 – paragraph 1 – point 1**

Directive 2003/87/EC

Article 28a – paragraph 1 – subparagraph 1 – point a

*Text proposed by the Commission*

*Amendment*

all emissions from flights to and from countries outside the European Economic Area *in 2013*;

all emissions from flights to and from countries outside the European Economic Area *between the calendar years 2013 and 2016*;

Or. en

*Justification*

*The "Stop the clock" decision has been a correct one and vital in order to finding a global agreement, hence this directive applies until the end of year 2016, with the view of the ICAO assembly due to be held that year.*

**Amendment 8**

**Proposal for a directive**

**Article 1 – paragraph 1 – point 1**

Directive 2003/87/EC

Article 28a – paragraph 1 – subparagraph 1 – point b

*Text proposed by the Commission*

*Amendment*

*emissions from flights to and from countries outside the European Economic Area (EEA) in each calendar year between 2014 and 2020 where the operator of such flights has surrendered allowances in respect of the percentages of their verified emissions from those flights listed in accordance with Annex IIc, or calculated in accordance with paragraph 6;*

*deleted*



*Justification*

*Point b redundant due to limiting the scope of the directive to apply to intra-EEA flights only. The "Stop the clock" decision has been a correct one and vital in order to finding a global agreement, hence this directive applies until the end of year 2016, with the view of the ICAO assembly due to be held that year.*

**Amendment 9****Proposal for a directive****Article 1 – paragraph 1 – point 1**

Directive 2003/87/EC

Article 28a – paragraph 1 – subparagraph 1 – point c

*Text proposed by the Commission*

emissions from flights operated by a non-commercial aircraft operator in each calendar year **up to 2020** where the emissions for which that aircraft operator are responsible in **the** calendar year are less than 1000 tonnes;

*Amendment*

**(b)** emissions from flights operated by a non-commercial aircraft operator in each calendar year **between 2013 and 2016**, where the emissions for which that aircraft operator are responsible in **that** calendar year are less than 1000 tonnes;

*Justification*

*The "Stop the clock" decision has been a correct one and vital in order to finding a global agreement, hence this directive applies until the end of year 2016, with the view of the ICAO assembly due to be held that year.*

**Amendment 10****Proposal for a directive****Article 1 – paragraph 1 – point 1**

Directive 2003/87/EC

Article 28a – paragraph 1 – subparagraph 2

*Text proposed by the Commission*

**The verified emissions referred to in paragraph 1(b) calculated in accordance with Annex IIc shall be considered to be**

*Amendment***deleted**

***the verified emissions of the aircraft operator for the purposes of Articles 11a, 12 and 14.***

Or. en

*Justification*

*Redundant due to limiting the scope of the directive to apply to intra-EEA flights only where normal reporting of actual emissions applies.*

**Amendment 11**

**Proposal for a directive**

**Article 1 – paragraph 1 – point 1**

Directive 2003/87/EC

Article 28a – paragraph 2 – subparagraph 1

*Text proposed by the Commission*

By way of derogation from Article 3e(5) and Article 3f, an aircraft operator benefitting from the derogations provided for in paragraphs 1(a) to 1(c) shall be issued a number of free allowances reduced in proportion to reduction of the surrender obligation provided for in those paragraphs.

*Amendment*

By way of derogation from Article 3e(5) and Article 3f, an aircraft operator benefitting from the derogations provided for in paragraphs 1(a) to 1(b) shall be issued a number of free allowances reduced in proportion to reduction of the surrender obligation provided for in those paragraphs.

Or. en

**Amendment 12**

**Proposal for a directive**

**Article 1 – paragraph 1 – point 1**

Directive 2003/87/EC

Article 28a – paragraph 2 – subparagraph 2

*Text proposed by the Commission*

As regards activity in 2013 to **2020**, Member States shall publish the number of free aviation allowances allocated to each operator by [OP: insert a date **4** months

*Amendment*

As regards activity in *calendar years* 2013 to **2016**, Member States shall publish the number of free aviation allowances allocated to each operator by [OP: insert a date **x** months after the entry into force of

after the entry into force of this Directive]. this Directive].

Or. en

#### *Justification*

*The "Stop the clock" decision has been a correct one and vital in order to finding a global agreement, hence this directive applies until the end of year 2016, with the view of the ICAO assembly due to be held that year.*

#### **Amendment 13**

##### **Proposal for a directive**

##### **Article 1 – paragraph 1 – point 1**

Directive 2003/87/EC

Article 28a – paragraph 4

##### *Text proposed by the Commission*

By way of derogation from Article 3d(3), the number of allowances to be auctioned by each Member State in respect of the period from 2013 to **2020** shall be reduced to correspond with its share of attributed aviation emissions resulting from the application of Article 28(a) to (c).

##### *Amendment*

By way of derogation from Article 3d(3), the number of allowances to be auctioned by each Member State in respect of the period from **calendar years** 2013 to **2016** shall be reduced to correspond with its share of attributed aviation emissions resulting from the application of Article 28(a) to (c).

Or. en

#### *Justification*

*The "Stop the clock" decision has been a correct one and vital in order to finding a global agreement, hence this directive applies until the end of year 2016, with the view of the ICAO assembly due to be held that year.*

#### **Amendment 14**

##### **Proposal for a directive**

##### **Article 1 – paragraph 1 – point 1**

Directive 2003/87/EC

Article 28a – paragraph 5

*Text proposed by the Commission*

By way of derogation from Articles 3g, 12, 15 and 18a, where an aircraft operator has total annual emissions lower than 25000 tonnes, its emissions shall be considered to be verified emissions if determined using **a small emitters tool approved by the Commission and populated by Eurocontrol with data from its ETS support facility**, and Member States may implement simplified procedures for non-commercial aircraft operators as long as there is no less accuracy than such a tool provides.

*Amendment*

By way of derogation from Articles 3g, 12, 15 and 18a, where an aircraft operator has total annual emissions lower than 25000 tonnes, its emissions shall be considered to be verified emissions if determined using data from **Eurocontrol's** ETS support facility, and Member States may implement simplified procedures for non-commercial aircraft operators as long as there is no less accuracy than such a tool provides.

Or. en

*Justification*

*The role of the small emitters tool is not self-evident in this context as the emissions report can be received from ETS Support Facility if the carrier has a licence to use that programme.*

**Amendment 15**

**Proposal for a directive**

**Article 1 – paragraph 1 – point 1**

Directive 2003/87/EC

Article 28a – paragraph 6

*Text proposed by the Commission*

***By way of derogation from Article 12(2a) and Article 14(3), for flights to and from countries outside the EEA, an aircraft operator may choose not to report emission data using the percentages in Annex IIc, in order that such emissions shall be calculated by the competent authority. This calculation shall take into account figures from the small emitters tool approved by the Commission and populated by Eurocontrol with data from its ETS support facility. The competent authority shall report all such***

*Amendment*

***deleted***

*calculations to the Commission.  
Calculations of emissions made in these  
circumstances shall be considered to be  
the verified emissions of the aircraft  
operator for the purposes of Articles 11a,  
12, 14 and 28a.*

Or. en

*Justification*

*Paragraph redundant due to limiting the scope of the directive to apply to intra-EEA flights only where the normal reporting obligation applies.*

**Amendment 16**

**Proposal for a directive  
Article 1 – paragraph 1 – point 2**

*Text proposed by the Commission*

*Amendment*

***(2) The Annexes are amended as set out  
in the Annex to this Directive.***                      ***deleted***

Or. en

*Justification*

*Not needed due to limiting the scope of the directive to apply to intra-EEA flights only*