European Commission

# INCEPTION IMPACT ASSESSMENT

Inception Impact Assessments aim to inform citizens and stakeholders about the Commission's plans in order to allow them to provide feedback on the intended initiative and to participate effectively in future consultation activities. Citizens and stakeholders are in particular invited to provide views on the Commission's understanding of the problem and possible solutions and to make available any relevant information that they may have, including on possible impacts of the different options.

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| **TITLE OF THE INITIATIVE** | **Revision of the EU Emission Trading System Directive 2003/87/EC concerning aviation** |
| **LEAD DG (RESPONSIBLE UNIT)** | **Directorate-General for Climate Action – B.3** |
| **LIKELY TYPE OF INITIATIVE** | **Report and legislative proposal considering specific aviation issues identified in Articles 3d and 28b of Directive 2003/87/EC** |
| **INDICATIVE PLANNING** | **Adoption by June 2021** |
| **ADDITIONAL INFORMATION** | https://ec.europa.eu/clima/policies/transport/aviation_en |

**The Inception Impact Assessment is provided for information purposes only. It does not prejudge the final decision of the Commission on whether this initiative will be pursued or on its final content. All elements of the initiative described by the Inception impact assessment, including its timing, are subject to change.**

## A. Context, Problem definition and Subsidiarity Check

### Context

The aviation sector has been included in the EU's Emissions Trading System (EU ETS)[1] since 2012. Initially, the EU ETS covered emissions from flights landing in and departing from the European Economic Area (EEA), including to and from third countries. In order to provide momentum within the International Civil Aviation Organisation (ICAO) and to facilitate progress towards a global approach to tackle aviation emissions, the EU adopted temporary derogations to limit the geographical scope to only cover intra-EEA flights, thereby excluding extra-EEA flights, pending international developments. Since the inclusion of the aviation sector in the EU ETS Directive, Article 3d provides that 15% of allowances for aviation shall be auctioned. Following the temporary derogations, the amount of allowances for aviation to be auctioned and issued for free, including from the special reserve, has been reduced in proportion to the reduced scope.

Following the adoption and entry into force of the Paris Agreement, the 2016 ICAO Assembly adopted a Resolution for a global measure on international aviation emissions, known as the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), which aims to address international aviation's $CO_2$ emissions beyond 2020 levels by offsetting through international credits.

The EU and its Member States are strong supporters of international action to address climate change, including in the field of international aviation at ICAO, complementary to domestic or regional action. They have since 2016 strongly supported the development and implementation of CORSIA, as the international measure for international aviation to contribute to tackling climate change. The EU has adapted its legislation to give space to this international process and has itself actively contributed, on substance and through financial support, to the implementing work needed for CORSIA to become operational and be implemented.[2] The EU was amongst the first jurisdictions to adopt legally-binding provisions for the purposes of implementing the monitoring, reporting and verification for ICAO's scheme, an important readiness measure for the implementation of CORSIA.

Pending the development of the rules and modalities needed for the implementation of CORSIA, the EU ETS Directive was last revised in 2017 to extend the current geographical scope derogation until the end of 2023. This was intended to provide continued momentum to the international process in the light of the commitment

[1] Directive 2008/101/EC of the European Parliament and of the Council of 19 November 2008 amending Directive 2003/87/EC so as to include aviation activities in the scheme for greenhouse gas emission allowance trading within the Community, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32008L0101

[2] This includes financial support of over €20 million for EU capacity building CORSIA projects in developing countries, the involvement of EASA and EUROCONTROL staff in ICAO work; as well as government and industry experts.

made by the EU and its Member States to take part in CORSIA from its "pilot phase" (as of 1 January 2021), subject to certain conditions.[3] The 2017 revision notably requests the Commission to address the specific issues identified in Articles 3d, and 28b of the EU ETS Directive in a report. According to the revised Directive, the Commission is to present a report to the European Parliament and to the Council in which it shall assess CORSIA in relation to a set of features and consider (a) increasing the percentage of auctioning from the current levels and (b) ways to implement CORSIA in Union law through a revision of the EU ETS Directive and, where appropriate, accompany this report with a legislative proposal that is consistent with the Union economy-wide greenhouse gas emission reduction commitment for 2030 with the aim of preserving the environmental integrity and effectiveness of Union climate action. This work will be considered in the context of the European Green Deal and the objective of enhanced climate ambition for 2030.

**Problem the initiative aims to tackle**

Aviation today accounts for 2-3% of global $CO_2$ emissions. In addition, aviation causes non-$CO_2$ climate impacts.[4] The $CO_2$ emitted in 2017 from all flights departing from the EU28+EFTA is estimated around 184 million tons of $CO_2$[5]. At EU-level, aviation made up 3.6% of total $CO_2$ emissions, or 13.4% of $CO_2$ transport emissions in 2017. These shares are set to grow further given the sector's consistent and enduring over-average growth relative to other economic sectors, including in the EU. While at the global level, $CO_2$ emissions are increasing by around 3% per year, aviation's emissions covered by the EU ETS have increased on average by 5% year-on-year between 2013 and 2018. By 2040, international aviation emissions could rise by up to 150% compared to 2020.[6] These growth forecasts take into account the incremental technology improvements that may reduce fuel consumption and emissions by 1% to 1.5% annually. The continued rise of aviation emissions represents an increasing challenge in terms of reaching the EU's economy-wide greenhouse gas emission reduction target and commitments under the Paris Agreement.[7] This will also require increased efforts from the aviation sector to contribute to achieving the objectives of the Agreement, namely to limit the global temperature increase to well below 2°C compared to pre-industrial levels and efforts to pursue 1.5°C. At EU level, this was last substantiated in the 2019 European Aviation Environment Report.[8]

All sectors of the economy should contribute to the EU's economy-wide emission reduction commitments, including aviation, including to contribute to a climate neutral EU. As regards aviation's contribution to the EU's climate commitments, it is important to assess the environmental, economic (including competitiveness), and social impacts (including regional connectivity and affordability of mobility services) of different policy options, as well as interaction with any relevant EU legislation such as the Renewable Energy Directive or the Energy Taxation Directive. Given the greater amounts of third country aviation $CO_2$ emissions compared to EU emissions (roughly four times higher, and expected to increase faster in the future), international implications should also be considered (i.e. relations with ICAO and international partners), and their respective impacts/performance in terms of emission reduction efforts. The assessment also needs to be consistent with the EU commitment under the Paris Agreement and further efforts to increase ambition for 2030. In this context, it is important to bear in mind that the ambition level of CORSIA may evolve over time (if not terminated in 2035) and that CORSIA and the EU ETS (international offsets versus intra-EU/EFTA emission reductions) are of a different nature.

As regards the auctioning share, currently, under the EU ETS, around 5 million aviation allowances are auctioned and 30.5 million aviation allowances are allocated for free to airlines. Carbon pricing has an important role to play in meeting the EU's climate targets. The lower the free allocation - or, inversely, the higher the auctioning share - the more operators account for negative environmental impacts and focus on reducing greenhouse gas emissions. In this context, it will be important to look at the ability of the aviation sector to pass on the cost of required emissions units and to consider alignment with other sectors and the competitiveness between different modes of transport.

**Basis for EU intervention (legal basis and subsidiarity check)**

Legal basis for any EU intervention would be Article 192 of the Treaty on the Functioning of the European Union (TFEU). In respect of the objectives to be pursued, it refers to Article 191 TFEU. Thus it can be relied upon for the purposes of preserving, protecting and improving the quality of the environment, protecting human health, prudent

[3] Through the 2016 Bratislava declaration of Directors General of Civil Aviation, see https://www.icao.int/environmental-protection/documents/2016-bratislava_declaration.pdf, https://www.icao.int/Meetings/a40/Documents/WP/wp_102_en.pdf (see Section 1.4)

[4] As mandated by Art. 30(4) of the EU ETS Directive, work is ongoing to further understand these impacts to enable a determination of next steps to be taken, as appropriate.

[5] EEA greenhouse gas - data viewer: https://www.eea.europa.eu/data-and-maps/data/data-viewers/greenhouse-gases-viewer

[6] ICAO, 2019. See https://www.icao.int/environmental-protection/Pages/ClimateChange_Trends.aspx

[7] UNFCCC Paris Agreement (FCCC/CP/2015/10/Add.1), https://unfccc.int/resource/docs/2015/cop21/eng/l09r01.pdf

[8] See: https://www.easa.europa.eu/eaer/

and rational utilisation of natural resources and promoting measures at international level to deal with regional or worldwide environmental problems, and in particular combating climate change.

Any amendment to the ETS Directive can only be brought about by the EU. More generally, acting at EU level is more efficient than acting at the Member State level, in terms of scale – the larger an emission trading system is, the more cost-efficient the emission reductions are – and also because almost 90% of GHG emissions from aviation in the EU result from transnational aviation. Furthermore, acting at EU level prevents distortion of competition in the internal market by ensuring that the environmental requirements are harmonised across the EU. In order to avoid distortions of competition in comparable circumstances, it is important that all flights on the same route be treated in the same way. This harmonized approach through an EU emission reduction tool (cap and trade system) allowed for aviation's contribution to the EU 2020 climate objective and is set to ensure consistency with the 2030 target.

Considering that the 2017 revision requests the Commission to present a report on the cost pass-through of the aviation sector with the intention of making a proposal to increase the percentage of auctioning and that these rules are fixed in an EU Directive, EU action is needed to address this mandate.

Against the backdrop of ICAO's 2016 Assembly Resolution on CORSIA, the EU ETS Directive as revised in 2017, mandates the Commission to present a report to the European Parliament and to the Council in which it shall consider ways for CORSIA to be implemented in Union law through a revision of the EU ETS Directive. To ensure a joint effort of EU Member States towards meeting the EU's climate objectives and to avoid any market distortion, it is essential for the EU to continue to act to ensure a harmonised approach to implementation of CORSIA across all Member States. An EU legal act is required for MSs to apply CORSIA for those flights covered by the geographical scope of application of Directive 2003/87/EC as set out in its Annex I, i.e. flights departing from airports in the EU/EFTA and arriving to other airports in EU/EFTA or to third countries and, incoming flights to airports in the EU/EFTA from third countries.

## B. Objectives and Policy options

The overall objective of this initiative is to secure the aviation sector's adequate contribution to the Union's climate objectives, while taking account of any potential impacts, including on mobility in Europe.

It is recalled from the outset that under the EU ETS Directive (Article 28a) the current situation is that only requirements for flights within the EU/EFTA apply. However, in case no amendment to the EU ETS Directive is adopted by the European Parliament and Council by December 2023, thereafter the EU ETS for aviation would automatically revert back to its initial scope, namely covering all flights departing from airports in the EU Member States and all EFTA States (hereafter "EU/EFTA") and arriving to other airports in EU/EFTA or to third countries and, if not exempted through delegated legislation, incoming flights to airports in the EU/EFTA from third countries. As regards whether and how to implement CORSIA by the EU and its Member States, at least the following policy options are to be assessed:

1) **EU ETS full legal scope**: In case no amendment is adopted by the European Parliament and Council by December 2023, the EU ETS for aviation would cover flights departing from airports in the EU/EFTA and arriving to other airports in EU/EFTA or to third countries and, if not exempted through delegated legislation, incoming flights to airports in the EU/EFTA from third countries (exercising empowerment in Article 25a of the EU ETS Directive).
2) **Intra-EU/EFTA ETS only:** Maintaining the status quo, the EU ETS would be applied exclusively and confined to the scope of the system as currently applied: allowance surrendering obligations for aircraft operators would be based solely on emissions from flights between aerodromes located in the EU/EFTA, with the exception of flights between EU outermost regions and other regions of the EU/EFTA (including other outermost regions), while including flights within any given outermost region.[9] NB: in this option, CORSIA is neither applied to ETS-exempted routes.
3) **CORSIA only**: Only CORSIA would be applied to international flights, non-domestic intra-EU/EFTA flights, flights to and from the EU/EFTA States (including their outermost regions) and third countries.
4) **ETS-CORSIA "clean cut"**: The EU ETS would continue to apply to the current intra-EU/EFTA scope, as in option 2 above, and CORSIA would be introduced for extra-EU/EFTA flights, i.e. flights to and from EU/EFTA States (including their outermost regions) and third countries. In other words, the EU ETS would be applied as at present and CORSIA would be applied to all other flights (to the extent that CORSIA is applicable to them).

[9] Without prejudice to the exemption in Annex I of Directive 2003/87/EC: "(i) flights performed in the framework of public service obligations imposed in accordance with Regulation (EEC) No 2408/92 on routes within outermost regions, as specified in Article 299(2) of the Treaty, or on routes where the capacity offered does not exceed 30 000 seats per year"

5) **ETS-CORSIA "mix"**: Regarding non-domestic intra-EU/EFTA flights, the EU ETS would apply up to each operator's 2020 emissions. Above the 2020 emissions, CORSIA would apply. Regarding flights between EU/EFTA States (including their outermost regions) and third countries, CORSIA would apply on emissions above 2020 levels. This option would cover domestic flights.
6) **ETS-CORSIA "mix" according to licence of aircraft operators**: The EU ETS would apply to non-domestic, intra-EU/EFTA flights, operated by operators with licences issued by Member States. For operators with licences issued by third countries, only CORSIA would apply on those non-domestic intra-EU/EFTA flights and flights between EU/EFTA States (including their outermost regions) and third countries. This option would not cover domestic flights.

As regards auctioning and allocation, the EU ETS Directive requires the Commission to study the ability of the aviation sector to pass on the cost of $CO_2$ to its customers in both the EU ETS and ICAO's market-based measure, comparing this to industries and to the power sector, and with the intention to propose to increase the percentage of auctioning pursuant to the review referred to in Article 28b(2). In 2006, the Commission Impact Assessment concluded that a proportion of allowances would not imply unreasonable costs, as airlines would be expected to be able to pass on, to a large extent or even in full, the cost of participating and whether allowances are received free of charge or against payment would not be expected to make any difference to this cost pass-through decision. Auctioning would also make the allocation more efficient, and auctioning revenues could be used to mitigate GHG emissions[10]. By 2008, the Commission had reviewed the appropriate percentage of allowances to be auctioned beyond 2012, and concluded that free allocation to aviation should decrease each year so as to result in full auctioning in 2020[11]. The Commission's 2013 Impact Assessment[12] did not reach conclusions on cost pass-through behaviour, while a fourth Impact Assessment[13] concluded that "*all costs that incurred by aircraft operators … are likely to be passed through to the end-consumers*" while noting empirical evidence on the minor economic impact the EU ETS for aviation had had on ticket prices for consumers.

Against this background, the Political Guidelines for the European Commission 2019-2023[14] state that there will be a proposal to reduce the free allowances allocated to airlines, and this is re-stated in the recent Communication on a European Green Deal[15]: "*the Commission will propose … to reduce the EU Emissions Trading System allowances allocated for free to airlines*". Therefore, in parallel to looking into the issues of cost pass through and assessing increased auctioning in the Impact Assessment, there will be examination of the following alternative policy options to modulate the share of free allocation are to be addressed, relative to the current situation (a *de jure* 85% free allocation):

0) **Status quo**: The current legally situation is perpetuated until 2030, i.e. the 15% auctioning share.
1) **Immediate phase-out**: 100% auctioning from the entry into force of the revision.
2) **Swift phase-out**: Full auctioning by 2025, starting with an auctioning share of 60% in 2023, and a share of 80% in 2024.
3) **Slow phase-out:** A linear increase year-by-year to full auctioning by 2030 starting from 20% in 2023.
4) **Slow reduction**: A linear increase year-by-year starting with an auctioning share of 20% in 2023 and ending at 55% in 2030.

Each of the options also embodies different levels of revenues from auctioning. Stakeholder input would also be sought on potential use of these revenues to contribute to emissions' reductions.

The climate, social and economic impacts, as well as non-climate aspects of environmental integrity of the different options, related to CORSIA and the level of auctioning will be assessed as per the specific sections below, including impacts on simplification and regulatory burden. It will be assessed whether the options achieve the objectives - consistency with the EU climate objective and the principle of non-backsliding under the Paris Agreement - and do so in a proportionate and fair way, whether they are aligned with the policy of objectives and approaches set out in existing EU legislation that is relevant for promoting decarbonisation of aviation (such as the Renewable Energy Directive), and whether they are coherent with the European Green Deal. Ensuring equal treatment and avoiding distortion of competition on routes shall be integral to each option.

[10] SEC(2006)1685
[11] COM(2008)16
[12] SWD (2013)430
[13] SWD (2017) 31
[14] https://ec.europa.eu/commission/sites/beta-political/files/political-guidelines-next-commission_en.pdf
[15] COM(2019)64

## C. Preliminary Assessment of Expected Impacts

### Likely economic impacts

The failure to put a price on carbon/climate externalities is equivalent to subsidising polluting activities. Europe is among the most advanced regions in the world in addressing this climate externality through a market-based measure (EU ETS), which, presently, covers aviation within the EEA. However, despite this measure and compared notably to other transport modes, aviation's climate externalities are continuing to grow and are insufficiently addressed.

The possible economic impacts were already examined in the context of the last revision of the EU ETS for aviation and will be built upon regarding the various options to be analysed now. These impacts will be assessed for the aviation sector (for European and non-European operators alike) and closely related sectors, also considering the necessary level playing field with other modes of transport. This is intended to address uncertainties and to assess how economic impacts may be affected by changes in parameters (uncertainty and sensitivity analyses) and which impacts are likely to change over time and how. Specifically, the assessment will include impacts on:

- Airlines' internal and external competitiveness, including in relation to hubs, operating costs, prices and demand, as well auctioning costs with or without feedback into the aviation sector (e.g. subsidies for R&D), auctioning revenues, and costs passed through to consumers
- Positive and negative externalities from other related industries, e.g. tourism sector competitiveness, sustainability and/or impacts incurred from oversaturation
- Environmental externalities (climate and non-climate)
- Competition among airlines, in particular in relation to direct city pair routes, and one-stop services
- Economic development of EU regions, in relation to connectivity implications
- Outermost regions, especially in relation to connectivity implications
- Significant initiatives and investments in technological development and operational optimization that go beyond evolutionary/marginal advancements
- Climate financing in different economic sectors in the EU.

As reported in past impact assessments conducted by the Commission regarding the EU ETS for aviation (SEC(2006)1684, SWD(2013)430 and SWD(2017)31), the economic impact of the EU ETS has so far been assessed as minor compared to other cost components incurred by the sector (this has also been confirmed in the 2015 EU Aviation Strategy adopted by the Commission[16]). In 2018, 53% of verified emissions were covered by allowances acquired from auctions or from other sectors, while free allowances were provided to operators for 45.5% of their emissions (the remaining 1.5% were covered through international offset credits). Assuming a full - or at least a substantial - pass-through of the costs for airlines stemming from these shares to passengers, this has so far led to estimated minimal increases in airfares, based on internal calculations. However, in the context of developments on the EU carbon market and the expected sustained strong increase in aviation activities, there may be economic impacts on operators and passengers. Given that, at present, the aviation sector acquires allowances from other sectors, mainly the power sector, impacts across sectors under the EU ETS could also be expected. Concerning CORSIA, the possible price impact will primarily depend on the choice of eligible offsets to be used for CORSIA's compliance. In addition, impacts on technological developments, innovation and research will also be assessed. Finally, for the tourism sector – which is dominated by SMEs – and other closely aviation-related sectors, and for connectivity in general, potential impacts will be assessed for the EU economy as a whole and for individual Member States.

### Likely social impacts

It is foreseen that the impact assessment for this initiative identifies direct and indirect social impacts and how they occur for all policy options, in line with the Commission's better regulation guidelines on impact assessments. This is to address uncertainties and how social impacts may be affected by changes in parameters (uncertainty and sensitivity analysis) and which impacts are likely to change over time and how. The following potential impacts will be assessed as a minimum:

- Impact on lower income groups, in terms of their access to mobility services, due to potential changes in air ticket prices
- Impact on employment in the aviation sector, tourism and other closely aviation-related sectors
- Social impacts on the outermost regions resulting from possible additional costs and connectivity implications for those regions.

[16] See: https://ec.europa.eu/transport/modes/air/aviation-strategy_en

**Likely environmental impacts**

To support the assessment of the environmental impacts, the report from the Commission to the co-legislators will among others examine the ambition and overall environmental integrity of CORSIA, including its general ambition in relation to targets under the Paris Agreement, level of participation, enforceability, transparency, penalties for non-compliance, processes for public input, quality of offset credits, monitoring, reporting and verification of emissions, registries, accountability as well as rules on the use of biofuels (i.e. features mandated under the EU ETS Directive as last revised).

As a matter of the very objective of this initiative, environmental impacts in form of a reduction of greenhouse gas emissions should be analysed, in particular:

- A direct impact on overall aviation emissions (domestic in the EU and globally, international credits for CORSIA), including also a comparison between the EU ETS and CORSIA
- An indirect impact through the purchase and surrendering of EU allowances from other EU ETS sectors and offsets (as emissions are capped for aviation, the purchasing of allowances by airlines from other sectors leads to reductions in these sectors)
- Non-climate environmental impacts linked to the quality of the offsets, such as indirect land use impacts from the use of certain biofuels, impacts on biodiversity and co-benefits in terms of local noise and air pollution through a potential decrease in aviation fuel consumption. Stemming from these co-benefits and climate change mitigation, health benefits are expected.

To the extent feasible, alongside looking at the level of participation and domestic legislation by third countries, the impacts of the chosen option and positions of other countries on the commitments of third countries to implement CORSIA and vice versa will also be examined, given the need for all countries to act to reduce emissions. It will also be relevant to examine the impacts of the chosen option on countries with their own ETS that includes aviation.

A different study carried out for the European Commission -to fulfil the legal requirement under Article 30(d) of the EU ETS Directive- is examining the non-$CO_2$ climate impacts of aviation. Such impacts could be considered drawing from that study, to the extent it is available and relevant.

**Likely impacts on fundamental rights**

No impacts on fundamental rights are foreseen.

**Likely impacts on simplification and/or administrative burden**

The EU ETS legislation regarding aviation has consistently favoured approaches to minimize the regulatory burden for both economic operators and administrations. In particular, a number of simplifications were introduced for small emitters, such as simplified monitoring, reporting and verification requirements and the introduction of a *de minimis* threshold to remove any obligations for small, non-commercial aircraft operators operating flights with total annual emissions lower than 1000 tonnes per year.

The implementation of CORSIA by the EU would require additional one-off costs. These costs should be minimal for operators and national administrators in the EU ETS as it can be expected that the existing EU ETS infrastructure and processes could equally be used for CORSIA, thereby allowing for a smooth implementation and the minimisation of administrative burden. In terms of ongoing administration, similar key administrative tasks would have to be carried out under CORSIA as under the EU ETS.

The objective of minimising the administrative burden and ensuring a harmonious inter-action between the EU ETS and CORSIA will be closely considered.

## D. Evidence Base, Data collection and Better Regulation Instruments

**Impact assessment**

An impact assessment is being prepared to support the preparation of this initiative and to inform the Commission's decision. This work has started in 2019 and the assessment is planned to be completed by the end of 2020.

DG Climate Action is the lead DG, working closely with DG Mobility and Transport (lead DG in ICAO), notably through the dedicated inter-service group where other relevant DGs also participate, namely the Secretariat General, Legal Service, DG COMP, DG ECFIN, DG ENER, DG ENV, DG GROW, DG REGIO, DG RTD, DG TAXUD, DG TRADE.

**Evidence base and data collection**

For the purpose of this initiative, a specific study will be conducted to accompany the impact assessment. It will provide a review, update as necessary, and complement the data and information already available that can be used for assessments and analyses underpinning this initiative. A study on possible legal arrangements to implement a global market-based measure for international aviation emissions has, for instance, already been undertaken[17]. Also relevant in this context are the past impact assessments carried out prior to the adoption of the Aviation ETS Directive in 2008[18] and prior to its amendment by Regulation (EU) 421/2014 in 2014[19] and Regulation (EU) 2017/2392 in 2017[20]. Also available are the 2010 activity data and annually reported emissions since 2012 that aircraft operators subject to the EU ETS have reported.[21] Data is accessible at a disaggregated level for flights departing from or arriving in EEA airports, split between flights from and to EEA airports, and flights between an EEA airport and non-EEA airports. With time horizons of 2030, 2035 and 2050, data will be relevant on projections of $CO_2$ emissions from aviation activities, as well as investments, operational, fuel and carbon costs.[22] Finally, Eurostat publishes potentially relevant economic and employment data.

**Consultation of citizens and stakeholders**

Next to taking account of the results of relevant previous studies and consultations of stakeholders, as well as inputs received from stakeholders in the context of different meetings, the Commission will consult citizens and stakeholders for the purposes of preparing a report, to be accompanied, if appropriate, by a proposal. Notably:

- A public consultation will be launched in 2020 based on a questionnaire, which will run for a minimum period of 12 weeks and will be made accessible via the Commission's central public consultations page (https://ec.europa.eu/info/consultations_en).
- A stakeholder meeting will be organised to present the main options under consideration.

Through the consultations, input is sought on market-based measures to reduce the climate impact from aviation, notably on: (a) the ability of the aviation sector to pass on costs of $CO_2$ to its customers, both in relation to the EU ETS and to the CORSIA scheme developed by ICAO and (b) questions relating to the environmental integrity of CORSIA and different options for implementing CORSIA in Union legislation.

The main expected stakeholder groups to be consulted are:

- Member States / public authorities, regional governments
- Citizens (individuals)
- Non-governmental / civil society organisations
- Business associations, businesses (e.g. airlines, aircraft manufacturers and technology suppliers, airports, tourism associations)
- Consultancies, think tanks, research / academic institutions.

**Will an Implementation plan be established?**

Yes. An implementation plan will be prepared if the report is accompanied by a legislative proposal.

[17] https://ec.europa.eu/clima/sites/clima/files/transport/aviation/docs/gmbm_legal_study_en.pdf
[18] SEC(2006)1684
[19] SWD(2013)430
[20] https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52017SC0031&from=EN
[21] The EU ETS Union Registry holds relevant data. EUROCONTROL has Europe-wide data on flights and corresponding emissions, including projections.
[22] See, e.g. 2019 European Aviation Environmental Report: https://www.easa.europa.eu/eaer