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*****I**
REPORT

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))

Committee on the Environment, Public Health and Food Safety

Rapporteur: Peter Liese

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

Amendments by Parliament set out in two columns

Deletions are indicated in ***bold italics*** in the left-hand column. Replacements are indicated in ***bold italics*** in both columns. New text is indicated in ***bold italics*** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

Amendments by Parliament in the form of a consolidated text

New text is highlighted in ***bold italics***. Deletions are indicated using either the ▬ symbol or strikeout. Replacements are indicated by highlighting the new text in ***bold italics*** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**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))**

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2013)0722),
 - having regard to Article 294(2) and Article 192(1) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C7-0374/2013),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to the opinion of the European Economic and Social Committee of 22 January 2014¹,
 - after consulting the Committee of the Regions,
 - having regard to Rules 55 of its Rules of Procedure,
 - having regard to the report of the Committee on the Environment, Public Health and Food Safety and the opinions of the Committee on Industry, Research and Energy and of the Committee on Transport and Tourism (A7-0079/2014),
1. Adopts its position at first reading hereinafter set out;
 2. Calls on the Commission to refer the matter to Parliament again if it intends to amend its proposal substantially or replace it with another text;
 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

¹ Not yet published in the Official Journal

Amendment 1

Proposal for a directive Recital 1 a (new)

Text proposed by the Commission

Amendment

(1a) The aviation sector has a strong international character. Climate protection initiatives should be taken quickly as global problems of the kind posed by aviation emissions can be most effectively addressed by means of an international approach that includes an obligation to comply with the same measures or to achieve the same objectives using different measures. A global agreement at the ICAO offers the best prospects of ensuring sustainability in the long term.

Amendment 2

Proposal for a directive Recital 1b (new)

Text proposed by the Commission

Amendment

(1b) The adoption of Decision 377/2013/EU of the European Parliament and of the Council¹ enabled progress to be made within the ICAO towards concluding a global agreement at its next meeting. In order to pave the way for such an agreement and to avoid retaliatory trade measures, it is desirable to temporarily extend these "stop the clock" provisions.

¹ Decision 377/2013/EU of the European Parliament and of the Council of 24 April 2013 derogating temporarily from Directive 2003/87/EC establishing a scheme for greenhouse gas emission allowance trading within the Community

Amendment 3

Proposal for a directive

Recital 2

Text proposed by the Commission

(2) Consequently it is desirable to temporarily consider the requirements set out in Directive 2003/87/EC of the European Parliament and of the Council⁴ 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.

⁴ 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)

Amendment

(2) Consequently, ***in order to sustain the momentum reached at the 2013 ICAO Assembly and facilitate progress at the upcoming 2016 ICAO Assembly***, it is desirable to temporarily consider the requirements set out in Directive 2003/87/EC of the European Parliament and of the Council⁴ as satisfied ***for the period until 2016***, 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.

⁴ 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

The current derogation should only apply until 2016 and the next ICAO Assembly. Following the ICAO conclusions in 2016 and results achieved, the Union could consider if and what further steps need to be made to reflect the outcome of the international negotiations. With the current derogation expiring end of 2016, the legislators will have sufficient time to conclude any further codecision procedure that might be necessary since the surrender date for 2017 emissions falls in April 2018.

Amendment 4

Proposal for a directive Recital 2a (new)

Text proposed by the Commission

Amendment

(2a) In order to build confidence at international level with regard to the Union emissions trading scheme (ETS), revenues generated from the auctioning of allowances or any equivalent amount, where required by overriding budgetary principles of the Member States, such as unity and universality, should be used to reduce greenhouse gas emissions, to adapt to the impacts of climate change in the Union and third countries, to fund research and development for mitigation and adaptation and to cover the cost of administering the Union ETS. Revenues generated from auctioning should also be used on low-emission transport. The proceeds of auctioning should in particular be used to fund contributions to the Global Energy Efficiency and Renewable Energy Fund and the Green Climate Fund under UNFCCC, and measures to avoid deforestation and facilitate adaptation in developing countries. As part of an agreement on an effective, route-based global market-based measure ('MBM') with significant potential to reduce the climate impact of aviation, the Union should also commit to assigning revenues created by such a measure to the Green Climate Fund under the UNFCCC to reflect the principle of common but differentiated responsibilities and respective capabilities, and to international efforts to fund research and development to reduce greenhouse gas emissions of aviation.

Amendment 5

Proposal for a directive Recital 3

Text proposed by the Commission

(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**.

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 **three** years until a **ratifiable** global **MBM that applies to the majority of international aviation emissions is agreed at the 39th ICAO Assembly in 2016**, 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 **2016**.

Justification

The amendment underlies the fact that not any kind of MBM would be acceptable but one that is legally binding and one that covers the majority of emissions.

Amendment 6

Proposal for a directive Recital 4

Text proposed by the Commission

(4) The derogations provided for in this directive take into account the results of bilateral and multilateral contacts with

Amendment

(4) The derogations provided for in this directive take into account the results of bilateral and multilateral contacts with

third countries, *which* the Commission *will continue to pursue* on behalf of the Union.

third countries. *The additional time allowed by 'stopping the clock' for a further year should be used by both the Commission and the Member States, acting on behalf of the Union, to ensure international acceptance by third countries of the airspace approach to be applied by the Union in the coming years. Those efforts should be supported by offering third countries to get a common approach for the use of the revenues, for example for international climate policy or common research and development projects to address the greenhouse gas emissions of aviation. Member States should also use the revenues of national taxes and fees that passengers are charged to generate progress in the international negotiations and negotiations with third countries.*

Amendment 7

Proposal for a directive Recital 4 a (new)

Text proposed by the Commission

Amendment

(4a) The derogations provided for in this directive relate only to emissions from aviation activities up to 2016 and are made by the Union in order to facilitate an agreement on the adoption of a ratifiable global MBM at the 39th ICAO Assembly. Further legislative action should only be taken if such a measure is adopted in 2016. To this end, following the 2016 ICAO Assembly, the Commission should provide a full report to the European Parliament and to the Council and swiftly propose measures in line with the results, as appropriate. Where third countries accept alignment with the Union ETS or adopt equivalent measures, the derogations provided for in this directive should be adjusted

accordingly.

Amendment 8

Proposal for a directive Recital 4 b (new)

Text proposed by the Commission

Amendment

(4b) The Union should always include the issue of emissions trading for aviation when negotiating aviation agreements with third countries.

Amendment 9

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,

(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 ***to 2016*** to give time for operators to understand these approaches when planning their flight activities,

Justification

The current derogation should only apply until 2016 and the next ICAO Assembly. Following the ICAO conclusions in 2016 and results achieved, the Union could consider if and what further steps need to be made to reflect the outcome of the international negotiations. With the current derogation expiring end of 2016, the legislators will have sufficient time to conclude any further codecision procedure that might be necessary since the surrender date for 2017 emissions falls in April 2018.

Amendment 10

Proposal for a directive Recital 10

Text proposed by the Commission

(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.

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 **2016**. 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.

Justification

The current derogation should only apply until 2016 and the next ICAO Assembly. Following the ICAO conclusions in 2016 and results achieved, the Union could consider if and what further steps need to be made to reflect the outcome of the international negotiations. With the current derogation expiring end of 2016, the legislators will have sufficient time to conclude any further codecision procedure that might be necessary since the surrender date for 2017 emissions falls in April 2018.

Amendment 11

Proposal for a directive Recital 10 a (new)

Text proposed by the Commission

Amendment

(10a) Flights between the outermost regions listed in Article 349 of the Treaty on the Functioning of the European Union (TFEU) and the EEA mainland

should also follow the regional market based approach. The percentages should be calculated by Eurocontrol on the basis of the proportion of the Great Circle Distance between the main airports in the EEA mainland and in the outermost region that is not more than 12 miles beyond the furthest point of EEA mainland until a global market-based measure enters into force.

Amendment 12

Proposal for a directive Recital 12

Text proposed by the Commission

Amendment

(12) After the 2016 ICAO Assembly the Commission should submit a report to the European Parliament and to the Council in order to ensure that international developments can be taken into account and any issues about the application of the derogation be addressed.

deleted

Amendment 13

Proposal for a directive Article 1 – point -1 (new) Directive 2003/87/EC Article 3d – paragraph 4

Text proposed by the Commission

Amendment

(-1) In Article 3d, paragraph 4 is replaced by the following:

"4. Member States shall use revenues generated from the auctioning of allowances for efforts to tackle climate change, in particular at international level, to reduce greenhouse gas emissions and to adapt to the impact of climate

change in developing countries as well as to fund research and development for mitigation and adaptation including, in particular, in the field of aeronautics and air transport. Revenues generated from auctioning shall also be used on low-emission-transport. The proceeds of auctioning shall also be used to fund contributions to the Global Energy Efficiency and Renewable Energy Fund and the Green Climate Fund under UNFCCC as well as measures to avoid deforestation.

Member States shall regularly inform the Commission of actions taken pursuant to the first subparagraph."

Amendment 14

Proposal for a directive

Article 1 – point 1

Directive 2003/87/EC

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

Text proposed by the Commission

(a) all emissions from flights to and from countries outside the European Economic Area in 2013;

Amendment

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

Amendment 15

Proposal for a directive

Article 1 – point 1

Directive 2003/87/EC

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

Text proposed by the Commission

(b) 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

Amendment

(b) emissions from flights to and from countries outside the EEA in each calendar year between 2014 and **2016** where the operator of such flights has surrendered allowances in respect of the percentages of

respect of the percentages of their verified emissions from those flights listed in accordance with Annex IIc, or calculated in accordance with paragraph 6;

their verified emissions from those flights listed in accordance with Annex IIc, or calculated in accordance with paragraph 6;

Amendment 16

Proposal for a directive

Article 1 – point 1

Directive 2003/87/EC

Article 28a – paragraph 1 – subparagraph 1 – point b a (new)

Text proposed by the Commission

Amendment

(ba) emissions from flights between the outermost regions listed in Article 349 of TFEU and the EEA mainland in each calendar year until a global market-based measure enters into force where, to reflect the proportion of the flights that take place within the European airspace, the operator of such flights has surrendered allowances in respect of the percentages which are to be calculated by Eurocontrol on the basis of the proportion of the Great Circle Distance between the main airports in the EEA mainland and in the outermost region that is not more than 12 miles beyond the furthest point of EEA mainland or calculated in accordance with paragraph 6;

Amendment 17

Proposal for a directive

Article 1 – point 1

Directive 2003/87/EC

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

Text proposed by the Commission

Amendment

(c) 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

(c) emissions from flights operated by a non-commercial aircraft operator in each calendar year up to **2016** where the emissions for which that aircraft operator

are responsible in the calendar year are less than 1000 tonnes;

are responsible in the calendar year are less than 1000 tonnes;

Amendment 18

Proposal for a directive

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

Amendment

The verified emissions referred to in **paragraphs** 1(b) **and (ba)** calculated in accordance with Annex IIc shall be considered to be the verified emissions of the aircraft operator for the purposes of Articles 11a, 12 and 14.

Amendment 19

Proposal for a directive

Article 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 after the entry into force of this Directive].

Amendment

As regards **activities from** 2013 to **2016**, Member States shall publish the number of free aviation allowances allocated to each operator by [**OJ**: insert a date 4 months after the entry into force of this Directive].

Amendment 20

Proposal for a directive

Article 1 – point 1

Directive 2003/87/EC

Article 28a – paragraph 4

Text proposed by the Commission

4. 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

4. 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 **2016** shall be reduced to correspond with its share of attributed aviation emissions resulting from the application of **points (a) to (c) of paragraph 1**.

Amendment 21

Proposal for a directive

Article 1 – point 1

Directive 2003/87/EC

Article 28a – paragraph 6

Text proposed by the Commission

6. 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 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.

Amendment

6. By way of derogation from Article 12(2a) and Article 14(3), for flights to and from countries outside the EEA **and flights to and from an aerodrome located in one of the outermost regions**, 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 calculations to the Commission. **The operator shall be informed of the result of the calculations made by the competent authority, and the 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.

Amendment 22

Proposal for a directive

Article 1 – point 1

Directive 2003/87/EC

Article 28a – paragraph 7

Text proposed by the Commission

7. Following the 2016 ICAO Assembly, the Commission shall report to the European Parliament and the Council on the **actions to implement the global market-based measure to apply to emissions from 2020, together with proposals as appropriate.**

In the event that a global measure will not apply from 2020, that report shall consider the appropriate scope for coverage of emissions from activity to and from countries outside the EEA from **2020** onwards in the continued absence of such a global measure. In its report, the Commission shall also consider solutions to other issues that may arise in the application of paragraphs 1 to 4, while preserving equal treatment for all operators on the same route."

Amendment 23

Proposal for a directive

Amendment

7. The Commission shall report annually to the European Parliament and the Council on the progress of the negotiations and preparations leading up to the 2016 ICAO Assembly as well as on the Commission's efforts to promote the international acceptance of the airspace approach among third countries.

Following the 2016 ICAO Assembly, the Commission shall **also specifically** report to the European Parliament and the Council on the **results achieved by the Assembly. In the event that a ratifiable global MBM is agreed, that report shall include proposals, as appropriate, in reaction to those developments. Any proposals shall be accompanied by detailed impact assessments.**

In the event that a global measure will not apply from 2020, that report shall consider the appropriate scope for coverage of emissions from activity to and from countries outside the EEA from **2016** onwards in the continued absence of such a global measure. In its report, the Commission shall also consider solutions to other issues that may arise in the application of paragraphs 1 to 4, while preserving equal treatment for all operators on the same route."

Annex

Directive 2003/87/EC

Annex II c – explanatory part – paragraph 6

Text proposed by the Commission

For the period 2014 to **2020**, and without prejudice to the global market-based measure applying from 2020, the percentage applicable to flights between EEA Member countries and countries which are developing countries and whose share of total revenue ton kilometres of international civil aviation activities is less than 1% shall be zero. Countries considered to be developing for the purposes of this proposal are 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.

Amendment

For the period 2014 to **2016**, and without prejudice to the global market-based measure applying from 2020, the percentage applicable to flights between EEA Member countries and countries which are developing countries and whose share of total revenue ton kilometres of international civil aviation activities is less than 1% shall be zero. Countries considered to be developing for the purposes of this proposal are 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.

Amendment 24

Proposal for a directive

Annex

Directive 2003/87/EC

Annex II c – explanatory part – paragraph 6 a (new)

Text proposed by the Commission

Amendment

The percentage of emissions referred to in Article 28a for flights operating to and from an outermost region shall also be calculated according to the table below which will be populated before adoption with the percentages resulting mutatis mutandis from the application of the same formula, based on the best available data, including assistance from Eurocontrol.

Amendment 25

Proposal for a directive

Annex

Directive 2003/87/EC

Annex II c – table – row 37

Text proposed by the Commission

CHINA including HONG KONG,
MACAO *and* TAIWAN

Amendment

CHINA including HONG KONG *and*
MACAO

Amendment 26

Proposal for a directive

Annex

Directive 2003/87/EC

Annex II c – table – row 147 a (new)

Text proposed by the Commission

Amendment

TW TAIWAN

Amendment 27

Proposal for a directive

Annex IIc – table – after last row – rows 172 a - 172 i (new)

Text proposed by the Commission

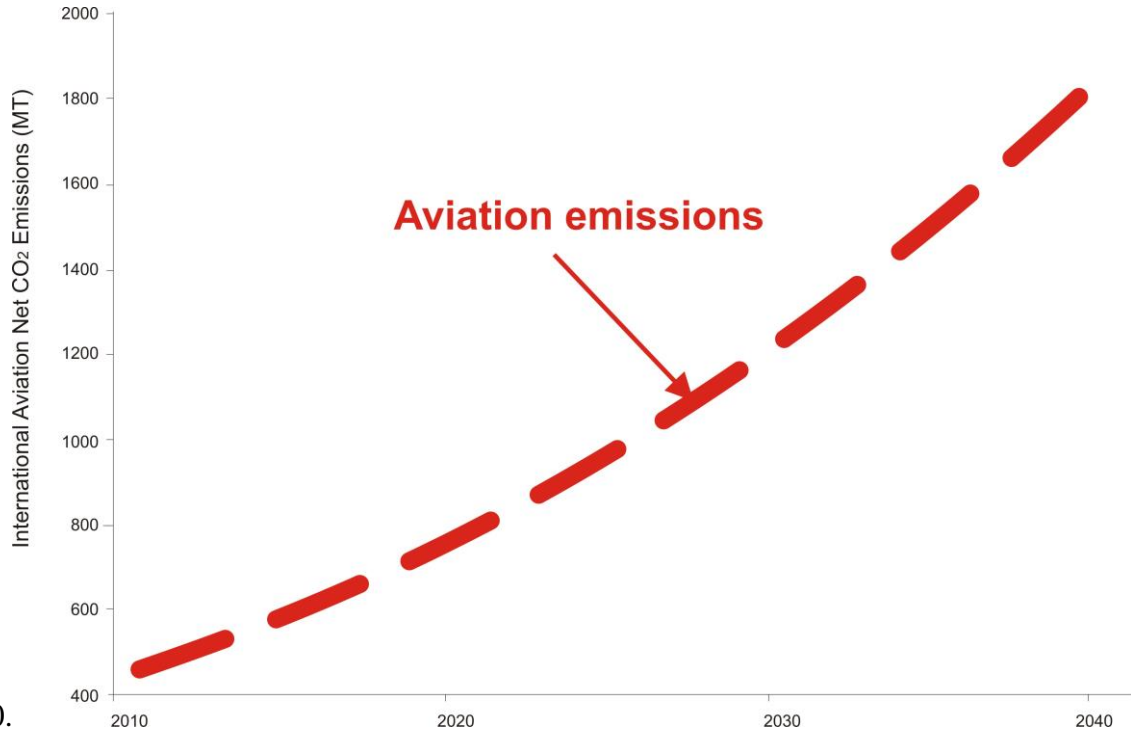
Amendment

Guadeloupe
French Guiana
Martinique
Réunion
Saint-Barthélemy
Saint-Martin
Azores
Madeira
Canary Islands

EXPLANATORY STATEMENT

Why is it necessary to limit the greenhouse gas emissions from aviation?

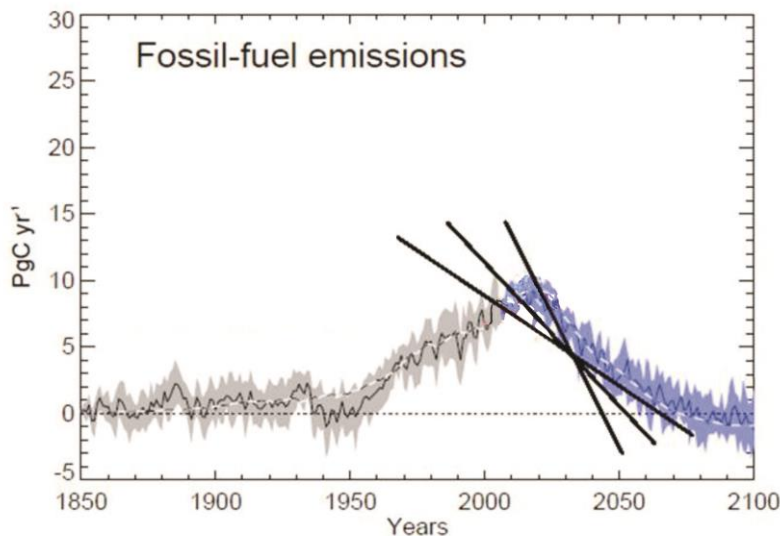
The greenhouse gas emissions from aviation grow quickly. Under a no action scenario, the International Civil Aviation Organization (ICAO) predicts them to accumulate to 1900 Mt until



2040.

Source: ICAO

Other estimations are predicting 3500 to 4500 Mt until 2050. 3.5 giga-tonnes are 20% of the amount to which global emissions need to be limited according to IPCC in 2050 to contain climate change to 2 degrees.



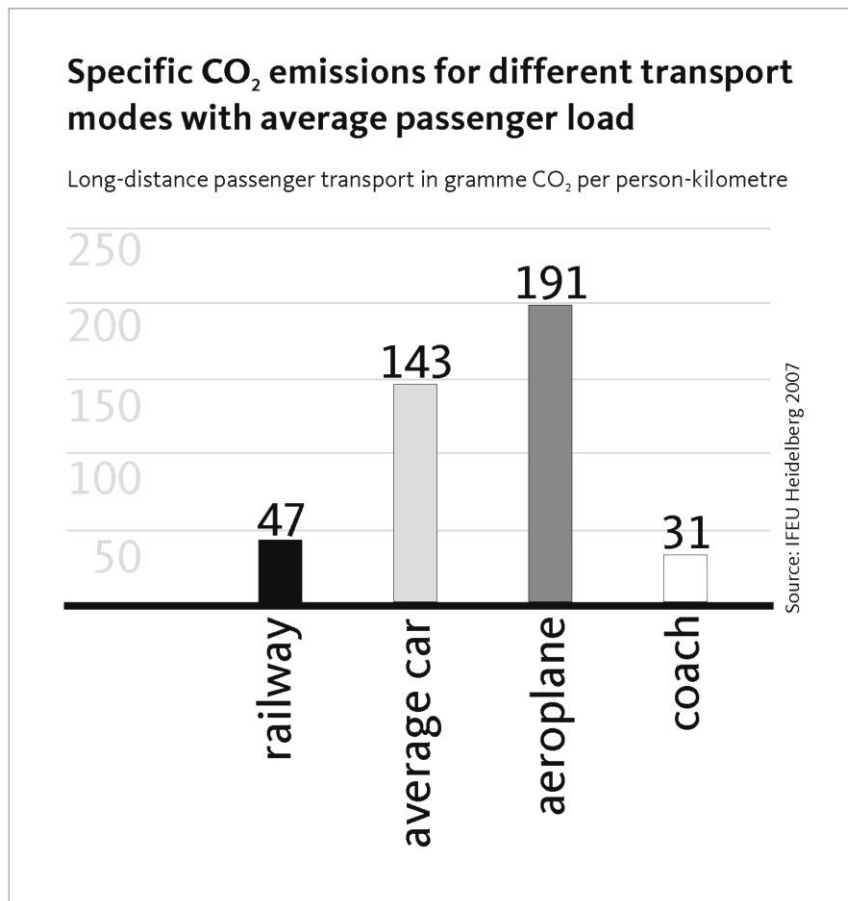
According to the 5th IPCC (2013) global emissions need to be drastically reduced until 2050 if we want to have a 2/3 probability to keep the 2 degrees target that year.

Source: IPCC

The task to regulate airline emissions has been given by

the international community to the ICAO in 1997 with the Kyoto Protocol. While the Kyoto Protocol falls short when it comes to the challenge of climate change, one cannot ignore that at least the European Union has followed its obligation and limited emissions. On the other hand, no significant action has been implemented to limit aviation emissions.

It is also necessary that the aviation industry participates in the efforts to limit climate change from the point of fairness to other modes of transport. Unfortunately, aviation is the least climate-friendly mode of transport, and while other modes of transport are highly regulated and subject to many taxes and fees, aviation has not been addressed at European level:

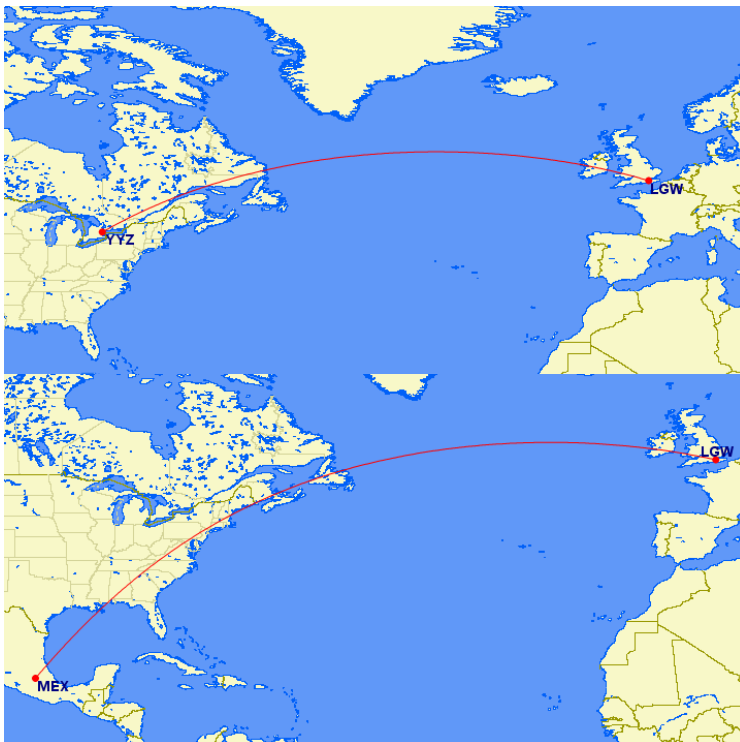


The legislation from 2008, the criticism from third countries and the legitimacy of this criticism

The legislation including aviation in the ETS has been approved after a more than two years debate and involvement of all stakeholders unanimously by the Council and with more than 90% majority in the European Parliament. A cornerstone of the legislation was that all flights that start and land in Europe are included. This has been the point of criticism by third countries. However, after a court case by the American airlines, the European Court of Justice decided that it is fully in line with international law. The costs are very moderate, despite the claims of third countries, which sometimes speak about outrageous burden for their industry. According to the latest figures, the cost for Ryanair has been 0.03€, for Easyjet 0.11€ (other airlines with a less efficient fleet may have slightly higher costs). The costs of taxes and fees implied by EU member states or third countries are much higher.

Country	Law	costs per flight
Germany	Luftverkehrssteuer	Up to 42,18 € depending on destination
UK	Air Passenger Duty APD	Up to over 184£6000 miles
USA	International Transportation Tax	16,30\$/Passenger
EU	ETS	0.03€ (Ryanair) Up to 2€/intercontinental flight (estimate by Commission)
India	Departure Fee + 10,3 % Service Charge (on Airport Development Tax in Delhi)	7,40€ , \$ 10 +19 €, \$ 25 (only in Delhi)
Austria	Flugabgabegesetz	Up to 35€ depending on distance

One important argument by third countries was that the European Union legislation is illegal because of the extra-territoriality. This argument is, according to the Court of Justice, invalid because only flights that start and land in Europe are covered. However, the obligation to surrender allowances is of course higher if the flight is longer. But this is not a unique feature of the EU legislation. Also, national taxes and fees apply the same principle, for example the British fee is significantly higher for a flight to Mexico than for a flight to Canada, even if the distance between Canada and Mexico is mainly territory of the United States, see following map:



A flight to Toronto, Canada is charged APD of £130 (156 €).

A flight in business class from London to Mexico City (approximately 5000 miles) will be charged APD of £162 (195 €).

The ICAO process and the Stop the Clock legislation

Even though the criticism is not legitimate, the European Union reacted on the third countries' arguments. It has been said that the European legislation stands in the way of an international agreement. This has never been true, but as a gesture of good will, the Commission proposed to limit the scheme to intra-European flights for one year to help find a better agreement in the ICAO General Assembly in September and October 2013.

In the legislation, it has been made clear:

"The derogation provided for by this decision relates only to 2012 aviation emissions."

(10) (...) This derogation is provided by the European 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.

The ICAO Assembly in September and October 2013 adopted a resolution which included a commitment *"to develop a global MBM for international aviation, taking into account the work called for in paragraph 19"*. This is an important step, but unfortunately the resolution includes also a lot of conditions and preconditions. Therefore, it is not at all sure that the ICAO Assembly in 2016 will really succeed to adopt clear rules for the MBM. It has to be taken into account that the ICAO Assembly in 2001 already endorsed emission trading, but unfortunately no real progress has been made:

ICAO Assembly 2001:

- c) Emissions trading:
- c) *Endorses* the development of an open emissions trading system for international aviation;

ICAO Assembly 2013:

- 18. Decides to develop a global MBM scheme for international aviation, taking into account the work called for in paragraph 19;

Comparing with the very different UNFCCC progress, one has to say that even the COP 19 conference in Warsaw had more concrete and positive results than the ICAO Assembly. A very important condition of the European Union to further amend its legislation was that a framework for national and regional schemes, so for example for the EU scheme, should be adopted. Unfortunately, this is not the case.

The aviation industry, mainly represented by IATA, had, sadly, very much worked against the European Union in the ICAO process, but on the other hand, it has to be respected that IATA contributed to the global process. The commitment of industry to reduce the emissions by 50% by 2050 goes much further than the ICAO text.

Consequences for the EU after the ICAO Assembly

A lot of stakeholders, for example the European low-fare association ELFAA, which represents almost 50% of intra-European flights, many NGOs, and many members of the Parliament ask not to amend the existing legislation. This would mean that the full ETS,

The Commission proposal includes approximately 40% of the emissions compared to the original regulation, Stop the Clock only covered about 20%.

- 2) **Consequences for international negotiations:**
A simple extension of the Stop the Clock could be considered an unconditional surrender by the European Union. If there is progress at international level, it is mainly through the pressure from the European Union. Many proposals that are considered under ICAO would not really reduce aviation emissions, but only carbon-neutral growth from 2020 is considered. The main strategy of ICAO is based on offsets (which mainly means CDM) and bio-fuels. Reflecting the critical discussion about these two instruments within the European Union, it is important to show an alternative. Our scheme in fact forces to reduce emissions, even if it's only by 5%.
- 3) **Competitive situation of European airports and aviation industry:**
The Stop the Clock proposal is intervening with the competitive situation of European airlines and airports. Big hubs close to the European Union, i.e. Istanbul, will benefit if we prolong it. Airlines that mainly fly inside Europe have a competitive disadvantage compared to airlines that can cross-subsidize flights inside the European Union.
- 4) **The legal situation:**
Based on the ECJ judgment and the Chicago Convention it is evident that an airspace approach is fully in line with international law. The ICAO Council has unanimously supported an airspace approach in early September. The ICAO resolution that does not include an airspace approach is not legally binding on this issue since the EU and many others issued reservations.

Amendments proposed by your rapporteur

While your rapporteur proposes to stick to the Commission proposal as much as possible, some amendments seem to be reasonable.

1. **Legal situation after 2016:**
The amendment of the directive is only justified because we expect a breakthrough with legally binding agreement for global aviation in 2016. While this is a real option, it is not at all guaranteed. That is why it is reasonable to limit the airspace approach until 2016 and to reintroduce the full ETS from 2017. If the international agreement is really adopted in ICAO in 2016, of course the European Union should be ready to modify the legislation accordingly.
2. **Amendments to increase the ambition and environmental integrity and to guarantee equal treatment with other industries:**
The level of auctioning in the aviation ETS is only 15% compared to an average of 40% for the rest of the industry. The cap is only 5%, compared to 21% for other industries. This has always been subject to criticism and the European Parliament already in 2007/2008 during the legislative progress asked for equal treatment of all industries. The airspace approach reduces the emissions covered by the ETS to 40% compared to the original scheme. To limit the damage for the environment it is justified to increase the auctioning and necessary to reduce emissions (cap) at least to

the level that other industries have to comply with already since the beginning of 2013.

Implementation of existing EU legislation is crucial for any progress

It has been coming to the attention of the rapporteur that, even though the EU ETS is limited for intra-European flights, currently some member states seem to hesitate to implement the legislation. Third countries like China and India refuse to surrender allowances for flights inside Europe, for example from Frankfurt to London. For the rapporteur it seems to be unacceptable to discuss with the Council on any outcome of a legislative proposal before it is clarified that the very limited Stop the Clock legislation is implemented. We cannot accept that third countries like China and India refuse to comply with European legislation when operating inside the European Union.

Adoption by April is crucial

All those that do not want to keep the EU ETS for aviation in its original form, which means all intercontinental flights are covered from start to final destination, need to seek agreement on an amended directive by April, because otherwise the 1st of May the original legislation needs to be enforced. That's why an ambitious timetable has been agreed upon, also with the responsible persons in the Transport committee. Your rapporteur thinks it is necessary to agree on an amendment and is willing to talk to all stakeholders, but would not recommend the European Parliament to limit any compromise to a prolongation of the Stop the Clock.

24.1.2014

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

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 3rd 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 suggests 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 1

Text proposed by the Commission

(1) The Union is endeavouring to secure a future international agreement to control greenhouse gas impacts from aviation ***and, in the meantime, is limiting climate change impacts from aviation activities to***

Amendment

(1) The Union is endeavouring to secure a future international agreement to control greenhouse gas impacts from aviation. Developments at and positions taken in international fora ***will be taken into***

and from aerodromes in the Union by autonomous action. In order to ensure that these objectives are mutually supportive and not in conflict, it is appropriate to take account of developments at and positions taken in international fora *and* in particular *to take account of* the Resolution containing the “Consolidated statement of continuing ICAO policies and practices related to environmental protection” adopted at the 38th session of the Assembly of the International *civil* Aviation Organisation (ICAO).

account, as will, in particular, the Resolution containing the “Consolidated statement of continuing ICAO policies and practices related to environmental protection” adopted at the 38th session of the Assembly of the International Civil Aviation Organisation (ICAO).

Amendment 2

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 Council⁴ 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

⁴ *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 3

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 4

Proposal for a directive

Recital 6

Text proposed by the Commission

Amendment

(6) In order to establish a percentage of

deleted

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.

Amendment 5

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**

Amendment 6

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**

Amendment 7

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 are 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

Amendment 8

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 in **each calendar year starting 2013 up to and including 2020**;

Amendment 9

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

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

Amendment

The verified emissions referred to in paragraph 1(b) calculated in accordance with Annex IIc shall be considered to be the verified emissions of the aircraft operator for the purposes of Articles 11a, 12 and 14.

deleted

Amendment 11

Proposal for a directive

Article 1 – paragraph 1 – point 1

Directive 2003/87/EC

Article 28a – paragraph 5

Text proposed by the Commission

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 *a small emitters tool approved by the Commission and populated by*

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

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.

implement simplified procedures for non-commercial aircraft operators as long as there is no less accuracy than such a tool provides.

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 12

Proposal for a directive

Article 1 – paragraph 1 – point 1

Directive 2003/87/EC

Article 28a – paragraph 6

Text proposed by the Commission

Amendment

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 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.

deleted

Amendment 13

Proposal for a directive

Article 1 – paragraph 2

Text proposed by the Commission

Amendment

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

deleted

Amendment 14

Proposal for a directive Annex

Text proposed by the Commission

Amendment

[...]

deleted

PROCEDURE

Title	Amendment to 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
References	COM(2013)0722 – C7-0374/2013 – 2013/0344(COD)
Committee responsible Date announced in plenary	ENVI 24.10.2013
Opinion by Date announced in plenary	ITRE 24.10.2013
Rapporteur Date appointed	Eija-Riitta Korhola 20.11.2013
Discussed in committee	16.12.2013
Date adopted	23.1.2014
Result of final vote	+: 29 –: 22 0: 3
Members present for the final vote	Amelia Andersdotter, Bendt Bendtsen, Jan Březina, Maria Da Graça Carvalho, Giles Chichester, Pilar del Castillo Vera, Christian Ehler, Vicky Ford, Gaston Franco, Norbert Glante, Robert Goebbels, Fiona Hall, Edit Herczog, Kent Johansson, Romana Jordan, Krišjānis Kariņš, Bogdan Kazimierz Marcinkiewicz, Judith A. Merkies, Jaroslav Paška, Aldo Patriciello, Vittorio Prodi, Miloslav Ransdorf, Herbert Reul, Teresa Riera Madurell, Michèle Rivasi, Jens Rohde, Paul Rübig, Salvador Sedó i Alabart, Francisco Sosa Wagner, Konrad Szymański, Patrizia Toia, Evžen Tošenovský, Claude Turmes, Vladimir Urutchev, Kathleen Van Brempt, Alejo Vidal-Quadras, Zbigniew Zaleski
Substitute(s) present for the final vote	Maria Badiá i Cutchet, Yves Cochet, Rachida Dati, Ioan Enciu, Věra Flasarová, Françoise Grossetête, Roger Helmer, Jolanta Emilia Hibner, Eija-Riitta Korhola, Holger Kraemer, Werner Langen, Vladko Todorov Panayotov, Silvia-Adriana Țicău, Lambert van Nistelrooij, Hermann Winkler
Substitute(s) under Rule 187(2) present for the final vote	Jean-Paul Bisset, Janusz Władysław Zemke

22.1.2014

OPINION OF THE COMMITTEE ON TRANSPORT AND TOURISM

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: Mathieu Grosch

SHORT JUSTIFICATION

Background

While aviation currently accounts for around three per cent of total greenhouse gas emissions, these are growing rapidly. The International Civil Aviation Organisation (ICAO) estimated that CO₂ emissions from aviation almost doubled between 1990 and 2006. This compared with a 34% increase from all fossil fuel use. It projects a 63-88% increase to 2020, a period during which the EU is committed to reducing its emissions by 20% on 1990 levels.

Global warming can only be tackled effectively by means of an international approach. Neither carbon emissions nor climate change respect national boundaries. The same climate objectives should therefore be adopted globally. This can only be achieved by means of agreement at ICAO.

Its 2013 Assembly acknowledged that market-based measures (MBM) would be needed to promote sustainable growth in aviation and that three options for an MBM scheme (mandatory offsetting with/without revenue sharing and emissions trading) were feasible. It decided to develop a global MBM scheme for decision at the 2016 Assembly. This would be implemented from 2020.

Commission proposal

The latest Commission proposal would fully exempt flights to third countries for 2013 and limit the Emissions Trading System so as to cover only the part of international flights within EEA airspace (12 nautical miles from the furthest point on the outer coastline of an EEA territory) for 2014-20.

Flights to and from low and lower-middle income countries with a share of less than 1% of international aviation would be exempted as called for in ICAO resolution. In addition, new exemption levels have been set for business jet operators. This is welcomed as it produces large savings in compliance costs without greatly affecting the emissions avoided.

Global Agreement at ICAO represents long-term solution

Although the exemption of lower income countries addresses an important element in the ICAO resolution, using an airspace approach could undermine the international goodwill that will be required to level a global agreement in 2016. This risk is increased by the lack of any universally agreed definition of "European air space". This opinion therefore favours extending the "stop the clock" approach that was adopted for 2012 until the next ICAO Assembly.

During this period, the Commission should intensify bilateral and multilateral contacts with third countries to promote an ICAO agreement and, as an interim measure, to encourage more countries to align with the ETS or to adopt comparable measures. This should be supplemented by other measure to reduce aviation emissions, in particular by establishing a "Single European Sky" that would minimise air-traffic control delays and diversions.

Need for stability

The case for extending "stop the clock" is strengthened by the frequency of change that the industry has faced in recent years. The initially announced 2012 regime involved including all flights to/from Europe in ETS. The actual 2012 regime excluded flights to/from third countries. The Commission is now proposing to continue this exclusion for 2013 and then introduce a third regime from 2014 to 2020.

By contrast, your Rapporteur suggests maintaining the 2012 regime until at least 2016 and to 2020 if the next ICAO assembly agrees to introduce a global measure from that date. Should there be no such agreement, an airspace approach would be adopted from 2017.

Such an approach would maximise the chances of reaching an international agreement without calling into question the EU's right to regulate its own airspace, a right guaranteed by the Chicago convention and upheld by the Court of Justice. The EU would be showing international partners its readiness to work constructively in international and bilateral negotiations. It would also be indicating that it expects ICAO to deliver on its commitment to reach a decision in 2016 and that further delay would not be acceptable.

AMENDMENTS

The Committee on Transport and Tourism 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 1

Text proposed by the Commission

(1) The Union is endeavouring to secure a future international agreement to control greenhouse gas impacts from aviation **and, in the meantime, is limiting climate change impacts from aviation activities to and from aerodromes in the Union by autonomous action. In order to ensure that these objectives are mutually supportive and not in conflict,** it is appropriate to take account of developments at and positions taken in international fora and in particular to take account of the Resolution containing the "Consolidated statement of continuing ICAO policies and practices related to environmental protection" adopted at the 38th session of the Assembly of the International civil Aviation Organisation (ICAO).

Amendment

(1) The Union is endeavouring to secure a future international agreement to control greenhouse gas impacts from aviation. **In** the meantime, it is appropriate to take account of developments at and positions taken in international fora and in particular to take account of the Resolution containing the "Consolidated statement of continuing ICAO policies and practices related to environmental protection" adopted at the 38th session of the Assembly of the International civil Aviation Organisation (ICAO).

Amendment 2

Proposal for a directive

Recital 1 a (new)

Text proposed by the Commission

Amendment

(1a) The aviation sector has a strong international character. Climate protection initiatives should be taken quickly as global problems of the kind posed by aviation emissions can be most effectively addressed by means of an international approach that includes an obligation to comply with the same measures or to achieve the same objectives using different measures. A global agreement at ICAO offers the best

prospects of ensuring sustainability in the long term.

Amendment 3

Proposal for a directive

Recital 2

Text proposed by the Commission

(2) Consequently it is desirable to temporarily consider the requirements set out in Directive 2003/87/EC of the European Parliament and of the Council⁴ 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.

⁴ *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)*

Amendment

(2) The adoption of Decision 2013/377/EU^{4a} enabled real progress to be made within the International Civil Aviation Organization (ICAO) towards concluding a global agreement at its next meeting. In order to pave the way for such an agreement, to safeguard the competitiveness of the European aviation sector and to avoid retaliatory trade measures, it is desirable to temporarily - at least until the next ICAO general assembly in 2016 - extend these "stop the clock" provisions.

^{4a} *Decision 2013/377/EU of the European Parliament and of the Council of 24 April 2013 derogating temporarily from 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*

Amendment 4

Proposal for a directive Recital 3

Text proposed by the Commission

(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.

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 until a global market-based measure begins operation, the ***inclusion of emissions from flights to and from countries outside the European Economic Area (EEA) and the calculation by Eurocontrol of percentages*** 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 ***is only applicable from 2017 if a global market-based mechanism is not agreed on at the next ICAO Assembly in 2016***. 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 ***until a global market-based measure enters into force***.

Amendment 5

Proposal for a directive Recital 4

Text proposed by the Commission

(4) The derogations provided for in this directive take into account the results of bilateral and multilateral contacts with third countries, which the Commission will

Amendment

(4) The derogations provided for in this directive take into account the results of bilateral and multilateral contacts with third countries, which the Commission will

continue to pursue on behalf of the Union.

continue to pursue on behalf of the Union.
If these negotiations lead third countries to accept alignment with the European Emissions Trading System or to adopt equivalent measures, the derogations provided for in this directive should be adjusted accordingly.

Amendment 6

Proposal for a directive

Recital 4 a (new)

Text proposed by the Commission

Amendment

(4a) In order to build confidence at the international level towards the EU scheme, the Member States should use the revenues from applying the European Emissions Trading Scheme to the aviation sector for mitigating the impact of aviation emissions This should include supporting developing countries' climate protection efforts according to Article 3d paragraph 4 of Directive 2003/87/EC.

Amendment 7

Proposal for a directive

Recital 4 b (new)

Text proposed by the Commission

Amendment

(4b) The EU should always include the issue of emissions trading for aviation when negotiating aviation agreements with third countries.

Amendment 8

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

Amendment 9

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

Amendment 10

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 are those which benefit at the time of adoption of this proposal from preferential access to

(10) 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 *from* 2014 *until a market-based measure enters into force*. Countries considered to be developing for the purposes of this proposal are those which benefit at the time of adoption of this proposal from preferential access to the Union market in accordance with

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.

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.

Amendment 11

Proposal for a directive Recital 10 a (new)

Text proposed by the Commission

Amendment

(10a) Flights between the outermost regions listed in Article 349 of the Treaty on the Functioning of the European Union and the EEA mainland should also follow the regional market-based approach until a global market-based measure enters into force. The percentages should be calculated by Eurocontrol on the basis of the proportion of the Great Circle Distance between the main airports in the EEA mainland and in the outermost region that is not more than 12 miles beyond the furthest point of EEA mainland.

Amendment 12

Proposal for a directive Article 1 – point -1

Directive 2003/87/EC

Article 3d – paragraph 4 – point 1

Text proposed by the Commission

Amendment

(-1) Point 1 of paragraph 4 of Article 3d of Directive 2003/87/EC shall be replaced by the following:

4. "Member States shall use revenues generated from the auctioning of allowances for actions or research to tackle climate change."

Amendment 13

Proposal for a directive

Article 1 – point 1

Directive 2003/87/EC

Article 28 a – paragraph 1 – introductory phase

Text proposed by the Commission

1. **By way of derogation** from Article 12(2a) and Article 14(3), **Member States shall consider the requirements set out in those paragraphs satisfied in respect of:**

Amendment

1. **Derogations** from Article 12(2a) and Article 14(3):

Amendment 14

Proposal for a directive

Article 1 – point 1

Directive 2003/87/EC

Article 28 a – paragraph 1 – point a

Text proposed by the Commission

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

Amendment

(a) **By way of derogation from Article 12 (2a) and Article 14 (3), Member States shall consider the requirements set out in those paragraphs satisfied in respect of all emissions from flights to and from countries outside the European Economic Area in each calendar year from 2013 to 2016. If the 2016 ICAO Assembly decides to introduce a global market-based measure from 2020, on this period shall continue to apply for the calendar years from 2017 to 2020;**

Justification

This would extend the “stop the clock” approach and exclude flights coming from or going to third countries during the period when the ICAO negotiations will be taking place. It would avoid confronting airlines, which have already had to prepare for the original 2012 proposal and then for “stop the clock” with another new system from 2014.

Amendment 15

Proposal for a directive

Article 1 – point 1

PE522.946v02-00

46/54

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Directive 2003/87/EC
Article 28 a – paragraph 1 – point b

Text proposed by the Commission

(b) 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;

Amendment

(b) *If the 2016 ICAO Assembly does not decide to introduce a global market-based measure, then, by way of derogation from Article 12 (2a) and Article 14 (3), Member States shall consider the requirements set out in those paragraphs satisfied in respect of* emissions from flights to and from countries outside the European Economic Area (EEA) in each calendar year **from 2017** where, ***to reflect the proportion of the flights that take place within European airspace,*** 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;

Justification

This would introduce the European airspace approach from 2017, if the ICAO negotiations do not succeed (see amendment 7).

Amendment 16
Proposal for a directive
Article 1 – point 1
Directive 2003/87/EC
Article 28 a – paragraph 1 – point ba

Text proposed by the Commission

Amendment

(ba) *By way of derogation from Article 12 (2a) and Article 14 (3), until a global market-based measure enters into force, Member States shall consider the requirements set out in those paragraphs satisfied in respect of emissions from flights between the outermost regions listed in Article 349 of the Treaty on the Functioning of the European Union and the EEA mainland where to reflect the proportion of the flights that take place*

within the European airspace, the operator of such flights has surrendered allowances in respect of the percentages which have to be calculated by Eurocontrol on the basis of the proportion of the Great Circle Distance between the main airports in the EEA mainland and in the outermost region that is not more than 12 miles beyond the furthest point of EEA mainland or calculated in accordance with paragraph 6;

Amendment 17

Proposal for a directive

Article 1 – point 1

Directive 2003/87/EC

Article 28 a – paragraph 1 – point c

Text proposed by the Commission

(c) 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

(c) **By way of derogation from Article 12(2a) and Article 14(3), Member States shall consider the requirements set out in those paragraphs satisfied in respect of emissions from flights operated by a non-commercial aircraft operator in each calendar year until an international market-based measure is introduced** where the emissions for which that aircraft operator are responsible in the calendar year are less than 1000 tonnes;

Amendment 18

Proposal for a directive

Article 1 – point 1

Directive 2003/87/EC

Article 28 a – paragraph 1 – point d

Text proposed by the Commission

(d) the surrender of allowances corresponding to verified 2013 emissions from flights between countries in the EEA taking place by 30 April 2015 instead of 30 April 2014, and verified 2013 emissions

Amendment

(d) **By way of derogation from Article 12 (2a) and Article 14 (3), Member States shall consider the requirements set out in those paragraphs satisfied in respect of the surrender of allowances corresponding**

for those flights being reported by 31 March 2015 instead of 31 March 2014.

to verified 2013 emissions from flights between countries in the EEA taking place by 30 April 2015 instead of 30 April 2014, and verified 2013 emissions for those flights being reported by 31 March 2015 instead of 31 March 2014.

Amendment 19

Proposal for a directive

Article 1 – point 1

Directive 2003/87/EC

Article 28 a – paragraph 1 – final point

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

Amendment

The verified emissions referred to in **paragraphs 1(b) and (b a)** calculated in accordance with Annex IIc shall be considered to be the verified emissions of the aircraft operator for the purposes of Articles 11a, 12 and 14.

Amendment 20

Proposal for a directive

Article 1 – point 1

Directive 2003/87/EC

Article 28 a – paragraph 4

Text proposed by the Commission

4. 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

4. 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 **paragraphs 1 (a) to (c) of this Article**.

Justification

To clarify that the reference is to the new Article 28 a added by this Directive.

Amendment 21

Proposal for a directive

Article 1 – point 1

Directive 2003/87/EC

Article 28 a – paragraph 6

Text proposed by the Commission

6. 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 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.

Amendment

6. By way of derogation from Article 12(2a) and Article 14(3), for flights to and from countries outside the EEA **and flights to and from an aerodrome located in one of the outermost regions**, 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 calculations to the Commission. **The operator shall be informed of the result of the calculations made by the competent authority, and the 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.

Amendment 22

Proposal for a directive

Article 1 – point 1

Directive 2003/87/EC

Article 28 a – paragraph 6 a (new)

Text proposed by the Commission

Amendment

6a. The Commission shall regularly inform the European Parliament and the Council on the progress of negotiations at ICAO and with third countries.

Amendment 23

Proposal for a directive

Article 1 – point 1

Directive 2003/87/EC

Article 28 a – paragraph 7 – first subparagraph

Text proposed by the Commission

7. Following the 2016 ICAO Assembly, the Commission shall report to the European Parliament and the Council on the actions to implement the global market-based measure to apply to emissions from 2020, together with proposals as appropriate.

Amendment

7. Following the 2016 ICAO Assembly, the Commission shall report to the European Parliament and the Council on the actions to implement the global market-based measure to apply to emissions from 2020, together with proposals as appropriate. ***Any proposal should be accompanied by detailed impact assessments.***

Amendment 24

Proposal for a directive

Article 1 – point 1

Directive 2003/87/EC

Article 28 a – paragraph 7 – second subparagraph

Text proposed by the Commission

In the event that a global measure will not apply ***from 2020***, that report shall consider the appropriate scope for coverage of emissions from activity to and from countries outside the EEA ***from 2020 onwards*** in the continued absence of such a global measure. In its report, the Commission shall also consider solutions to other issues that may arise in the application of paragraphs 1 to 4, while preserving equal treatment for all operators on the same route.

Amendment

In the event that a global measure will not apply , that report shall consider the appropriate scope for coverage of emissions from activity to and from countries outside the EEA in the continued absence of such a global measure. In its report, the Commission shall also consider solutions to other issues that may arise in the application of paragraphs 1 to 4, while preserving equal treatment for all operators on the same route.

Amendment 25

Proposal for a directive

Annex IIc – final paragraph

Text proposed by the Commission

Amendment

The percentage of emissions referred to in Article 28a for flights operating to and from an outermost region shall also be calculated according to the table below which will be populated before adoption with the percentages resulting mutatis mutandis from the application of the same formula, based on the best available data, including assistance from Eurocontrol.

Amendment 26

Proposal for a directive Annex IIc – new rows

Text proposed by the Commission

Amendment

Add rows for: Guadeloupe, Franch Guiana, Martinique, Réunion, Saint-Barthélemy, Saint-Martin, the Azores, Madeira and the Canary Islands.

PROCEDURE

Title	Amendment to 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	
References	COM(2013)0722 – C7-0374/2013 – 2013/0344(COD)	
Committee responsible Date announced in plenary	ENVI 24.10.2013	
Opinion by Date announced in plenary	TRAN 24.10.2013	
Rapporteur Date appointed	Mathieu Grosch 4.11.2013	
Discussed in committee	16.12.2013	20.1.2014
Date adopted	21.1.2014	
Result of final vote	+: 31 -: 6 0: 4	
Members present for the final vote	Magdi Cristiano Allam, Inés Ayala Sender, Georges Bach, Izaskun Bilbao Barandica, Philip Bradbourn, Antonio Cancian, Michael Cramer, Philippe De Backer, Luis de Grandes Pascual, Christine De Veyrac, Saïd El Khadraoui, Ismail Ertug, Carlo Fidanza, Jacqueline Foster, Franco Frigo, Mathieu Grosch, Jim Higgins, Juozas Imbrasas, Dieter-Lebrecht Koch, Georgios Koumoutsakos, Bogusław Liberadzki, Marian-Jean Marinescu, Gesine Meissner, Mike Natrass, Hubert Pirker, Dominique Riquet, Vilja Savisaar-Toomast, Olga Sehnalová, Brian Simpson, Keith Taylor, Silvia-Adriana Țicău, Giommarrina Uggias, Peter van Dalen, Roberts Zile	
Substitute(s) present for the final vote	Spyros Danellis, Eider Gardiazábal Rubial, Zita Gurmai, Bogdan Kazimierz Marcinkiewicz, Oldřich Vlasák, Sabine Wils, Corien Wortmann-Kool	

PROCEDURE

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References	COM(2013)0722 – C7-0374/2013 – 2013/0344(COD)	
Date submitted to Parliament	16.10.2013	
Committee responsible Date announced in plenary	ENVI 24.10.2013	
Committee(s) asked for opinion(s) Date announced in plenary	ITRE 24.10.2013	TRAN 24.10.2013
Rapporteur(s) Date appointed	Peter Liese 17.10.2013	
Discussed in committee	17.12.2013	23.1.2014
Date adopted	30.1.2014	
Result of final vote	+: 41	–: 7
	0: 6	
Members present for the final vote	Sophie Auconie, Pilar Ayuso, Sandrine Bélier, Biljana Borzan, Martin Callanan, Chris Davies, Esther de Lange, Bas Eickhout, Edite Estrela, Elisabetta Gardini, Gerben-Jan Gerbrandy, Matthias Groote, Satu Hassi, Jolanta Emilia Hibner, Karin Kadenbach, Christa Kläß, Eija-Riitta Korhola, Claus Larsen-Jensen, Jo Leinen, Corinne Lepage, Peter Liese, Zofija Mazej Kukovič, Linda McAvan, Radvilė Morkūnaitė-Mikulėnienė, Vladko Todorov Panayotov, Mario Pirillo, Pavel Poc, Anna Rosbach, Oreste Rossi, Dagmar Roth-Behrendt, Richard Seeber, Theodoros Skylakakis, Bogusław Sonik, Claudiu Ciprian Tănăsescu, Glenis Willmott, Sabine Wils, Marina Yannakoudakis	
Substitute(s) present for the final vote	Kriton Arsenis, Erik Bánki, Julie Girling, Jutta Haug, Filip Kaczmarek, James Nicholson, Vittorio Prodi, Christel Schaldemose, Birgit Schnieber-Jastram, Renate Sommer, Bart Staes, Rebecca Taylor, Vladimir Urutchev, Andrea Zanoni	
Substitute(s) under Rule 187(2) present for the final vote	Hiltrud Breyer, Vojtěch Mynář, Bill Newton Dunn	
Date tabled	31.1.2014	