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NOTE

from: General Secretariat
to: Delegations

Subject: EU/ETS Aviation
- Information note from the Commission

Delegations will find in the Annex an information note from the Commission on the above topic, which will be dealt with under "other business" at the Council (Environment) meeting on 17 December 2012.

ETS/aviation

- Information note by the Commission -

This note provides an update on international developments in the International Civil Aviation Organisation (ICAO) and the EU's "Stopping-the-clock" response with regard to the enforcement of the EU Emission Trading Scheme (ETS) for international flights to and from Europe.

Positive developments at ICAO

At the ICAO Council meeting of 9 November 2012, significant progress was made in view of agreeing global action on aviation and climate change. In particular through recognising that a global market-based measure (MBM) is technically feasible and commitments made to adopt a framework for market-based measures applicable to international aviation emissions.

It was agreed to set up a high-level group (16 members in total, 3 from Europe) which will take forward this policy area as a matter of urgency. In particular the high level group (HLG) will work on:

- Development of a global MBM and international framework for MBMs;
- Guidance on other key areas (sustainable alternative fuels for aviation, global aspirational goals, State's action plans)
- Assistance to developing States in relation to climate policy; and
- Recommendations regarding elements for a 2013 Assembly resolution on climate change.

The Commission considers that an agreement to develop a global solution for addressing international aviation emissions can be within reach at the ICAO Assembly scheduled for September 2013. The Commission's proposal to "stop the clock" for flights to and from Europe demonstrates goodwill towards the successful conclusion of these ICAO processes. EU is ready to work constructively with other international partners towards tangible outcomes at the 2013 Assembly.

Commission's "Stop the clock" proposal for international flights to and from Europe

The proposal from the Commission is draft legislation in the form of a Decision. It proposes derogation from Article 16 of the EU ETS Directive so that action will not be taken against aircraft operators that do not meet the Directive's reporting and compliance obligations arising before the ICAO Assembly for flights to/from non-European points. As such the derogation would cover compliance obligations arising in respect of emissions for 2012, as well as monitoring and reporting obligations for the years 2010 and 2011.

The only condition for the deferral of compliance obligations and respective non-compliance sanctions for the above mentioned period, is that the concerned aircraft operators will either not have received, or have returned, their share of the 2012 free allowances granted to meet the obligations for flights to and from third countries and Europe. Proper monitoring, reporting and verification of greenhouse gas emissions from such flights is welcomed, but compliance sanctions would not be taken in case of the non-reporting of such emissions. Aircraft operators may decide to continue to meet all requirements, including for flights between third countries and Europe, and thus "not to use" the deferral.

The Commission trusts that the proposal will be examined expeditiously in the Council and the Parliament to achieve an adoption during the first quarter of 2013.
