

Reducing the Climate Change Impact of Aviation

2005/2249(INI) - 04/07/2006 - Text adopted by Parliament, single reading

The European Parliament adopted an own-initiative report drafted by Caroline LUCAS (Greens/EFA, UK) and, in a report adopted by 439 votes in favour to 74 against and 102 abstentions, proposes the EU take a leadership position in global aviation in order to reduce the climate change impact of aviation. Parliament advocates an aviation scheme as well as its inclusion in the EU Emissions Trading Scheme (ETS) It felt that the EU should show leadership in the fight against climate change.

Parliament stressed that the overall objective of the policy instruments chosen must be to reduce the climate change impact of aviation. The policy instruments must be chosen in such a way as to ensure that the reduction of greenhouse gas emissions was as high as possible while the distortion of competition between Europe based air carriers and carriers from outside the EU is minimised and the unfair competition between the air transport sector and other transport sectors within the EU is reduced.

The introduction of kerosene taxes was endorsed by Parliament. It urged the commission to begin immediately by requiring a tax on all domestic and intra-EU flights (with the possibility to exempt all carriers on routes on which non-EU carriers operate). The Commission should propose arrangements for their worldwide introduction.

Parliament underlined that the tax exemptions on air transport led to very unfair competition between aviation and other transport sectors, and this was particularly a burden for the railway sector, because the railway sector is not only covered by taxes but also by the EU Emissions Trading Scheme (ETS), which significantly raises the cost for this environmentally friendly transport system.

Special attention must be paid to the situation of the most isolated territories which are particularly dependent on air transport services, and especially to insular or outermost regions, where alternative solutions are limited, or do not exist.

Parliament went on to urge the Commission to promote the introduction of bio-fuels for aviation as a contribution to reducing the impact on climate change. With regard to the Seventh Framework Programme, research and development relating to clean engine technologies and alternative fuels must be assigned priority. Parliament pointed out that measures under the Seventh RTD Framework Programme to foster technological innovations in the aerospace sector and the improved air traffic management resulting from the Single Sky legislation are of decisive importance where emission reduction is concerned.

On inclusion of aviation into the EU ETS: Parliament recognised that emissions trading had the potential to play a role as part of a comprehensive package of measures to address the climate impact of aviation, provided it was appropriately designed. The environmental effectiveness of any emissions trading scheme would depend on it having sufficiently broad geographical scope; a rigorous cap; full auctioning of initial allocation; the technological level and early actions taken into account in the allocation; and addressing full climate impact.

Parliament proposed the introduction of a separate dedicated scheme for aviation emissions, recognising that, due to the lack of binding commitments for international aviation emissions under the UNFCCC and the Kyoto Protocol, the aviation sector would be unable to actually sell into the ETS. If aviation were to be eventually incorporated into the wider ETS, there should at least be a pilot phase of a separate scheme covering the period 2008-2012. Special conditions should be applied to ensure it does not distort the

market to the detriment of less protected sectors: a cap on the number of emission rights it is permitted to buy from the market, and a requirement to make a proportion of the necessary emissions reductions without trading, before being allowed to buy permits.

The Commission was asked to put forward other policy instruments to address the non-CO2 impacts of aviation in parallel to the ETS. Where uncertainties exist over any of these impacts, policy should be based on the precautionary principle.

On the scope of the aviation scheme: a scheme for aviation should as a first step cover all flights to and from any EU airport (if possible also intercontinental flights transiting through EU air space), irrespective of the country of origin of the airline concerned. This would ensure a level playing field to operators with different route profiles, avoid distortion of the market in favour of flights to destinations outside the EU, ensure environmental effectiveness, prevent cross-subsidisation and influence aircraft design. Parliament stressed that a worldwide emission trading scheme needs to be introduced as soon as possible. The Commission and the Council were asked to defend this position against possible attacks of third countries in international organisations.

On initial allocation: the total initial allocation should be defined in line with the Kyoto commitment target and must therefore not allow for growth in emissions above the base year. The initial allocation amount must be set at EU level, as setting it at Member State level would risk overly generous initial allocations which would distort the market and undermine the environmental effectiveness of the scheme. The allocation method should not punish those companies having already introduced efficient airplanes.

On the allocation method: Parliament believed that auctioning was the best option for distribution of allowances, since it reflected the dynamic nature of the sector, with no prejudice against new entrants or against those regions which have yet to develop in this sector. An eventual partial free allocation of permits, whether through grandfathering or benchmarking, should not discriminate against operators who enter the scheme after the initial allocation period. Therefore, special provision would have to be made to accommodate new entrants. Free allocation of grandfathered emissions was the worst option as it punished early action by airlines.