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Committee on the Environment, Public Health and Food Safety

2015/0148(COD)

14.12.2016

COMPROMISE AMENDMENTS 1 - 17

Draft report Ian Duncan(PE582.397v02-00)

on the proposal for a directive of the European Parliament and of the Council amending Directive 2003/87/EC to enhance cost-effective emission reductions and low-carbon investments

Proposal for a directive (COM(2015)0337 – C8-0190/2015 – 2015/0148(COD))

Excerpt: Compromise 3 (Aviation)

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Compromise 3(aviation) EPP, S&D, ALDE, GUE/NGL, Greens/EFA

Compromise amendment covering amendments 185-202, 17-18, 75, 691-697, ITRE 41 and DEVE 13-14.

Recitals: 84, 85 and ITRE 2 **Proposal for a directive Article 1 – point -1 a (new)**Directive 2003/87/EC

Article 3c – paragraph 2

Present text

2. For the period referred to in Article 13(1) beginning on 1 January 2013, and, in the absence of any amendments following the review referred to in Article 30(4), for each subsequent period, the total quantity of allowances to be allocated to aircraft operators shall be equivalent to 95 % of the historical aviation emissions multiplied by the number of years in the period.

This percentage may be reviewed as part of the general review of this Directive.' Amendment

(-1a) In Article 3c, the following paragraphs are added to paragraph 2:

'2. For the period referred to in Article 13(1) beginning on 1 January 2013, and, in the absence of any amendments following the review referred to in Article 30(4), for each subsequent period, the total quantity of allowances to be allocated to aircraft operators shall be equivalent to 95 % of the historical aviation emissions multiplied by the number of years in the period.

The total quantity of allowances for aviation activities in 2021 shall be 10% lower than 2014-2016 average allocation, and then decrease at the same annual rate as the total cap for the EU ETS so as to bring the cap for the aviation sector for flights more in line with the EU ETS sectors by 2030.'

For aviation activities to and from aerodromes located in countries outside the EEA, the quantity of allowances from 2021 onwards may be adjusted taking into account the agreed establishment of a global market-based mechanism by the International Civil Aviation Organisation (ICAO). The Commission shall present a legislative proposal to the European Parliament and the Council concerning these activities by 2019 following the 40th assembly of the ICAO.

This percentage may be reviewed as part of the general review of this Directive.'

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Proposal for a directive Article 1 – point -1 b (new)

Directive 2003/87/EC Article 3c – paragraph 4

Present text

Amendment

(-1b) In Article 3c(4), the last sentence is replaced by the following:

That decision shall be considered within the Committee referred to in Article 23(1).

That decision shall be considered within the Committee referred to in Article 30c(1).

Or. en

Justification

Technical adaptation.

Proposal for a directive Article 1 – point -1 c (new) Directive 2003/87/EC Article 3d – paragraph 2

Present text

Amendment

- (-1c) In Article 3d, paragraph 2 is replaced by the following:
- '2. From 1 January 2013, 15 % of allowances shall be auctioned. This percentage may be increased as part of the general review of this Directive.'
- '2. From 1 January **2021**, **50** % of allowances shall be auctioned.'

Or. en

Justification

Unused free allowances should be made available to help address the risk of carbon leakage in industries with high carbon and trade intensity.

Proposal for a directive Article 1 – point 1 Directive 2003/87/EC Article 3d – paragraph 3

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Text proposed by the Commission

(1) In Article *3d(3)*, the *second subparagraph* is replaced by the following:

'The Commission *shall be* empowered to adopt *a* delegated *act* in accordance with Article 23.';

Amendment

- (1) In Article *3d*, *paragraph 3* is replaced by the following:
- *'3*. The Commission is empowered to adopt delegated acts in accordance with Article 30b to supplement this directive and concerning the detailed arrangements for the auctioning by Member States of allowances not required to be issued free of charge in accordance with paragraphs 1 and 2 of this Article or Article 3f(8). The number of allowances to be auctioned in each period by each Member State shall be proportionate to its share of the total attributed aviation emissions for all Member States for the reference year reported pursuant to Article 14(3) and verified pursuant to Article 15. For the period referred to in Article 3c(1), the reference year shall be 2010 and for each subsequent period referred to in Article 3c the reference year shall be the calendar year ending 24 months before the start of the period to which the auction relates.'

Or. en

Justification

TFEU alignment. The content of this provision corresponds to the current wording of the basic act with few technical adjustments.

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

Present text

Amendment

- (1a) In Article 3d(4), subparagraph 1 is replaced by the following:
- '4. *All* revenues *shall* be used to tackle climate change in the EU and third countries, inter alia, to reduce greenhouse

'4. It shall be for Member States to determine the use to be made of revenues generated from the auctioning of

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allowances. Those revenues should be used to tackle climate change in the EU and third countries, inter alia, to reduce greenhouse gas emissions, to adapt to the impacts of climate change in the EU and third countries, especially developing countries, to fund research and development for mitigation and adaptation, including in particular in the fields of aeronautics and air transport, to reduce emissions through low-emission transport and to cover the cost of administering the Community scheme. The proceeds of auctioning should also be used to fund contributions to the Global Energy Efficiency and Renewable Energy Fund, and measures to avoid deforestation. '

gas emissions, to adapt to the impacts of climate change in the EU and third countries, especially developing countries, to fund research and development for mitigation and adaptation, including in particular in the fields of aeronautics and air transport, to reduce emissions through low-emission transport and to cover the cost of administering the Community scheme. The proceeds of auctioning *may* also be used to fund contributions to the Global Energy Efficiency and Renewable Energy Fund, and measures to avoid deforestation.

Or. en

Proposal for a directive Article 1 – point 1 b (new) Directive 2003/87/EC Article 3e – paragraph 1 a (new)

Present text

Amendment

(1b) In Article 3e, the following paragraph is added:

'1a Any free allocation of allowances under this Directive from 2021 shall only be given if it is confirmed by a subsequent decision made by the European Parliament and the Council, as ICAO Resolution A-39/3 foresees that a global market-based measure should apply from 2021, and the inter-action between this and the EU ETS should be considered by the co-legislators.'

Or. en

Proposal for a directive Article 1 – point 22

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Commission proposal

1. Where a third country adopts measures for reducing the climate change impact of flights departing from that country which land in the Community, the Commission, after consulting with that third country, and with Member States within the Committee referred to in Article 23(1), shall consider options available in order to provide for optimal interaction between the Community scheme and that country's measures.

Where necessary, the Commission may adopt amendments to provide for flights arriving from the third country concerned to be excluded from the aviation activities listed in Annex I or to provide for any other amendments to the aviation activities listed in Annex I which are required by an agreement pursuant to the fourth subparagraph. The Commission shall be empowered to adopt such amendments in accordance with Article 23.

Amendment

1. Where a third country adopts measures for reducing the climate change impact of flights departing from that country which land in the Community, the Commission, after consulting with that third country, and with Member States within the Committee referred to in Article 23(1), shall consider options available in order to provide for optimal interaction between the Community scheme and that country's measures.

Where necessary, the Commission may submit a legislative proposal to the European Parliament and Council to provide for flights arriving from the third country concerned to be excluded from the aviation activities listed in Annex I or to provide for any other amendments to the aviation activities listed in Annex I which are required by such agreement.

Or. en

Proposal for a directive Recital 2

Text proposed by the Commission

(2) The European Council of October 2014 made a commitment to reduce the overall greenhouse gas emissions of the Union by at least 40% below 1990 levels by 2030. All sectors of the economy should contribute to achieving these emission reductions and the target will be delivered in the most cost-effective manner through the Union emission trading system (EU ETS) delivering a reduction of 43% below 2005 levels by 2030. This was confirmed in the intended nationally determined reduction

Amendment

(2) The European Council of October 2014 made a commitment to reduce the overall greenhouse gas emissions of the Union by at least 40% below 1990 levels by 2030. All sectors of the economy should contribute to achieving these emission reductions and the target will be delivered in the most cost-effective manner through the Union emission trading system (EU ETS) delivering a reduction of 43% below 2005 levels by 2030. This was confirmed in the intended nationally determined reduction

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commitment of the Union and its Member States submitted to the Secretariat of the UN Framework Convention on Climate Change on 6 March 201516. commitment of the Union and its Member States submitted to the Secretariat of the UN Framework Convention on Climate Change on 6 March 201516. The effort of emission reductions should be fairly shared between sectors covered by the EU ETS.

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Or. en

Compromise 4(Better functioning of the market) EPP, S&D, ECR, ALDE, GUE/NGL, Greens/EFA

Compromise amendment covering amendments 25, 223-225, 78, 294-297, 709-711 and ITRE 22

Recital: 2, 104-107 and ITRE 4

Proposal for a directive Article 1 – point 4 – point d b (new) Directive 2003/87/EC Article 10 – paragraph 5

Present text

'5. The Commission shall monitor the functioning of the European carbon market. Each year, it shall submit a report to the European Parliament and to the Council on the functioning of the carbon market including the implementation of the auctions, liquidity and the volumes traded. *If necessary*, Member States shall ensure that any relevant information is submitted to the Commission at least two months before the Commission adopts the report. '

Amendment

(db) paragraph 5 is replaced by the following:

'5. The Commission shall monitor the functioning of the European carbon market. Each year, it shall submit a report to the European Parliament and to the Council on the functioning of the carbon market including the implementation of the auctions, liquidity and the volumes traded. The report shall also address the interaction of the EU ETS with other Union climate and energy policies, including how those policies impact upon the supply-demand balance of the EU ETS and their compliance with the Union's 2030 and 2050 climate and

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