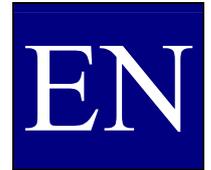




COUNCIL OF
THE EUROPEAN UNION



Council Conclusions on "Inclusion of the aviation sector in the EU ETS – participation of third countries"

*2895th TRANSPORT, TELECOMMUNICATIONS AND ENERGY Council meeting
Luxembourg, 9 Octobre 2008*

The Council adopted the following conclusions:

"The Council of the European Union,

1. RECALLS that the European Union has set itself the objective of a unilateral reduction of 20 % in its greenhouse gas emissions by 2020 and 30 % in the framework of an ambitious global agreement on a climate change regime for after 2012.
2. CONSIDERS that the international aviation sector, which is excluded from the scope of States' quantified commitments under the Kyoto Protocol, should also participate in the objective of achieving greenhouse gas emissions reductions, in view of its environmental impact.
3. CONFIRMS its determination to achieve a reduction in the aviation sector's greenhouse gas emissions through a comprehensive approach which includes not only market based measures but also, in particular, the implementation of the Single European Sky, the modernisation of air traffic management (SESAR) and by intensifying the aeronautical research efforts, in particular via the CLEAN SKY programme.

UNDERLINES the need to comply with the schedules and objectives of these programmes in order to ensure a significantly improved environmental performance by the aviation sector.

REQUESTS the Commission to monitor this issue closely.

P R E S S

4. CONSIDERS that the high cost of fuel has put an economic burden on air transport operators which should constitute an incentive for them to accelerate their fleet modernisation programme and making the most of other short term efficiency measures in order to improve their energy performance.
5. CONSIDERS that, despite the adverse economic climate linked to the increased cost of fuel, growth in the aviation sector is likely to exceed the rate of emissions reduction due to technological performance gains and that also taking economic measures will contribute to limit this sector's emissions and is therefore justified.
6. NOTES that, from this viewpoint, the inclusion of aviation in emissions trading schemes has been recognised at the international level as the most cost-effective solution from an environmental perspective compared to other economic and fiscal measures.
7. NOTES in this regard the European Parliament's second reading vote on 8 July on the Directive including aviation activities in the EU ETS, which confirms the agreement reached at the end of June 2008 between the Parliament, the Council and the Commission and makes it possible to include aviation into the EU ETS from 2012.
- 7a. UNDERLINES that this Directive has been designed to apply on a non-discriminatory basis to all aircraft operators of all States providing services to, from and within the EU.
8. UNDERLINES that the agreement reached at the end of June 2008 strikes an appropriate balance between the environmental integrity of the ETS scheme for aviation, on the one hand, and the international competitiveness framework in which the aviation sector operates, on the other hand. RECOGNISES in this regard that air operators need predictability about the basic parameters of this Directive, in particular the emissions cap and the proportion of allowances for auction.
9. UNDERLINES that this Directive is only a first step towards the final objective, which is to seek an agreement on global measures to reduce greenhouse gas emissions from aviation and that, if necessary, it will be adapted to fit this global framework.
10. HOPES in this regard that the discussions of the ICAO Group on International Aviation and Climate Change (GIACC), which is responsible for developing a programme of action and common strategy for international aviation, will produce far reaching proposals, that would be confirmed at a high-level meeting in 2009, in order to contribute to the decisions of UNFCCC CoP 15 set for December 2009.
11. RECALLS that in order to reach the goal of setting up a global system, the European Directive will make it possible to recognise equivalent measures put in place by third countries and therefore REQUESTS the Commission to continue to engage with third countries on the EU ETS to explore possibilities for such States to introduce equivalent measures as provided for under the relevant section of the Directive.

REQUESTS the Commission to promote the application of these provisions in particular in the framework of aviation agreements with third countries.

12. UNDERLINES that the Directive provides for aircraft operators to be able to use the flexibility mechanisms of the Kyoto protocol, initially up to 15 % of the number of allowances they are required to surrender, and that this will benefit the developing countries where the corresponding projects are implemented.

13. RECALLS that it is for the Member States to determine, in accordance with their constitutional and budgetary provisions, how revenue generated by the auctioning of aviation sector emission allowances are to be used, and that in this context, they undertake to combat climate change."
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