COUNCIL OF THE EUROPEAN UNION

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Subject:

AVIATION
Preparation of the ICAO-Assembly in September 2007 with respect to the inclusion of aviation into emission trading
- Council Conclusions

A. Introduction

1. The latest assessment from the Intergovernmental Panel on Climate Change (IPCC) states that "Continued greenhouse gas emissions at or above current rates would cause further warming and induce many changes in the global climate system during the 21st Century." Although aviation currently accounts for only a few percentage of greenhouse gas emissions, the quantity of these emissions is growing rapidly in many countries and is projected to continue doing so in the future. No single measure is capable of adequately addressing all the environmental impacts from aviation. As regards the management of aircraft emissions, Europe is implementing a comprehensive approach, comprising a number of mutually supportive elements. These include supporting ICAO in improving technical standards, promoting research and technological development, achieving a more efficient air traffic management system, and implementing market-based measures.
2. The European Community’s Emissions Trading Scheme (ETS) is the largest multi-sector, operator-level emissions trading scheme in the world and is central to the European Community’s efforts to address climate change. The EC is currently considering legislation to bring emissions from international aviation within the scheme, taking into account, as appropriate, ICAO guidance.

3. In light of the above, and in order to align the position to be taken by EU Member States at the 36th ICAO Assembly (Montreal, 18-28 September 2007), the Presidency suggested draft Council Conclusions on the inclusion of aviation in the European Emissions Trading Scheme.


B. Task for COREPER

5. Following the above, the Council is invited to adopt the draft Council Conclusions, as set out in the Annex to this Report.
Draft Council Conclusions
on the inclusion of aviation in the European emissions trading scheme for the position
to be taken by EU Member States at the ICAO Assembly in September 2007

By way of preparation for the International Civil Aviation Organization (ICAO) Assembly in September 2007, the Council states the following with regard to the inclusion of aviation in the European emissions trading scheme:

Air transport is a major factor for the economy, employment and the mobility of the population in the Community. Given the forecast growth in the volume of air traffic and, accordingly, its increasing environmental impacts, aviation also has to contribute to implementing the decisions of the 9 March 2007 European Council on reducing energy consumption and greenhouse gas emissions.

The Council is aware of the fact that international air transport is not subject to the quantified emission limitation commitments of the Kyoto Protocol on the reduction of greenhouse gas emissions. Efforts to limit or reduce these emissions on a global level shall be continued by ICAO, but there has been no decisive progress at ICAO level which facilitates States in the introduction of measures in that respect.

The Council recognizes that the aviation industry and operators have already made major efforts to enhance energy efficiency in air transport and emphasizes, in view of global climate change, the importance of all measures that contribute to reduce emissions of greenhouse gases from aviation. Against this background,
1. THE COUNCIL VIEWS the inclusion of aviation in the European emissions trading scheme as a cost-effective and promising way of limiting CO2 emissions from aviation and a key element of a comprehensive approach to managing aviation emissions. It NOTES the emphasis that ICAO has placed on open emissions trading schemes as a mechanism for tackling climate change emissions. IT ACKNOWLEDGES that emission trading is a flexible, market-based measure and that its use could prevent the need for other Community measures to reduce CO2 emissions from aviation. IT EMPHASISES that a solution should be sought that maintains the competitiveness of the aviation industry while contributing to combating climate change.

2. THE COUNCIL IS PREPARED to include aviation in the European emissions trading scheme to implement the policy endorsed by the ICAO Assembly in 2001 and 2004. IT STRESSES that this should be seen as a first step towards the eventual objective to expand emissions trading to international aviation globally within the framework on climate change which should be facilitated by ICAO and the UNFCCC.

3. THE COUNCIL INVITES EU Member States to do everything they can at the 36th ICAO Assembly in September 2007 to ensure that
   a) ICAO continues its efforts to reduce greenhouse gas emissions from international aviation;
   b) any agreement reached in ICAO does not prevent the Community, either in principle or in practice, from including international aviation in the European emissions trading scheme in line with the principle of equal treatment;
   c) ICAO engages in the promotion and development of the use of emissions trading for international aviation.
4. Should it not prove possible to make progress on the basis of paragraph 3, EU Member States would be ready to reserve their position in order to keep all options open in this essential policy area.

5. Nonetheless, THE COUNCIL STRESSES that it is prepared to engage in constructive cooperation, in particular, within the framework of ICAO to develop policies, practices, instruments or standards to reduce emissions from aviation and that it is remains receptive to proposals for solutions from third parties.