

2 December 2022

European Parliament must seize this once in a lifetime opportunity to finally address aviation's main climate problem for the sake of the climate & citizens

Dear President of the European Parliament Roberta Metsola,

Dear Chair of the Committee on the Environment, Public Health and Food Safety Pascal Canfin, and Vice-Chairs Bas Eickhout, César Luena and Anja Hazekamp,

Dear Coordinators of the Committee on the Environment, Public Health and Food Safety Peter Liese, Tiemo Wölken, Nils Torvalds, Silvia Sardone, Alexandr Vondra and Silvia Modig,

Dear Rapporteur Sunčana Glavak and shadow rapporteurs Milan Brglez, Claudia Gammon and Anna Zalewska,

We write to express our concern that, in the current state of the inter-institutional negotiations on the ETS aviation, long-haul flight emissions are likely yet again to be excluded from the scope of the Directive. **It is paramount that the European Parliament does not give in to the Council's lack of ambition for the sake of reaching an agreement at all costs.** Inversely, the European Parliament should be aware it has the upper hand: no agreement would lead to an automatic extension to a full scope ETS in 2024.

Flights departing from the EEA to destinations outside the EEA represent the biggest chunk of European aviation's climate impact. As recalled by the latest EASA Aviation Environmental Report, long-haul flights (over 4000 km) represent approximately **6% of departing flights** from the EEA but **half of all CO₂ and NO_x emissions**¹. T&E calculations find that flights to extra-EEA destinations which are currently excluded from the ETS scope represent 17% of all departing flights but 58% of all emissions². We have to make sure that all airlines finally take responsibility for the biggest chunk of their CO₂ and non-CO₂ emissions.

A majority of Member States in the Council is firmly standing on their position to continue to limit the scope of the ETS to intra-EEA³ flights only, claiming that CORSIA (ICAO's offsetting scheme) is the right instrument to cover international aviation. The recent renegotiation of CORSIA's baseline at 85% of 2019 emissions levels, is brandished as a step in the right direction towards more climate ambition. In reality, **CORSIA is a failure and ICAO is ineffective** at regulating aviation emissions. The offsetting scheme will not help reduce CO₂ emissions. Calculations show that with this baseline, a mere 22% of total international aviation emissions would be covered by the scheme in 2030. In addition, the prices of offsets are so low that they will not place any incentive in decarbonizing the industry (average of 1.70€ for a passenger flying between Europe and the US in 2030⁴) and their environmental credibility is

¹ European Aviation Safety Agency. (2022). [European Aviation Environmental Report 2022](#).

²According to T&E calculations based on OAG Scheduled Flight Data (2019) and [Eurocontrol fuel burn methodology](#).

³ Flights from the EEA to the UK and to Switzerland are also included in the EU ETS scope of the EC proposal.

⁴ T&E(2022). [UN body ICAO hails empty goal and cheap offsetting scheme to 'green' aviation](#).

so low it won't help reduce emissions outside the sector, as reported by the assessment⁵ commissioned by the European Commission.

If the EU is to achieve its climate ambition of 57% emission reduction by 2030⁶ and achieving carbon neutrality by 2050, international flights must be included in a credible carbon pricing instrument, as it is the case for all other sectors of the economy, industry, energy and now buildings, road transport and international shipping. **The European Parliament cannot let international flights be the only sector of the economy that would be excluded from an emissions capping mechanism.**

We are convinced that the scope of the ETS should be extended to all flights departing from an airport located in the EEA, as expressed in the European Parliament's position. This would:

- **Price more emissions:** Today, the ETS excludes 58% of Europe's aviation departing emissions. Including all departing flights would finally price long-haul flights according to their impact on the climate.
- **Raise revenues:** It would also mean an increased source of revenues to finance the green transition in the industry and beyond. Under the current EU ETS proposal, revenues generated by the purchase of allowances by airlines between 2024 and 2030 would amount to €39 billion⁷. Auctioning revenues for a scope including all EEA departing flights would amount to €97 billion⁸ for the same period if we follow the European Parliament's proposal.
- **Repair a social injustice:** Continuing to exclude international aviation from climate measures using the excuse that aviation is an "international mode of transport" is no longer acceptable, it is unfair to citizens. For instance, a family of 4 flying for its annual holiday between Paris and Athens would pay a total of €169 under the ETS in 2030. By contrast, a business traveler flying 4 times a year between Paris and New York **would only pay a total of €12** under CORSIA whilst **emitting twice as much CO₂** as the family.

We would like to stress that extending the ETS to all departing flights offers the unique opportunity of raising the much-needed revenues to finance the green transition in Europe. The same third countries that some member states fear offending with including departing flights in an effective climate tool are not waiting for the EU's approval to subsidize their own industries. The recent Inflation Reduction Act adopted by the United States consists of a \$369 billion package of subsidies and tax breaks.⁹ Why wouldn't the EU also work for European interests and seek additional revenues for its transition?

In addition, the COP27 recently reached a historical agreement on a "Loss and Damage" fund for vulnerable countries which are affected the most by climate disasters. The EU has committed to this

⁵ European Commission (2020). [Assessment of ICAO's global market-based measure \(CORSIA\) pursuant to Article 28b](#)

⁶ [Remarks by Executive Vice-President Timmermans at the Ministerial side event on the Team Europe Initiative on climate change adaptation and resilience in Africa](#) (2022, November 16).

⁷ According to T&E calculations based on UNFCCC reporting ([EEA data viewer](#)), IATA short-term and long-term forecasts. We assume an ETS auctioning price of 90€/tCO₂, and a phase out of free allowances reaching full auctioning in 2027.

⁸ Same assumptions as (7) but a phase out of free allowances reaching full auctioning in 2025.

⁹ Von der Burchard, H. (2022, November 23). [Germany's Habeck pessimistic about US trade dispute, calls for EU measures. Politico](#). Retrieved December 2, 2022.

agreement, it has now to seek new financial arrangements to make this pledge for climate justice a reality. The extension of the ETS could also offer the means of raising some of these required resources.

We, therefore, urge the European Parliament to:

- Not to give in to pressure by the Council to achieve a compromise at any cost. It is crucial that the European Parliament holds its position on including all departing flights in the scope of the ETS, especially as the proposal adopted in plenary is a credible and balanced approach.
- Be mindful of the fact that should a compromise fail, the ‘stop-the-clock’ Regulation (suspending temporarily the requirement for airlines to surrender emission allowances for flights into and out of the EEA) will expire on 31 December 2023 and international flights will automatically fall within the scope of the ETS aviation as of 2024.

The European Parliament should not waste this opportunity to make a substantial contribution to the EU’s climate objectives.

Yours sincerely,

Transport & Environment



Carbon Market Watch


