

From: [REDACTED]  
To: [REDACTED] (CLIMA)  
Subject: RE: A question relates to EU ETS and UK ETS [Aviation free allocation adjustment]  
Date: lundi 4 octobre 2021 12:04 00  
Attachments: [image001.jpg](#)

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Thank you [REDACTED] for your prompt and concise reply.

We look forward to having the Decision on the issue placed by Commission in the coming months.

Best regards,

[REDACTED]

[REDACTED]

[REDACTED]  
[@iata.org](#)

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From: [REDACTED] <[@ec.europa.eu](#)>

Sent: Monday, October 04, 2021 11:45 AM

To: [REDACTED] <[@iata.org](#)>

Cc: [REDACTED] <[@iata.org](#)>; [REDACTED] <[@ec.europa.eu](#)> [REDACTED]

Subject: RE: A question relates to EU ETS and UK ETS [Aviation free allocation adjustment]

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Dear [REDACTED]

The free allocation numbers are currently under finalisation in consultation with the Member State authorities, we expect to have the necessary Commission Decision in place well before the end of the year.

Kind regards,

[REDACTED]

[REDACTED]



**European Commission**  
Directorate General for Climate Action  
Unit B3 - International Carbon Market, Aviation and Maritime

[REDACTED]

[@ec.europa.eu](#)

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From: [REDACTED] <[@iata.org](#)>

Sent: Monday, October 4, 2021 9:57 AM

To: [REDACTED] <[@ec.europa.eu](#)>

Cc: [REDACTED] <[@iata.org](#)> [REDACTED] <[@ec.europa.eu](#)>; [REDACTED]

[REDACTED] <[@ec.europa.eu](#)>

Subject: RE: A question relates to EU ETS and UK ETS [Aviation free allocation adjustment]

Dear [REDACTED]

Hope all is well.

I would like to check if there are any updates on the adjustment of EU ETS aviation free allocation decision. Recalling that *Commission Delegated Regulation (EU) 2021/1416 of 17 June 2021 amending Directive 2003/87/EC of the European Parliament and of the Council as regards the exclusion of incoming flights from the United Kingdom from the Union emissions trading system* was adopted earlier this year, which confirms that the international flight from EEA to UK remaining subject to EU ETS.

Following our earlier discussion on the free allocation adjustment to reflect the latest application scope of EU ETS, are there any update on this front?

Thank you and best regards,

[REDACTED]

[REDACTED]

[REDACTED]

[\[redacted\]@iata.org](#)

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**From:** [redacted]  
**Sent:** Wednesday, March 03, 2021 9:31 AM  
**To:** [redacted]@iata.org>  
**Cc:** [redacted]@iata.org>; [redacted]  
[redacted]  
**Subject:** RE: A question relates to EU ETS and UK ETS

Dear [redacted]

Your understanding is correct, with one addition: the free allocation decided in December has been executed, otherwise it would not have been possible to deliver free allocation by February. The adjustment will happen indeed later.

Kind regards,

[redacted]

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**From:** [redacted]@iata.org>  
**Sent:** Tuesday, March 2, 2021 8:49 PM  
**To:** [redacted] (CLIMA)  
**Cc:** [redacted] (CLIMA) [redacted]  
[redacted]  
**Subject:** RE: A question relates to EU ETS and UK ETS

Dear [redacted]

Thank you very much for the prompt reply and clarifications. It's really helpful!

To ensure I understand correctly-

- 1) The application scope of EU ETS does cover the departing flights from EEA to UK as per the latest provisions in EU-UK TCA. Provided the EU member States ratify the agreement by end of April, the EEA->UK flights will continue subject to EU ETS.
- 2) The relevant provisions on derogation contained in Commission decision on free allocation dated 16 Dec 2020 are not valid any more. Therefore, on the adjustment of free allocation, the geographic scope would include EEA->UK flights but not UK->EEA flights, in absence of the linking agreement between EU and UK. On this note, I'd assume we will expect a new decision on free allocation that will supersede the earlier one, correct?

Thanks again!

Best regards,

[redacted]

[redacted]

[redacted]  
[\[redacted\]@iata.org](#)

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**From:** [redacted]@ec.europa.eu>  
**Sent:** Tuesday, March 02, 2021 7:16 PM  
**To:** [redacted]@iata.org>  
**Cc:** [redacted]@iata.org>; [redacted]  
[redacted]  
**Subject:** RE: A question relates to EU ETS and UK ETS

Dear [redacted]

Thank you for your message. I would like to clarify some points:

- The Commission decision on free allocation is dated of 16 December 2020, thus before the conclusion of the Trade and Cooperation Agreement with the UK. In this sense, it could not take into account any provisions therein.
- The same is true for the stakeholder notice you are referring to: it was drafted when there was no agreement in sight with the UK.
- As you also cite, Article 7 3, paragraph 4 of the Agreement says: "The scope of the Union system of carbon pricing shall cover departing flights from the European Economic Area to the United Kingdom." As the EU ETS already includes aviation, the first sentence of the paragraph does not apply to it. This is the latest legal provision that prevails.
- This geographical scope is different from the one on the basis of which the free allocation for 2021 was calculated. Therefore, the free allocation certainly needs to be adjusted to ensure being in line with the provisions of the ETS Directive.

I hope this provides for explanation.

Kind regards,

[redacted]



European Commission  
Directorate General for Climate Action  
Unit B3 - International Carbon Market, Aviation and Maritime

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From: [redacted] <[\[redacted\]@iata.org](mailto:[redacted]@iata.org)>  
Sent: Tuesday, March 2, 2021 3:39 PM  
To: [redacted] (CLIMA)  
Cc: [redacted] <[\[redacted\]@iata.org](mailto:[redacted]@iata.org)>  
Subject: RE: A question relates to EU ETS and UK ETS

Dear [redacted]

Thanks for the information and explanation earlier.

I have another question regarding the EU ETS application scope on aviation post-Brexit: **is the int'l flight departure from EEA countries to UK subject to EU ETS or not?**

As per Art. 7.3 of the EU-UK Trade and Cooperation Agreement, "By way of derogation from paragraph 2, aviation shall be included within two years at the latest, if not included already. The scope of the Union system of carbon pricing shall cover departing flights from the European Economic Area to the United Kingdom", it seems the EU ETS would apply to the int'l flight from EEA to UK.

However, in the Commission notice to stakeholders dated 7 July 2020 on withdrawal of the UK and EU ETS, it explicitly mentioned that, "after the end of the transition period the United Kingdom will be a third country as regards the implementation and application of EU law in the EU Member States." And "in absence of a linking agreement being reached, the derogation from Directive 2003/87/EC applies to flights from UK to the EU and vice-versa". To my best knowledge, the EU ETS/UK ETS linking agreement has not been reached yet, hence, the derogation should continue to be valid.

Recently, we also came across the Commission Decision([link](#)) made public by Feb 2021 on instructing the central administrator of member States to enter the national aviation allocation tables into EU transaction log. The operative para (7) of the Decision said " flights departing from, arriving to or within aerodromes situated in UK are not subject reporting and compliance obligation under EU ETS from 2021" and this serves as the basis to revise the number of aviation allowances allocated to each aircraft operators for the years 2021-2023.

Our reading from the notice and the most recent Commission Decision is that the int'l flight departure from EEA to UK is not subject to EU ETS. Indeed, the reduction of allowances would have substantial impact on airlines' compliance cost, especially in the middle of the pandemic. We are very concerned that on one hand, the Commission's decision on reducing the free allowances is based on the assumption that the leg (EEA-UK) is out of EU ETS application scope; while, on the other hand, as implied by the EU UK TCA, the EEA-UK int'l flight will be covered by EU ETS. The observed inconsistencies would generate serious legal concerns.

Can you please help me to clarify the issue stated above?

Many thanks and kind regards,

[redacted]

[redacted]

[redacted]  
[\[redacted\]@iata.org](mailto:[redacted]@iata.org)

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From: [redacted] <[\[redacted\]@ec.europa.eu](mailto:[redacted]@ec.europa.eu)>  
Sent: Friday, January 22, 2021 4:08 PM  
To: [redacted] <[\[redacted\]@iata.org](mailto:[redacted]@iata.org)>  
Subject: RE: A question relates to EU ETS and UK ETS

Dear [redacted]

We are now in the phase of preparing the new attribution list in cooperation with the Member State authorities and then adopting a Commission Regulation on it. The timeline is similar as in previous years.

Concerning the linking the UK ETS with the EU ETS everything seems to be open, so no news compared to the previous situation where this was a wish, as stated in the political declaration (point 70 here [https://ec.europa.eu/commission/sites/beta-political/files/revised\\_political\\_declaration.pdf](https://ec.europa.eu/commission/sites/beta-political/files/revised_political_declaration.pdf)), and serious consideration is given to the linking (Article 7.3 on carbon pricing in the trade deal here <file:///net1.cec.eu.int/HOMES/103/faludro/My%20Documents/Legal/Brexit/Trade%20Deal.pdf>).

Kind regards,

[REDACTED]

[REDACTED]



European Commission  
Directorate General for Climate Action

[REDACTED]

[REDACTED]

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**From:** [REDACTED] <[\[REDACTED\]@iata.org](mailto:[REDACTED]@iata.org)>  
**Sent:** Thursday, January 21, 2021 11:30 AM  
**To:** [REDACTED] <[REDACTED]> (CLIMA)  
**Subject:** RE: A question relates to EU ETS and UK ETS

Thank you [REDACTED] Glad to know you've landed on a new position, Congrats! I hope you enjoy the journey and the new dimensions to explore.

Dear [REDACTED]

This is [REDACTED] IATA. I used to work with [REDACTED] t  
would be great to have your thoughts on the questions below.

Best regards,

[REDACTED]

[REDACTED]

[REDACTED]  
[\[REDACTED\]@iata.org](mailto:[REDACTED]@iata.org)

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**From:** [REDACTED] <[\[REDACTED\]@ec.europa.eu](mailto:[REDACTED]@ec.europa.eu)>  
**Sent:** Thursday, January 21, 2021 11:03 AM  
**To:** [REDACTED] <[\[REDACTED\]@iata.org](mailto:[REDACTED]@iata.org)>; [REDACTED] <[\[REDACTED\]@ec.europa.eu](mailto:[REDACTED]@ec.europa.eu)>  
**Subject:** RE: A question relates to EU ETS and UK ETS

Dear [REDACTED],

Happy to hear from you! I hope all is well with you and your close ones! [REDACTED]  
[REDACTED] (cc-ed) works now in DG  
CLIMA and is better placed to answer to your question.

Kind regards,

[REDACTED]

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**From:** [REDACTED] <[\[REDACTED\]@iata.org](mailto:[REDACTED]@iata.org)>  
**Sent:** Thursday, January 21, 2021 10:35 AM  
**To:** [REDACTED] (MOVE) [REDACTED]  
**Subject:** A question relates to EU ETS and UK ETS

Dear [REDACTED]

I hope all is well and you have a brilliant start of 2021.

I would like to consult you a question on UK ETS and EU ETS re the new attribution list of the administering states. UK has kicked off the UK ETS 1 Jan 2021. For the aircraft operators that are currently administered by the UK for EU ETS, we understand that the Commission will publish the attribution list to re-assign those AO concerned to EU Members States for their compliance of EU ETS from 2021 onwards. However, the latest [list](#) I could find was published April 2020, of which UK still remains the administering authority for a number of airlines.

Given the transitional period has come to end, can you please advise when will the new list be available? And, do you foresee the linkage between EU ETS and UK ETS, in a same fashion of the EU-CH case? For Aircraft operators, it would be preferable to have the "one-stop-shop" agreement in avoidance of reporting to more than one authority.

Look forward to having your responses.

Many thanks and kind regards,

[REDACTED]



**International Air Transport Association**  
IATA Center, 33 Route de l'Aéroport, PO Box 418,  
1215, Geneva, Switzerland  
[iata.org](http://iata.org)

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