



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR MOBILITY AND TRANSPORT

Directorate E - Aviation and international transport affairs
The Director

Brussels, 27/02/2013.

[REDACTED]

Dear Mr [REDACTED]

Thank you for your letter of 18th October 2012 in which you draw my attention to your concerns regarding certain issues that may affect new carriers such as your own in relation to the EU emissions trading scheme (ETS). I would like to apologize for this late reply.

Existing operators in the EU's ETS (both non-power generators and aviation) need to use their allowances to maintain their existing level of emissions, while for expansion with higher emissions they face the same situation as new entrants that have emissions. The costs are lower than those from, for example, passenger duties, in terms of ticket prices. There is no limit on individual airline growth, which is why fast-growing airlines have been generally supportive of ETS.

Because there is not full auctioning for all, allocation for new entrants is foreseen. Your airline can be eligible for free allocation from the Special Reserve, under the conditions stated in the Directive 2003/87/EC. Between 2013 and 2020, 82 per cent of allowances will be allocated free of charge and the special reserve for new entrants will represent 3 per cent of the total.

Should you have any further questions, I would like to invite you to consult the following website (DG Climate Action/ETS aviation), which includes a comprehensive set of FAQs on the implementation of the ETS for aircraft operators:
http://ec.europa.eu/clima/policies/transport/aviation/index_en.htm

*Very sorry for the
delay in replying!*

Yours sincerely,

[REDACTED]