

Compliance Forum – Aviation Implementation Taskforce phase I

Q&A Report on EU ETS Aviation

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Procedure development Q&A report

In December 2008 the Aviation Implementation Task Force Phase I (AITF-I) was set up on the initiative of the Dutch Emissions Authority (lead by Iris van Tol). The AITF-I is the first task force that has been set up to function under the Compliance Forum. The task force is composed of experts from competent authorities and policy makers from Member States and the European Commission.¹

According to the terms of reference of the AITF-I project, the purpose of task force was to identify the most pressing issues for competent authorities in preparing for the implementation of the directive to include aviation in the EU emissions trading scheme (EU ETS)² and the associated Monitoring and Reporting Guidelines (MRG). The task force should review these priority items and other related issues in order to arrive at a common and harmonised understanding of the legal requirements imposed by the directive and the amended MRG 2007 decision in order to bring the aviation sector fully into compliance with the EU-ETS requirements. The aim was to come to a common understanding of how the issues identified should be interpreted within the legal framework.

Two more assignments have been taken up by the AITF. AITF Phase II aims at drafting a common guidance document for monitoring plans and drafting exemplar monitoring plans to assist aircraft operators and competent authorities. AITF Phase III will be formed to deal with formulating commonalities on issues of enforcement and sanctions.

Scope AITF Phase I

The Phase I issues were discussed from December 2008 until February 2009 and three meetings were organized to thoroughly assess and elaborate these issues. The first meeting took place on 8th of December 2008 and so as to delineate the boundaries and scope of the project. It was decided that Phase I should be limited to issues that have an imminent effect on the implementation of the directive to include aviation into the EU ETS into national legislation. The issues were identified by the Member States participating in AITF Phase I.

Task Force I did not seek to address issues that would be dealt with in the Commission's Technical Working Group and issues that are the direct prerogative of the Commission. Therefore, issues related to the legal drafting process of the monitoring and reporting guidelines were not included. The same applies to the verification and accreditation issues associated with including aviation in the EU ETS which will be dealt with by a Working Group of European Co-operation for Accreditation³ and the Commission.⁴

¹ Member States involved: The Netherlands, the UK, Germany, Belgium, Portugal, Sweden, Ireland, Denmark, Italy, Slovak Republic, Malta, Norway, France and Poland.

² Directive 2008/101/EC of the European Parliament and of the Council of 19 November 2008 amending Directive 2003/87/EC so as to include aviation activities in the scheme for greenhouse gas emission allowance trading within the Community, 13 January 2009, L 8/3.

³ The EA 6/03 Working Group is charged with revising the EA 6/03 guidance on accreditation of verification bodies under the EU ETS Directive.

⁴ According to article 15 EU ETS Directive the European Commission may adopt detailed provisions for the verification of reports submitted by aircraft operators pursuant to Article 14(3) and applications under Articles 3e and 3f, including the verification procedures to be used by verifiers, in accordance with the regulatory procedure referred to in Article 23(2).

Drafting process Question and Answer Report

In January 2009 a draft Question and Answer Report was compiled and sent out for review and comments to Task Force Members. Following a thorough discussion of the proposed draft on the 30th of January 2009, a second version was sent out incorporating the various comments made during and after the meeting. This 2nd draft was discussed on the 20th of February 2009. In that meeting agreement was reached on the most relevant issues, whereupon a 3rd version of the Q&A report was circulated together with the invitation to Task Force Members and the Technical Working Group for written comments. This version was also presented in the Climate Change Committee's Working Group 3 (emissions trading). The present Q&A Report is the result of this consultation process. On a very limited number of issues some minor differences remain, that have however only minor effect on the common implementation of the directive. Efforts will continue to also address these remaining issues.

Disclaimer

The question and answer report is not intended to be legally binding and does not impose a mandatory explanation or interpretation of the EU ETS Directive or the MRG. It should primarily be considered as practical guidance aimed at assisting competent authorities in the interpretation and implementation of the most important issues in the EU ETS Directive that have imminent effect on the implementation of the directive in national legislation.

Issues Compliance Forum Task Force First Phase

Subject	1A Start of EU ETS requirements for aircraft operators
Question/Issue	From what moment do aircraft operators have to comply with EU ETS requirements?
Answer/solution	<p>EU ETS requirements for aircraft operators arise when they start performing Annex I activities (with the exception of the exempted flights laid down in Annex I EU ETS Directive). From that moment they fall under the scope of the EU ETS Directive. With respect to monitoring requirements (emissions and tonne-kilometres), Annex I activities are also of relevance before 1 January 2012.</p> <p>As soon as the aircraft operator formally knows who its administering Member State is and through that which national legislation implementing the EU ETS Directive and Monitoring and Reporting Guidelines is applicable, it is able to submit a monitoring plan to the competent authority of the administering Member State and to surrender emission allowances that cover the emissions from the previous year.</p> <p>More guidance on how to deal with the start of EU ETS requirements for aircraft operators with and without a valid operating license is provided in Annex A of this document. This Annex also explains when aircraft operators without valid operating licenses are allowed to use the data gap approach for reporting emissions.</p>

Subject	1B. Responsibility of administering MS
Question/Issue	From what moment do aircraft operators have to comply with EU ETS requirements?
Answer/solution	<p>According to article 18a EU ETS Directive an administering Member State is:</p> <p>I. The Member State which has granted the operating license to the aircraft operator;</p> <p>II. In all other cases the Member State with the greatest estimated attributed aviation emissions from flights performed by that aircraft operator in the base year.</p> <p>For situation I the administering Member State is clear from the start (the Member State which has granted the operating license).</p> <p>For situation II the base year has to end in order to legally determine which Member State has the greatest estimated attributed aviation emissions. The base year is the first calendar year of operation for an aircraft operator which started operating in the European Community after 1 January 2006 and in all other cases is the calendar year starting on 1 January 2006. For new entrants, the list of aircraft operators to be published by the Commission before the 1st of February each year is crucial because there are no other practical means to determine which Member State has the greatest estimated attributed aviation emissions in the base year and is therefore the administering Member State.</p> <p>As soon as a Member State knows for definite that it is the administering Member State, it is able to enforce the EU ETS requirements on the aircraft operator and is responsible for carrying out administration activities (i.e. requiring the operator to submit a monitoring plan, approving the monitoring plan and taking enforcement actions).</p> <p>Aircraft operators can always submit monitoring plans on an informal basis before they are listed on the Commission's list (for example in cases where the</p>

	aircraft operator will only fly to one particular Member State and it is highly likely that that Member State will be the administering Member State). However the base year has to end before it can be legally and formally determined which Member State has the greatest estimated attributed aviation emissions and is the administering Member State.
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Subject	1C. Publication of the list of aircraft operators
Question/Issue	<p>EU ETS requirement According to article 18a (3) (a) EU ETS Directive the Commission shall publish a list of aircraft operators before 1 February 2009 and before 1 February each subsequent year</p> <p>Question What is the relevance of the Commission's list for new entrants to the scheme?</p>
Answer/solution	<p>In case there is no valid operating license (see item 1B situation II) the Commission's list is crucial to determine which Member State is the administering Member State.</p> <p>From the moment of publication, the aircraft operator and Member State has a clear indication to which administering Member State the aircraft operator has to contact. The aircraft operator is then able to submit a monitoring plan and emissions report as well as to surrender sufficient emission allowances to the competent authority of that particular administering Member State.</p> <p>Article 18a EU ETS Directive requires the Commission to publish updates to the list before the 1st of February each year. It is important that the list is published on time due to the following reasons:</p> <ul style="list-style-type: none"> • Timely publication allows the aircraft operator to submit a monitoring plan to the competent authority of the administering Member State and enables the competent authority to have the plan approved as soon as possible. • Timely publication allows the aircraft operator to draft a retrospective emissions report covering the previous year, have this report verified and submit the verified emissions report to the competent authority within the time required in the legislation.
Additional remarks or follow-up	<ul style="list-style-type: none"> • Discuss in Verification Forum how a verifier assesses data gap approach. • Exchange information with Eurocontrol on PAGODA. • Steps need to be taken to approve PAGODA.

Subject	1D. Termination of activities: End of EU ETS requirements
Question/Issue	<p>Question If an aircraft operator is on the Commission's list but no longer carries out Annex I activities <u>from which moment</u> does it no longer have to comply with EU ETS requirements?</p>
Answer/solution	<p>The answer to question 1A implies that the determining factor for invoking rights and obligations for aircraft operators is whether aircraft operators carry out activities that are laid down in Annex I to the EU ETS Directive.</p> <p>If aircraft operators are no longer performing any Annex I activities during a complete calendar year they are not required to comply with EU ETS requirements regarding that calendar year.</p> <p>For example: If the aircraft operator terminated its activities in 2014 and does not carry out Annex I aviation activities in 2015, it is not required to submit an emissions report or to surrender emission allowances with respect to the year 2015.</p> <p>The aircraft operator however will still be required to submit a verified emissions report at the latest on 31st of March 2015 and to surrender emission allowances before the 1st of May 2015 with respect to the year 2014 (the year</p>

	in which it still has emissions from flights performed during part of that year). If the same aircraft operator starts Annex I aviation activities again in 2018, it will fall under the scope of the EU ETS Directive and will have to meet EU ETS requirements again (i.e. submitting a new MP/ updated MP; submitting a verified emissions report and surrendering emission allowances for the year in which it restarted its aviation activities).
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Subject	1E. List of operators –update
Question/Issue	<p>EU ETS requirement According to article 18a (3, b) EU ETS Directive the list of aircraft operators shall be updated to include aircraft operators which have subsequently performed an aviation activity listed in Annex I EU ETS Directive.</p> <p>Question What does the annual update of the list entail? Will the European Commission delete aircraft operators that are no longer carrying out aviation activities or will they just add aircraft operators?</p>
Answer/solution	<p>Article 18a EU ETS Directive does not provide a direct legal basis for deleting aircraft operators. It only explicitly states that the Commission can add aircraft operators to the list. Article 18a fourth paragraph of the EU ETS Directive gives the Commission the prerogative to develop guidelines on the administration of aircraft operators. This could include guidance on how to remove aircraft operators or to make changes in their names or administering Member State.</p> <p>Member States should be aware that aircraft operators that are now on the Commission’s list could come back in the future even though they are not performing Annex I activities at the moment. Only in cases such as bankruptcy or mergers is it evident that an aircraft operator will never perform Annex I activities anymore.</p> <p>The answer to question 1D indicates that Commission’s list does not determine whether or not the aircraft operator falls under the EU ETS scheme. The determining factor for falling within the scope of the EU ETS Directive is whether the aircraft operator performs an aviation activity listed in Annex I of the EU ETS Directive. If the aircraft operator is no longer carrying out Annex I activities, it is of no consequence whether or not that aircraft operator is listed on the Commission’s list.</p> <p>However to prevent the list from containing a growing number of aircraft operators that will never return into the scheme, it is desirable to keep the list as up to date as possible. Possible options for deleting aircraft operators from the list because they are no longer performing Annex I activities include the following:</p> <ul style="list-style-type: none"> • Deleting aircraft operators who have gone bankrupt or have merged with another operator; • Removing aircraft operators that have lost or handed in a licence or certificate that enables them to fly. There is no reason for removing aircraft operators if such licences or certificates are still kept by aircraft operators.

Subject	1F. Transferral to another administering Member State
Question/Issue	<p>EU ETS requirement According to Article 18a (2) of the EU ETS Directive the aircraft operator shall be transferred to another administering Member State in respect of the next trading period where in the first two years none of the attributed emissions from flights performed by an aircraft operator are attributed to its original administering Member State.</p> <p>Question Can the Commission adapt the list accordingly?</p>
Answer/	Article 18a of the EU ETS Directive only explicitly states that the Commission

solution	<p>can add aircraft operators to the list. However in the case of a transfer of an aircraft operator as envisaged in the question above, the implication is that the Commission can also reallocate operators from one Member State to another in the case of Article 18a (2).</p> <p>Article 18a fourth paragraph of the EU ETS Directive gives the Commission the prerogative to develop guidelines on the administration of aircraft operators. This includes guidance on how to make changes in the assignment of an aircraft operator to an administering Member State.</p>
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Subject	2. Application for free allowances
Question/Issue	<p>EU ETS requirement According to Article 3e (1) of the EU ETS Directive each aircraft operator may apply for an allocation of allowances that are to be allocated free of charge.</p> <p>An application may be made by submitting to the CA in the administering Member State verified tonne-kilometre data for the aviation activities listed in Annex I performed by that aircraft operator for the monitoring year. Those applications have to be received by the CA by <u>31 March 2011</u>.</p> <p>According to Article 3e (2) of the EU ETS Directive the administering MS has to submit those applications to the Commission by <u>30 June 2011</u>.</p> <p>Question Do competent authorities have to decide on admissibility of the application and do they have to perform an additional check on the tonne-km data provided?</p> <p>What happens if the CA detects irregularities?</p>
Answer/solution	<p>A period of three months (31st March-30th June 2011) is insufficient for the CA to decide on the admissibility of each application, review the tonne kilometre reports that have been submitted by operators, deal with potential irregularities and at the same time deal with appeals of aircraft operators attesting a decision of the CA on the admissibility of an application.</p> <p>The system of the EU ETS Directive and MRG implies that we rely on verification to ensure that reliable and correct tonne kilometre data will be reported.</p> <p>The procedure for free allocation on the basis of the EU ETS Directive is suggested in Annex B</p> <p>However, the CA can take the following actions as a contribution to the integrity of the data:</p> <ul style="list-style-type: none"> •The CA can carry out inspections during the period in which the aircraft operator is monitoring its tkm data in order to draft the tkm report. The outcome of the inspection can be provided to the verifier so that this can be taken into account while verifying the tonne km report. •The CA can also take enforcement action against the aircraft operator in cases of fraud, however this can only be done after an application is made and not during 2010. •The supervision of verifiers should be clearly regulated. If the CA identifies irregularities after the verified tkm report has been submitted to the CA, the administering MS should undertake action against the verifier. As a last resort the CA could request the accreditation body to annul the verifier's accreditation.
Additional remarks or follow-up	It should be assessed in the Verification Forum to what extent the supervision of verifiers should be regulated.

Subject	<u>3A. Special reserve: responsibility to check eligibility</u>
Question/Issue	<p>EU ETS requirement According to Article 3f of the EU ETS Aviation Directive, 3% of the total quantity of allowances to be allocated shall be set aside in a special reserve for aircraft operators. Eligibility criteria are mentioned in Article 3f EU ETS Directive.</p> <p>If the aircraft operator is eligible, it may apply for a free allocation of allowances from the special reserve by making an application to the CA of its administering Member State. No later than six months from the deadline for making an application for free allocation of allowances to the CA, Member States shall submit applications to the Commission (Article 3 f (4) of the EU ETS Directive).</p> <p>Question Who is responsible for examining the admissibility of applications of the special reserve and for assessing the applications based on the eligibility criteria mentioned in Article 3 f of the EU ETS Directive?</p>
Answer/solution	<p>Article 3f (2) of the EU ETS Directive indicates that an aircraft operator who is eligible under paragraph 1 may apply for a free allocation of allowances from the special reserve.</p> <p>Article 3 f (2) is phrased differently from Article 3e (application of free allowances).</p> <p>The following differences can be discerned:</p> <ul style="list-style-type: none"> • Article 3 e of the EU ETS Directive allows every aircraft operator to apply for an allocation of free allowances. Article 3 f (2) of the EU ETS Directive only allows aircraft operators who are eligible under paragraph 1 to apply for the special reserve. • The competent authority has six months to submit an application to the Commission for allowances related to the special reserve whereas the CA has only three months in the regular free allocation procedure. <p>As Article 3f (2) of the EU ETS Directive is phrased in such a way, the competent authority has to check whether the aircraft operator is eligible and meets the conditions mentioned in paragraph 1 (new entrants and aircraft operator whose tkm data increases by an average of more than 18% etc.).</p> <p>Under Article 3f (9) of the EU ETS Directive, the Commission is able to develop additional rules on the operation of the special reserve. When developed, these rules may help the Member State in checking the admissibility of applications.</p>

Subject	3B. Special reserve eligibility criteria: continuation of an aviation activity
Question/Issue	<p>EU ETS requirement According to Article 3f of the EU ETS Directive, one of the conditions for aircraft operators to apply for a special reserve is those whose activity under 3f (1) (a) and (b) is not in whole or in part a continuation of an aviation activity</p>

	previously performed by another aircraft operator.
	<p>Question What is meant with the phrasing "<i>not a continuation of an aviation activity previously performed by another aircraft operator</i>"?</p>
Answer/solution	<p>To enable Member States to assess the applications against the eligibility criteria, the Commission may provide additional guidance on how to assess the eligibility criteria mentioned in Article 3f (1). Under Article 3f (9) of the EU ETS Directive, the Commission is able to develop additional rules on the operation of the special reserve.</p> <p>Guidance is likely to be needed to interpret the eligibility criteria correctly. This especially applies to the interpretation of the phrase <i>continuation of aviation activities</i>.</p> <p>The continuation-clause aims to prevent an operator from receiving free allowances for activities which it has taken over from another aircraft operator with the consent of this aircraft operator (as opposed to taking away business by competition, which is not inhibited by the ETS) or where activities are restructured between parts of the same corporate group, or outsourced to a contractor.</p> <p>The guidance on eligibility criteria could for example state that an aircraft operator who applies for allowances from the reserve should have to explain if it has bought an existing aircraft operator or has concluded any agreements to take over activities from existing aircraft operators. It seems to be necessary that the aircraft operator has to submit in its application to the competent authority proof of all its organizational and contractual relationships to other aircraft operators.</p>

Subject	4A. Simplified monitoring for small aircraft operators
Question/Issue	<p>EU ETS requirement Non commercial air transport operators are allowed to use simplified monitoring procedures if they are operating:</p> <ul style="list-style-type: none"> • fewer than 243 flights per period for three consecutive four-month periods; or • flights with total annual emissions lower than 10 000 tonnes per year. <p>Section 6 of Annex XIV MRG requires that operators have to prove that they meet the criteria.</p> <p>Question What kind of information does the non-commercial air transport operator have to submit to show that they are eligible to apply simplified procedures?</p>
Answer/solution	<p>The aircraft operator is required to prove to the competent authority that it meets the eligibility criteria for small emitters. This can be done by:</p> <ul style="list-style-type: none"> • applying an estimation of emissions and historical data based on Eurocontrol data in the first year; • providing flight records and/or fuel records to the satisfaction of the CA; • providing other proof of meeting the eligibility criteria to the satisfaction of the CA. <p>The aircraft operator has access to its own records at Eurocontrol, which could be used for these purposes.</p>
Additional remarks or follow-up	Needs to be taken up when defining information needs for competent authorities with respect to Eurocontrol data

Subject	4B. Simplified monitoring for small aircraft operators
	Once a simplified procedure is implemented; how to enforce this?

Question/Issue	<p>Question</p> <p>Should an aircraft operator prove each year that they meet the criteria?</p> <p>The aircraft operator meets the criteria for small aircraft operators but exceeds the threshold in the second half of the year. How should this be dealt with?</p>
Answer/solution	<p>This issue is regulated in Annex XIV section 4 of the MRG which states the following:</p> <p><i>"An aircraft operator making use of the simplified procedure and exceeding the threshold for small emitters during a reporting year shall notify this fact to the competent authority. Unless the aircraft operator demonstrates to the satisfaction of the competent authority that the threshold will not be exceeded again from the following reporting period onwards, the aircraft operator shall update the monitoring plan to meet the monitoring requirements laid down in sections 2 and 3 (of the MRG). The revised monitoring plan shall be submitted without undue delay to the competent authority for approval."</i></p> <p>Furthermore the competent authority can check from the annual emissions report if the aircraft operator is still meeting the criteria for small aircraft operators. If the annual emission report shows that the aircraft operator is no longer eligible, the competent authority can take enforcement actions (i.e. sanctions).</p>
Additional remarks or follow-up	<p>This issue is dealt with in the MRG.</p>

Annex A Guidance on start of EU ETS requirements for aircraft operators and administering Member States

EU ETS requirements arise when aircraft operators start performing Annex I activities. From that moment they fall under the scope of the EU ETS Directive.

To assess which national law implementing the EU ETS Directive and MRG is applicable to the aircraft operator, to which competent authority it is required to submit a monitoring plan or in which Member State it can open an account in the register, the aircraft operator and the Member State concerned have to know who the administering Member State is.

Two situations can be discerned for determining the administering Member State:

- I. aircraft operators with a valid operating license granted by a member State in accordance with provisions of Council Regulation 2407/92 of 23 July 1992 on licensing of air carriers. For these aircraft operators the administering Member State is the Member State which granted the aircraft operator the operating license;
- II. aircraft operators who do not have a valid operating license granted by a Member State. The administering Member State is the Member State with the greatest estimated attributed aviation emissions from flights performed by that aircraft operator in the base year.

Situation I Aircraft operators with valid operating license

The aircraft operator has to comply with monitoring and reporting requirements from 1 January 2010. It has to submit a monitoring plan to be approved by the competent authority in 2009 and has to surrender allowances, for the first time, in 2013 with respect to its emissions in 2012.

For new entrants the EU ETS requirements will start from the moment they perform an aviation activity laid down in Annex I. They will have to submit a monitoring plan, monitor the emissions and submit a verified emissions report. The requirement to surrender allowances will take place in the year following its entry into the system, with respect to its emissions in the preceding year.

As the administering Member State is the Member State which has granted the operating license to the aircraft operator, the aircraft operator knows which Member State to turn to.

The administering activities of the administering Member State start from the moment the aircraft operator performs annex I activities.

The following example clarifies which process steps have to be taken for new entrants in **situation I**.

An aircraft operator departs from or arrives in an aerodrome of an EU member State in 2012



The aircraft operator falls under the scope of the EU ETS Directive



The aircraft operator has to submit a monitoring plan to the CA of the administering Member State in 2012 (from the moment the aircraft operator carries out aviation activities).



The Administering Member State approves the monitoring plan. The aircraft operator is required to monitor its emissions according to the approved monitoring plan and the MRG/ national law implementing the MRG.



The aircraft operator drafts an emissions report and has it verified by a verifier in 2013 with respect to the emissions in 2012



The aircraft operator submits the verified emissions report by 31st March 2013



The aircraft operator is required to surrender emission allowances that cover the 2012 emissions by 31st of April 2013

Situation II Aircraft operators without valid operating license

As soon as the aircraft operator knows who its administering Member State is and thereby knows which national legislation implementing the EU ETS Directive and MRG is applicable, It is then able to submit a monitoring plan to the competent authority of the administering Member State and to surrender emission allowances that cover the emissions from the previous year. For situation II the administering Member State cannot always be easily identified right away. The base year has to end in order to legally determine which Member State has the greatest estimated attributed aviation emissions. The base year is the first calendar year of operation for an aircraft operator which started operating in the European Community after 1 January 2006 and in all other cases the calendar year starting on 1 January 2006.

Therefore the Commission's list plays a pivotal role to determine which Member State has the greatest estimated attributed aviation emissions from flights performed by that aircraft operator in the base year and is therefore the administering Member State.

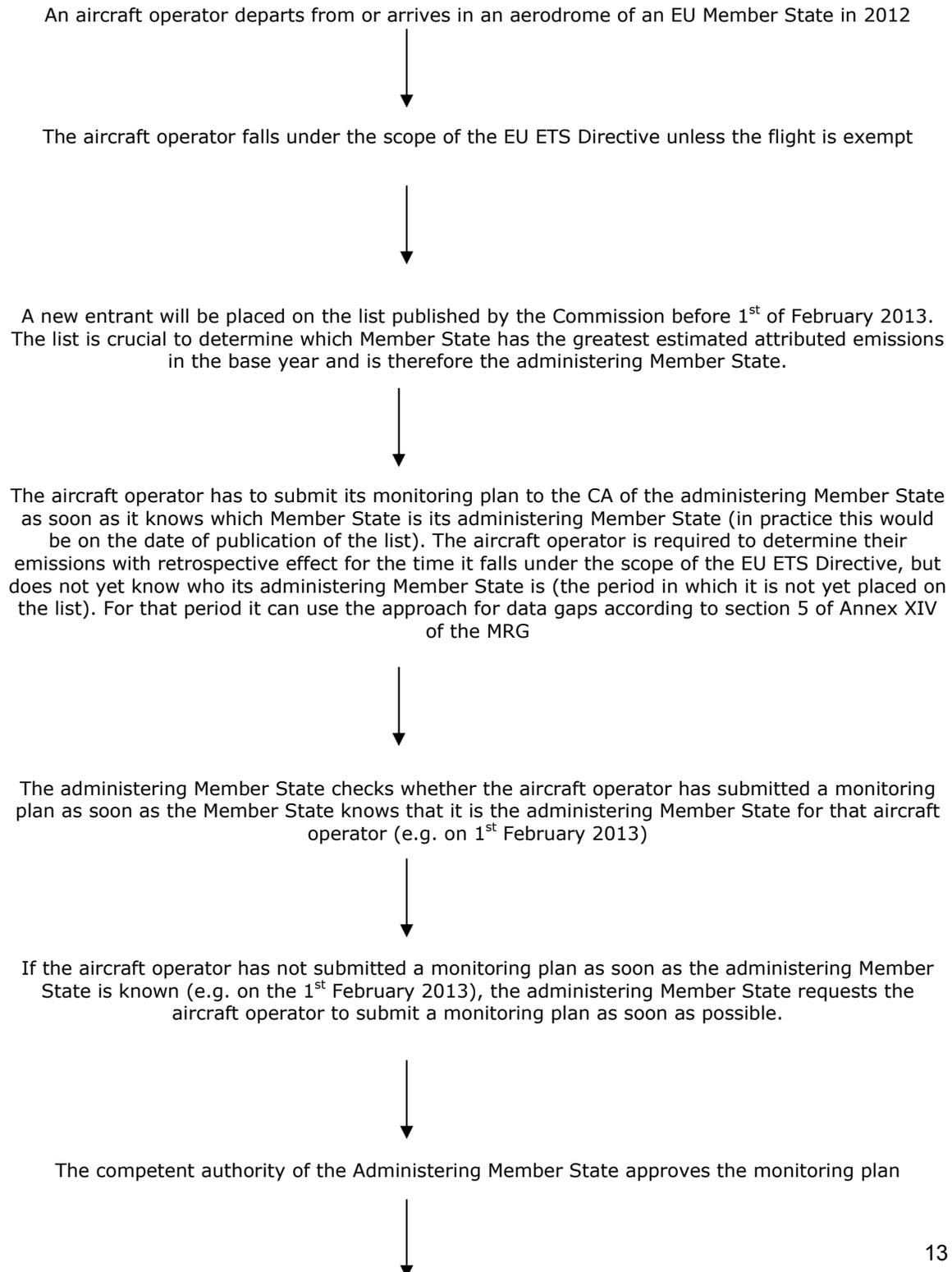
When the administering Member State is known, if the aircraft operator has carried out aviation activities covered by the Directive, it is required to submit a monitoring plan and to report its emissions to that administering Member State. Furthermore the aircraft operator has to surrender emission allowances to that administering Member State by 30st of April to cover its emissions from the previous year.

If the administering Member State is not immediately clear (e.g. for new entrants), the monitoring plan cannot always be submitted right away. In that case the aircraft operator is required to determine their emissions with retrospective effect for the time it falls under the scope of the EU ETS Directive but does not yet know who its administering Member State is (i.e. the period in which it is not yet placed on the list). For that period it can use the approach for data gaps according to section 5 of Annex XIV of the MRG. This section allows aircraft operators to estimate their emissions based on tools approved by the Commission (e.g. EUROCONTROL's PAGODA is expected to be approved) The data gap approach is applicable if the emissions are missing as a result of circumstances beyond the control of the aircraft operator and cannot be determined by an alternative method defined in the monitoring plan.

Aircraft operators can submit monitoring plans on an informal basis before they are listed on the Commission's list (for example in cases where the aircraft operator will only fly to one particular

Member State and it is highly likely that that Member State will be the administering Member State, or where the operator has been keeping track of its fuel consumption and can calculate which Member State will regulate it). However the base year has to end before it can be legally and formally determined which Member State has the greatest estimated attributed aviation emissions and therefore is the administering Member State.

The following example clarifies which process steps have to be taken for new entrants in **situation II**.



The aircraft operator has to monitor its emissions according to the approved monitoring plan and the MRG/national legislation implementing the MRG



The aircraft operator drafts its 2012 emissions report in 2013 and has it verified in 2013. The emission report relates to the emissions in the year 2012. These 2012 emissions could be estimated using the approach for data gaps in section 5 of Annex XIV MRG (e.g. using tools approved by the Commission, which should include Eurocontrol's PAGODA or other tools which can process all relevant air traffic information such as that available to Eurocontrol.), for the period it falls under the scope of the EU ETS Directive but does not yet know who its administering Member State is.



The aircraft operator submits its verified emissions report by 31st March 2013. The aircraft operator surrenders its emission allowances to cover its 2012 emissions before the 1st May 2013

ANNEX B Procedure for application for free allowances

The following procedure is suggested on the basis of the EU ETS Directive.

The aircraft operator submits a verified tonne kilometre report (based on an approved monitoring plan) by the 31st March 2011 to the CA of the administering MS and thereby submits an application for free allowances



The CA checks if the report is verified, whether the verifier is accredited and whether the verified tonne km report has been submitted in time. The CA can do a sense check and audit of the report.



According to Article 3 (e) (2) of the EU ETS Directive the CA is required to submit to the Commission every application for free allowances which has passed the check by the CA described in the previous step.



The CA submits every application for free allowances which has passed the check by the CA along with the verified tonne kilometre data to the Commission by 30th June 2011. The CA will take no further decision on the contents of the application. The competent authority can inform the Commission if it has identified irregularities with respect to an application.



Based on the decision adopted by the Commission each administering Member State shall calculate and publish the total allocation of allowances for each aircraft operator according to Article 3e (4) of the EU ETS Directive.