## To:

Ursula von der Leyen, President of the European Commission

Cc:

Teresa Ribera, Executive Vice-President of the European Commission for Clean, Just and Competitive Transition

Maroš Šefčovič, Commissioner for Trade and Economic Security; Interinstitutional Relations and Transparency Tzitzikostas – Sustainable transport and tourism

Wopke Hoekstra, Commissioner for Climate, Net Zero and Clean Growth

Jozef Síkela, Commissioner for International Partnerships

## Subject: Defending EU Sovereignty and Values in Response to U.S. Trade Pressure

Dear President Von der Leyen,

The European Union has been a world leader on climate change since the 1990s. However, it has not always gotten the support that could be expected from its key allies and trading partners. That is why we write to you today to ask you to respond resolutely to the irrational and unreasonable trade pressure imposed by the United States, and to ensure Europe stays true to its values and doubles down on its ambition to be the world's first climate neutral continent. On this, as President of the Commission, you said "*Europe will stay the course*", and that requires bold action.

We therefore urge the Commission to stand strong on the ETS revision for aviation and not accept the US's previously successful attempts to **pressure** the EU to change internal legislation.

In 2012 the EU imposed the ETS for aviation but due to diplomatic pushback from primarily the United States, that legislation was suspended for flights connecting the European Economic Area (EEA, i.e. EU plus Iceland, Norway, and Lichtenstein) to 3<sup>rd</sup> countries. It is due to be reimposed on those flights from 2027, pending a decision about the effectiveness of action at the International Civil Aviation Organization (ICAO) and the outcome of the EU legislative procedure.

The ETS is a cap-and-trade system that has been shown to be <u>effective at reducing emissions</u>. The system put in place by ICAO, the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), on the other hand, puts no cap on aviation emissions and only requires emissions over a certain threshold (85% of 2019 levels) to be offset from 2027. Offsetting regimes are known to be an <u>inadequate means to reduce emissions</u>. Therefore, CORSIA is an inherently inferior scheme for the purposes of reducing international aviation emissions, even if properly applied. Meanwhile there is no legislation that has been introduced in the US that would allow it to implement CORSIA, and none is expected.

The EU has positioned itself as a leader on climate action, yet aviation is a glaring exception to that leadership, and a drag on the EU being able to <u>meet its climate goals</u>. It's now time for the

EU to lead again. Aviation emissions are significant; in 2023, <u>all flights leaving airports located</u> in the EEA emitted 133 MtCO<sub>2</sub>, almost equivalent to the <u>Netherlands' 2023 total domestic</u> emissions (146 MtCO<sub>2</sub>). Less than half of those emissions were reported under the ETS.<sup>5</sup> The upcoming review is a chance for the EU to stand up for its European values and impose a modest, reasonable climate regulation on flights leaving the EU.

When the EU tried to impose this necessary measure on aviation emissions in 2012, U.S. Senator John Thune introduced the EU ETS Prohibition Act, which gives the U.S. Secretary of Transportation the authority to prohibit a U.S. airline from participating in the EU ETS. Senator Thune is now the majority leader in the Senate. There are currently no signs that indicate the US will be a good faith actor either in trade negotiations, or on its approach towards the EU's climate measures. Giving in to threats will simply encourage more threats.

Standing up for climate action will demonstrate to US President Trump and the world that Europe will not be bullied. As you rightly said, "*if you take on one of us, you take on all of us*". With polluters still unaccountable for their role in the climate crisis, and the threat it poses to us all, ensuring this is more than just a slogan means bringing international aviation into the ETS.

We the below signed request a meeting at your earliest convenience to discuss the way forward on this action.

Yours sincerely,

**Opportunity Green** 

Carbon Market Watch

