



## EUROPEAN COMMISSION

*Brussels, 22.2.2022  
C(2022) 1203 final*

*Dear Presidents,*

*The Commission would like to thank the House of the Oireachtas for its Reasoned Opinion on the following legislative proposals of the 'Fit for 55' package:*

- Proposal for a Directive of the European Parliament and of the Council amending Directive 2003/87/EC as regards aviation's contribution to the Union's economy-wide emission reduction target and appropriately implementing a global market-based measure {COM(2021) 552 final},*
- Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 2019/631 as regards strengthening the CO2 emission performance standards for new passenger cars and new light commercial vehicles in line with the Union's increased climate ambition {COM(2021) 556 final},*
- Proposal for a Regulation of the European Parliament and of the Council on the deployment of alternative fuels infrastructure, and repealing Directive 2014/94/EU of the European Parliament and of the Council {COM(2021) 559 final},*
- Proposal for a Regulation of the European Parliament and of the Council on ensuring a level playing field for sustainable air transport {COM(2021) 561 final},*
- Proposal for a Regulation of the European Parliament and of the Council on the use of renewable and low-carbon fuels in maritime transport and amending Directive 2009/16/EC {COM(2021) 562 final} and*
- Proposal for a Decision of the European Parliament and of the Council amending Directive 2003/87/EC as regards the notification of offsetting in respect of a global market-based measure for aircraft operators based in the Union {COM(2021) 567 final}.*

*As reflected in its political guidelines for 2019-2024 and in its work programme for 2021, the Commission committed to putting forward a comprehensive plan to increase the European*

*Mr Seán Ó FEARGHAÍL T.D.  
President of Dáil Éireann  
Houses of the Oireachtas  
Leinster House  
Kildare Street  
IRL – DUBLIN 2*

*Senator Mark DALY  
President of the Seanad Éireann  
Houses of the Oireachtas  
Leinster House  
Kildare Street  
IRL – DUBLIN 2*

*Union's target for 2030 towards 55% in a responsible way. These proposals form part of a broader package of ambitious measures designed to reduce net greenhouse gas emissions by at least 55% by 2030 across Member States and pave the way to achieving climate neutrality by 2050, in line with the binding objectives set out in the European Climate Law<sup>1</sup>. Setting ambitious, yet achievable targets will give a boost to meeting the EU's commitment.*

*The Commission has carefully analysed the issues raised by the House of the Oireachtas in their Reasoned Opinion and takes them seriously. The main concern is that a detailed statement with sufficient quantitative and qualitative indicators has not been provided and that the proposals are therefore neither proportionate nor compliant with the principle of subsidiarity.*

*In response to the issues raised, the Commission would like to offer the following explanations.*

*All the proposals are based on the Commission's Communication 2030 Climate Target Plan<sup>2</sup>. The Communication set out a comprehensive impact assessment that proposed to raise the EU's ambition and put forward a comprehensive plan to responsibly increase the EU's binding target for 2030 to at least 55% net emissions reduction. Each of the proposals of the 'Fit for 55' package mentioned in the Reasoned Opinion are supported by a specific impact assessment.*

*The Commission also endeavoured to combine the different policy proposals in a Member State scenario assessment that tries to capture their combined impact as much as possible (the so called MIX scenario). The Commission has presented the scenario results for this policy scenario at Member State level, together with the EU Reference scenario. The EU Reference scenario captures the implementation of the current policies, notably your existing national energy and climate plans. All this information is transparently available on the Directorate-General for Energy's<sup>3</sup> modelling webpage.*

*Specifically for some of the mentioned proposals, the Commission would like to add more detailed explanation.*

*As for the revision of the **CO<sub>2</sub> standards for cars and vans Regulation<sup>4</sup>**, the Commission would like to highlight the following aspects in more detail:*

*The CO<sub>2</sub> standards for cars and vans Regulation<sup>5</sup> was adopted in 2019. In line with the principle of subsidiarity, as set out in Article 5 of the Treaty on the European Union, the*

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<sup>1</sup> Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') – OJ L 243, 9.7.2021, p. 1-17.

<sup>2</sup> Communication from the Commission to the Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions Stepping up Europe's 2030 climate ambition – Investing in a climate-neutral future for the benefit of our people – COM(2020) 562 final.

<sup>3</sup> [https://ec.europa.eu/energy/data-analysis/energy-modelling\\_en](https://ec.europa.eu/energy/data-analysis/energy-modelling_en)

<sup>4</sup> COM(2021) 556 final.

<sup>5</sup> Regulation (EU) 2019/631 of the European Parliament and of the Council of 17 April 2019 setting CO<sub>2</sub> emission performance standards for new passenger cars and for new light commercial vehicles, and

*objectives of the proposal to amend the CO<sub>2</sub> standards regulation can only be achieved through a legislative instrument at EU level.*

*As also specified in the detailed impact assessment accompanying the CO<sub>2</sub> standards for cars and vans Regulation proposal, in light of the ambitious emission reduction target for 2030 in the perspective of the climate neutrality objective, stronger EU action is needed to ensure a sufficiently high contribution of the road transport sector. National, regional and local level action alone would not be sufficient. Lack of coordinated EU action via the strengthening of CO<sub>2</sub> emission standards would translate into a risk of market fragmentation which could also potentially translate to competitive distortions, a risk of tailoring national legislation to suit local industry, and compliance costs (passed on to consumers). It would also weaken the incentive to design fuel efficient vehicles and deploy zero-emission vehicles to the overall EU market. Coordinated EU action through the strengthening of CO<sub>2</sub> emission standards therefore provides benefits for both manufacturers, component suppliers and consumers. It could catalyse the transformation of the sector, and it would provide the entire automotive value chain with the necessary long-term, stable market signal and regulatory certainty needed to make the large capital investments that are necessary to deploy zero-emission vehicles on the market.*

*As regards the proposal for a **regulation on the deployment of alternative fuels infrastructure**<sup>6</sup>, the Commission would like to emphasise that the quick delivery of high-quality and state-of-the-art transport infrastructure of European importance is a prerequisite for the achievement of the overall goals of the EU's transport policy, such as decarbonisation, digitalisation and deployment of innovative solutions.*

*The aim of the proposal is to ensure the availability and usability of a dense, widespread network of alternative fuels infrastructure throughout the EU that is fully interoperable and easy-to use. All users of alternative fuel vehicles (including vessels and aircraft) need to be able to move through the EU at ease, enabled by key infrastructure such as motorways, ports and airports.*

*The proposal sets binding targets for the recharging and refuelling infrastructure on the Trans-European Transport Network, where the transnational and European-wide importance is clear. Equipping the whole Trans-European Transport Network is essential for ensuring full cross-border low and zero-emission mobility and gaining all of its benefits. This requires that all parts of the network be treated with appropriate attention, while full interoperability must be ensured. This includes standardised physical connections and communication protocols as well as adequate consumer information and the possibility to pay easily at any charging or refuelling station. Thus, only action at EU level can ensure fully interoperable infrastructure across the EU making it easy to recharge an alternative fuel vehicle just as it is for vehicles with combustion engines, which is a pre-condition to achieve the objectives under the European Green Deal.*

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repealing Regulations (EC) No 443/2009 and (EU) No 510/2011 (Text with EEA relevance.), OJ L 111, 25.4.2019, p. 13-53.

<sup>6</sup> COM(2021) 559 final.

*Regarding the **FuelEU Maritime proposal**<sup>7</sup>, the Commission would like to add that maritime transport is an international sector by nature. The proposal builds on existing policy tools such as Regulation (EU) 2015/757<sup>8</sup>, which establishes an EU system to monitor, report and verify (MRV) CO<sub>2</sub> emissions' data and other relevant information from large ships using EU ports. Approximately 75% of the voyages reported under the MRV are within the European Economic Area and only around 9% of the traffic is estimated to be domestic voyages (between ports within the same EU Member State). National approaches to ship emissions and, in particular, the uptake of alternative fuels risk to establish a patchwork of regional or national requirements and the development of technical solutions that may be incompatible with each other. Furthermore, EU action enables to achieve the economies of scale in the uptake of renewable and low-carbon fuels in maritime transport as well as avoiding carbon leakage. The cross-border dimension of the sector therefore calls for coordinated action at EU level.*

*Additionally, the Commission also proposes to create a minimum, yet increasing, level of demand for renewable and low-carbon fuels in the maritime transport sector, and more specifically for ships that arrive at, within or departing from ports under the jurisdiction of a Member State. This objective cannot be sufficiently achieved by the Member States without the risk of introducing barriers to the internal market and distortions of competition between ports and between maritime operators. To reach the targets and, at the same time, ensure a level playing field for all actors of the maritime sector, uniform rules at EU level are needed. By introducing uniform obligations, ship operators have incentives to continue operating unimpededly while meeting obligations on the use of renewable and low-carbon fuels. Accordingly, the EU may adopt measures, in line with the principle of subsidiarity, as set out in article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in the same article, this regulation does not go beyond what is necessary in order to achieve that objective.*

*The impact assessment accompanying the FuelEU Maritime proposal provided quantitative and qualitative indicators, to allow national parliaments to fully assess all the implications of the proposed regulation. It considered impacts on businesses, small and medium-sized enterprises, national budgets and administrations, freight rates, public health, the environment and the society as a whole. The modelling tools allowed to cover all Member States of the EU individually, as well as neighbouring and candidate countries. Following the assessment, the policy option identified as the preferred option, strikes the best balance between the objectives and the overall implementation costs. The goal-based and technology-neutral approach is thus proportional and meets the need for flexibility, which has been stressed by stakeholders during the consultation process.*

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<sup>7</sup> COM(2021) 562 final.

<sup>8</sup> Regulation (EU) 2015/757 of the European Parliament and of the Council of 29 April 2015 on the monitoring, reporting and verification of carbon dioxide emissions from maritime transport, and amending Directive 2009/16/EC (Text with EEA relevance), OJ L 123, 19.5.2015, p. 55-76.

*Regarding the proposal on revisions to the European Union's Emission Trading System in respect of aviation emissions<sup>9</sup> ('aviation ETS') and the proposal to implement Member States' notification to EU-based airlines of the offsetting for 2021 under the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) of the **International Civil Aviation Organisation (ICAO)**<sup>10</sup> ('CORSIA notification proposal'), the Commission would like to emphasise that all sectors, including aviation, must adequately contribute to reach the increased climate target. With the aviation ETS proposal, the Commission aims to ensure that aviation contributes to the 2030 emissions reduction target in accordance with the European Green Deal, that the allocation of emission allowances in respect of aviation is revised to increase the share of auctioning and that the EU ETS is amended as appropriate to implement ICAO's CORSIA. With the CORSIA notification proposal, the Commission aims to ensure that Member States can notify EU-based airlines of their offsetting for the year 2021 under ICAO's CORSIA. It is a bridging proposal until the aviation ETS proposal is agreed. Any relevant impacts for both proposals have been assessed<sup>11</sup>. This detailed impact assessment addresses in particular impacts on the environment, competitiveness and the economy, as well as social impacts and impacts on outermost regions and cross-cutting issues. The study underpinning the impact assessment for the proposal contains further qualitative and quantitative evidence<sup>12</sup>. Co-legislators requested this study according to the ETS Directive currently in force<sup>13</sup>.*

*Subsidiarity is addressed in the legal proposals and sections 3.2 and 3.3 of the accompanying impact assessment<sup>14</sup>. In particular, that acting at EU level, and where possible at global level, is more efficient than acting at the Member State level, due to the transboundary effects of climate change and the largely transnational nature of aviation. Action at EU level will most effectively deliver the EU's domestic and international climate targets and ensure the harmonised and appropriate implementation of CORSIA in respect of the EU.*

*The Commission would also like to highlight that the EU ETS is a well-established instrument, which has delivered tangible cost-effective emissions reductions across the range of sectors it covers. By 2030, the EU committed to reduce at least intra-EU aviation emissions through the*

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<sup>9</sup> COM(2021) 552 final, Proposal for a Directive of the European Parliament and of the Council amending Directive 2003/87/EC as regards aviation's contribution to the Union's economy-wide emission reduction target and appropriately implementing a global market-based measure

<sup>10</sup> COM(2021) 567 final, Proposal for a decision amending Directive 2003/87/EC as regards the notification of offsetting in respect of a global market-based measure for aircraft operators based in the Union

<sup>11</sup> SWD(2021) 603

<sup>12</sup> Assessment of ICAO's global market-based measure (CORSIA) pursuant to Article 28b and for studying cost pass-through pursuant to Article 3d of the EU ETS Directive, September 2020, commissioned by the European Commission, accessible at:

<https://www.transportenvironment.org/wp-content/uploads/2021/03/Ares20211459392.pdf>

<sup>13</sup> Article 3d and Article 28b(2) of Directive 2003/87/EC.

<sup>14</sup> SWD(2021) 603 final, Commission Staff Working Document – Impact Assessment Report Accompanying the document Proposal for a Directive of the European Parliament and of the Council amending Directive 2003/87/EC as regards aviation's contribution to the Union's economy-wide emission reduction target and appropriately implementing a global market-based measure

*EU ETS<sup>15</sup> as part of its revised, economy-wide greenhouse gas emissions reductions commitment. Initially, co-legislators decided in 2008 to include aviation in the EU ETS, starting from 2012. The European Aviation Safety Agency (EASA) estimates that in the period from 2013 to 2020, the EU ETS successfully delivered a net reduction in aviation-related CO<sub>2</sub> emissions of 193.4 million tonnes. According to Airlines for Europe, this reduction was largely delivered through the purchase of allowances from other ETS sectors<sup>16</sup>.*

*Regarding the proposal for a Regulation on ensuring a level playing field for sustainable air transport (**ReFuelEU Aviation**), the Commission aims to set out a European-wide blending mandate for sustainable aviation fuels. The objective is to gradually replace fossil energy with renewable fuels (advanced biofuels and synthetic fuels), starting in 2025. Aviation being a cross-border and global mode of transport, this proposal contains measures aiming to ensure that the aviation industry can continue to operate on a level playing field, and to avoid carbon leakage.*

*The proposal on ReFuelEU Aviation is accompanied by an in-depth impact assessment conducted by the Commission services. It analyses a large spectrum of policy measures, and provides a comprehensive set of quantified impacts for the aviation and renewable energy sectors. In particular, it provides data on the evolution of the aviation fuel mix, the evolution of aviation fuel costs for airlines, the expected increase of ticket prices. Impacts on employment and public health, as well as a large number of other social, economic and environmental indicators are provided.*

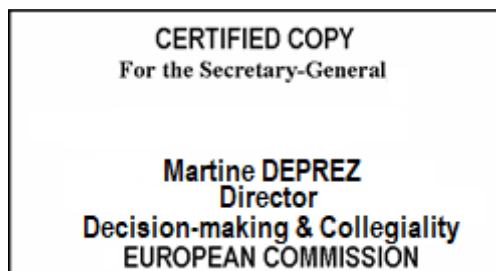
*The points made above are based on the initial proposals presented by the Commission, which are currently in the legislative process involving both the European Parliament and the Council.*

*The Commission hopes that these comments address the issues raised by the Houses of the Oireachtas and looks forward to continuing the political dialogue in the future.*

*Yours faithfully,*

*Frans Timmermans  
Executive Vice-President*

*Maroš Šefčovič  
Vice-President*



<sup>15</sup> Compared to 1990, see the Climate Target Plan COM(2020) 562 final.

<sup>16</sup> <https://a4e.eu/wp-content/uploads/a4e-fact-sheet-sustainability-commitments-journey-towards-a-greener-air-transport-of-the-future-2020.pdf>