



The International Air Carrier Association

Position Paper

September 2013

International Air Carrier Association's (IACA) position on the Commission's Consultation on the policy options for market-based measures to reduce the climate change impact from international aviation

Introduction

The International Air Carrier Association (IACA) represents 30 airlines that operate various business models to cater for different demands in the travel market, including low-cost, seat-only and tour operator traffic. Their common feature is efficiency in terms of fleet utilization and load factor.

Through this Paper, IACA members wish to contribute from their perspective to the public consultation on the Commission's Consultation on the policy options for market-based measures (MBMs) to reduce the climate change impact from international aviation.

They believe that the European position on the design of MBMs should take into account the principles as put forward in the answers to the questionnaire as specified below.

F.1. ICAO Framework for Market-Based Measures and Global MBM scheme

1) What should be the major considerations to assess the four different geographical scope options for the ICAO Framework listed above? [Max. 1000 characters]

IACA considers that airlines cannot be faced with a extremely complex situation in which they will have to report differently to authorities in each destination that they serve, awaiting the coming into effect of a single global Market Based Measure. Indeed, airlines already suffer from the extreme complexity of monitoring, reporting and verification related to the current EU ETS system, and it would be unthinkable that each non-EU country would be able to impose its own version of an MBM.

Therefore, the lowest possible administrative burden on operators should be the prime objective in designing the ICAO Framework.

The geographical scope is an important, but only one of the many design parameters. Without being able to assess the other design elements (such as the costs for airlines resulting of diverse MBMs imposed by authorities, or which benchmarking design should be best selected to reward efficient airlines), IACA is not in a position to assess the impact of the different proposed options for the geographical scope.

As IACA advocates a unique global MBM, the scope of different MBMs under the Framework Agreement, awaiting such single MBM, should encompass a maximum potential of emissions.

2) Which elements of the "Roadmap for a Global MBM" do you consider a priority, and what would be the optimal timeline for implementation? [Max. 1000 characters]

IACA believes that the best roadmap towards a (single) global MBM consists of a scheme in which all airlines worldwide are subject to the same environmental measures. Until the coming effect of such single MBM, no schemes should exist in which only a part of a carrier's network is subject to environmental obligations. As such, IACA objects firmly against any extension of the current EU-only scope for the EU ETS until 2020.

The element (a) of the Roadmap is the most important, as the other element can be built on this.

Concerning the timeline, IACA finally considers that the implementation should be done as soon as possible. In the meantime, airlines cannot accept a discriminating regime whatsoever.

3) What essential requirements should be taken into account for the development of a common set of monitoring, reporting, and verification standards for measuring greenhouse gas emissions from international aviation? [Max. 1000 characters]

According to IACA, all MRV obligations should be based on the exactly same standards and impose a minimum of administrative burden on airlines.

F.2. Simplifications for small aircraft operators

Certain flights are exempt from the Community system. According to paragraph (j) of Annex I to the EU ETS Directive, certain flights operated by a commercial air transport operator are exempt from the provisions of the EU ETS (de minimis exemption). The conditions are the following:

- *the operator is a commercial air transport operator; AND*
- *the operator either operated less than 243 flights per three consecutive period of four months (Jan-Apr, May-Aug, Sep-Dec) or emitted less than 10,000 tonnes of CO₂ annually.*

This exemption applies to commercial air transport operators. Non-commercial aircraft operators below the threshold are covered by the EU ETS. Small emitters can take advantage of simplified procedures to monitor their emissions. Recently, the threshold to make use of the simplified procedures has been increased to 25000 tonnes of emissions per year.

1. What could further decrease the compliance cost (cost for monitoring, reporting, verification, and registry) significantly for small aircraft operators? [Please rank the options below. Rank 1 - greatest cost decrease, 4 - no cost decrease]

- *Management companies could be attributed to Member States for administration;*
- *No additional verification would be required in case of using the Eurocontrol Support Facility;*
- *All Member States would provide IT-tools for reporting;*
- *Simplified requirements to open an aircraft operator holding account in the Union Registry for small emitters (only for receiving and surrendering allowances).*

IACA considers that all operators should pay their own cost. There should be no cross-subsidisation whatsoever between air operators.

2. Would you be in favour of exempting non-commercial aircraft operators altogether from the scope of EU ETS similar to the de minimis exemption of commercial operators? [Possible answers: "Yes"/"No"/"Cannot decide"]

"Cannot decide"

3. Which consideration is the most important when choosing a de minimis threshold for small aircraft operators? [Possible answers: "overall environmental effectiveness of the system", "administrative effort for operators", "other"]. Please, explain your answer [max 1000 characters].

"Cannot decide"

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