



September 12, 2013

European Commission  
Directorate-General Climate Action  
Unit B3  
B-1049 Bruxelles  
Belgium

Re: A4A Response to “Consultation on the policy options for market-based measures to reduce the climate change impact from international aviation.”

Dear Sir or Madam:

On behalf of Airlines for America<sup>®</sup> (A4A) (identified in the European Transparency Registry as 78160685782-84), I write to respond to the European Commission's (EC) public consultation on the policy options for market-based measures (MBMs) to reduce the climate change impact from international aviation. A4A is the principal trade and service organization of the U.S. airline industry, and its member airlines and their affiliates transport more than 90 percent of all U.S. airline passenger and cargo traffic.<sup>1</sup> As the record of the A4A carriers demonstrates, although the U.S. airlines contribute only two percent to the United States' greenhouse gas emissions (GHG) inventory and the world's airlines contribute only two percent of the global carbon dioxide (CO<sub>2</sub>) inventory, we take our role in controlling GHG emissions very seriously.<sup>2</sup> A4A and its members are keenly committed to continuing to implement measures that improve our fuel efficiency and reduce our CO<sub>2</sub> emissions output and potential climate change impacts, while allowing commercial aviation to continue to serve as a key contributor to the global, regional and local economies.

With specific respect to aviation climate change policy, A4A and its members are part of the worldwide aviation coalition with a significant proposal on the table for further addressing aviation CO<sub>2</sub> through a global sectoral approach, under the International Civil Aviation Organization (ICAO). In fact, the resolution from the Annual General Meeting of the International Air Transport Association (IATA) referenced in the Commission's consultation document is incorporated into the broader industry position for the ICAO Assembly.<sup>3</sup> Under the global sectoral approach, all airline CO<sub>2</sub> emissions would be subject to emissions targets requiring industry and governments to do their part. As proposed by the industry, these would be an annual average fuel-efficiency

---

<sup>1</sup> A4A's members are: Alaska Airlines, Inc., American Airlines, Inc., Atlas Air, Inc., Delta Air Lines, Inc., Federal Express Corporation, Hawaiian Airlines, JetBlue Airways Corp., Southwest Airlines Co., United Continental Holdings, Inc., UPS Airlines, US Airways, Inc.; Air Canada, Inc. is an associate member.

<sup>2</sup> Indeed, the U.S. airlines improved their fuel efficiency by 120 percent between 1978 and 2012, saving 3.4 billion metric tons of CO<sub>2</sub>. Further, U.S. airlines carried sixteen percent more passengers and cargo in 2012 than they did in 2000, while emitting ten percent less CO<sub>2</sub>. For details, see the web link at [http://www.airlines.org/Pages/Environment\\_CC.aspx](http://www.airlines.org/Pages/Environment_CC.aspx).

<sup>3</sup> See “Reducing Emissions from Aviation through Carbon-Neutral Growth from 2020,” (position paper presented by the global aviation industry, Airports Council International (ACI); Civil Air Navigation Services Organisation (CANSO); International Air Transport Association (IATA); International Coordinating Council of Aerospace Industries Associations (ICCAIA); and International Business Aviation Council (IBAC)), available at <http://www.atag.org/our-activities/38th-icao-assembly.html>.

improvement of 1.5 percent through 2020 and carbon-neutral growth (CNG) from 2020, subject to critical government infrastructure and technology investments such as air traffic control modernization, with an aspirational goal of a 50 percent reduction in CO<sub>2</sub> by 2050 relative to 2005 levels. Our focus is on getting further fuel efficiency and emissions savings through new aircraft technology, sustainable alternative aviation fuels and air traffic management and infrastructure improvements. To the extent we are not able to meet our targets through concerted industry and government investments in these measures, the global aviation sector position is that a properly designed, single, global MBM could be used to “fill the gap.” It is from this perspective that we respond, below, to the specific questions posed in the EC’s consultation. Also, we note our continued opposition to the unilateral application of the European Union Emissions Trading Scheme (EU ETS) to international aviation, and urge the EU to extend the “stop the clock” while work continues on a single, global MBM.

### **RESPONSE TO CONSULTATION QUESTIONS**

#### **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? [1000 characters limit]*

As stated in the industry’s Assembly paper, while we are confident that technology, operations and infrastructure measures will provide long-term emissions solutions, we recognize that some form of MBM may be needed to fill any emissions gap in the interim. To avoid a patchwork of overlapping, conflicting and overly-costly measures that would harm the industry and create competitive distortion, such an MBM should be in the form of a global MBM that could be implemented to support CNG from 2020. In light of this, and the status of discussions among States, we do not support a “framework” approach at this stage. There has not been sufficient elaboration on the details for MBMs to be employed on international aviation without confusion, conflict and disputes. And should a patchwork of MBMs take hold, it will be much more difficult later to get agreement on a single MBM. Thus, any MBM imposed on international aviation before a global agreement should be among mutually-agreeing States.

- 2) *Which elements of the “Roadmap for a Global MBM” do you consider a priority, and what would be the optimal timeline for implementation? [1000 characters limit]*

A4A believes that all the elements listed are important for an agreement on a single, global MBM. In fact, many of them appear in the industry paper for the Assembly. A4A concurs with the EC that a common set of monitoring, reporting and verification (MRV) standards should be a priority, as such standards are critical to gaining agreement on as well as implementing a global MBM. The work at ICAO on the elements needs to be sufficiently robust between now and 2016 that States can come to an agreement in principle on all of the core elements. However, there is room for some additional details to be fleshed out beyond 2016 based on agreement on the elements, as the global MBM would be to support CNG from 2020 if concerted industry and government investment in technology, operations and infrastructure still leaves a gap to be filled by an MBM.

- 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? [1000 characters limit]*

Many operators fly into dozens of different jurisdictions on a daily basis, with some large network carriers serving over a hundred different countries each day. Accordingly, they need to have a single point of accountability and the global agreement for an MBM needs to ensure means for verifying that carriers around the world, are, indeed, being subjected to consistent MRV requirements with that point of accountability. Further, the MRV requirements should be kept as

simple as possible. It has been the experience of A4A members that the MRV requirements for airlines under the EU ETS are unduly complicated and burdensome (for example, the requirements for carriers to supply fuel density for fuel uplift on every flight, the fuel accounting methodology and the paperwork requirements, to name a few). Thus, the ETS should not be used as a model for MRV for international aviation.

Simplifications for Small Aircraft Operators

1. *What could further decrease the compliance cost significantly for small aircraft operators? [Rank the options in the consultation]*

A4A has no comment on the rankings, as we do not represent "small aircraft operators" as defined by the EU ETS.

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? [Yes/No/Cannot decide]*

A4A supports a reasonable de minimis exemption developed on rational bases and applied without distinction as to nationality, but not necessarily an across-the-board exemption.

3. *Which consideration is the most important when choosing a de minimis threshold for small aircraft operators? [overall environmental effectiveness of the system/administrative effort for operators/other] [1000 characters limit]*

A4A urges the EU to address a problem with the de minimis exemption as implemented with respect to commercial operators under the "stop the clock." Although we still have concerns regarding the EU's decision to cover even the intra-EU flights of our carriers to any extent, assuming these flights are to be covered, the de minimis threshold should be calculated based only on intra-EU flights. As the EU's decision to adopt the stay was informed in part by the strong opposition around the world to the extraterritorial application of the scheme (including any portion of flights originating or arriving in a non-EU State), it is inappropriate to count extra-EU flights in the de minimis calculation. Moreover, it is questionable as a legal matter. This is significant because, as a result of the calculation approach, the full weight of the ETS falls on airlines with only a small handful of flights in the EU, creating undue burden and expense, contrary to the intent of the de minimis exemption.

\* \* \* \* \*

A4A appreciates the opportunity to comment on this consultation. Please let us know if you have any questions regarding our comments.

Sincerely yours,



Nancy N. Young  
Vice President, Environmental Affairs  
Airlines for America (identified in the European Transparency Registry as 78160685782-84)