September 2013

AEA RESPONSE TO COMMISSION'S CONSULTATION ON THE POLICY OPTIONS FOR MARKET BASED MEASURES TO REDUCE THE CLIMATE CHANGE IMPACT FROM INTERNATIONAL AVIATION

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]

The international aviation industry has developed the Carbon Neutral Growth 2020 concept and the overwhelming majority of airlines have accepted the implementation plan proposed by the airline industry. A harmonized approach is necessary in order to develop a single, global market-based measure to address international aviation emissions. This is the most important consideration to be taken into account in assessing any options for the geographical scope of an ICAO framework. Regional and national approaches can lead to competitive distortions and carbon leakage.

A carbon reduction strategy should be oriented around the industry's four pillar strategy. ICAO decisions and goal setting should therefore cover all areas of the four pillar strategy, including technical and operational measures, research, development and investment in alternative fuels, as well as an efficient infrastructure.

In addition, any option under consideration should minimise administrative and/or operational burdens on the industry.

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]

AEA believes that all the elements listed under points a) to f) reflect appropriate and adequate building blocks to arrive at a comprehensive roadmap for a global market-based mechanism. However, AEA wishes to caution against dedicating too many political and institutional resources to the development of the roadmap. We feel that maximum attention should be given to agreeing on a global market-based measure for international aviation, as indicated in our response to Question 1.

If indeed a roadmap can be developed without delay, it seems that approval at the ICAO Assembly in 2016 would be an appropriate target so that the roadmap can be followed, in order to facilitate implementation of a global market-based measure from 2020 onwards.

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]

AEA's member airlines operate more than 11,000 domestic, regional and intercontinental flights per day. Airlines are confronted with many different jurisdictions and flight information regions on a daily basis. Key for an effective and efficient common set of monitoring, reporting and verification standards is the simplicity of the system, including a single point of contact and a minimal amount of administrative and operational burden. This would ensure transparency and could be applied to large, medium-sized and small operators.

Simplification for small aircraft operators

1. What could further decrease the compliance cost significantly for small aircraft operators? [rank options – 1 greatest cost decrease, 4 no cost decrease:

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

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]

Yes

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]

Administrative effort for operators.