

## **Boeing response to the European Commission's consultation on policy options for market-based measures to reduce the climate change impact from international aviation and on the simplification of the EU's ETS for small aircraft operators**

Boeing welcomes the opportunity to provide a response to the European Commission's consultation on policy options for market-based measures (MBMs) and on the simplification of the EU's ETS for small aircraft operators. Boeing is firmly committed to do its part in helping to address the challenges of climate change, through technology advances in airplane design, the commercialization of sustainable biofuels for aviation, and other measures in support of operational and infrastructure improvements in cooperation with other stakeholders in the aviation industry. We also recognize that in order to meet our collective industry goals on emissions, market-based measures may be needed as an interim measures to achieve industry's goals. We also believe that any MBM should be global in scope, given the global nature of the aviation industry. Furthermore, any MBM that is implemented needs to preserve the safe and effective operation of the aviation sector, as well as avoid duplicative market-based measures and anti-competitive market distortions. Therefore, we support the role that the International Civil Aviation Organization (ICAO) is undertaking to support a basket of measures to address international aviation emissions, including a global MBM, and we urge the EU and all ICAO member states to reach an agreement on a global MBM at the upcoming ICAO Assembly.

### **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]

One of the key issues that should be taken into account is the administrative process and complexity involved in each of the four options. Having States apply their MBMs to flights that fly over national airspace or in Flight Information Regions (FIRs) could create a very complex and disproportionate burden for aircraft operators in order to achieve compliance, particularly given that during the course of a single flight an aircraft can fly across the national airspace of several States and FIRs.

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]

Boeing believes that all elements are significant to achieve an agreement on a global MBM. We also believe that it is important for ICAO/ICAO Council to develop the tools and standards to enable robust and measurable progress in support of achieving carbon neutral growth in aviation. A key tool is the development of a common, globally-applicable set of monitoring, reporting and verification (MRV) standards to measure aviation CO<sub>2</sub> emissions. The development of this tool under ICAO aligns well with ICAO's experience and role in setting global standards for aviation, and would enable a global MBM plus reduce risk of having multiple MRV methodologies or requirements that could not only create additional administrative burden for aircraft operators but could also reduce transparency on how emissions are being mitigated.

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]

With reference again to the fact that many aircraft operators fly across many airspace jurisdictions on a regular basis, it is important that there not be multiple jurisdictions that an operator has to be accountable to for the purpose of MRV standards. There should be a focus on developing a globally-applicable common set of MRV standards that would be relatively simple to apply for all type and size of operators, and that have an assurance of data integrity.

### **F.2. Simplifications for small aircraft operators**

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

YES
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].

Boeing believes that the administrative and financial burden endured by a non-commercial small emitter to set up and manage an ETS compliance system is strongly disproportionate with regards any environmental benefit that may result from it. Boeing operates less than 100 ETS flights yearly and the emissions resulting from its private executive fleet account for less than 4000 tons of CO<sub>2</sub>. Thus, applying a similar level of management requirements to a small emitter like Boeing than to a commercial airline is disproportionate. Moreover, such flight operations are not primarily based on financial parameters. The burden of compiling, reporting, third party verification, administering and purchasing/surrendering carbon credits on a yearly basis results, for a small emitter, in an overall imbalance between cost and resources involved and any possible positive environmental impact. The only beneficiaries of such a set up of the compliance scheme are third party consultancies. Therefore, an exemption threshold for non-commercial small emitters should be implemented as well.