

Response

to the European Commission's consultation on the policy options for market-based measures to reduce the climate change impact from international aviation

aireg welcomes the opportunity to respond to the consultation on the policy options for market-based measures to reduce the climate change impact from international aviation.

Governments and industry have agreed to decouple growth in passenger numbers from aviation's CO₂ emissions. aireg supports all measures, either technical or operational, that will contribute emission reductions in aviation. However, only a large-scale supply of alternative aviation fuels will ultimately decrease aviation's net CO₂ emissions. It is therefore inevitable to utilize all practical fuel efficiency options and simultaneously lay the foundation to substitute the remaining jet fuel demand with sustainable alternative fuels.

Only such a concerted effort of industry and governments will enable the desired net reduction of 50% of the 2005 CO₂ emissions level by 2050. Carbon-neutral growth (CNG) by 2020, however, will require a global agreement on a market-based measure that remains in practice until alternative aviation fuels and other measures have reduced aviation's emissions below the level of 2005. aireg therefore calls on the European Union and its Member States to work collaboratively through ICAO to reach an agreement on measures to address CO₂ emissions from aviation as part of a comprehensive package that includes support mechanisms for the commercialization of alternative aviation fuels.

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]

aireg would like to stress that an ICAO Framework for market-based measures (MBMs) should be a temporary measure. The objective and priority for ICAO should be to reach an agreement

on a single global MBM since it is the only appropriate means to achieve a comprehensive and non-distortionary coverage of civil aviation CO₂ emissions. This single global MBM shall remain in practice until alternative aviation fuels and other measures have reduced aviation's emissions below the level of 2005.

In the meantime, an ICAO framework for MBMs should seek to ensure regional and national schemes adhere to certain principles and do not hinder the way to the adoption and implementation of a single MBM.

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]

aireg believes that all the elements listed are critical for an agreement on a global single market-based measure, whereas “e) Agreement to the quality criteria for offsets” are of particular concern.

Sustainable alternative aviation fuels are the most effective way to decarbonize aviation. Their technical and ecological feasibility have been proven. Now massive efforts need to be taken by governments to make such fuels economically feasible until 2020. By enabling airlines to meet CNG through alternative fuels, the remaining offsetting volume is significantly reduced.

The commercialization of alternative fuels is to be actively supported by governments by copying the incentives and start-up assistances they have successfully provided to other industries (i.e. electric vehicles) for the benefit of feedstock producers and bio-refineries. Such support systems shall be of top priority for governments in the short-term. Otherwise, it is conceivable that the additional demand for offsets caused by aviation would overrun this limited market. With the inability of the providers to fulfill the demand for sustainable CDM-projects aireg fears a severe damage of aviation's reputation.

Once competitive prices for alternative aviation fuels have been achieved, a mandatory off-take of such fuels may be safeguarded through a blending quota for airlines.

The global MBM option itself needs to be an offset scheme that is in large part directed towards in-sector solutions to further support investments in feedstock production and bio-refining capacity. The revenues generated for a spend into these in-sector solutions are to be matched nationally by Government funding as long as the alternative aviation fuel is pricewise not competitive.

Such a comprehensive package of pre-2020 initiation and post-2020 concerted expansion will be the foundation for a sustained reduction of aviation CO₂ emissions.
