

# Consultation on the policy options for market-based measures to reduce the climate change impact from international aviation

## Summary of the received contributions

All in all, 43 contributions were submitted to the functional mailbox [CLIMA-CONSULTATION-AVIATION-2013@ec.europa.eu](mailto:CLIMA-CONSULTATION-AVIATION-2013@ec.europa.eu). The most represented contributors were airlines and professional associations (61%), followed by non-governmental organizations (16%), EU public authorities (9%), individuals (7%), professional consultations (5%) and non-EU public authorities (2%).

11 contributions were marked confidential or sent by e-mail that included a standard confidentiality disclaimer, 1 contribution authorized publication. The table below gives an overview of the contributors, grouped in accordance to their field of competency:

	Total number of contributions	Of which answered to F1	Of which answered to F2
Airlines and professional associations	26 (61%)	24	22
EU public authorities	4 (9%)	4	4
Individuals <sup>1</sup>	3 (7%)	1	2
NGOs	7 (16%)	7	4
Non-EU public authorities <sup>2</sup>	1 (2%)	0	0
Professional consultations (verifiers)	2 (5%)	0	2
	<b>43</b>	<b>36</b>	<b>34</b>

## F1. ICAO Framework for Market-Based Measures (MBM) and Global MBM scheme

The public consultation confirms the strong support for MBMs from the aviation industry, public authorities, and NGOs. All respondents support MBMs for the aviation sector whereby airlines and professional associations tend to favor a global MBM over regional or national MBMs. Only one professional organization opposes the continuation of the EU ETS as a regional scheme pending the implementation of a global MBM in 2020.

### 1. Major considerations to assess the different geographical scope options for MBM Framework

*What should be the major considerations to assess the different geographical scope options for the MBM Framework (as discussed in the HGCC)?*

- *Arriving and departing flights within national airspace*

<sup>1</sup> One contribution did not respond to any of the questions listed in the consultation

<sup>2</sup> Contribution stated that responses to the questions for the consultation will be provided after the ICAO Assembly in September 2013

- *Flights arriving in, departing from and flying over national airspace*
- *Flights within the Flight Information Regions (FIRs), including oceanic FIRs*
- *Flights departing from an aerodrome in a State*

From the contributions by airlines and professional associations, 50 % mention the political acceptability and administrative complexity of an MBM as an important criterion. 23 % of the contributions are in favor of the largest possible coverage because of environmental effectiveness or to avoid discrimination between different routes.

The EU public authorities consider the coverage of emissions as the priority, followed by administrative burden, and political acceptability.

The NGOs put a clear priority on the environmental effectiveness and a full coverage of global emissions by regional MBMs. 86% of NGOs insist on 50-50 option as the only feasible way forward due to its environmental integrity, the other NGOs advocate the departing flights approach. Most NGOs consider the airspace approach not feasible due to enforcement (lack of clarity) and MRV problems.

## **2. Elements of the "Roadmap for a Global MBM"**

*Which elements of the "Roadmap for a Global MBM" do you consider a priority, and what would be the optimal timeline for implementation?*

For airlines and professional associations, the focus is on common standards for MRV, followed by the assessment of, and agreement to, the most effective means of allocating emissions limits. In general, the majority of the proposed elements for a global MBM are found significant.

2 out of 4 EU public authorities put their emphasis on the need for a strict timetable with implementation by 2020 (without expressing any specific preferences on the priorities). The 2 other public authorities consider the allocation of emissions and the taking-account of special circumstances and respective capabilities as top priorities.

For NGOs, the focus tends to be on agreeing on the global measure as soon as possible. The use of offsets is a big concern as it does not lead to actual emission reductions. The contributions provide detailed assessment of the environmental integrity of different types of offsets (with varying results).

In terms of timing of the implementation of the global MBM, there was a clear difference between NGOs that mostly prefer to start at 2016 and EU public authorities and airlines/professional association that mostly list 2020 as a feasible year to start the implementation.

## **3. Essential requirements for monitoring, reporting, and verification standards**

*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?*

The contributions were very similar in terms of the requirements for MRV: simplicity, transparency, and consistency, single point of accountability, common methodology, and minimal administrative burden for aircraft operators. 40% of airlines and professional associations found scalability (accommodating both large and small aircraft operators) to be an essential requirement of the MRV system, 17% of them also listed confidentiality as a concern. 2 airlines/professional organizations listed the need to use standard density to decrease administrative burden.

NGOs find it important to collect emission data from each departing flight, using common methodology and having in place assistance for airlines with difficulties.

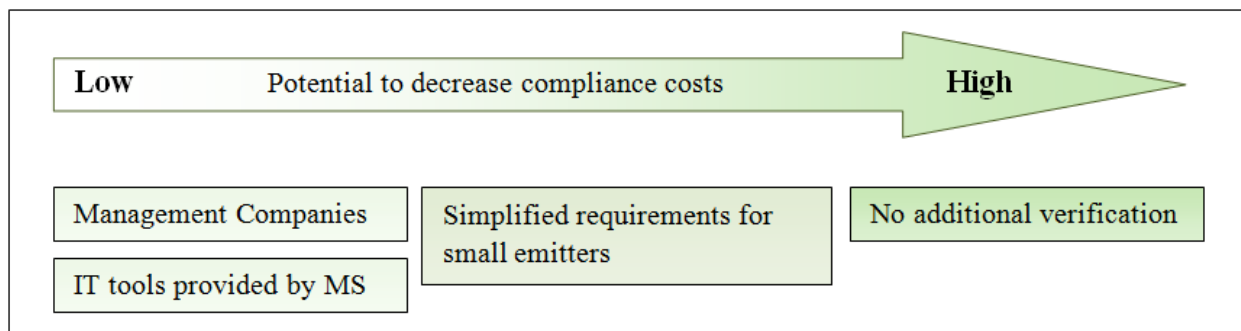
The only individual responding to the question cautioned against developing too simple MRV system.

## **F2. 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? (ranking of the options below)**

- *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).*

The graph below indicates general results from ranking the potential measures that may help to further decrease the compliance costs for small aircraft operators:



The contributions to the question above were similar throughout different types of contributors: 70% of contributors found no additional verification to be the most promising way to cut compliance costs. Simplified requirements to open an aircraft operator holding account in the Union Registry for small

emitters was considered second best in its potential to help decreasing the compliance costs. IT-tools to be provided by the Member States and the use of management companies were considered to have the least impact as the both are already available on the market while the use of IT tools provided by the Member States has the scope to be increased.

## 2. Exemption of non-commercial aircraft operators from the scope of EU ETS

*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
Airlines and professional associations	59%	23%	14%
EU public authorities	100%	-	-
Individuals	-	50%	50%
NGOs	25%	75%	-
Professional consultations (verifiers)	-	100%	-
<b>All contributors</b>	<b>53%</b>	<b>32%</b>	<b>12%</b>

The main arguments against an exemption were the consistent application of the rules while achieving the broadest coverage of emissions; the main argument for introducing the exemption was the balance between environmental integrity and related costs to the aircraft operators.

NGOs were mostly against the exemption with only one of them being open to the idea, but requesting to keep the exemption to minimum by including only the airlines with negligible share of emissions.

The EU public authorities were in favor of the exemption, one of them requesting the *de minimis* arrangements to be the same for both commercial and non-commercial aircraft operators.

## 3. De minimis threshold for small aircraft operators

*Which consideration is the most important when choosing a de minimis threshold for small aircraft operators?*

For NGO-s and EU public authorities, the most important considerations listed were the overall environmental effectiveness and the administrative burden for operators, often suggested to be considered in combination. In addition to that, several airlines and professional associations proposed competitive distortion as an equally important consideration.

Professional consultations (verifiers) preferred not to introduce the de minimis threshold for small aircraft operator, one of them proposing to remove it also from commercial aircraft operators.