



AVIATION BENEFITS BEYOND BORDERS

*Providing employment, trade links,
tourism and support for sustainable
development through air travel*

ICAO Destination Green
Paul Steele
Executive Director - ATAG

15 May 2013

AVIATION: AN ECONOMIC ENGINE



\$2.2 trillion
of global
economic impact

3.5%
of global GDP
supported

56.6 million
jobs supported by
aviation worldwide

19th largest
economy in the world, if
aviation were a country

AVIATION: ENVIRONMENTAL RESPONSIBILITY

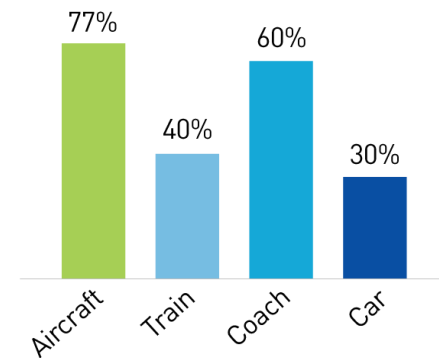


689 million
tonnes of CO₂ from air
travel in 2012

2%
of world CO₂
emissions

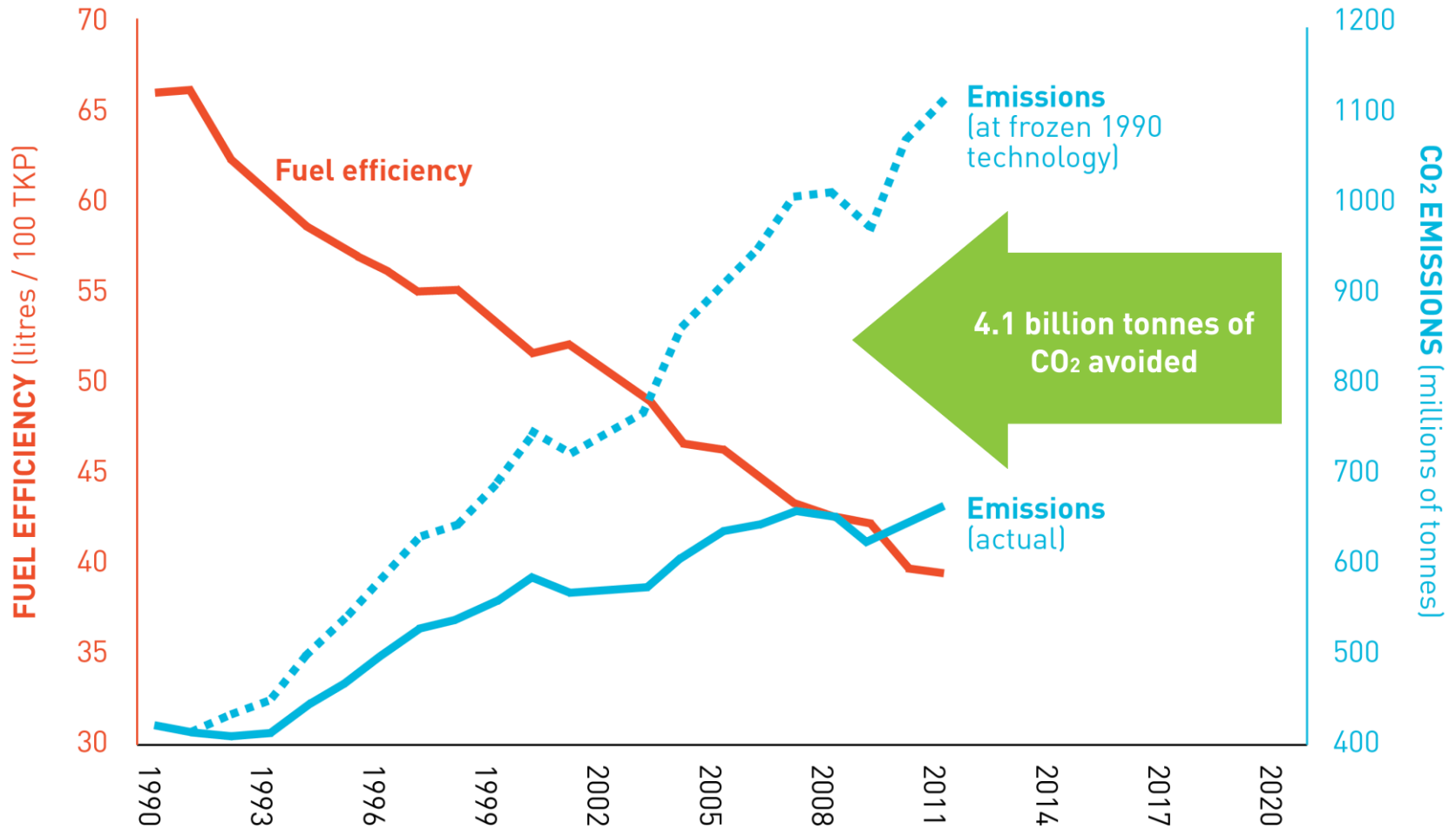
70%+
more efficient than
first jet aircraft

High occupancy



AVIATION: IMPRESSIVE PROGRESS SO FAR

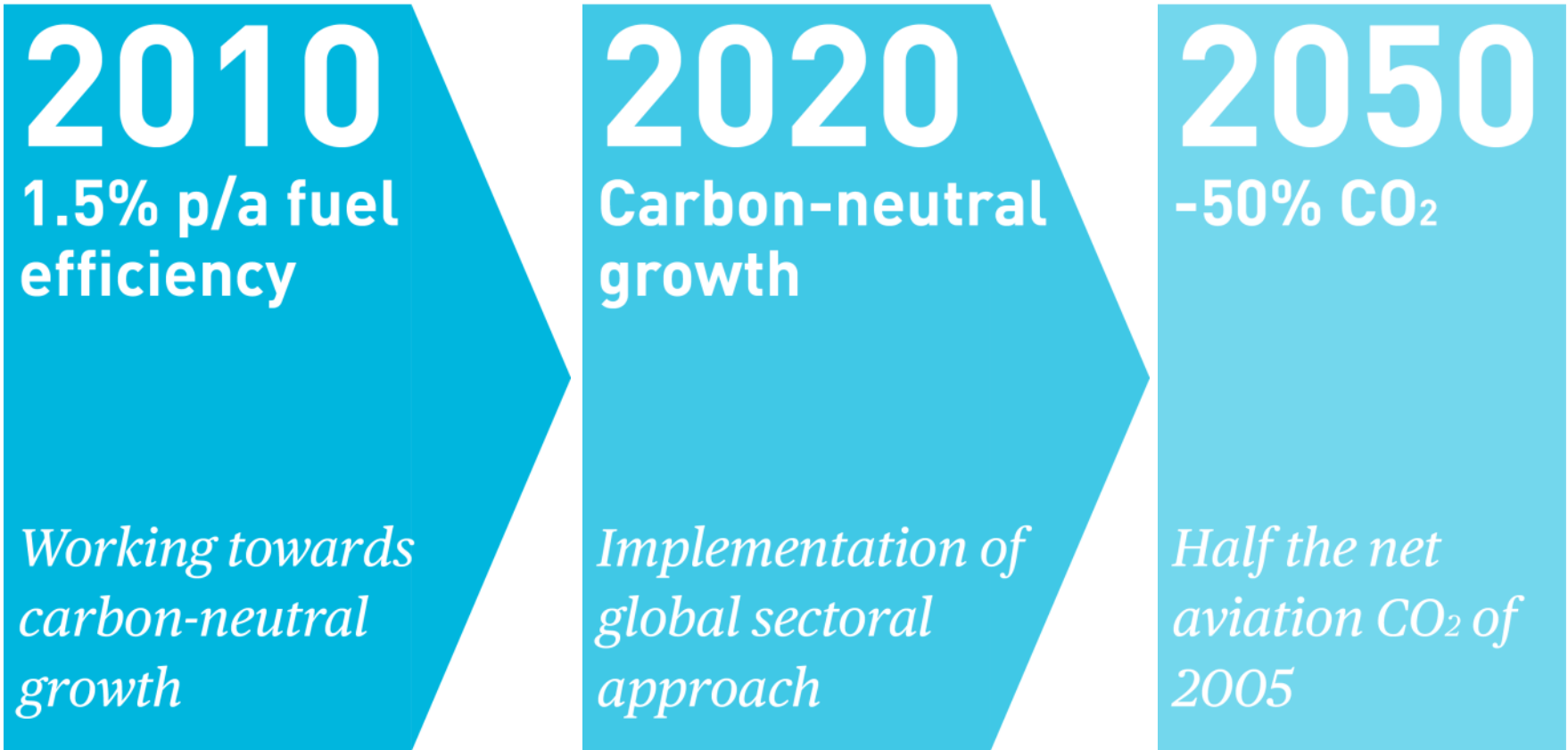
CO₂ from commercial airline fuel burn, emissions and efficiency



OUR CLIMATE ACTION

Targets are at the global level – not on States or operators

Targets do not mean slowing down the growth of aviation



THE FOUR PILLARS

Invest in new
TECHNOLOGY

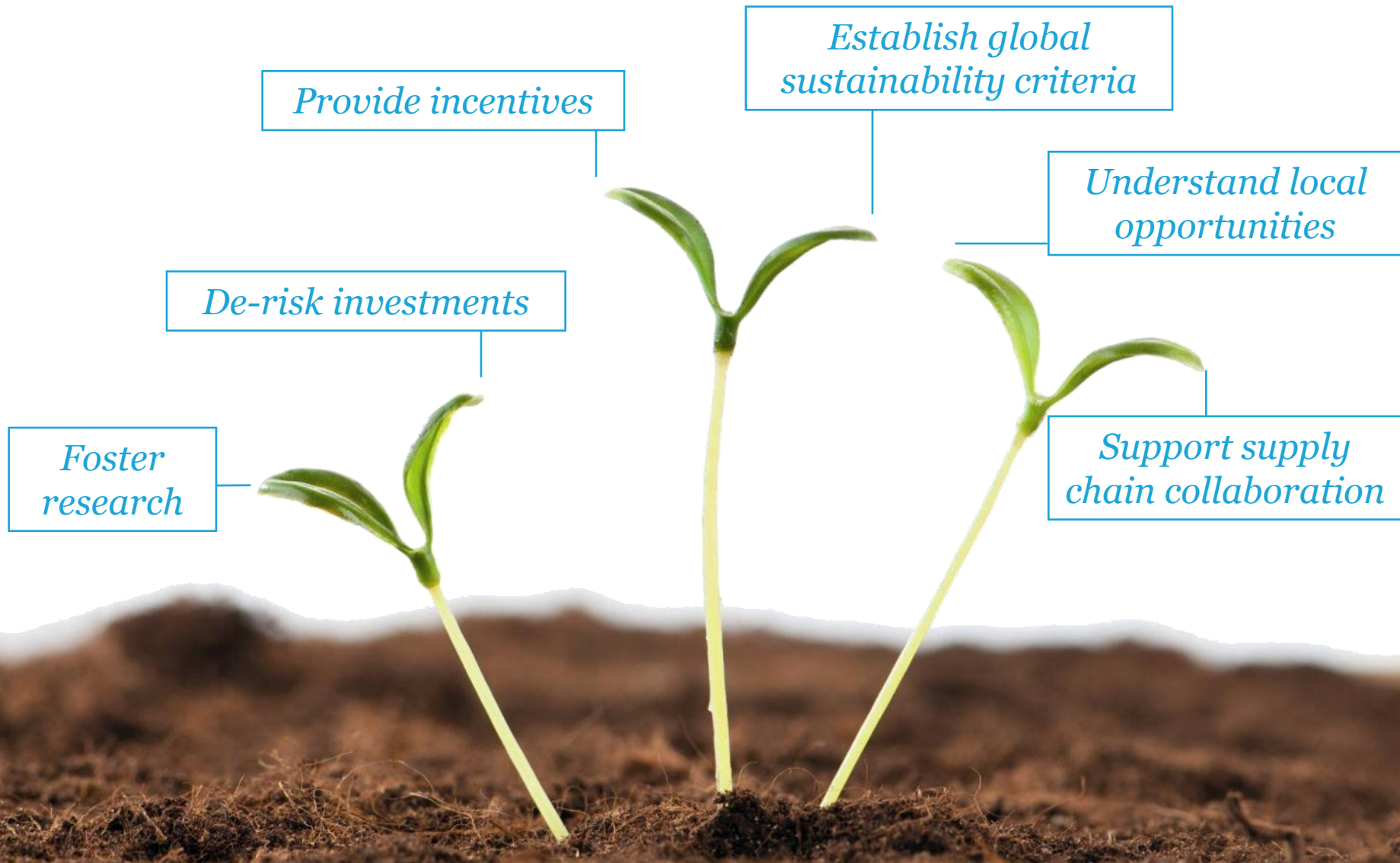
*(including sustainable
aviation biofuels)*

Fly using more efficient
OPERATIONS

Build and use efficient
INFRASTRUCTURE

Use effective, global,
**MARKET-BASED
MEASURES**

GOVERNMENTS NEED TO HELP - BIOFUELS



GOVERNMENTS NEED TO HELP – ATM

Observe the ASBU framework for ATM modernization

Support civil/military cooperation and flexible use of airspace

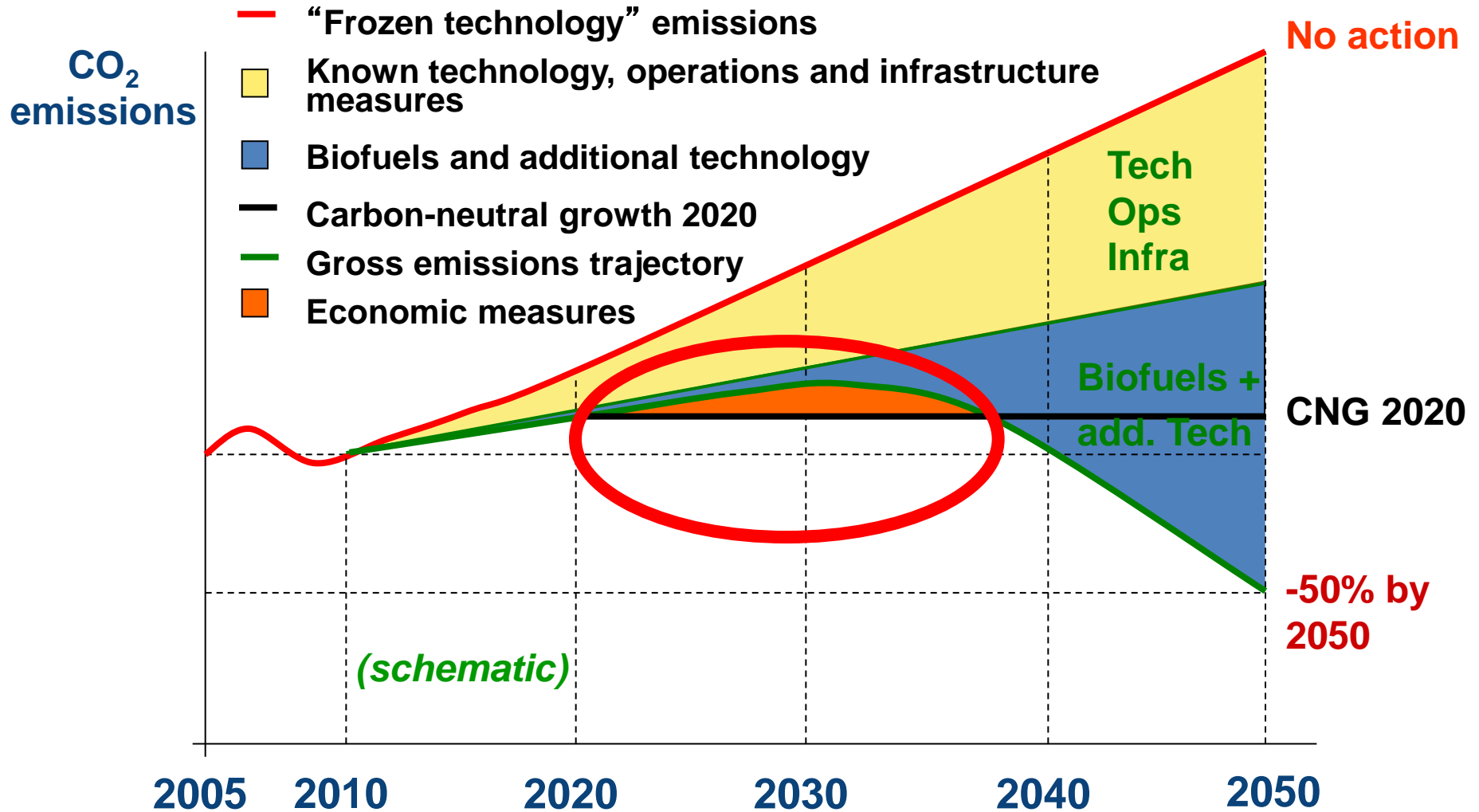
Establish effective and sustainable regulatory practices

Support the introduction of new technologies and procedures

Explore new or alternative models of service provision

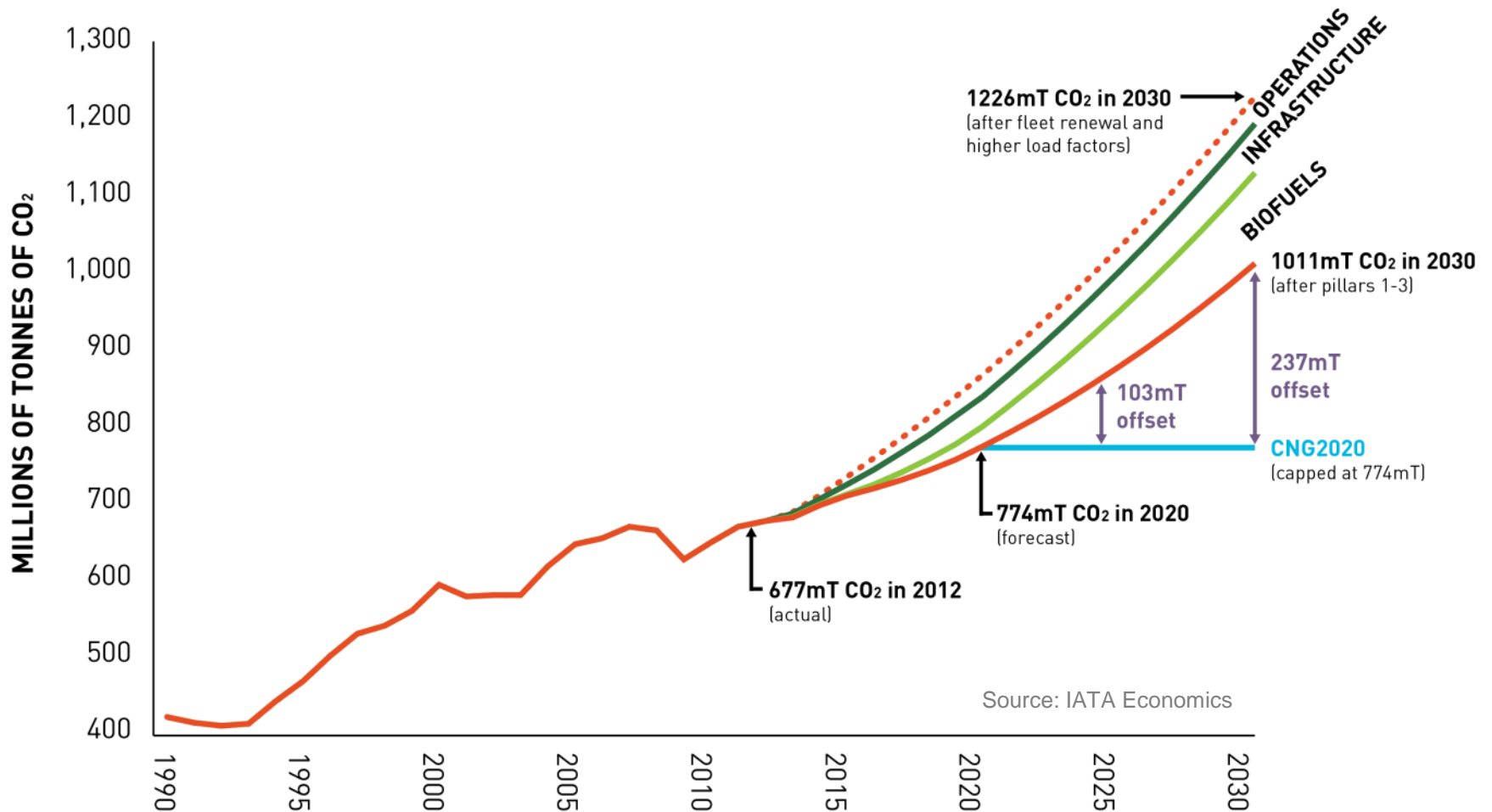


EMISSIONS REDUCTION ROADMAP



MEETING CARBON NEUTRAL GROWTH

Total CO₂ from air transport, mT per year forecast and offsets required to meet CNG2020



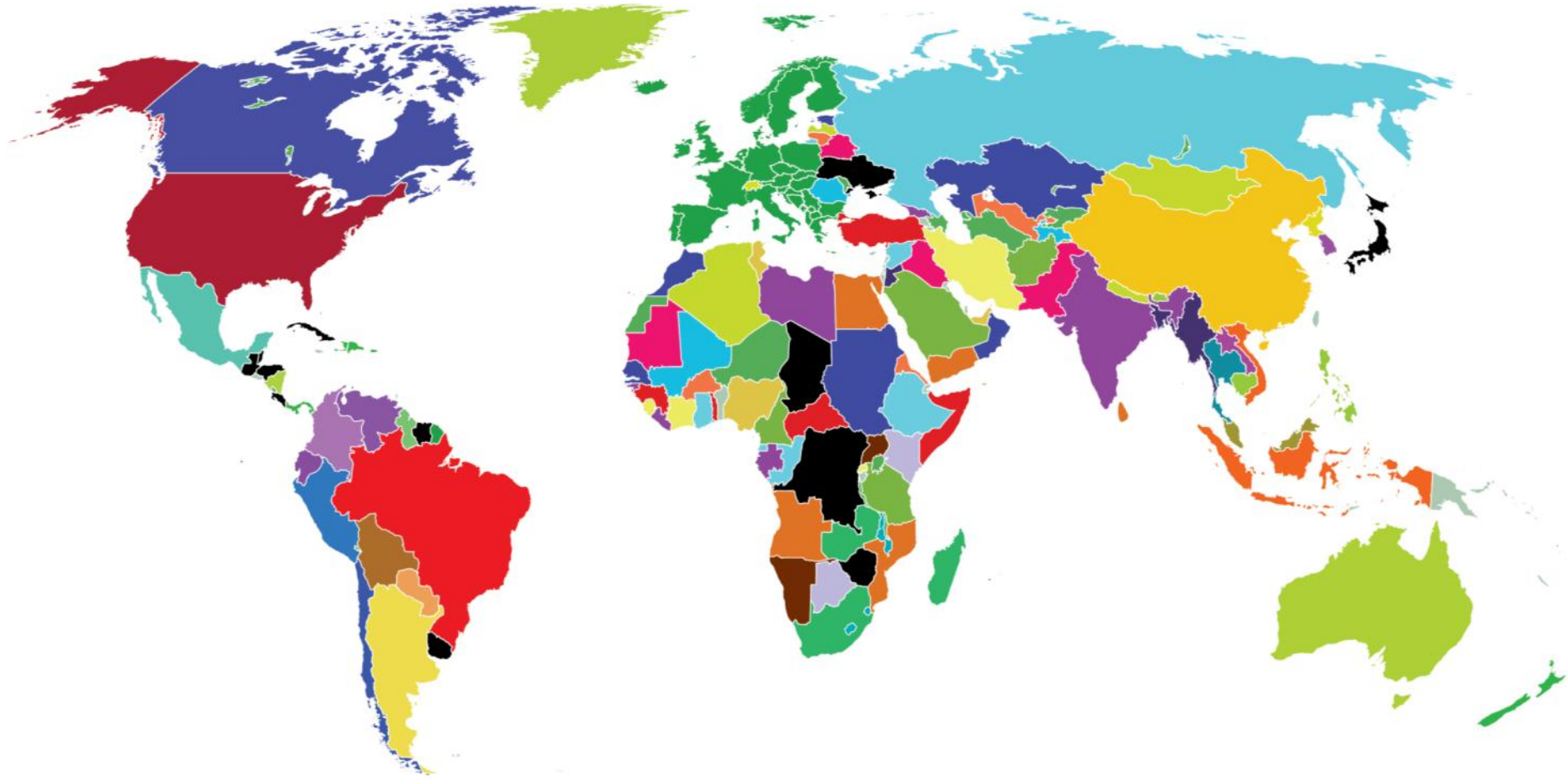
Source: IATA Economics

ROLE OF MBMS

Industry believes MBMs have a specific role:

- MBMs are one part of a total package of measures to reduce CO₂ emissions
- MBMs should be seen as a “gap-filler” to complement technology, operational and infrastructure measures
- MBMs should contribute to the delivery of other measures – not be an objective in themselves or designed to slow the growth of aviation
- MBMs should be viewed as transitional and temporary measures until other measures deliver sufficient reductions to reach medium and long term targets
- ICAO needs to play an important role in regulating MBMs for aviation

AVOIDING THE PATCHWORK



EMISSIONS CHARGES IN EFFECT

YOUR EMISSIONS CHARGES
Payable to governments

Receipt Nmbr: 056648B
Issued: 27/02/2013

17:47
Geneva

INTERNATIONAL & DOMESTIC

Europe (ETS, 30 countries)*	\$39m/\$390m
United Kingdom (APD)	\$4,700m
Germany (air passenger tax)	\$1,300m
Ireland (air travel tax)	\$175m
Austria (carbon tax)	\$120m

DOMESTIC

New Zealand (ETS)	\$1.3m
Australia (carbon tax)	\$137m
Norway (carbon tax)	\$49m
China (fuel tax)	\$1,300m
Japan (fuel tax)	\$1,100m
Mexico (fuel tax)	\$120m
Switzerland (kerosene tax)	\$43m
Australia (fuel tax)	\$210m
Canada (fuel tax)	\$405m
Brazil (fuel tax)	\$400m
USA (fuel tax)	\$399m

OF WHICH "ENVIRONMENT" CHARGES \$7bn

VISA #22/344/5
XXXX XXXX XXXX 8541 TVA

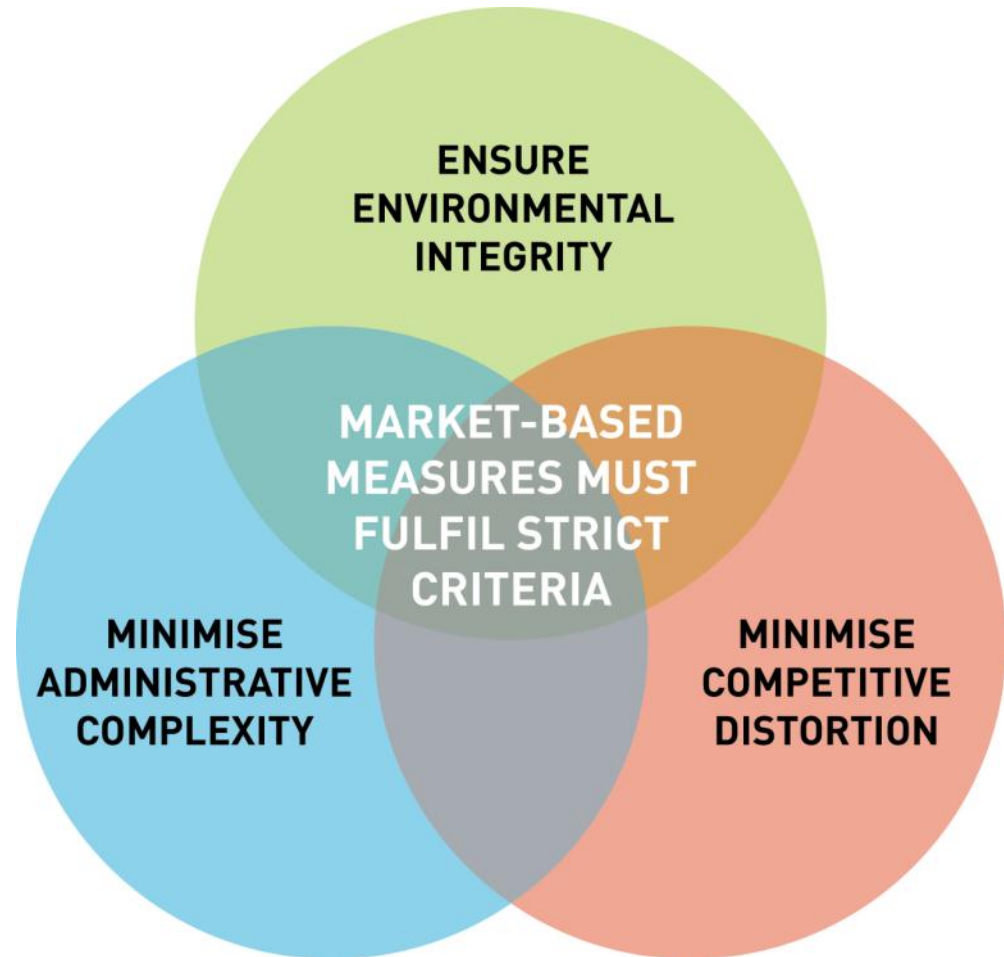
*EU ETS: post- and pre-derogation,
very low cost of carbon

\$7 billion
enviro charges already
levied on aviation



INDUSTRY VIEW

Key criteria for the industry



PERSPECTIVES ON A SINGLE GLOBAL MBM

Industry believes that a single global mechanism is the ONLY way to satisfy all criteria
Mandatory offsetting may represent the simplest, easiest and fastest way forward

- 1** *Mandatory offsetting*
- 2** *Mandatory offsetting + additional revenues*
- 3** *Global emissions trading scheme*



PERSPECTIVES ON THE FRAMEWORK

Industry has significant concerns on the current framework discussions:

- In the absence of a single global mechanism a framework needs to be carefully and tightly defined to:
 - Ensure environmental integrity
 - Avoid market and competitive distortion
 - Avoid costly and non-scaleable administrative complexity
- A weak framework will promote the proliferation of overlapping and costly MBMs
- Once these measures are in place it will be very difficult to remove or replace them
- A framework must therefore be tightly defined and effective as a transition mechanism to a global MBM scheme for aviation

FRAMEWORK – THE WAY FORWARD

Industry urges the ICAO 38th Assembly to:

- Recognise MBMs as a “gap-filler” to other measures
- Agree to develop a single, scalable MBM mechanism by 39th Assembly
- Ensure consistency of MBMs allowable under a framework in the interim
- Agree acceptable types of carbon credits under an offsetting MBM
- Agree geographic scope of application
- Agree single state reporting for operators
- Request Council to develop ICAO standard on MRV by 39th Assembly

FRAMEWORK – THE WAY FORWARD

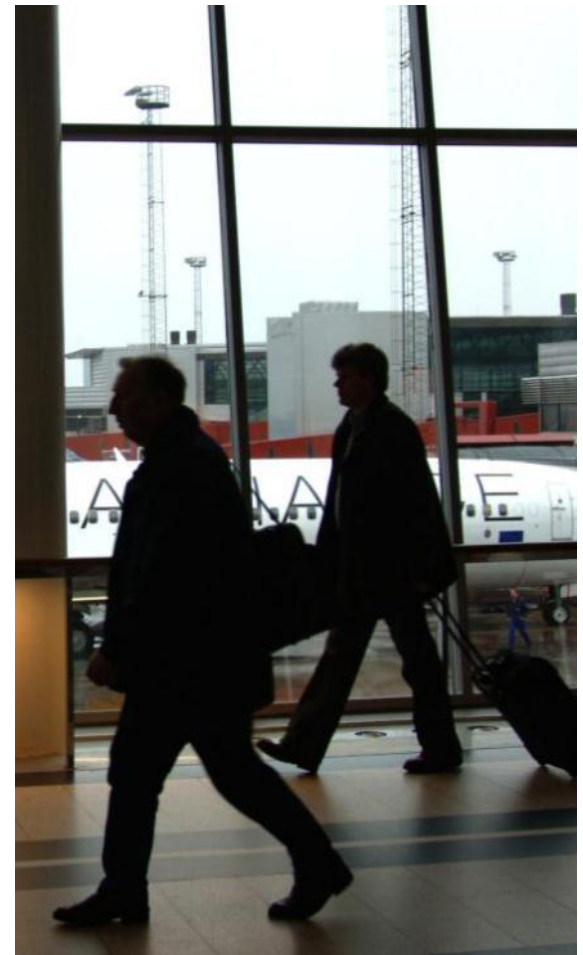
Industry urges the ICAO 38th Assembly to:

- Reaffirm principles for MBMs from A37-19 including:
 - Avoiding duplication of accounting for the same emissions
 - Minimizing carbon leakage
 - Minimizing market distortions
 - equal treatment for all operators on the same routes
 - Assuring administrative simplicity
 - including scalability for small operators

INDUSTRY NEXT STEPS ON MBMS

Industry is continuing work in a number of areas:

- Continuing roll-out of identified efficiency measures:
 - Fleet renewal
 - On-going R&D in airframe and engine design
 - Pushing for ATM upgrades/improvements
 - Operational flight techniques
 - Driving commercialisation of aviation biofuels
- Evaluating options to operationalize CNG2020 including options for addressing SCRC at operator level



FINDING THE RIGHT SOLUTION

An aviation solution to a climate problem...



not

a climate solution to an aviation problem.





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