

IBAC Bulletin 09-01

European Union Emissions Trading Scheme (ETS) Requirements for Non-EU Registered Aircraft

Overview

This Bulletin provides a preliminary overview of pending requirements for business aviation operators operating into Europe from third countries.

European Union Directive 2008/101/EC announced a requirement for aircraft operators with flights arriving at and departing from EU aerodromes to be included in the scheme for emission trading as of 1 January 2012 (amending Directive 2003/87/EC on the European ETS). Operators of third country aircraft are included in the requirement to participate in the ETS program.

Additional information on the Monitoring, Reporting and Verification (MRV) requirements will be provided when available. In the meantime, the European Business Aviation Association (EBAA) is working with the Commission to find a means of simplifying the MRV requirements for business aviation operators.

Inclusions

All non-commercial operations are included if the take-off mass is greater than 5,700 kgs (12,500 lbs). Third country aircraft will be required to participate based on the total stage length of the flight before arriving and after departing a European airport, although this provision is being challenged and may change.

Commercial flights are included if over 5,700 kgs unless the following applies to the operator:

- Less than 10,000 tonnes of CO₂ are emitted in a one year period.
- Fewer than 243 flights per period for three consecutive four month periods.

Schedule for Implementing New Provisions

The directive incorporating aviation into the EU Emissions Trading Scheme (ETS) entered into force February 2, 2009, obliging EU Member States to pass legislation and make administrative provisions before 2 February 2010. Monitoring, Reporting and Verification (MRV) procedures have not yet been established, although a draft report has been made available for comment. Final requirements for MRV will be made available on the IBAC website when available.

Aircraft operators flying within or to and from Europe are required to enter into the first phase of the European Commission's Monitoring, Reporting and Verification (MRV) process in 2009, as operators who fall within the scope of the ETS will have to submit monitoring plans to their relevant responsible State.

The timetable for actions this year has been set out as follows:

1. June 2009: Commission to adopt MRV guidelines for aircraft operators.
2. August 2: The Commission is to develop guidelines on the detailed interpretation of the categories of aviation activities to which the ETS directive applies (Annex I of the directive). The Commission is also to decide on historical aviation emissions, based on best available data, including estimates based on actual traffic information. The historical base for the ETS cap is set at the average of the years 2004 to 2006.
3. August 31: Aircraft operators to submit monitoring plans.
4. Third quarter 2009: Approval by States of pre-trading monitoring plans.
5. 2009 (date to be confirmed): Adoption of regulation on auctioning.

MRV Responsibility for Third Country Operators

EU States are obliged to ensure compliance of aircraft operators pursuant to the requirements of the ETS Directive. In order to reduce the administrative burden on aircraft operators, the Directive provides for one EU Member State to be responsible for a given aircraft operator. For third country aircraft, operators will be assigned to a State for which emissions in the base year are mostly attributable to that EU Member State.

The Commission is required to publish a list of States and aircraft operators which specifies which State will administer the MRV requirements for the respective aircraft operators. The published list is based on Eurocontrol data that includes all aircraft operators that operated into the EU on or after 1 January 2006. As such, aircraft operators that have permanently or temporarily ceased to perform their aviation activities might appear on this list, as might operators that have since changed name or been subject to merger or acquisition. Operators can check that list to determine what country is responsible for their operations relative to the ETS. The EU list can be found at:

http://ec.europa.eu/environment/climat/pdf/aviation/alloc_operators_110209.pdf

The responsible authorities in each of the EU States can be found at:

<http://ec.europa.eu/environment/climat/pdf/aviation/contacts.pdf>

Business Aviation Operators Monitoring and Reporting

It is likely that the EC will accept a simplified reporting procedure for small emitters, which should include essentially all non-European business aircraft operators that plan to fly into Europe. As soon as this information is received it will be provided on the IBAC and Member Association websites. It is planned to have a simple template developed for operators such that it can be completed and sent to respective ETS administering States.

Many non-European operators have already been contacted by their respective ETS administering State advising them of the need to submit their report by August 31. Operators should provide the contact information requested and advise that a plan will be submitted by August 31, 2009.

Updated 27 May 2009