

Business Aviation Statement on Market-based Measures to Address International Aviation Carbon Emissions

The global business aviation community, represented by the International Business Aviation Council (IBAC) and the General Aviation Manufacturers Association (GAMA), urges States to work through the International Civil Aviation Organization (ICAO) to agree at the 38th Assembly on a comprehensive approach to mitigate and reduce aviation carbon emissions through technology, operations, infrastructure, and market-based measures.

We outline below business aviation's historic commitment to mitigating and reducing its greenhouse gas emissions and key principles for developing a global market-based measure to reduce aviation emissions.

Business Aviation Commitment on Climate Change

In November 2009, the global business aviation community adopted an aggressive strategy to mitigate and reduce its greenhouse gas emissions. Business aviation has consistently improved its fuel efficiency, delivering 40 percent improvement over the past 40 years, and its worldwide carbon emissions are approximately two percent of all aviation and .04 percent of global man-made carbon emissions. Despite this excellent record, the business aviation community pledged to do even more, committing to specific targets:

- An improvement in fuel efficiency of an average of 2 percent per year until 2020;
- Carbon-neutral growth from 2020; and
- A reduction of total carbon emissions of 50 percent by 2050 relative to 2005 levels.

Moreover, business aviation joined with the broader global aviation community in the fall 2010 to endorse the approach of ICAO to mitigate international aviation carbon emissions, based on a "basket of measures". Such measures include new aircraft technologies, improved operational procedures, modernized air traffic management, sustainable alternative fuels, and market-based measures (MBMs). The ICAO approach also agreed on aspirational goals similar to the short- and medium-term goals of industry: average annual fuel efficiency improvement of two percent to 2020 and carbon neutral growth from 2020.

The 2010 Assembly asked the ICAO Council to explore the feasibility of a global MBM and to further develop a framework for MBMs applied by States or regions consistent with principles agreed at ICAO. ICAO has undertaken this work and, with the assistance of key States through the High-level Group on Climate Change, is preparing recommendations *inter alia* on MBMs for consideration by the Council and thereafter for adoption by the 38th Assembly in the fall 2013.

Business Aviation Principles for MBMs

A Component of Larger Strategy – Within the context of the global industry and ICAO goal of carbon neutral growth from 2020, MBMs are only one component of several meant to reduce international aviation carbon emissions, including new technologies, operational improvements, and infrastructure modernization. Sustainable alternative fuels hold the greatest promise for reducing aviation carbon emissions. Likewise, new aircraft and design technologies can lead to important efficiencies. To the degree they are applied, MBMs and other policies implemented by States should incentivize the development and use of sustainable alternative fuels and new technologies, and MBMs should give credit for the use of alternative fuels. The sooner alternative fuels and new technologies are available and used in quantity, the sooner carbon emissions decline and the need for MBMs is eliminated.

Gap-filler – As the collective benefits of the other measures will not lead to carbon neutral growth from 2020, application of MBMs will be necessary for a period of time until those non-economic measures alone can achieve the goal. In other words, MBMs are intended to serve as a temporary “gap-filler”.

Characteristics – While business aviation generally supports the 15 principles for MBMs agreed during the 37th Assembly in 2010, we highlight in particular some key factors for designing an MBM, given the unique characteristics of business aviation. An MBM should:

- Be simple and predictable;
- Treat all operators in a fair manner and proportionate to activity levels;
- Provide sufficient flexibility to recognize that one size does not fit all; and
- Impose the lowest possible administrative burden.

Administration by States of Registry – Business aviation would prefer to have one measure apply worldwide from 2020. Alternatively, we support an approach whereby States would be responsible for the international emissions of their respective registered aircraft and operators, consistent with the global regulatory practice established by the Chicago Convention. With only one administering State, operators would benefit from administrative simplicity and reduced costs, and States would gain an improved understanding of progress toward the global, aspirational goals.

Revenue generation – Business aviation opposes the generation of revenues from MBMs. However, to the degree revenues may be generated, they should be reinvested in the sector to improve efficiency and to reduce emissions while allowing for growth.

Humanitarian Flights – Business aviation plays a critical role in responding to humanitarian crises, such as natural disasters and medical emergencies, particularly on a voluntary basis. In order to avoid disincentives, MBMs should not be applied to such operations.