

QUESTIONS FOR THE EU-U.S. DISCUSSIONS

The EU is committed to combating climate change, including by addressing greenhouse gas emissions from all sectors of the economy. Aviation emissions are included in the EU-wide commitment to reduce emissions by 20% in 2020 from 1990 levels, and the EU supports a comprehensive approach to reducing aviation emissions, encompassing progress on technology and standards, operational measures, and market based measures.

The EU is taking effective action to reduce greenhouse gas emissions from aviation and strongly supports global agreement on the reduction of greenhouse gas emissions from international aviation. The EU welcomed the adoption of Resolution A37-19 by the 37th ICAO Assembly, including its recognition that some States may take actions prior to 2020. The fact that a large number of States placed reservations highlights the challenges of taking forward discussions limiting the climate impacts of aviation at a global level.

By 2020, according to ICAO projections, global international aviation emissions are projected to be around 70% higher than 2005 levels even with the 2% per year fuel efficiency improvement foreseen in the Resolution. Allowing aviation emissions to peak only in 2020 would result in ten years of considerable growth in emissions and would not see aviation contributing adequately to attain the maximum 2°C temperature rise which requires global emissions to peak well in advance of 2020.

The European Commission emphasises that the application of the EU's Emission Trading System to aviation is proportionate, cost effective and non-discriminatory. The European Commission has a number of questions on which we would appreciate your response.

U.S. position on global goals and global measures

1. The U.S. states that it is "*pushing aggressively for a global approach to the reduction of greenhouse gas emissions from international aviation*" at ICAO. In the context of the 2010 ICAO Assembly, the U.S. (together with Canada and Mexico) proposed a global goal of carbon neutral growth by 2020 compared to 2005 levels. Is this still the U.S. position?
2. Notwithstanding the difficulties in securing agreement to a global approach within ICAO, what is the U.S. vision of this global approach? Does the U.S. support development of a global measures and, if so, which type of measures? Does the U.S. support the development of a global market-based measure? Over what timeframe does the U.S. believe global measures might be developed?
3. Does the U.S. consider that its proposed global goal of carbon neutral growth by 2020 compared to 2005 levels can be met globally without the use of any market-based measures?
4. Does the U.S. support a legally-binding agreement under the UNFCCC or ICAO according to which aviation will contribute to an international fund to tackle climate change?
5. Does the U.S. support a legally-binding agreement under the UNFCCC or ICAO according to which aviation will be included in an emission trading system or other

market based measures administered by the UNFCCC, ICAO or another international body? If so, does the U.S. want to work with the EU to develop such a mechanism?

U.S. position on emissions trading for aviation

6. ICAO policies and studies have historically distinguished clearly between levies (taxes or charges) and emissions trading as distinct policy instruments. What is the U.S. Administration's position on this question? Does the U.S. no longer consider such a distinction to be valid?
7. The 2010 ICAO Assembly Resolution on climate change recognises that States may implement market-based measures for aviation as part of the basket of measures considered by States. Does the U.S. support this approach? If so:
 - What sort of market-based measures does the U.S. envisage that States may develop?
 - Does the U.S. have a view on how these should be designed?
8. In the U.S. Statement of Reservation regarding the 2010 ICAO Assembly Resolution on climate change, the U.S. states that it has a number of concerns relating to the principles for market-based measures, in particular that these are "*not well-defined, overly prescriptive, or difficult to realistically apply to international aviation*". Please could you provide more explanation of this position?
9. Does the U.S. support the *de minimis* provision in the 2010 ICAO Assembly Resolution that market based measures should not be applied to aircraft operators from States below a specific *de minimis* threshold? If so:
 - How would the U.S. reconcile this principle with the ICAO principle of non-discrimination?
 - Would the U.S. expect that all aircraft operators from States above the *de minimis* to flying to States below the *de minimis* should also be exempt from the market based measures for these routes so as to avoid market distortions?
 - How should flights by aircraft operators from States below the *de minimis* on the basis of 5th freedom and 7th freedom rights between States above the *de minimis* be treated?
10. The concept of open emissions trading inherently implies potential flows of funds from operators purchasing extra allowances to comply with their emissions caps from operators selling such allowances. Does the U.S. Administration accept that flows of revenues within such a market-based system are, by definition, not determined by governments?

U.S. national goals

11. It is understood that the U.S. has indicated that it believes it can itself deliver carbon neutral growth in aviation by 2020 compared to 2005 levels.
 - a. Can the U.S. confirm whether this is an established national goal for limiting or reducing aviation emissions?
 - b. If so, what is the scope of the goal? Does it apply to both domestic and international aviation? Does it apply to flights performed only by U.S. carriers? Does it apply to emissions within U.S. airspace? Does it apply to international flights departing and/or arriving at U.S. airports?

- c. How is progress towards the U.S. goal measured? Are there systems in place for monitoring, reporting and verification of data?
 - d. Is the goal mandatory or aspirational? Are there any consequences if the goal is not met?
 - e. What policies are in place or planned to deliver this goal? What is the relative contribution of these policies?
12. Would the U.S. increase the ambition level of its national goal in the event of adoption of its proposed global goal? If not:
- Would the U.S. expect all other parts of the world to adopt goals of similar stringency to their national goal to ensure that the global goal is met?
 - Would this mean that national goals in emerging economies should be as stringent as in the U.S.? If so, would the U.S. expect emerging economies be able to meet such goals without the use of market-based measures?

U.S. measures

13. The U.S. states that it has taken effective action at home over the past several years and is pressing forward with additional efforts. Can the U.S. explain the actions it has taken over the past several years and the impact this has had on greenhouse gas emissions from domestic aviation and from flights to and from the U.S.?
14. What are the additional efforts with which the U.S. Administration is now pressing forward, and what is the expected contribution of such efforts to the limitation or reduction of GHG emissions from aviation in the future?
15. Can the U.S. Administration confirm whether there are proposals in relation to the FAA Reauthorisation Bill that the levels of funding for the NextGen and the CLEEN programs will be cut? If so, by how much and what effects would this have on the U.S. climate change objectives for aviation?
16. Recognising the difficulties which prevented legislation in the 110th Congress, would the U.S. Administration wish in the longer term to adopt comprehensive, economy-wide legislation to reduce greenhouse gas emissions along the lines of the bill passed by the House of Representatives in the 110th Congress?
17. In terms of any future comprehensive economy-wide climate legislation, would the U.S. Administration support all types of emission offsets to be used, including from Kyoto Protocol Clean Development Mechanism projects for activities involving the destruction of hydrofluorocarbons?
18. Will the U.S. submit a State action plan to ICAO, pursuant to Assembly Resolution A37-19? If so, what will be its main elements?