



Aviation Charges & Climate Change

Airlines have been investing in new and quieter aircraft for decades: each new generation of aircraft is on average 20% more fuel efficient than the model it replaces. While the charges that may be applied to an aircraft are considered by airlines as part of their fleet planning, they are just one of many factors such as the performance of the aircraft, marketing, infrastructure and the economics of operating a specific aircraft type to a specific airport.

The introduction of new airport or airspace user charges, or the modulation of existing charges, to address aviation's CO₂ emissions undermines the progress achieved to establish a coherent and effective policy framework to address aviation's impact on climate change. The emergence of a patchwork of charges purporting to address climate change will obstruct the multilateral cooperation required for global progress and may impede sustained climate actions through more appropriate mechanisms. Such charges would also fail to meet agreed international policies, notably the principles that emissions should only be accounted for once and that charges should be related to the provision of infrastructure and services provided.

Therefore, IATA strongly urges airports and ANSPs to stay within the remit of their role as infrastructure and services providers. Through existing carbon pricing instruments and the cost of fuel, airlines are already strongly incentivized to utilize fuel-efficient aircraft and to operate those aircraft efficiently. Any unilateral action by individual actors, will result in limited or no additional environmental benefit.

Cost-relatedness

Airport charges

To the extent that airport charges are to be imposed or modulated for environmental purposes, internationally-agreed policy dictates that this only be directly related to the provision of specific infrastructure or services. Airport charges should not be used to address broader policy objectives or environmental effects that have no demonstrated local impacts.

CO₂ emissions from aircraft operations are not related to the provision of airport infrastructure or services and airports do not incur costs in relation to the mitigation or prevention of greenhouse gas emissions from aircraft engines. Therefore, there should be no additional charges implemented on the basis of CO₂ emissions from aircraft engines.

Similarly, charging airport users in relation to the use of sustainable aviation fuels (SAF) would not meet the requirement that charges should be related to the provision of services or infrastructure to airport users. Airports neither set the technical standards for SAF, nor do airports purchase or use SAF for aircraft operations.

In assessing cost-relatedness, it is important to underline that only actual costs borne by the airport are to be included. These could include costs associated with the provision of new lower-emissions airport ground

equipment, but should not include external societal costs. As with any investment, projects aimed at reducing the airport's own carbon footprint should be appropriately justified through a capex consultation process.

ANSP charges

While optimizing ANSPs services can provide measurable environmental benefits, the same concrete outcome cannot be achieved through the modulation of charges.

Modulating ANSP charges in relation to CO₂ emissions or the use of SAF may provide a perverse incentive for aircraft operators to fly longer routings in order to avoid more costly charging schemes. Also, they would not reflect the fact that many airlines are already financially penalized by the lack of optimized ANSP services, creating an increase in fuel burn and compliance costs associated with the resulting emissions (e.g. CORSIA, EU ETS).

ANSP charges should only be imposed for services and functions provided to airspace users and services provided for aircraft ground operations (arrivals, departures, taxiing). If levies are intended to recover costs for investments in technologies and solutions that are environment related, such cost recovery should be cost-related and part of routine capex consultation processes, rather than through new charges.



Maintaining a coherent and coordinated framework

Airport and ANSP charges should be guided by international policies and regulatory requirements. In addition to the charging policies agreed among countries at ICAO, these include international agreements such as Article 24 of the Chicago Convention and related provisions in Air Services Agreements which prohibit levies on fuel used in international aviation. As CO₂ emissions are directly related to fuel use, a CO₂ component in the structure of charges would be equivalent to a levy on fuel and violate Article 24 and most air services agreements.

Airports or ANSP CO₂-related charges would also not be compatible with ICAO Assembly Resolutions A40-18 and A40-19 and national/regional airport or ANSP economic regulation frameworks. ICAO's member states have unanimously endorsed the principle that CO₂ emissions from international aviation should only be accounted for once. They have also agreed to address CO₂ emissions from international aviation through CORSIA, with a recognition that it should be the only market-based measure applied to international flights.

Airport or ANSP CO₂-related charges would inevitably lead to duplicative and uncoordinated policy measures and regulations. Emissions from international aviation are already subject to CORSIA, and some countries already impose duplicative measures such as EU ETS and taxes.

While they may be well-intentioned, uncoordinated initiatives are counterproductive, as they will erode

support for a global approach to aviation's emissions, and undermine multilateralism in dealing with a global, not local, environmental issue.

Trade-offs

To the extent that charges may act as an incentive, it is important to be aware that the modulation of charges on the basis of too many variables will make the charges meaningless, and could lead to undesirable trade-offs. It is well-established that there can be trade-offs and interdependencies between various environmental measures. For example, some measures which mitigate the noise impact of aircraft may result in an increase of CO₂ emissions.

There are examples of common aircraft types which were designed to meet noise regimes at airports, with the modifications leading to a significant fuel penalty and higher CO₂ emissions. Some noise-reduction measures in engines also lead to higher NO_x emissions, while technologies to reduce NO_x can increase non-volatile particulate matter. It is therefore important that airport charges only seek to address environmental impacts at the airport in question; seeking to address other impacts could undermine the rationale and relevance of the charges.

The modulation of charges in relation to the use of SAF, would raise additional difficulties, as a system to monitor SAF claims would need to be put in place. Furthermore, claiming a batch of SAF under a charging scheme and under other mechanisms such as CORSIA may be prohibited to avoid double-counting.

For these reasons:

- IATA urges authorities, airports and ANSPs to refrain from applying or modulating charging schemes to address aircraft CO₂ emissions or the use of sustainable aviation fuels. Only charges related to the provision of infrastructure or services should be applied to airport and airspace users;
- IATA urges authorities, airports and ANSPs to follow ICAO's policies, in particular policies related to airport and ANSP charges and market-based measures. The global challenge of tackling aviation's greenhouse gas emissions should be pursued in a coordinated systematic approach, and through a coherent policy framework;
- Joint industry advocacy efforts can play a significant and positive role in supporting SAF offtake agreements. However, the efforts should be unrelated to the provision of infrastructure, and be aligned with airline positions seeking policy incentives that help bridge the price gap over the medium term between SAF and conventional kerosene.

IATA and its member airlines welcome continued collaboration with airports and ANSPs on measures to reduce the environmental impact of aviation. With technologies available today, significant opportunities remain to reduce actual aircraft fuel burn and should be prioritized. Notably, airspace optimization and initiatives to enable more direct aircraft routing can achieve substantial emissions reductions that would, in some regions, surpass the contribution of SAF or fleet renewal in the near term. IATA encourages all stakeholders to maintain open and transparent dialogue, and engage collectively to seek viable solutions to achieving sustained emissions reductions.