



ICAO Guidance: Aircraft Emissions Charges Related to Local Air Quality (Doc 9884)

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OVERVIEW



- **BACKGROUND**
- **COMPONENTS OF THE NEW GUIDANCE**
- **KEY ITEMS COVERED BY THE NEW GUIDANCE**



BACKGROUND



- **ICAO's New Guidance on Aircraft Emissions Charges was prepared by CAEP in response to its remit from A35-5.**
- **ICAO's CAEP/7 Approved the New Guidance on Aircraft Emissions Charges Last February 2007.**
- **ICAO's Council Approved the New Guidance on Aircraft Emissions Charges Last March 2007.**



COMPONENTS OF THE GUIDANCE



The Guidance consists of 5 Chapters:

- Chapter 1 – “Scope of Guidance and Application of Existing ICAO Policies on Charges to Emissions Charges Related to Local Air Quality.”
- Chapter 2 – “Process for Implementing Local Emissions Charges.”
- Chapter 3 - “Local Air Quality Assessment.”



COMPONENTS OF THE GUIDANCE...cont'd



- Chapter 4 – “Designing a Local Emissions Charges Scheme.”
- Chapter 5 – “Administration of Emissions Charges.”



KEY ITEMS COVERED BY THE NEW GUIDANCE



This Guidance on LAQ Charges Covers, among others, the following Key Items:

- **Aircraft emissions charges;**
- **Taking into account the impact of charges on developing countries;**
- **Cost-basis;**
- **Transparency;**
- **Cost-effectiveness considerations;**
- **Consideration of measures to minimize competitive distortion; and,**
- **One last consideration.**



KEY ITEMS COVERED BY THE NEW GUIDANCE...cont'd



Charges Rather Than Taxes:

➤ The ICAO Council “Strongly recommends that any environmental levies on air transport which States may introduce should be in the form of charges rather than taxes....” *Source:* Council Resolution, 4th Action Clause.



KEY ITEMS COVERED BY THE NEW GUIDANCE...cont'd



Charges Rather Than Taxes.

➤ “States that are considering the introduction of emissions-related charges” are urged to take into account the principle that “there should be no fiscal aims behind the charges.” *Source: Council Resolution, 5th Action Clause.*



KEY ITEMS COVERED BY THE NEW GUIDANCE...cont'd



Consideration for the Impact of Aircraft Emissions Charges on Developing Countries:

➤ When market-based measures, such as emissions charges, are adopted, Contracting States are encouraged "to take into account the potential impacts on the developing world ..." *Source: A35-5, Appendix I, 2nd Action Clause.*



KEY ITEMS COVERED BY THE NEW GUIDANCE...cont'd



Cost-Basis:

- “States that are considering the introduction of emissions-related charges” are urged to take into account the principle that “the charges should be related to costs.” *Source:* Council Resolution, 5th Action Clause.
- Further, “charges should be based on the costs of mitigating the environmental impact of aircraft engine emissions to the extent that such costs can be properly identified and directly attributed to air transport.” *Source:* A35-5, 10th “Whereas” Clause.



KEY ITEMS COVERED BY THE NEW GUIDANCE...cont'd



Transparency:

- Charging authorities are urged to “Ensure transparency as well as the availability and presentation of all financial data required to determine the basis for charges.” *Source: ICAO Doc 9082/7, Paragraph 15(iii).*
- In addition, another aspect of transparency pertains how the funds collected from aircraft emissions charges are used.



KEY ITEMS COVERED BY THE NEW GUIDANCE...cont'd



Cost-Effective Measures:

➤ When market-based measures, such as emissions charges, are adopted, States are encouraged “to evaluate the costs and benefits of the various measures, including existing measures, with the goal of addressing aircraft engine emissions in the most cost-effective manner ...” *Source: A35-5, Appendix I, 2nd Action Clause.*



KEY ITEMS COVERED BY THE NEW GUIDANCE...cont'd



Minimizing Competitive Distortion:

- “States that are considering the introduction of emissions-related charges” are urged to take into account the principle that “the charges should not discriminate against air transport compared with other modes of transport.” *Source: Council Resolution, 5th Action Clause.*
- In addition, authorities are urged to “Ensure there is no overcharging or other anti-competitive practice or abuse of dominant position.” *Source: ICAO Doc 9082/7, Paragraph 15(ii).*



KEY ITEMS COVERED BY THE NEW GUIDANCE...cont'd



One last consideration:

➤ "Once an environmental problem attributed directly to aircraft has been corrected and is not projected to return, LAQ aircraft emissions charges should cease to be imposed." *Source: ICAO Doc 9884, Section 4.33.*

THANK YOU!