

26 April 2020

Mr. Salvatore Sciacchitano
President of the Council
International Civil Aviation Organization
999 Robert-Bourassa Boulevard
Montréal, Québec H3C 5J9
Canada

Dear Mr. Sciacchitano,

The International Business Aviation Council (IBAC), on behalf of the global community of business aircraft operators, has always favored a fair, equitable global market-based measure that compliments the overall set of measures in aviation's four-pillar approach to reducing carbon emissions. We supported the development and adoption of the Carbon Offsetting and Reduction Scheme for International Aviation (CORSA) by the 39th Assembly of the International Civil Aviation Organization (ICAO) in 2016.

However, IBAC is concerned that the unprecedented reduction in global air traffic caused by the Covid-19 pandemic will result in inappropriate economic burdens on international business aviation under CORSA. As you know, the baseline level of emissions for CORSA, from which annual growth and offsets will be calculated thereafter, is the average level of international emissions in 2019 and 2020. A baseline average including 2020 emissions levels will reflect a highly anomalous circumstance inflicted on international aviation.

The forecast analysis in the development of CORSA assumed that traffic levels in 2020 would be slightly higher than those of 2019, i.e., that there would be a reasonable level of growth from one year to the next. Analyses of overall costs to aircraft operators over the life of CORSA were based on this forecast baseline. The planning for CORSA did not consider an extraordinary event such as a global pandemic that would lead to an exceptional downturn in global air transport. The significantly reduced level of international aviation emissions in 2020 due to the pandemic will lower considerably the CORSA baseline. This means that the ensuing annual offsetting calculations will be much more costly to operators, particularly in the later years of CORSA.

To continue with a baseline including 2020 emissions levels would create an extremely irregular point of departure from which much higher offsetting obligations would be calculated compared to those originally forecast. These costs would only compound the challenging recovery circumstances for the business aviation sector and would be a long-lasting, undeserved penalty for the aviation sector as a whole. Clearly the effects of the pandemic on air transport trigger "the need to provide safeguards in the CORSA to ensure the sustainable development of the international aviation sector and against the inappropriate economic burden on international aviation," as stated in the 39th Assembly resolution laying out the CORSA.

IBAC therefore supports a proposal to the ICAO Council, voiced in late March by the International Air Transport Association, to use only 2019 emissions as the baseline for CORSA and urges the Council, at the earliest, to review and address this issue as reiterated in resolution A40-19 from the 40th Assembly in 2019.

Using only 2019 emissions levels as the baseline provides a simple solution to this serious problem and would represent a much smaller penalty to operators in terms of cost compared to a baseline taking into account the highly anomalous traffic levels of 2020.

More than 80 States have volunteered to participate in the offsetting component of CORSIA from the outset. The deadline to decide whether to participate in the early, voluntary phases of CORSIA is 30 June 2020. IBAC is concerned that uncertainty about participating in CORSIA with a significantly lower baseline than foreseen may lead some States to rethink their commitments and withdraw from the voluntary phases to protect their operators from a greater economic burden, resulting in a less robust scheme. Given this deadline, it is important that the Council review and decide on this matter urgently.

Moreover, making this decision now would firmly plant the baseline before the offsetting component of CORSIA begins. Delaying into 2021 analysis of 2020 traffic levels, with the possibility of adjusting the baseline after the start, would erode confidence in CORSIA.

IBAC therefore requests the ICAO Council favorably consider this proposal and reach a decision on this matter as soon as possible and not later than 30 June 2020. A decision on the baseline now, taking into account the extraordinary impact of Covid-19 on global air transport, will instill certainty and confidence in CORSIA while also promoting the sustainable and orderly development of international civil aviation.

Despite the extreme hardships resulting from the pandemic, the business aviation community will continue to strive to meet its climate-change commitments announced in 2009. Business aircraft have led for years the introduction of new, more fuel-efficient technologies, including lighter materials, more aerodynamic structures such as winglets, and modern avionics. Moreover, the global business aviation community has undertaken a wide-ranging education and demonstration programme to promote the production and use of sustainable aviation fuels. These initiatives hold great promise for reducing emissions. A reasonable approach to CORSIA, using 2019 emissions levels as the baseline, will contribute to these efforts. Penalizing operators by including anomalous 2020 emissions levels in the baseline will only divert critical resources from operators' ability to take climate action and to contribute to the economic and sustainable development of regional and national economies around the world.

The International Business Aviation Council avails itself of the opportunity to renew to the International Civil Aviation Organization the assurance of its highest consideration and shall look forward to the Council's favorable consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kurt H. Edwards', with a stylized flourish at the end.

Kurt H. Edwards
Director General

cc: Dr. Fang Liu, Secretary General