

Consultation document highlights rising cost of ETS compliance for Business and Corporate Aviation

- Small operators will come off worst if the proposals contained in the Department of Energy and Climate Change (DECC) latest consultation document¹ are adopted by other member states and three additional countries enter the EU ETS group

March 2010, London – The latest list of operators drawn into the EU ETS contains numerous small airlines and mini corporate operators that use European airspace infrequently. For them there will be no concessions – they will have to submit the same reports as larger operators flying regularly to and from Europe. In addition, the ETS member state group is to include three non-EU countries – Norway, Iceland and Liechtenstein.

Expensive Regulator

Proposed fees by the Environment Agency for the privilege of being on the UK register have raised eyebrows. Depending on emissions output, fees could range between £2,500 and over £4,000, in addition to the £1,500 already being charged for submitting a Monitoring and tonne-kilometre plans. For small operators the cost of meeting ETS obligations runs into many thousands of pounds – and that is before purchasing any carbon allowances in time for 2012. Another gripe is the UK's fees for regulation seem substantially higher than that of other member states.

38% Non-Compliant

According to recent statistics from the UK Department for Transport (DfT), 38% of operators currently on the UK list are still not complying with the requirements. Most are thought to be corporate flight departments plus airlines from outside the Euro zone, particularly Middle East, Central Asia and the Baltic region.

In addition there is chaos in dealing with 1000's of single aircraft "private operations" faced with numerous EU administration complexities and mix ups between regulators.

¹ The document can be accessed via following link:

http://www.decc.gov.uk/en/content/cms/consultations/euets_aviation/euets_aviation.aspx

Business Aviation operators generating less than 1% of total aviation CO₂ emissions face virtually the same reporting and administrative costs as the big players are seriously disadvantaged. Says ETS Aviation's (a company formed in June 2009 to address the requirements placed on aviation operators by the EU ETS and offering the expertise of aviation executives, emissions specialists, sustainability and software experts) David Carlisle "It's disproportionate, and it won't achieve the CO₂ reductions that the Commission has set its sights on. The only way to do that without painful cuts in capacity is to improve fuel efficiency. In many cases the regulation charges will be more than the cost of buying the CO₂ allowances."

FREE TRIAL of Software

ETS Aviation, established in 2009, has helped over 50 operators meet their ETS obligations, recently launched its *Aviation Footprinter*[™] software. "We designed Aviation Footprinter to automate ETS data management, improve data accuracy and provide real statistics to run operations more fuel-efficiently. It takes virtually all the pain away at very low cost. Alternatively, we handle all data gathering and reporting via our remote on line ETS service, at a fraction of the cost of an in house service."

According to one user of *Aviation Footprinter*[™], "The inbuilt cross-check logic is a big upside. It irons out most mistakes in input data or at least flags them for corrective action. Plus it produces the auditable and submittable annual reports in seconds."

Says Carlisle, "We may not be able to reduce the regulators fees, but ETS Aviation cuts administrative time and cost involved in complying with the full scope of requirements. Operators can simplify the entire process and meet the regulatory requirements either by subscribing to Aviation Footprinter or outsourcing to our Support Service."

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