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Consultation on implementing the Aviation EU Emissions Trading System Regulation (421/2014) in UK Regulations

URN 14D/247

11 August 2014



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The consultation and Impact Assessment can be found on DECC's website:

<https://www.gov.uk/government/consultations/aviation-eu-emissions-trading-system-eu-ets>

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Foreword

1. Introduction

1. Globally, the aviation sector is responsible for about one to two per cent of emissions of greenhouse gases (GHGs), the gases responsible for climate change¹. In the UK, domestic and international aviation² emissions account for about six per cent of total GHG emissions or about 21 per cent of the transport sector's GHG emissions.³ Aviation is, however, likely to make up an increasing proportion of the UK's total GHG emissions as other sectors decarbonise more quickly over time.
2. The Government's objective is to ensure that the aviation sector continues to make a significant and cost effective contribution towards reducing global emissions. The emphasis is on action at a global level as the best means of securing UK objectives.

Inclusion of Aviation in the EU Emissions Trading System

3. The EU Emissions Trading System (EU ETS) was established under the European Directive 2003/87/EC to promote cost-effective reductions in GHG emissions. It supports the EU's commitment to a global carbon market as a key instrument for tackling climate change, and will be central in enabling the EU to achieve its stated goal of reducing emissions by 20% in 2020 compared to 1990 levels. The EU ETS is a cap-and-trade system under which there is a limit on total emissions and operators need to surrender carbon allowances in line with their annual emissions. Some allowances are allocated to operators for free, some auctioned, and others available for allocation to new entrants.
4. In September 2005, the European Commission concluded⁴ that, in view of the likely future growth in international air traffic, a new market-based instrument at EU level, such as an emissions trading system, was preferable to other measures to reduce aviation emissions. The Directive to include aviation in the EU ETS (2008/101/EC)⁵ entered into force on 2 February 2009, and aviation was fully included in the EU ETS from 1 January 2012.
5. Under the Directive 2003/87/EC ("the EU ETS Directive"), as amended by Directive 2008/101/EC, all aircraft operators that fly into or out of aerodromes in the territory of a Member State are required to monitor their carbon dioxide (CO₂) emissions each calendar year from 1 January 2010. Aircraft operators are required to then submit an independently-verified report of their emissions for these flights, to their respective regulator, by 31 March of the following year and each subsequent year. Following this, from 30 April 2013 and each subsequent 30 April, aircraft operators are required to surrender the corresponding

¹ *Reducing Transport Greenhouse Gas Emissions: Trends & Data* (International Transport Forum, 2010), available at: <http://www.internationaltransportforum.org/Pub/pdf/10GHGTrends.pdf> and David McCollum, Gregory Gould and David Greene, *Greenhouse Gas Emissions from Aviation and Marine Transportation: Mitigation Potential and Policies* (Prepared for the Pew Center on Global Climate Change, 2009), available at: <http://www.c2es.org/docUploads/aviation-and-marine-report-2009.pdf>

² There is currently no internationally agreed way of allocating international emissions to individual countries. The percentage shares are based on the percentage of bunker fuel sales to the aviation sector from the UK.

³ *2012 inventory data tables* (DECC, 2014), available at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/277022/20140204_2012_UK_Greenhouse_Gas_Emissions_Final_Figures_data_tables.xls

⁴ *COM 459 (2005) Reducing the Climate Change Impact of Aviation* (European Commission, 2005), available at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52005DC0459:EN:NOT>.

⁵ Available at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32008L0101:EN:NOT>.

number of carbon allowances to their regulator, to account for their annual verified emissions in the previous year.

The Stop the Clock Decision

6. The Aviation EU Emissions Trading System as described above (the “Aviation ETS”) was met with international opposition due to perceived infringements on sovereignty. In parallel, there was progress at the UN’s International Civil Aviation Organisation (ICAO) Council⁶ in November 2012 towards a global measure to address aviation emissions. Following the November ICAO Council meeting, the European Commission announced that, for qualifying operators, it would “Stop the Clock” on the enforcement of some Aviation ETS obligations. This proposal aimed to foster goodwill at ICAO and encourage negotiations on the global measure to progress, free from the distraction of opposition to Aviation ETS.
7. The ‘Stop the Clock’ Decision⁷ temporarily suspended, for the period of one year (for 2012 emissions), enforcement of specific obligations under the Aviation EU ETS on qualifying aircraft operators for their flights operating between aerodromes located in the European Economic Area (EEA), and third countries (but excluding from the derogation, for this purpose, flights between aerodromes in the EEA and Croatia, Switzerland and dependencies or territories of EEA States). The effect of this was that aircraft operators were only obliged to fully comply with the Aviation ETS in respect of flights between EEA aerodromes (and between EEA aerodromes and aerodromes in Croatia, Switzerland and dependencies or territories of EEA states). The suspension of compliance obligations was on the condition that aircraft operators return any free allowances that had already been allocated for 2012 in respect of their international flights.
8. At the time of the “Stop the Clock” Decision, the European Commission expressly offered to further amend Directive 2003/87/EC if there was “sufficient progress” on a global measure at ICAO General Assembly held between 24 September to 4 October 2013⁸. As the “Stop the Clock” decision was a temporary derogation, without a further amendment, the “clock” would restart and all Aviation ETS obligations would automatically be re-introduced for 2013 emissions, with compliance required from the end of March 2014.

The 2013 International Civil Aviation Organisation (ICAO) Assembly

9. On 4 October 2013, following very challenging negotiations, the ICAO Assembly agreed a Climate Change Resolution which reaffirmed ICAO’s commitment to the goal of carbon-neutral growth from 2020 and to making operational and technological improvements to reduce emissions. The Resolution also agreed that a global market based measure (MBM) for aviation should be developed, for decision at the next meeting of the ICAO Assembly in 2016 and to be implemented from 2020. The EU welcomed this progress towards the global measure to tackle aviation emissions. In addition, the Resolution sought to limit the application of national and regional market based measures where “mutual consent” had

⁶ ICAO, an agency of the United Nations, was created in 1944 to promote the safe and orderly development of international civil aviation throughout the world. It sets standards and regulations necessary for aviation safety, security, efficiency and regularity, as well as for aviation environmental protection.

⁷ Decision 377/2013/EU.

⁸ ICAO, an agency of the United Nations, was created in 1944 to promote the safe and orderly development of international civil aviation throughout the world. It sets standards and regulations necessary for aviation safety, security, efficiency and regularity, as well as for aviation environmental protection.

not been obtained. 42 European states⁹ placed a reservation on this part of the Resolution to signal their disagreement with this text.

The European Commission proposal

10. On 16 October 2013, following developments at ICAO, the European Commission proposed to reduce the coverage of the Aviation ETS to include only the portion of a flight that takes place within EEA airspace from 2014-2020. The proposal included a further year of an intra-EEA scope similar to “Stop the Clock” for 2013¹⁰, and also put in place a European Commission-led review in 2016 following the ICAO Assembly, where progress towards the global measure would be assessed and any new changes to the Aviation ETS could be proposed accordingly.
11. In addition, there was a *de minimis* provision similar to that in the ICAO Resolution, with exemptions for flights to and from certain developing states with a share of less than 1% of international aviation.

EU negotiations and agreed Resolution

12. After negotiations between the European Commission, the European Parliament and the Council (composed of the Member States), a compromise agreement emerged which resulted in the adoption of the EU Regulation¹¹. The main changes from the original proposal are that :
 - the agreed geographic scope covers intra-EEA flights, rather than the portion of a flight that takes place within EEA airspace (following an intra-EEA scope similar to “Stop the Clock” in 2013)
 - the time period during which the changes to the geographic scope apply is 2013 until 2016, rather than the Commission’s original proposal of 2013 until 2020; and
 - the *de minimis* exemption is no longer required as the derogated scope no longer covers any flights outside the EEA.

13. In summary, the key features of the EU Regulation as adopted are:

Scope

- Between 1 January 2013 and 31 December 2016, the Aviation ETS will cover emissions from flights between two EEA¹² aerodromes (i.e. intra-EEA flights).
- All aircraft operators which emit above the exemptions thresholds (see below – ‘Provisions for small emitters’) for the scheme, irrespective of their nationality, will be required to ensure that they surrender sufficient carbon allowances (and project credits, subject to limits) to cover their emissions on intra-EEA flights¹³.

⁹ This included all the Member States of the EU and 14 other Member States of the European Civil Aviation Conference (ECAC) including Albania, Armenia, Azerbaijan, Bosnia and Herzegovina, Georgia, Iceland, the Republic of Moldova, Monaco, Montenegro, Norway, San Marino, Serbia, Switzerland, and The former Yugoslav Republic of Macedonia.

¹⁰ Differences included exemption of flights to Switzerland and overseas territories and crown dependencies.

¹¹ Regulation 421/2014 of the European Parliament and of the Council of 16 April 2014 amending Directive 2003/87/EC establishing a scheme for greenhouse gas emission allowance trading within the Community, in view of the implementation by 2020 of an international agreement applying a single global market-based measure to international aviation emissions.

¹² EEA airports include aerodromes in the 28 EU Member States as well as Norway, Iceland and Liechtenstein.

¹³ As specified in the original ETS Directive, aircraft operators are entitled to use international credits in the form of Certified Emission Reductions (CERs) and Emission Reduction Units (ERUs) for up to 1.5 % of the number of allowances they are required to surrender. These credits represent emissions reductions undertaken internationally.

- Emissions from flights between the EEA and the rest of the world (including Overseas Territories and Outermost Regions¹⁴) will not be included in the ETS between 2013 and 2016.

Review in 2016

- A review will be undertaken by the European Commission in 2016 to consider whether the scope of the Aviation ETS should be amended from 2017 onwards based on progress towards a global market based measure (GMBM) at the ICAO Assembly in 2016.
- Without further amendments, emissions from all flights arriving at and departing from EEA airports would once again be included in Aviation ETS from 1 January 2017, and so the return to “full-scope” is the default in the absence of any changes resulting from the review.

Provisions for small emitters

- Non-commercial operators emitting less than 1,000 tonnes CO₂ based on total emissions (which is the full-scope of Aviation ETS) will temporarily be exempted from the ETS from 2013 until 2020.
- The *de minimis* exemption for commercial operators¹⁵ remains unchanged from the original Directive (and continues to be based on the full-scope of the Aviation ETS).
- Aircraft operators (whether commercial or non-commercial) emitting less than 25,000 tonnes of CO₂ (also based on the full-scope of the Aviation ETS) benefit from simplified procedures through the use of the Small Emitters Tool.

Deferral of Compliance Obligations

- In order to allow time to implement these new provisions, there is an extraordinary two-year compliance cycle for 2013 aviation emissions.
- Emissions data for both 2013 and 2014 are therefore to be reported by 31 March 2015 and allowances (and project credits) for both years should be surrendered by 30 April 2015.

Allocation of allowances, auctioning, special reserve

- Under the EU Regulation, the percentage of allowances to be freely allocated remains at 82% of the total quantity of aviation allowances to be issued, as prescribed by the original Directive. The number of free allowances to be received by each eligible aircraft operator¹⁶ in 2013, 2014, 2015 and 2016 will be reduced in proportion to the reduction in scope¹⁷. The temporary reduction will be deducted from the free allowances calculated by EU Member States in 2011. Aviation allowances that are not issued will be cancelled instead of auctioned.

¹⁴ Please note flights between two aerodromes in the same Outermost Region will be included.

¹⁵ This exemption is for aircraft operators with either fewer than 243 flights per period for three consecutive four-month periods or total annual emissions lower than 10,000 tonnes CO₂ per year.

¹⁶ For those operators exempted from Aviation EU ETS, please refer to Annex I of Directive 2003/87/EC. The new EU Regulation 421/2014 contains a new exemption for non-commercial operators with less than 1,000t CO₂ of annual emissions based on the full-scope Aviation ETS. Excluded operators will have their aircraft operator holding account set to excluded, which will prevent them receiving EUAAs for the years in which they fall within the exemptions criteria.

¹⁷ The total number of allowances allocated to aircraft operators administered by the UK has been preliminarily calculated by the European Commission. These estimates are currently being reviewed by the Environment Agency (along with other competent authorities across the EEA) and the UK, in line with other Member States, will publish the number of free allowances allocated by 1 September 2014. For more information, please see European Commission Document: *Frequently Asked Questions on 2013-16 Regulation amending the EU Emissions Trading System for Aviation*, p 6, available at: http://ec.europa.eu/clima/policies/transport/aviation/docs/faq_aviation_2013-2016_en.pdf

- The number of allowances to be auctioned during the 2013-2016 period remains at 15% of the total quantity of aviation allowances to be issued, but the new EU Regulation stipulates that the UK, along with other EU Member States, will auction a number of aviation allowances that is reduced in proportion to the reduction in the total number of EU Aviation Allowances (EUAAAs) to be issued.
- The number of allowances issued to aircraft operators that are allocated from the special reserve should be reduced in proportion to the reduced scope.

2. Scope and objectives of the consultation:

1. This consultation will cover the UK implementation of the EU Regulation. Specifically, it will ask for comments on:
 - The text of the proposed statutory instrument (“the Amending Regulations”) which will amend the Greenhouse Gas Emissions Trading Scheme Regulations 2012 (“the 2012 Regulations”).
 - The impacts of the EU Regulation coming into force and the proposed amendments to the UK’s Regulations.
 - The option for Member States (including the UK) to implement simplified procedures for non-commercial aircraft operators emitting less than 25,000 tonnes of CO₂ per year.
2. The draft Amending Regulations (**Annex C¹⁸**) that are subject to this consultation will apply in **England, Northern Ireland, Scotland and Wales**.
3. A consultation-stage Impact Assessment is attached at **Annex A**, which assesses the impacts of the EU Regulation coming into force and a change in the UK’s Regulations relative to a counterfactual where neither the EU Regulation nor changes to the existing UK Regulations are introduced. The consultation document should be read in conjunction with the Impact Assessment.
4. The consultation will be of particular interest to aircraft operators, aerodrome operators, verifiers, other participants in the EU ETS and environmental groups (see **Annex E**). This consultation is not limited to these stakeholders; any organisation or individual is welcome to respond. The consultation document summarises the key issues that we are seeking views on.
5. The draft Amending Regulations also make a consequential amendment to the 2012 Regulations to update references to revised offshore legislation. The 2012 Regulations currently refer to earlier legislation that has now been revoked and replaced by the Offshore Combustion Installations (Pollution Prevention and Control) Regulations 2013. The draft Amending Regulations update this reference to ensure that powers of entry for offshore inspectors continue to be in place and are consistent with their powers under other legislation. Since this is a consequential amendment we are not asking specific questions in this consultation but we would welcome views.

¹⁸ The consultation includes an unofficial draft consolidated version of the UK Greenhouse Gas Emissions Trading Scheme Regulations 2012. This is found at **Annex D**. **Please note these do not represent the authoritative UK 2012 Regulations**. They provide illustrative assistance for those responding to the consultation on how the proposed changes, if adopted, will look in the amended Regulations. Relevant proposed changes are highlighted in grey in the Annex)

6. This consultation will commence on 11 August 2014 and will run for six weeks, concluding on Monday 22 September 2014.
7. Following analysis of responses, a Government response will be published within 12 weeks of the consultation closing, and the final Amending Regulations to transpose the EU Regulation will be laid before Parliament.
8. Policy responsibility for aviation emissions trading is shared between the Department for Transport (DfT) and the Department of Energy & Climate Change (DECC, which has responsibility for the wider EU Emissions Trading System), together with the Northern Ireland Executive, Scottish Executive and the Welsh Assembly Government. HM Treasury has policy responsibility for the auctioning of all emissions allowances in relation to the EU Emissions Trading System. The Aviation ETS regulators in each part of the UK are:
 - **England:** The Environment Agency (EA)
 - **Northern Ireland:** The Chief Inspector for Northern Ireland¹⁹
 - **Scotland:** The Scottish Environment Protection Agency (SEPA)
 - **Wales:** Natural Resources Body for Wales (NRW)

The Civil Aviation Authority provides assistance and advice to the Regulators.

¹⁹ "Chief Inspector" means the Chief Inspector constituted under regulation 8(3) of the Pollution Prevention and Control Regulations (Northern Ireland) 2003.

How to respond

Your response will be most useful if it is framed in direct response to the questions posed, though further comments and evidence are also welcome. Responses and enquiries can either be sent via post to the address below, or electronically to the EU ETS mailbox using the consultation response form at **Annex F**.

Enquiries to:

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If you want information that you provide to be treated as confidential please say so clearly in writing when you send your response to the consultation. It would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded by us as a confidentiality request.

We will summarise all responses and place this summary on our website at www.decc.gov.uk/en/content/cms/consultations/. This summary will include a list of names or organisations that responded but not people's personal names, addresses or other contact details.

Quality assurance:

This consultation has been carried out in accordance with the Government's Code of Practice on consultation, which can be found here: <http://www.bis.gov.uk/files/file47158.pdf>

If you have any complaints about the consultation process (as opposed to comments about the issues which are the subject of the consultation) please address them to:

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Proposal: amendment of the Greenhouse Gas Emissions Trading Scheme Regulations 2012

The structure of the Amending Regulations

Introduction and general principles

1. The Amending Regulations (**Annex C**) are necessarily complex in nature given that they are required to provide for a derogation (i.e. excluding flights between an EEA airport and an airport outside the EEA, and flights between an EEA airport and an outermost region) and an exemption (i.e. the new exemption for non-commercial aircraft operators emitting less than 1,000 tonnes of CO₂ per year) which cover different time periods, respectively 2013-2016 and 2013-2020. In addition, these time periods include compliance years which are historical (2013), current (2014) and future years (2015 onwards).
2. In order to avoid the Amending Regulations purporting to have retrospective effect, the 2012 Regulations have been amended as follows, for the derogation and exemption respectively.
3. In respect of the derogation for flights between an EEA airport and an airport outside the EEA, and flights between an EEA airport and an outermost region, these flights are termed “excluded aviation activities” in the Amending Regulations.
4. For the scheme years 2013 and 2014, where obligations in respect of excluded aviation activities have already arisen, the Amending Regulations disapply any penalties which would otherwise have applied for a failure to carry out obligations in respect of those “excluded aviation activities”.
5. For the scheme years 2015 and 2016, the Amending Regulations then include an exception from the substantive requirements to monitor and report emissions and surrender allowances. Together, the disapplication of the penalty for 2013 and 2014, and the exception from the substantive requirement for 2015 and 2016 are intended to completely implement the derogation in the EU Regulation for these flights.
6. In respect of the exemption in the EU Regulation for non-commercial operators emitting less than 1,000 tonnes of CO₂ from 2013 to 2020 inclusive (termed “exempt non-commercial air transport operators”), the EU Regulation has implemented this by amending the definition of “aviation activities” in the original EU ETS Directive, to exclude operators carrying out these activities from having any obligations under the Directive. The 2012 Regulations also define “aviation activities” by reference to the Directive. Given that the definition in the Directive has now changed, in relation to past years (2013) and the current year (2014), and in relation to future years (2015 to 2020) without clarification in the 2012 Regulations, this gives rise to considerable uncertainty as to the date when the new definition takes effect.

7. The Amending Regulations have therefore amended the definition of “aviation activities” to include an exemption for “exempt non-commercial air transport operators” from 2015 to 2020. This will mean that there will be no obligations on these operators for those years, given that the obligations in the regulations only arise in respect of “aviation activities”. For aviation activities in 2013 and 2014, the Amending Regulations disapply any penalties that would otherwise have applied to “exempt non-commercial air transport operators”. This disapplication of penalties for 2013 and 2014, and the amendment to the definition of “aviation activities” for 2015 to 2020 is intended to completely implement the exemption in the EU Regulation.

Overview of the Amending Regulations

Definitions

8. In order to implement the derogation in the EU Regulation for these ‘extra-EEA’ flights from 2013-2016, as mentioned above, the Amending Regulations include a new definition of “excluded aviation activities”. This relates to flights between an EEA airport and an airport outside the EEA, and flights between an EEA airport and an outermost region (regulation 4(1)(a)).
9. Since the EU Regulation specifies that flights between Croatia and an EEA state should be treated as flights between states of the EEA, regulation 4(1)(a) also provides for this. In addition, regulation 4(1)(b) lists the relevant outermost regions, with a distinction between the definition which applies for 2013 activity and activity in subsequent scheme years because Mayotte only became an outermost region on 1 January 2014.
10. To account for the new exemption for non-commercial aircraft operators emitting less than 1,000 tonnes of CO₂ per year in the EU Regulation, regulation 2 amends the definition of “aviation activities” to include a new definition of “exempt non-commercial air transport operators”.

Extraordinary compliance cycle for 2013 emissions

11. The Amending Regulations provide that 2013 emissions are to be reported by 31 March 2015, not 31 March 2014 (as would be required in the ordinary course). This is provided for in regulation 19, which inserts a new regulation 64(3) into the 2012 Regulations to provide that an operator is not liable to a penalty for a failure to report 2013 emissions by 31 March 2014, and regulation 9, which adds a new regulation 35(7) into the 2012 Regulations to require 2013 emissions to be reported by 31 March 2015. The duty to report is in respect of all emissions except excluded aviation emissions and also does not apply to exempt non-commercial air transport operators. In parallel, regulation 19 introduces a new penalty for failing to report 2013 emissions by 31 March 2015.
12. In order to implement the extraordinary compliance cycle with respect to surrendering obligations, the Amending Regulations provide that allowances in respect of 2013 emissions must be surrendered by 30th April 2015 (rather than 30th April 2014, as would be required in the ordinary course). This is implemented in new regulation 42A(1), which is inserted into the 2012 Regulations by regulation 13.

Application for a monitoring plan

13. The Amending Regulations amend the existing requirements for a UK administered operator to apply for a monitoring plan in accordance with Article 51(1) of the Monitoring

and Reporting Regulation, in line with the derogation and exemption provided for in the EU Regulation.

14. For operators that only carry out “excluded aviation activities”, the change is as follows. In respect of 2013 and 2014, since these periods have already passed, the Amending Regulations disapply the penalty for breaches of the requirement to apply for a monitoring plan for “excluded aviation activities”. This is done in regulation 16, which inserts a new regulation 60(3) into the 2012 Regulations.
15. In respect of 2015 and 2016, regulation 6 inserts a new regulation 32A into the 2012 Regulations, which provides that the duty to apply for a monitoring plan continues to arise four months before a UK administered operator commences an aviation activity other than for operators that only carry out “excluded aviation activities”.
16. To prepare for the situation post-2016, once the derogation expires, a new regulation 32B to be inserted into the 2012 Regulations provides that an operator which has only carried out “excluded aviation activities” in 2015 and 2016 must apply for a monitoring plan before carrying out aviation activities after 2016.
17. In addition, new regulations 32A(6), 32A(7) and 32B(6), to be inserted into the 2012 Regulations, make special provision for transferred operators (i.e. those that were a non-UK operator and become a UK administered operator), which replicate regulation 32(6) of the existing 2012 Regulations.
18. Regarding the new exemption for non-commercial operators emitting less than 1,000 tonnes CO₂ per year, as mentioned above (see paragraph 10), the definition of “aviation activities” now includes an exemption for “exempt non-commercial air transport operators”. There are therefore no obligations for these exempt operators going forward (i.e. from 2015 to 2020), including no duty to apply for a monitoring plan. In order to provide certainty for 2013 and 2014, the Amending Regulations disapply the penalty for any exempt non-commercial operator which commenced aviation activity in 2013 or 2014 and did not apply for a monitoring plan. This is done in regulation 16, which inserts a new regulation 60(4) into the 2012 Regulations.

Requirement to notify the regulator if an emissions plan is not applied for

19. The Amending Regulations also amend the existing requirement for a UK administered operator who becomes a UK administered operator after 1st January 2015 (i.e. either because the operator appears on the Commission list for the first time, or because the operator is designated to the UK) to notify the regulator if it does not need to apply for a monitoring plan (because it does not expect to commence an “aviation activity” within the next four months), in line with the derogation and exemption provided for in the EU Regulation.
20. In light of the fact that operators carrying out only “excluded aviation activities” from 2013 to 2016 do not need to apply for a monitoring plan, regulation 8 inserts a new regulation 33A into the 2012 Regulations to require these operators to notify the regulator that they do not expect to commence aviation activities within the next four months (and therefore they are not under a duty to apply). This applies for 2015 and 2016. In respect of 2013 and 2014, since these periods have already passed, the Amending Regulations disapply the penalty for breaches of the requirement to notify the regulator if an emissions plan is not applied for. This is done in regulation 17, which inserts a new regulation 61(3) into the 2012 Regulations.

21. Regarding exempted non-commercial operators emitting less than 1,000 tonnes CO₂ per year, the requirement to notify the regulator if an emissions plan is not applied for is already provided for in new regulation 33A from 2015 to 2020 because the definition of “aviation activities” has been amended. However, in order to also ensure that operators are not penalised for a failure to make a notification in 2013 and 2014, regulation 17 (which inserts a new regulation 61(3) into the 2012 Regulations) disapplies the penalty for a failure to notify if the operator was an exempt non-commercial operator in these years.

Monitoring and reporting

22. In line with the provisions in the EU Regulation, the Amending Regulations provide that the duty to monitor and report shall not apply to “excluded aviation activities” from 2013 to 2016.
23. In respect of 2013 and 2014, regulation 18 amends regulation 63 of the 2012 Regulations to disapply the penalty for a failure to monitor emissions from “excluded aviation activities”. In respect of 2015 and 2016, regulation 9 inserts regulation 35(5) into the 2012 Regulations, which provides that there is no duty to monitor aviation emissions in so far as the duty arises in respect of “excluded aviation activities”. Regulation 9 also inserts new regulation 35(6) into the 2012 Regulations provides that there is no requirement to report “excluded aviation emissions” for 2013 to 2016.
24. Regarding exempted non-commercial operators emitting less than 1,000 tonnes CO₂ per year, this is already automatically provided for in existing regulation 35 from 2015 to 2020 because the definition of “aviation activities” has been amended. For 2013 and 2014, as above, regulation 18 disapplies the penalty for a failure to monitor emissions for exempted non-commercial operators, and new regulation 35(6) of the 2012 Regulations provides that there is no requirement for exempted non-commercial operators to prepare a report of aviation emissions.
25. The Amending Regulations also provide for the extraordinary two-year compliance cycle for 2013, as explained above (paragraphs 11-12).

Simplified procedures for operators emitting less than 25,000 tonnes CO₂ per year

26. The EU Regulation provides that an aircraft operator (either commercial and non-commercial) emitting less than 25,000 tonnes CO₂ per year (based on the full-scope of the Aviation ETS) can use the small emitters tool, populated by Eurocontrol with data from its ETS support facility, to verify emissions, rather than needing to have them independently verified. This is provided for in regulation 9, which inserts a new regulation 35(7) into the 2012 Regulations.
27. The EU Regulation also has a provision for Member States (including the UK) to “implement simplified procedures for non-commercial aircraft operators [emitting less than 25,000 tonnes of CO₂ per year] as long as such procedures provide no less accuracy than the small emitters tool provides”. At present, the regulators for UK-administered aircraft operators do not intend to introduce further simplified procedures for non-commercial air transport operators who emit less than 25,000 tonnes of CO₂ per year, and so no provisions have been made in the Amending Regulations for these further simplified procedures. The UK Regulators will keep this under review.

Surrender of allowances

28. In the Amending Regulations, regulation 13 provides that the obligation to surrender allowances is now governed by new regulation 42A, rather than regulation 42 of the 2012 Regulations. Under regulation 42A, allowances in respect of both 2013 and 2014 emissions are required to be surrendered by 30 April 2015, as mentioned in paragraph 12. In subsequent years, the normal compliance cycle resumes (with allowances to be surrendered by 30 April in the year following the end of a scheme year).
29. In addition, regulation 42A(3) provides that there is no obligation to surrender allowances for “excluded aviation emissions” from 2013 to 2016 inclusive, and regulation 42A(4) provides that there is no obligation to surrender allowances for exempt non-commercial aircraft for 2013 and 2014. As explained above, no exemption is required for years 2015 to 2020 due to the amendment of the definition of “aviation activities”.

Surrender of a deficit of allowances for 2013 onwards

30. In the Amending Regulations, regulation 13 additionally inserts a new regulation 42B into the 2012 Regulations which provides that where an operator fails to surrender sufficient allowances in respect of a scheme year (i.e. a deficit arises), the operator must surrender allowances equal to the deficit in a following year. Where the deficit is due to an error in the verified emissions report, the deficit is required to be surrendered in the compliance year following the year in which the error is discovered. Where the deficit is not due to an error in the report, the deficit is required to be surrendered in the next compliance year following the non-compliance year. This replaces existing regulations 42(2) and 42(3) of the 2012 Regulations and takes into account the extraordinary 2013 compliance cycle.

Surrender of a deficit of allowances for 2012 emissions

31. Regulation 21 inserts a new regulation 87C into the 2012 Regulations to address operators who did not surrender sufficient allowances by 30 April 2013 to cover 2012 emissions such that they have a ‘deficit’ of allowances. Regulation 87C provides that the duty to surrender the deficit of allowances under the 2010 Regulations no longer applies, to take account of the extra-ordinary compliance cycle for 2013 emissions. Instead, regulation 87C provides that any deficit is required to be surrendered by 30 April 2015, or the year following the year in which notice of non-compliance is given, whichever is the later. The amount of the deficit reflects the scope under the ‘Stop the Clock Decision’²⁰ for 2012 emissions. Regulation 21 also inserts a new penalty in regulation 87D into the 2012 Regulations for failing to comply with the obligation to make up the deficit.

Penalty notices, publication of names of operators, and appeals against penalties issued for 2012 deficits

32. Regulation 14 provides for a penalty notice to be issued in respect of a failure to surrender a deficit of allowances in respect of 2012 emissions and regulation 20 provides for the names of operators which fail to pay this penalty to be published. The First Tier Tribunal is the appeals body for England and Wales, the Scottish Minister is the appeals body for Scotland, and the Planning Appeals Commission is the appeal body for Northern Ireland.

²⁰ Decision 377/2013 EU of the European Parliament and of the Council of 24 April 2013 derogating temporarily from Directive 2003/87/EC.

Free allowances

33. The allocation of free allowances is covered by the Registries Regulation 389/2013, which is directly applicable in the UK (and other Member States). The UK has therefore not transposed the elements of the EU Regulation relating to the allocation of free allowances.
34. For future trading phases starting in 2020, operators will have to apply for allowances based on their data for their aviation activity in the benchmarking year (in respect of the trading phase starting after 2020, this will be in 2018). Given that the exemption for non-commercial air transport operators will have expired after 2020, the definition of “aviation activities” therefore needs to be the definition which applies in years other than 2013 to 2020. This is provided for in regulation 22, which amends Schedule 7 of the 2012 Regulations.

Auctioning

35. Auctioning is covered by Regulation 1031/2010, which is directly applicable in the UK (and other Member States). The UK has therefore not transposed the auctioning elements of the EU Regulation.

Special reserve

36. In the Amending Regulations, regulation 23 inserts a new paragraph in Schedule 8 of the 2012 Regulations that specifies that the maximum number of allowances allocated under the special reserve shall not exceed 1,000,000 in any trading period, which merely clarifies a provision in the original Aviation ETS Directive.
37. Regulation 23 also corrects an error in the Schedule 8 of the 2012 Regulations relating to the year for which operators are required to monitor tonne-kilometre data for the purposes of making an application for an allocation of allowances from the special reserve. The Amending Regulations substitute the reference to the “benchmarking year” (i.e. 2010) with the “second calendar year of the trading phase” (i.e. 2014), in line with the original Aviation ETS Directive. As far as the UK regulators are aware, operators which intend to apply to the special reserve have been monitoring data for 2014. The UK regulators intend to accept data for 2014 when considering applications for the special reserve from new entrants, and similarly, operators which are applying by virtue of an increase in their tonne-kilometre data between 2010 and 2014 must provide evidence of that increase.

Aircraft operator ban

38. Regulation 24 seeks to insert clarification after paragraph 1(4) of Schedule 10 of the 2012 Regulations on the process that is undertaken before an EU wide operator ban can be implemented.

Consultation questions

Consultation Question

1. Do you have any comments on the proposed amendments to the 2012 Regulations? Are there any parts of the Amending Regulations where further clarity is required?

Consultation Question

2. Do you believe there is an enforceable alternative method, other than what is proposed here, of implementing the EU Regulation into UK law? If so, please outline your suggested method.

Consultation Question

3. The Amending Regulations have amended Schedule 8 of the 2012 Regulations to substitute the reference to the “benchmarking year” (i.e. 2010) with the “second calendar year of the trading phase” (i.e. 2014), in order to correct for a previous error in the Regulations.

As far as the UK regulators are aware, operators who intend to apply to the special reserve have been monitoring tonne-kilometre data for 2014. The UK regulators also intend to accept data for 2014 when considering applications for the special reserve.

Do you think the proposed change to Schedule 8 will cause any prejudice to operators? If so, could you please provide any evidence of this?

Consultation Question

4. There is a provision in the EU Regulation for Member States (including the UK) to “implement simplified procedures for non-commercial aircraft operators [emitting less than 25,000 tonnes of CO₂ per year] as long as such procedures provide no less accuracy than the small emitters tool provides”.

At present, the regulators for UK-administered aircraft operators do not intend to introduce further simplified procedures for non-commercial air transport operators who emit less than 25,000 tonnes of CO₂ per year, but the regulators will keep this under review.

If you wish, please describe what simplified procedures the UK could put in place for non-commercial aircraft operators which would ensure no less accuracy than the small emitter’s tool provides.

Consultation Question

5. Are you able to provide any additional evidence relating to the impacts which the accompanying UK Impact Assessment has not taken into account? Please state these e.g. impacts on the competitiveness of your business and/or your aircraft operations, in comparison to others. (N.B. We have included some more detailed questions in the Impact Assessment itself, which can be found at **Annex A**)

Further information

The European Commission has published a list of frequently asked questions on the new EU Regulation. This can be found at **Annex B**.

If you still have questions after you have read this section please contact:

- The Environment Agency EU Aviation ETS Helpdesk: etaviationhelp@environment-agency.gov.uk

or

- The Scottish Environment Protection Agency Emissions Trading Helpdesk: emission.trading@sepa.org.uk

or

- Natural Resources Wales Emissions Trading Helpdesk: GHGHelp@cyfoethnaturiolcymru.gov.uk or GHGHelp@naturalresourceswales.gov.uk

Further background information can be found at the DECC EU ETS web pages:

<https://www.gov.uk/government/policies/reducing-the-uk-s-greenhouse-gas-emissions-by-80-by-2050/supporting-pages/eu-emissions-trading-system-eu-ets>

The Scottish Environment Protection Agency Aviation EU ETS web pages:

http://www.sepa.org.uk/climate_change/solutions/eu_emissions_trading_system/eu_ets_-_aviation.aspx

The Northern Ireland Environment Agency aviation EU ETS web pages:

http://www.doeni.gov.uk/niea/pollution-home/emissionstrading/emission_trading_aviation_system.htm

Department for Transport's aviation environmental issues pages:

<https://www.gov.uk/government/policies/reducing-greenhouse-gases-and-other-emissions-from-transport>

The European Commission's Aviation EU ETS pages:

http://ec.europa.eu/clima/policies/transport/aviation/index_en.htm

Annex A: Impact Assessment

(Available on the consultation website)

Annex B: European Commission FAQs

(Available on the consultation website)

Annex C: Draft Statutory Instrument

(Available on the consultation website)

Annex D: Unofficial draft consolidated UK Greenhouse Gas Emissions Trading Scheme Regulations 2012

(Available on the consultation website).

Please note these do not represent the authoritative UK Greenhouse Gas Emissions Trading Scheme 2012 Regulations. They provide illustrative assistance for those responding to the consultation on how the proposed changes, if adopted, will look in the amended Regulations. Relevant proposed changes are highlighted in grey in the Annex.

Annex E: List of those consulted

Airline Groups and other Aviation Associations

British Air Transport Association (BATA)
Air Transport Association (IATA)
Aircraft Owners and Pilots Association (AOPA)
Airlines for America
Association of European Airlines (AEA)
Association of International Couriers & Express Services (AICES)
British Airline Pilots Association (BALPA)
British Business and General Aviation Association (BBGA)
British Helicopter Association (BHA)
British International Freight Association (BIFA)
European Business Aviation Association (EBAA)
European Express Association (EEA)
European Low Fares Airlines Association (ELFAA)
European Regions Airline Association (ERAA)
Royal Aeronautical Society (RaES)
Strategic Aviation Special Interest Group (SASIG) - Local Government Association
The Board of Airline Representatives in the UK (BAR-UK)
UK Sustainable Aviation

Airports, Air Traffic and Manufacturers

ADS Group
Airbus
Airport Operators Association
Boeing UK
British Airports Association (BAA)
Confederation of British Industry (CBI)
General Aviation Manufacturers Association (GAMA)
General Electric - Commercial Aviation Services
NATS
Rolls-Royce
Unite
Uttlesford District Council

Government

Civil Aviation Authority (CAA)

Verifiers, Consultants and Emissions Traders

Aviation Emissions Solutions Ltd
Avocet Risk Management Limited
BP
BSI Management Systems
Bureau Veritas
CICS
Climate Markets and Investment Association (CIMA)
Commerzbank
ConocoPhillips
DNV
Emissions Trading Group UK (ETG)
ERM CVS
ETS Aviation Limited
Future Perfect
Green Aviation Solutions
Gulfstream
International Emissions Trading Association (IETA)
Kiwa
Lafarge
Lloyd's Register Quality Assurance Limited (LRQA)
Lucideon
Planet & Prosperity Ltd
Rockwell Collins (US)
Shell
The Bryman Partnership Ltd
United Kingdom Accreditation Service (UKAS)
VerifAvia (UK) Ltd
Vertis Environmental Finance

NGOs

Airport Watch
Aviation Environment Federation
Friends of the Earth
Green Skies
Greenpeace
Royal Society for the Protection of Birds (RSPB)
Sandbag
Transport & Environment
WWF

Other ETS participants

Alcan Smelting & Power UK
Aluminium Federation
BG Group
BP
British Beer & Pub Association
British Cement Association (BCA)
British Ceramic Confederation
British Glass Manufacturers' Confederation
British Retail Consortium
British Sugar
BT Group
Cemex
Centrica Plc
Chemical Industries Association
ChevronTexaco
Combined Heat and Power Association
Confederation of Paper Industries
Connoco Phillips
Construction Products Association
D S Smith Paper
Dairy UK Ltd
Drax
E.ON
EDF Energy
Energy UK
Exxonmobil
Food and Drink Federation
Grangemouth CHP Limited
Gypsum Products Development Association
Hanson UK
International Power plc
Lafarge Aggregates and Concrete
Mineral Products Association
Mineral Wool Energy Savings Company Ltd
(MINECO) (Eurisol)
Murco Petroleum Limited
NSG Pilkington plc
Oil & Gas Independents' Association
Oil and Gas UK
Phillips 66
Rockwell Collins
Rolls Royce
RWE Npower
Scottish Power
Shell U.K. Limited

Singleton Birch Limited
Society of British Aerospace Companies
Society of Motor Manufacturers and Traders (SMMT)
Tarmac UK
Tata Steel
The Scotch Whisky Association
Total plc
UK Aerospace, Defence, Security and Space
UK Steel Association
United Kingdom Petroleum Industry Association
(UKPIA)

Business Federations

Confederation of British Industry (CBI)
Federation of Small Businesses (FSB)

Aircraft Operators

21st Century Fox America, Inc.
3M COMPANY
51 NORTH LIMITED
57 AVIATION SERVICES LLC
711 CODY INC
994748 ONTARIO INC
A J WALTER AVIATION LIMITED
ABBOTT LABORATORIES
ABG AIR Ltd
ACE Group Holdings, Inc.
Acorn Mobility
ADMISTRADORA JBL C.A.
AEG Air A.V.V.
AEROSERVICIOS EJECUTIVOS CORPORATIVOS
S.A. DE C.V.
AGROPECUARIA SANTANA DO DESERTO LTDA
AIR CANADA
AIR INDIA LIMITED
Air Kilroe Ltd trading as Eastern Airways
AIR NEW ZEALAND LTD
AIR SOUTH WEST LTD.
AIR TRANSAT A.T. INC.
AirAsia X
AIRTIME LLC
AL RUSHAID AVIATION LTD
AL SALAM 319 LTD.
AL Tameer CO. LTD
ALIA ROYAL JORDANIAN
ALPHA TECHNOLOGIES, INC.
AMAC Corporate Jet AG
Ambrion Aviation Limited

AMERICAN AIRLINES, INC.
 American Credit Acceptance, LLC
 AMERICAN EXPRESS COMPANY
 AMERICAN INTERNATIONAL GROUP
 American Resources
 AMERIPRISE FINANCIAL INC
 AMGEN INC.
 AMS Limited
 AMY'S KITCHEN INC.
 ANADARKO PETROLEUM CORPORATION
 ANDROMEDA LTD
 Anheuser Busch Companies, LLC
 ANSCHUTZ COMPANY
 ARAMARK CORPORATION
 ARIK AIR LTD
 ARMAD LIMITED
 Ashok Leyland Ltd
 ASP Aviation Limited
 ASTRAEUS LTD
 AT&T Management Services, L.P.
 Atalanta Air
 ATLANTIC AIRLINES LIMITED
 AURIGNY AIR SERVICES LIMITED
 AV8JET LIMITED
 Avalon Capital Group, Inc
 AVENIR WORLDWIDE (BBJ) LIMITED
 AVIATION CONSULTANTS OF ASPEN, INC.
 AVIATION DYNAMIX LLC
 AVIONETA LLC
 Avmax Aircraft Leasing Inc (AALI)
 AVPRO INC (3)
 AVTRADE Limited
 AZERBAIJAN HAVA YOLLARI CJSC
 AZIKEL Dredging Nigeria Limited
 BA CITYFLYER LTD
 BAA JET MANAGEMENT LIMITED
 BAE SYSTEMS (OPERATIONS) LTD
 BAE Systems Inc.
 BAHRAIN ROYAL FLIGHT
 BANLINE AVIATION LIMITED
 BAYHAM LIMITED
 BEACON CAPITAL PARTNERS, LLC
 BECHTEL CORPORATION
 BECTON, DICKINSON AND COMPANY
 BEEHAWK AVIATION
 BEL AIR LIMITED
 BERWIND CORPORATION
 BGST LLC
 BHARAT FORGE LIMITED
 BIMAN BANGLADESH AIRLINES LTD
 BISSELL LEASING CO LLC
 BKF AVIATION LIMITED
 BLOOMBERG SERVICES LLC
 Blue Ridge Air, Inc.
 BMIBaby Limited
 BOETTI AIR INC Trading As COSTA AZZOURA
 BOLLINGER SHIPYARDS INC
 BOMBARDIER AEROSPACE CORPORATION (dba)
 FLEXJET
 BOMBARDIER INC
 Bond Offshore Helicopters Ltd
 BOTSWANA DEFENCE FORCE
 BOULTBEE AVIATION 3 LLP
 BRAMPTONIA LTD
 BRIARWOOD PRODUCTS LIMITED
 Bristow Helicopters Ltd
 BRITISH AIRWAYS PLC
 BRITISH MIDLAND AIRWAYS LTD
 BROKERAGE & MANAGEMENT CORPORATION
 BZ AIR LTD
 BZL (Bermuda) Ltd.
 C. F. CAPITAL MANAGEMENT LLC
 CA Inc
 CA Inc
 CAESARS ENTERTAINMENT OPERATING CO. INC
 CAMPBELL SALES COMPANY
 CANADIAN UTILITIES LIMITED
 CAPITAL AVIATION PtE LTD
 Cardinal Health Inc
 CARGILL INC
 CASBAH
 CATERPILLAR INC
 CATHAY PACIFIC AIRWAYS LTD
 CATHTON INVESTMENTS LTD
 CAYLEY AVIATION LTD
 CBAIR LLC
 CBS MASS MEDIA CORPORATION
 Celestial Airways Limited
 Charles Schwab
 CHARTWELL AVIATION SERVICES LLC
 CHC Scotia Ltd
 Chevron U.S.A. Inc.
 CHICK-FILL-A INC
 CIGNA CORPORATION
 CITIFLIGHT, INC
 CJSC AIRCOMPANY POLET"
 CJSC Sky Express"
 CLEARWATER FINE FOODS

CLOUD AIR SERVICES LTD
CNL GROUP SERVICES
COCA COLA ENTERPRISES, INC.
COLLEEN CORPORATION
Colson & Colson General Contractor
Columbus Networks USA Inc.
Computer Sciences Corporation
CONANICUT AVIATION
CONDOR AVIATION LLP
CONOCOPHILLIPS AVTN
Consolidated Press Holdings Limited
CONSTELLATION LEASING LLC
Consultatio S.A.
COORDINATES OPERATIONS LLC
COSTCO WHOLESALE CORPORATION
CRANE COMPANY
CRESCENT HEIGHTS, INC.
CSC TRANSPORT, INC.
CTC AVIATION JET SERVICES LTD
DAIDALOS AVIATION A.V.V.
DAL BRIAR CORPORATION
DALLAH ALBARAKA HOLDING COMPANY
DAR JANA GROUP
DARWIN AIRLINE SA
DATEL HOLDINGS LTD
DHL Air Limited
Diamond A Administration Company, LLC
DIRECT AVIATION MANAGEMENT LTD
DJT OPERATIONS I LLC
DOMINION RESOURCES SERVICES INC.
DONINGTON AVIATION LIMITED
DORSTONE HOLDINGS
DTC LLC
DUBAI AIR WING
DUKE OF WESTMINSTER
DUNAVANT ENTERPRISES, INC.
Dwight Management, LLC
EAGLE AIRCRAFT & TRANSPORTATION
MANAGEMENT, INC.
EASYJET AIRLINE COMPANY LIMITED
Econet Wireless Investment Holdings Limited trading
as Zoe Air
EGYPTAIR AIRLINES
EIE EAGLE INC ESTABLISHMENT
Eleventh Street Aviation LLC
ELMET 7X INC
EMBRAER SA.
EMIRATES
ENBRIDGE INC.

ENTERPRISE HOLDINGS, INC.
Equus Capital Partners Ltd
Essar Shipping & Logistics Ltd
Essar Shipping Ltd
ETIHAD AIRWAYS
EVA AIR
EWA WEST LLC
EXECUJET EUROPE AG
Executive Aviation Limited
EXECUTIVE JET GROUP LIMITED
EXECUTIVE JET MANAGEMENT, INC.
Exxon Mobil Corporation
FALCONAIR LTD
Fambran Enterprises LLC
FANAIR AVIATION LTD.
FAYAIR (JERSEY) CO LIMITED
FELHAM ENTERPRISES INC
Felham Enterprises Ltd.
FERNCROFT LTD
FERTITTA ENTERPRISES, INC.
Firefly Entertainment Inc.
FIRST DATA CORPORATION
FirstEnergy Service Company
FIVE STAR AVIATION, LLC
FJ900 Inc.
FJR PRIVATE FLIGHT
FL AVIATION CORPORATION
FL510-GmbH
FLIGHTS Inc.
Flybe Limited
FLYGTACK LTD
FLYING LION Ltd
FLYNN FINANCIAL
FOREIGN MANUFACTURES FINANCE
CORPORATION
FOREST AVIATION LIMITED
Formula One Management Limited
Fortune Brands, Inc.
Fox Paine and Company LLC
FRANKLIN P. JOHNSON
FRANKLIN TEMPLETON TRAVEL, INC.
Frost Administrative Services, Inc.
FRY'S ELECTRONICS, INC.
FUTURA TRAVELS LIMITED
G200 LTD
G5 EXECUTIVE AG
GALLAGHER ENTERPRISES LLC
Galt Aviation, LLC
GAMA AVIATION LTD

GANNETT CO, INC
GENERAL AVILEASING, INC.
GENERAL DYNAMICS CORPORATION
General Electric Company (d.b.a. GE Corporate Air
Transport)
GEXAIR LTD.
GF AIR, INC.
Glen West 300 (Jersey) Ltd
GLOBAL PACIFIC AVIATION, INC.
GOLDEN FALCON
Google Inc.
Graham Capital Company
GRAHAM CAPITAL MGMT
Grass Green II LLC
Great Pacific Capital Corp. d.b.a Pattison Airways
Green Bay Packaging Inc.
Greenaap Consultants, Ltd.
GTC Management Services Inc
GUIDARA NORDESTE PARTICIPACOES LTDA
GULF AIR B.S.C.
GULFSTREAM AEROSPACE CORPORATION
H J HEINZ COMPANY
H. H. Aviation LLC
H.M. THE SULTAN'S FLIGHT
Hamilton Aviation Inc
HAMILTON COMPANIES
Hangar 8 Management Ltd
Hangar Acquisition Corporation
HARBERT FUND ADVISORS INC.
HARRINFORD LTD
HARRIS Corporation
HARSCO Corporation
HARTH TRADING EST
HAWKER BEECHCRAFT CORPORATION
HBC AVIATION INC
HCC SERVICE COMPANY, INC
Head Start Aviation Systems Ltd.
Heckmann Enterprises Inc
HERTZ CORPORATION
HESS CORPORATION
HEWLETT-PACKARD COMPANY
HILL AIR CORPORATION
HollyFrontier Corporation
Home Depot USA, Inc
HONEYWELL INTERNATIONAL Inc
HORIZON AIR LLP
HORNBILL SKYWAYS
Hubbard Broadcasting, Inc.
HUNT CONSOLIDATED INC.

International Business Machines Corporation
INTERNATIONAL GAME TECHNOLOGY
INTERNATIONAL JETCLUB LIMITED
Irving Oil Transport Inc.
ISLAND AVIATION, INC
IVANHOE CAPITAL AVIATION
J C BAMFORD EXCAVATORS LIMITED
J. C. PENNEY CORPORATION, INC.
JACKSON NATIONAL LIFE
JANAH MANAGEMENT COMPANY LTD.
JAPAN AIRLINES Co. Ltd
JATO AVIATION LTD
JELD-WEN, Inc.
JET AIRWAYS INDIA
Jet Centre Ltd (trading as) The Private Jet Company
Jet Stream Aviation LLC (d.b.a Jet Stream Aviation)
JET2.COM LIMITED
JETSTEFF AVIATION LIMITED
JETSTREAM WORLDWIDE
JHD AIRCRAFT SALES CO LLC
John Mason ACFT SVCS
JOLUK AVTN
JPMORGAN CHASE BANK, National Association
KANSAS CITY LIFE INSURANCE COMPANY
Kayne Anderson Capital Advisors LP
KEEPFLYING LLP
KENYA AIRWAYS LIMITED
KERZNER INTL.
KILMER MANAGEMENT LIMITED
KINGS AVIATION LIMITED
KLEIN TOOLS INC
KNIGHTSDENE LIMITED
Kraft Foods Global Inc.
KTR Capital Partners LP
KUWAIT AIRWAYS CORPORATION
LAC AVIATION
LAKE CAPITAL LLC
Learjet Inc.
LEGACY AVIATION LIMITED
LEUCADIA AVIATION, INC.
LEVEL 3 COMMUNICATION LLC
LFG Services Pty. Limited
LG ELECTRONICS INC.
Liberty Interactive LLC
LIBERTY MUTUAL Insurance Company
LIBYAN AIRLINES
LOCKHEED MARTIN CORPORATION
LOID GLOBAL LTD
LONDON EXECUTIVE AVIATION LIMITED

LONE WOLF AVIATION LLC
LOWE'S COMPANIES, INC
LUGHNASA MGMT LLC
M.J. AIR, LLC
MAITON AIR LLP
MALAYSIAN AIRLINE SYSTEM BERHAD
MARCO POLO AVIATION LTD
Marcus Evans (Aviation) Ltd.
Mariner Air LLC
MASCO CORPORATION
MAZAMA FINANCE
MC Group
MCCAIN FOODS LIMITED
MCCORMICK AND COMPANY INC.
MCDONALD'S CORPORATION
MEDIA CONSULTING SERVICES LLC
MERCK & CO., INC
Metrojet Private Aircraft Management Company
Limited
MGM RESORTS INTERNATIONAL
MID SOUTH AVIATION LLC
MIDAMERICAN ENERGY HOLDINGS COMPANY
Midroc Aviation
MIDWEST AVIATION NE
Monarch Airlines Limited
Moore Capital Management, LP dba GX Aviation
MP AIR, INC.
MSF AVIATION Ltd
MWM AG
MYSKY LLP
N14FX TRUST C/O WILMINGTON TRUST CO
NASCAR, INC.
NATIONAL AIR CARGO GROUP INC
NATIONAL JETS INC
NATIONWIDE MUTUAL INSURANCE COMPANY
NEBULA III, LTD
NETJETS AVIATION INC
NEW NGC, INC.
NextEra Energy Inc.
NIGER AIR FORCE
Noble Services Switzerland LLC
NOCLAF LIMITED
NORDSTROM, INC.
Norfolk Southern Corp.
OAKLR Aviation Services LLC
OAKMONT CORPORATION
Olayan Financing Company
Oman Air
OMNICARE MANAGEMENT

On Time Aviation Corp
ONUR AIR TASIMACILIK A.S.
OPA LLC
Osmotica Leasing LLC
OTO DEVELOPMENT, LLC
P.M. AIR INC
PACIFIC JET AVIATION, LLC
PACIFIC STREAM
PAKISTAN INTERNATIONAL AIRLINES
CORPORATION
PALACE INTERNATIONAL LIMITED
PAM Management Serv. LLC
PARAMOUNT ARG INC
PARAMOUNT PICTURES CORPORATION
Park House Aviation Ltd
Park Rise Investments Ltd
PAULICOPTER CIA. PAULISTA DE HELICÃ“PTERO
LTDA
PBAS JETS, LLC
PEABODY ENERGY CORPORATION
PEGASUS ELITE AVTN
PEGASUS SOUTH, LLC
PENSKE JET, INC
PERINI CORP
PETERSON AIR
PFIZER INC.
Pilgrim Air
PLANES AND PARTS
POTASH CORP (2)
Powdr Aviation Inc
PPD Development, LLC
PRESIDENTIAL FLIGHT UAE
PRESTBURY TWO LLP
PRIME LEGACY MANAGEMENT, LLC
PRIMEVALUE TRADING
PROFESSIONAL JET MANAGEMENT, INC.
QANTAS AIRWAYS LIMITED
QATAR AIRWAYS (Q.C.S.C.)
QUALCOMM Incorporated
R. Lacy Services LTD.
RABBIT RUN
RAVELLO ENTERPRISES
RAVENHEAT MANUFACTURING LTD
RAYTHEON COMPANY
RED WHITE & BLUE PICTURES, INC.
Relational Investors LLC
REMO INVESTMENTS LIMITED
Richard Hayward
RL WINGS LLC

ROCKWELL COLLINS INC
 ROSS INVESTMENTS
 ROYAL BRUNEI AIRLINES SND.DHB (d.b.a Royal
 Brunei Airlines)
 ROYAL FLIGHT OMAN
 ROYAL JET, LLC
 Russian Copper Company Holdings Ltd
 S.C. Johnson and Son, Inc
 SAGITTA LLC
 SAILS IN CONCERT, INC.
 Saltchuk Resources Inc.
 SAMARITAN'S PURSE
 SANDS AVIATION LLC
 SanRidge Operating Company
 SAUDI ARABIAN OIL CO./SAUDI ARAMCO
 SCB FALCON, LLC
 SEAFLIGHT AVIATION LTD
 SGSF Capital Venture LLC
 SHARJAH RULERS FLT
 SHAW COMMUNICATIONS INC
 Sheridan Aviation LLC
 SINGAPORE AIRLINES LIMITED
 SIOUX COMPANY LTD
 SK Telecom Co., Ltd.
 SKY AVIATION LTD
 SLEEPWELL AVIATION LTD
 SNAPPER CONSULTING INC.
 SONY AVIATION INC.
 SOUTH AFR. BREWERIES
 SOUTH AFRICAN AIRWAYS (PTY) LTD
 SPACE EXPLORATION TECHNOLOGIES CORP
 SPC AVIATION LTD
 SPECSAVERS AVTN
 SPX CORPORATION
 SRILANKAN AIRLINES LIMITED
 STA (2006) LLP
 Standard and Poor's Security Evaluations Inc
 STANLEY BLACK & DECKER, INC.
 STARBUCKS CORPORATION
 SUBPRICE LTD
 SUN TV NETWORK
 SUNCOR ENERGY, INC
 SUNWING AIRLINES INC
 SUZUKI DEL CARIBE INC
 SWAGELOK COMPANY
 Swiss International Air Lines AG
 SYMPHONY MILLENNIUM LTD.
 SYRIAN ARAB AIRLINES
 T W O AIR (BERMUDA) LIMITED
 TAG AVIATION (UK) LIMITED
 TAIL WIND LTD
 TARRANT AIR ADVISORS, INC
 TAS Corp, LLC
 TAUBMAN ASSET GROUP, INC
 TEKLOC
 TELUS COMMUNICATIONS INC
 Tendencia Asset Management
 Tetran Assets Ltd.
 TEXTRON INC.
 The Bank of New York Mellon Corporation
 THE BOEING COMPANY
 THE DIRECTV GROUP INC
 THE GHK COMPANY LLC
 The Hershey Company
 The Procter & Gamble Company
 The Travelers Indemnity Company
 The Williams Companies, Inc.
 THE WORLD IS YOURS LTD
 THOMAS COOK AIRLINES LIMITED
 THOMSON AIRWAYS LIMITED
 TIDEWATER INC
 Tillford Limited
 TITAN AIRWAYS LTD
 Top Delight Worldwide Limited
 TOUR AIR, INC.
 TOWER HOUSE CONSULTANTS LIMITED
 TOWN & COUNTRY FOODS, INC
 TransCanada Pipelines Limited
 Translatin S.A.
 TRANSMERIDIAN AVTN
 TRIDENT PETROLEUM
 Triple A Aviation SA
 Truman Arnold Companies
 TRUSTAIR LTD
 TUCK AVIATION LLC
 Tudor Investment Corporation
 TURKMENHOVAYOLLARY
 TWINWOOD TRANSPORTATION (CAYMAN) LTD.
 Ty-Tex Exploration Inc.
 U.S. BANK TRUST NATIONAL ASSOCIATION
 Unisys Corporation
 UNITED AIRLINES, INC.
 UNIVERSAL WEATHER & AVIATION INC.
 UZBEKISTAN AIRWAYS
 Vale S.A.
 VALEANT PHARMACEUTICALS NORTH AMERICA
 LLC
 VALERO SERVICES, INC

Verizon Corporate Services Group, Inc
VIPER AVIATION LLC
VIPJET LIMITED
VIRGIN ATLANTIC AIRWAYS LTD
Vulcan Materials Company
W.A. DEVELOPMENTS INTERNATIONAL LIMITED
W.I.N. (World International Navigation) Ltd
W.W. Grainger, Inc
Wal-Mart Stores, Inc.
Waste Management, Inc.
WATSCO HOLDINGS, INC.
WAYNE A REAUD
WESTAIR FLYING
Western Air Charter Inc
WESTFIELD, LLC
WESTSHORE AVTN MGMT
WESTSTAR AVIATION SERVICES SENDIRIAN
BERHAD
WEYERHAEUSER COMPANY

White Mountain Aviation, LLC
WHITE ROSE AVIATION, INC
WILDERNESS POINT ASSOCIATES, LLC
WILLIS LEASE FINANCE CORPORATION
WINDSOR MEDIA INC.
Windway Capital Corp
World Noble (Cayman Islands) Limited
Worldwide Aircraft Holding Company (Bermuda) Ltd
WORTHINGTON INDUSTRIES, INC
WYNDHAM WORLDWIDE OPERATIONS, INC
XAMEX INVESTMENTS INC
XEROX CORPORATION
YAAS
YH AVIATION LTD
Zachry Industrial Inc.
ZC Aviation
ZIFF BROTHERS INVESTMENTS, LLC
ZWEITE XR-GmbH

Annex F: Consultation response form

(Available on the consultation website)

