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To: Operators of Bermuda Registered Aircraft

**Carbon Offsetting and Reduction Scheme for International Aviation (CORZIA)**

The Carbon Offsetting and Reduction Scheme for International Aviation (CORZIA) is an environmental offsetting measure, under which international flights covered by the scheme will be required to purchase emissions units from other sectors to offset the growth in international aviation carbon dioxide emissions over 2020 levels. The draft of a new Volume IV of ICAO Annex 16, containing the Standards and Recommended Practices (SARPs) for CORZIA is being finalized and is expected to be adopted by the ICAO Council in June 2018.

It should be noted that CORZIA should not be confused with the Aviation European Union Emissions Trading Scheme (EU ETS) which has been in place since 2012, and is only applicable to flights within the European Economic Area (EEA). Following ICAO agreement on CORZIA in 2016, a review determined to keep the intra-European scope until the end of 2023. This review deferred a decision on what the interaction will be between the CORZIA and the EU ETS, and the European Commission is expected to publish a proposal within 12 months of the CORZIA SARPs being adopted – therefore likely June 2019. Furthermore, it is not the remit of the Bermuda Civil Aviation Authority (BCAA) to administer or monitor the EU ETS.

Concerning CORZIA, the following points should be noted:

- The CO<sub>2</sub> annual emission limit has been initially set at 10,000 tonnes, which is ten times greater than the EU ETS annual limit of 1,000 tonnes.
- CORZIA is only applicable to international flights. Flights within the same country are excluded from the calculations, for example:
  - SFO-JFK is excluded, whereas
  - LHR-CDG would be included.
- There are distinct advantages in using the tail number as the RT callsign, because it is then possible to classify each aircraft individually as the definition of 'operator' under ICAO Annex 6 Part 2 is the owner or owning company. Only when an owner or owning company has more than one aircraft do the emissions need to be aggregated, as would be the case for Air Carriers and AOC holders.
- ICAO will be publishing a calculator in the latter part of 2018, which is anticipated to be based on the current tool used under the EU ETS. The tool will enable operators/owners to monitor their emissions if they are advised by the BCAA that they need to monitor.
- A survey of the eligible emissions for Bermuda registered private aircraft during 2017 revealed that no single or multi aircraft owner/operator exceeded 71% of the CORZIA limit of 10,000 tonnes CO<sub>2</sub>.

- The BCAA has calculated that it would take a fleet of 5 or more Falcon DA7X aircraft flying medium to long routes on 180 plus days per aircraft per year to reach the combined threshold of 10,000 tonnes.
- Any owner/operator intending to increase their fleet size to 5 or more aircraft engaged in international operations would be advised to have a monitoring programme.
- The CORSIA will commence in 2021 following a two-year monitoring phase starting on 1st January 2019. In this phase, Aeroplane Operators performing flights within the scope of the CORSIA will be required to monitor and report their verified emissions to set the baseline for future offsetting requirements. Based on the calculations and current fleet sizes using the 2017 flight profiles, it is the Bermuda CAA opinion that monitoring will not be required by any Bermuda registered operators/owners based on their current fleet.

Advice to owners/operators of Bermuda registered private aircraft:

- Always use the tail mark in the ICAO Flight Plan and as your callsign.
- If required to submit an emission report, use the company or owner name.
- Should the ICAO Council make any significant changes to Annex 16 after the June 2018 review, the BCAA will advise operators/owners accordingly.

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