

S-G045-07/2 (DW1237830-0)

24 February 2012

Inquiry into International Freight Transport Services
C/- New Zealand Productivity Commission
PO Box 8036
The Terrace
Wellington 6143

Dear Sir/Madam

Submission on Draft Report: International Freight Transport Services

Thank you for the opportunity to provide comments on the Draft Report on International Freight Transport Services, released in January 2012.

The Civil Aviation Authority (CAA) is the government's specialist aviation safety and security regulator. The CAA's responsibility is to enable a safe airspace environment for all commercial and recreational aviation activities, and to protect the public interest through a reliable and responsive aviation regulatory system.

We would like to suggest a minor amendment to Appendix B (Air Services Agreements) and we have a number of comments related to Appendix C (Regulation of External Costs).

Appendix B: Air services agreements

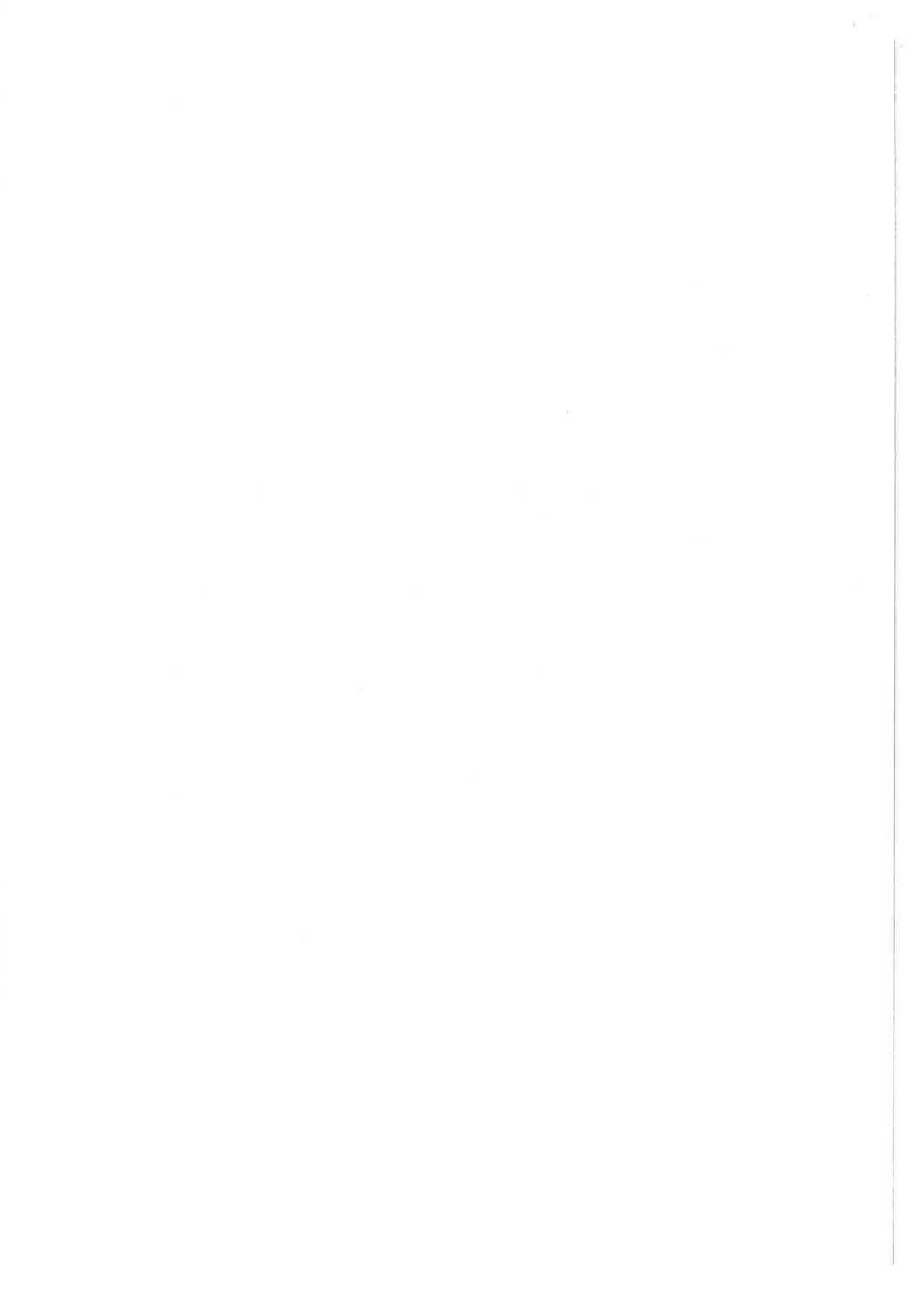
We suggest a correction on p.245, where in the first bullet it states that "The ICAO focuses on the development of international standards and recommended practices for non-technical regulation." The majority of ICAO's work focuses on technical aspects of aviation safety, security, and environmental protection, so the sentence should read "... **standards and recommended practices for technical regulation.**"

Appendix C: Regulation of external costs

References to International Civil Aviation Organisation

In Table C.3, in the line on Greenhouse Gas Emissions, third column, second paragraph, it refers to the "International Civil Aviation Authority". This should be the "**International Civil Aviation Organisation**". The same correction applies to the reference to the International Civil Aviation Organisation (ICAO) in the third column in the line on Air Pollution.

Greenhouse gas emissions, noise and air pollution are all being discussed by ICAO. ICAO has set standards and recommended practices for noise and engine emissions (except carbon dioxide), which have been adopted in New Zealand – these are outlined below. The



organisation is also currently working on a carbon dioxide emissions standard for aircraft, and carrying out studies on market-based measures aimed at mitigating greenhouse gas emissions.

The CAA represents New Zealand as an Observer on the ICAO Committee on Aviation Environmental Protection (CAEP), which develops standards, recommended practices and guidance relating to international aviation and the environment.

Noise

In Table C.3, in the line on Noise, the government legislation covering externalities should also include the **Civil Aviation Act 1990** and the **Civil Aviation Rules**. Under Section 29B of the Civil Aviation Act, the Minister of Transport may:

... make ordinary rules prescribing flight rules, flight paths, altitude restrictions, and operating procedures for the purposes of noise abatement in the vicinity of aerodromes.

The Civil Aviation Rules (Part 21) prescribe airworthiness requirements relating to aircraft noise, and specify minimum standards in accordance with ICAO Annex 16 Volume I, or a set of equivalent airworthiness design standards acceptable to the Director of Civil Aviation.

Air pollution

We would make the same point in the line on Air Pollution in Table C.3. The **Civil Aviation Rules** (Part 21) prescribe airworthiness requirements relating to aircraft engine emissions, which again specify minimum standards in accordance with ICAO Annex 16 Volume II, or a set of equivalent airworthiness design standards acceptable to the Director of Civil Aviation.

The third column refers to the **Vehicle Emissions Rule 2007**. This Rule only applies to motor vehicles, not aircraft, and so its inclusion in this table does not accord with the accompanying description, which only refers to jet fuel.

Accidents

The line on Accidents in Table C.3 could usefully mention that standards, recommended practices and guidance on international aviation safety are developed and promulgated by the International Civil Aviation Organisation.

As a signatory to the Convention on International Civil Aviation (Chicago Convention), which is the treaty that established ICAO, New Zealand is obliged to implement international standards set by ICAO and recorded in Annexes to the Chicago Convention, or to file a 'difference' with ICAO where any national standards depart from international standards and procedures. Article 37 of the Convention provides that:

Each Contracting State undertakes to collaborate in securing the highest practicable degree of uniformity in regulations, standards, procedures, and organization in relation to aircraft, personnel, airways and auxiliary services in all matters in which such uniformity will facilitate and improve air navigation and efficiency of air navigation as may from time to time appear appropriate.

Maintaining international alignment of aviation systems is essential to ensure that New Zealand aircraft can operate internationally without undue hindrance, and so that international

operators can similarly fly to New Zealand. New Zealand's reputation in aviation safety, and its compliance with international regulatory regimes, are key factors in enabling access by New Zealand aircraft operators to international markets such as the United States and Europe.

New Zealand is represented on many of the relevant safety and security committees of ICAO, which enables New Zealand to have some degree of influence over the direction of international standard setting, and to be informed of planned changes in international standards, recommended practices and procedures.

This concept of global interoperability is also one of the driving forces behind changes in air navigation systems worldwide; these changes include the adoption of new technologies and procedures to enhance safety, efficiency and environmental performance in aviation. New Zealand is responding to this by developing a National Airspace Policy (led by the Ministry of Transport) and a National Airspace and Air Navigation Plan (led by the CAA), with input from the aviation industry. Further information is available on the CAA web site.¹

Thank you again for the opportunity to provide input on the draft report. Should you require further information on our submission, please contact:

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Yours faithfully



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¹ http://www.caa.govt.nz/naanp/naanp_home.htm