

news

ETS COMPROMISE HANDS €7bn BILL TO EUROPEAN AIRLINES AND PROVIDES NO ANSWERS ON THE ENVIRONMENTAL IMPACT OF THE LEGISLATION

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The European Regions Airline Association (ERA) estimates the cost of Emissions Trading for European airlines at €7bn in the first two years of the scheme, increasing progressively as the scheme continues. Estimated total costs over the 10 years to 2022 are €90bn. The European Parliament, which voted on a compromise agreement with the European Council today, has no idea what the economic or social cost of the proposals will be and, even less so, their environmental impact.

Although the revised agreement contains some welcome amendments from the European Parliament's (EP) original proposal, the additional cost which ETS will place on airlines is likely to severely hinder or even eliminate their ability to invest in more fuel efficient aircraft. Together with astronomical fuel prices, the added burden of ETS and the "credit crunch" effect will make it impossible to recover costs through air fares. It is inevitable that some airlines will fail as a result of this legislation. European job losses will be significant and unavoidable.

ERA Director General, Mike Ambrose says: "To their great credit, the Council and many members of the European Parliament rejected the earlier proposals of the European Parliament's ENVI Committee, nevertheless this legislation will impose massive additional costs on a transport industry that already has to bear unprecedented fuel costs. Even if the legislation's questionable environmental benefits are ignored, it is a mark of failure of the legislative process that this legislation has been adopted without a thorough assessment of its economic and social impact: this is not responsible law-making. That this legislation has been adopted without meaningful assessment of the jobs that will be put at risk and the communities that will be denied international access is inexcusable: that neither the Parliament nor the Council seems to care is indefensible."

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NOTES FOR EDITORS

Fuel prices are, and always have been, the primary incentive for airlines to reduce their fuel burn. Airlines have done more to reduce their environmental impact than any other mode of transport, without any regulation obliging them to do so. Aviation has reduced its fuel burn by 70% since the 1970s and by 20% in the past 10 years. Further reductions of 50% in CO₂ emissions and fuel consumption are achievable within the next 12 years but only if the opportunity for investment prevails.

Founded in 1980, ERA is the recognised representative body for intra-European air transport. It currently represents 60 airlines and over 140 Associate and Affiliate members, including airframe and engine manufacturers, airports, suppliers and service providers from all over Europe. For further information, please contact: Lesley Shepherd, Manager, Corporate Communications | Tel: +44 (0)1276 485578 | Fax: +44 (0)1276 857038 | Mobile: +44 (0)7713 984793 | View ERA press releases at: <http://www.eraa.org/news/erapressreleases/index.php>