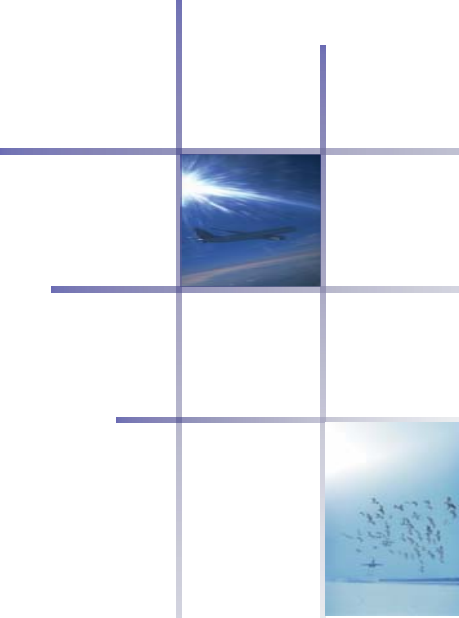


A decorative graphic on the left side of the slide features a grid of thin blue lines. Within this grid, there are two small rectangular images: the top one shows a white airplane flying against a blue sky with a bright light source, and the bottom one shows a flock of birds in flight against a light blue sky.

Climate Change

The Views of Europe's Airports

**5th Annual Workshop on
Greenhouse Gas Emissions Trading
Paris, 27 - 28 September 2005**

Philippe Joppart, ACI EUROPE Policy Manager

ACI & ACI EUROPE





Legal framework

Legislators and regulators have set the tone for the future:



Quieter and cleaner air transport

Noise is already the subject of voluminous legislation

Gaseous emissions are somewhat behind, but the legislator is catching up



Strategic objectives

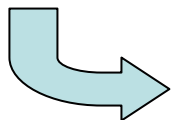
- **Avoid ill-thought legislation**
- **Ameliorate local regulation**
- **Support capacity enhancement**
- **Safeguard existing environmental capacity**
- **Maximize throughput given existing constraints**
- **Gain support from local communities**



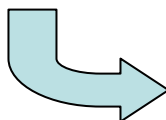


Aviation and Climate Change

- **Already withdrawn once from the College of Commissioners' agenda**
- **Was approved / rejected yesterday 27 September 2005**



Communication



Legislative proposal(s)

1 September 2005, the Greens organize a conference on Climate Change in the European Parliament:

- **Claude Turmes (Greens/ALE, Luxembourg):** “the need for a change in the EU transport policy is more acute than ever.”
- **Peder Jensen (European Environment Agency, Copenhagen):** “the impact of the inclusion of aviation into the EU ETS is negligible.”
- **Jos Dings (European Federation for Transport and Environment):** “aviation is finally receiving the attention that it warrants. Aviation is by far the worst transport mode from a climate perspective (in terms of passenger / kilometer).”
- **Dr. Karl-Otto Schallaböck (Wuppertal Institute):** “absence of taxes on kerosene has resulted in an unfair competitive advantage for the aviation industry and should be abolished. The full inclusion of aviation into the EU ETS should be realized as soon as possible.”
- **Professor Dr. John Whitelegg (University of York):** “there is a fundamental lack of sustainability in the current EU road freight transport policy.”

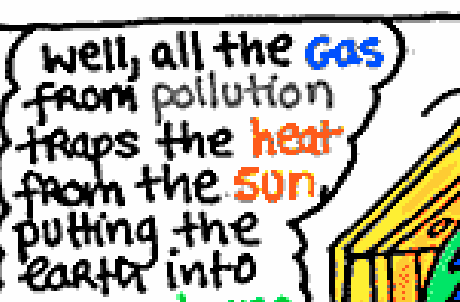
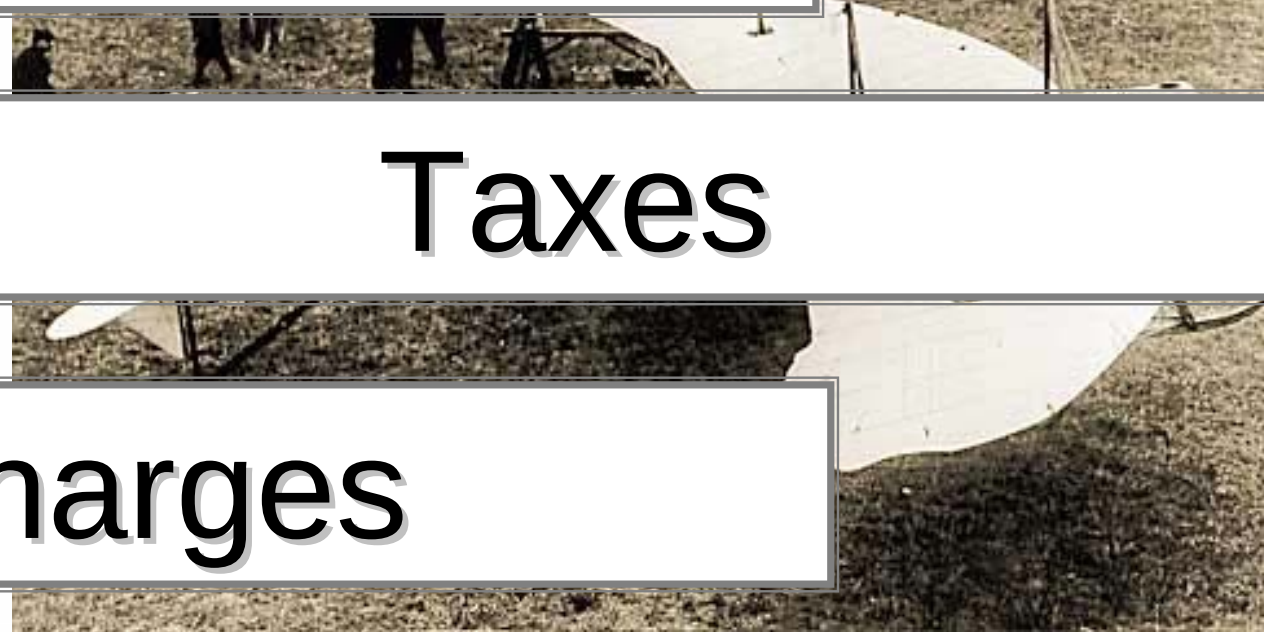
Capacity cap

Taxes

Charges

Price out of flying

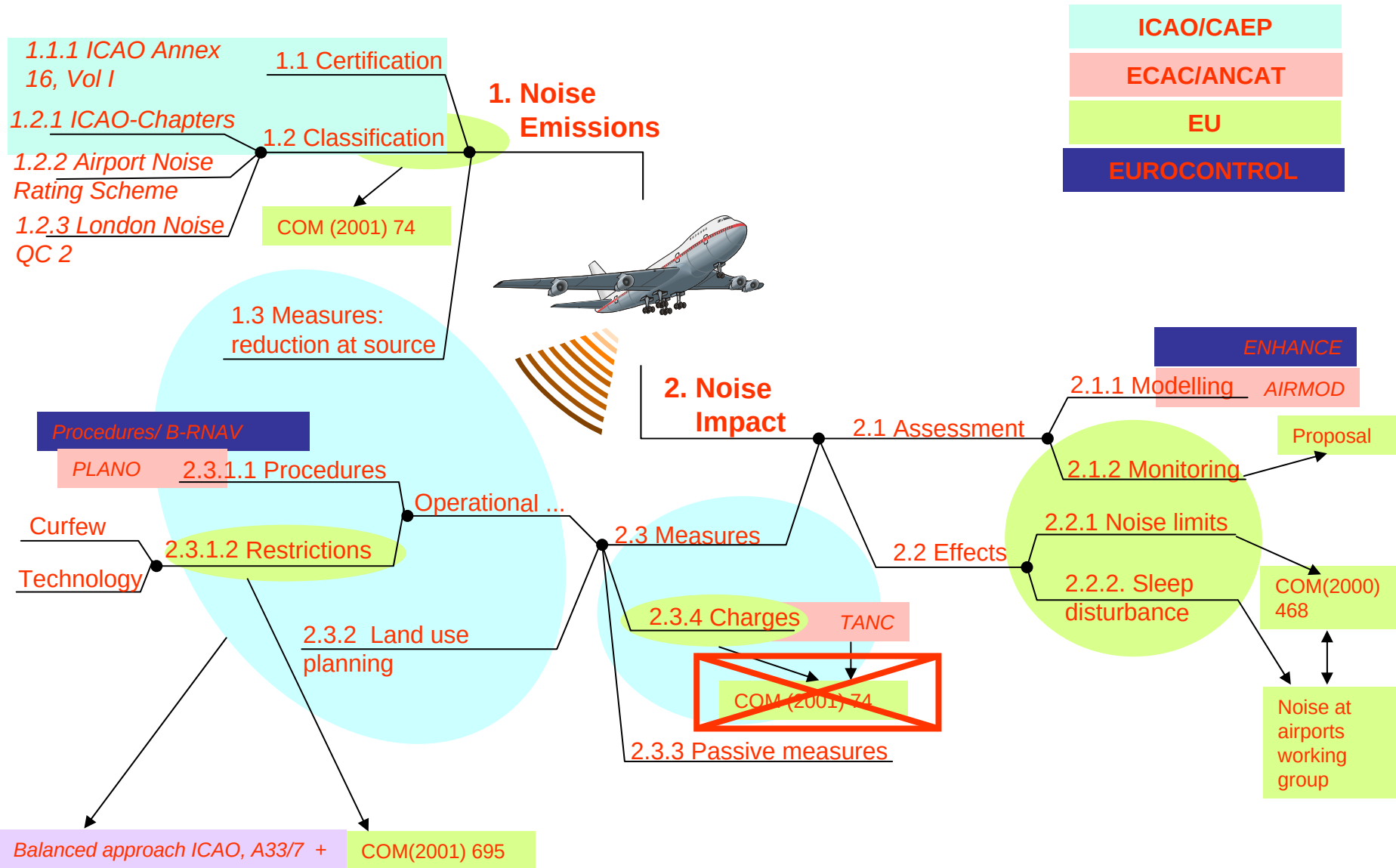
Restrict from flying



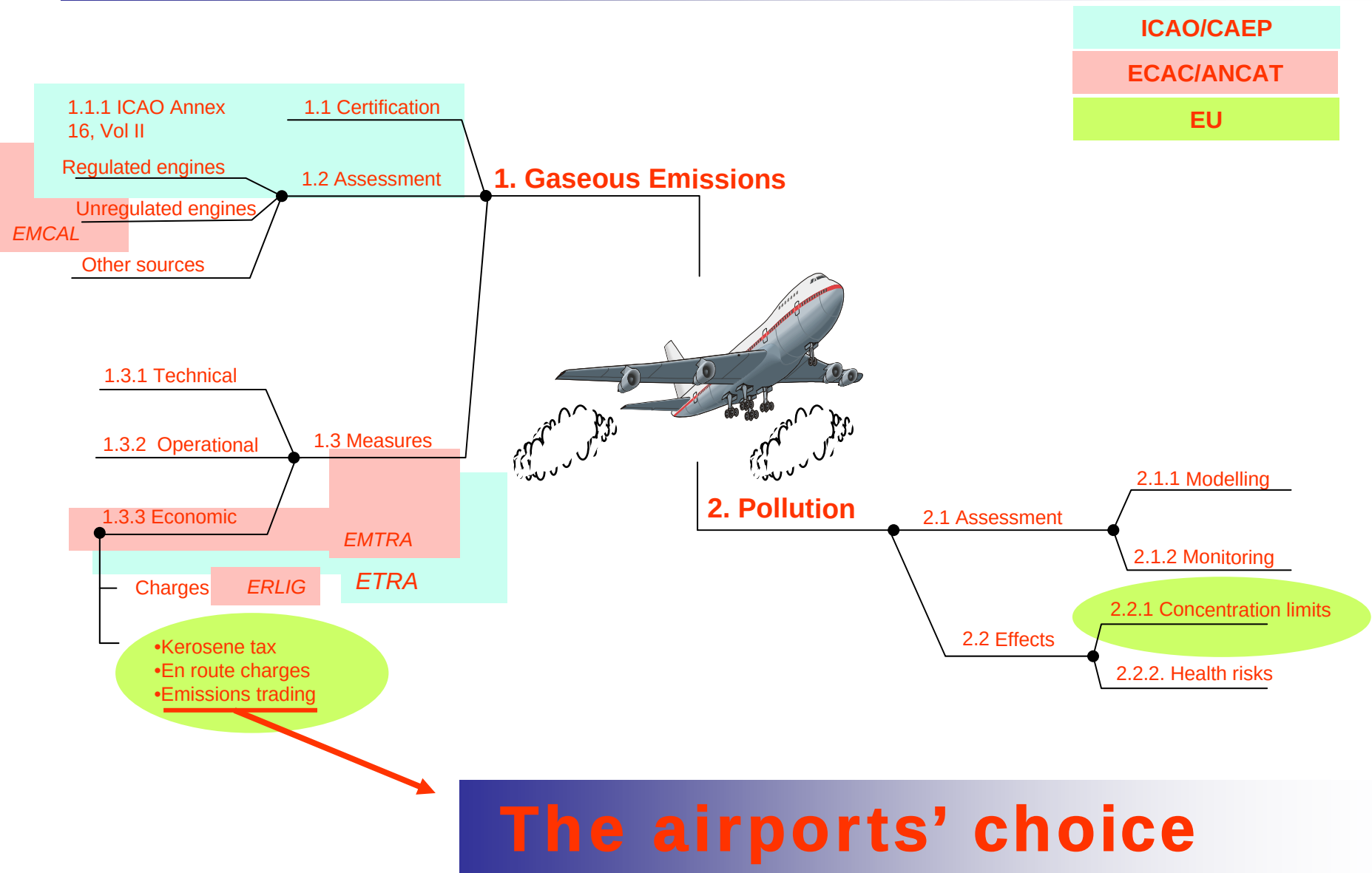
***“Yes the noise and smell are awful,
that’s why we fly to Ibiza whenever we
can!”***



NOISE PICTURE



EMISSIONS PICTURE





Facts – Inaction is not an Option



- Aviation = 3% of global climate change impacts
Power generation = 29% (in 2004)
- But only international aviation and shipping are not covered by Kyoto caps – issue over fuel tax exemption
- And the “business as usual” case will see aviation grow to 5-6% of climate change impact by 2050
- But if EU ambitions to cut CO₂ by 60% by 2050 is realised, aviation could account for 35% of EU emissions
- AND issue over radiative forcing (2.7 times CO₂?)
- Pressure from NGOs and Governments to tackle aviation’s emissions and exemptions from taxes

Facts – *our licence to grow*

Effects of growth on aviation CO2 emissions

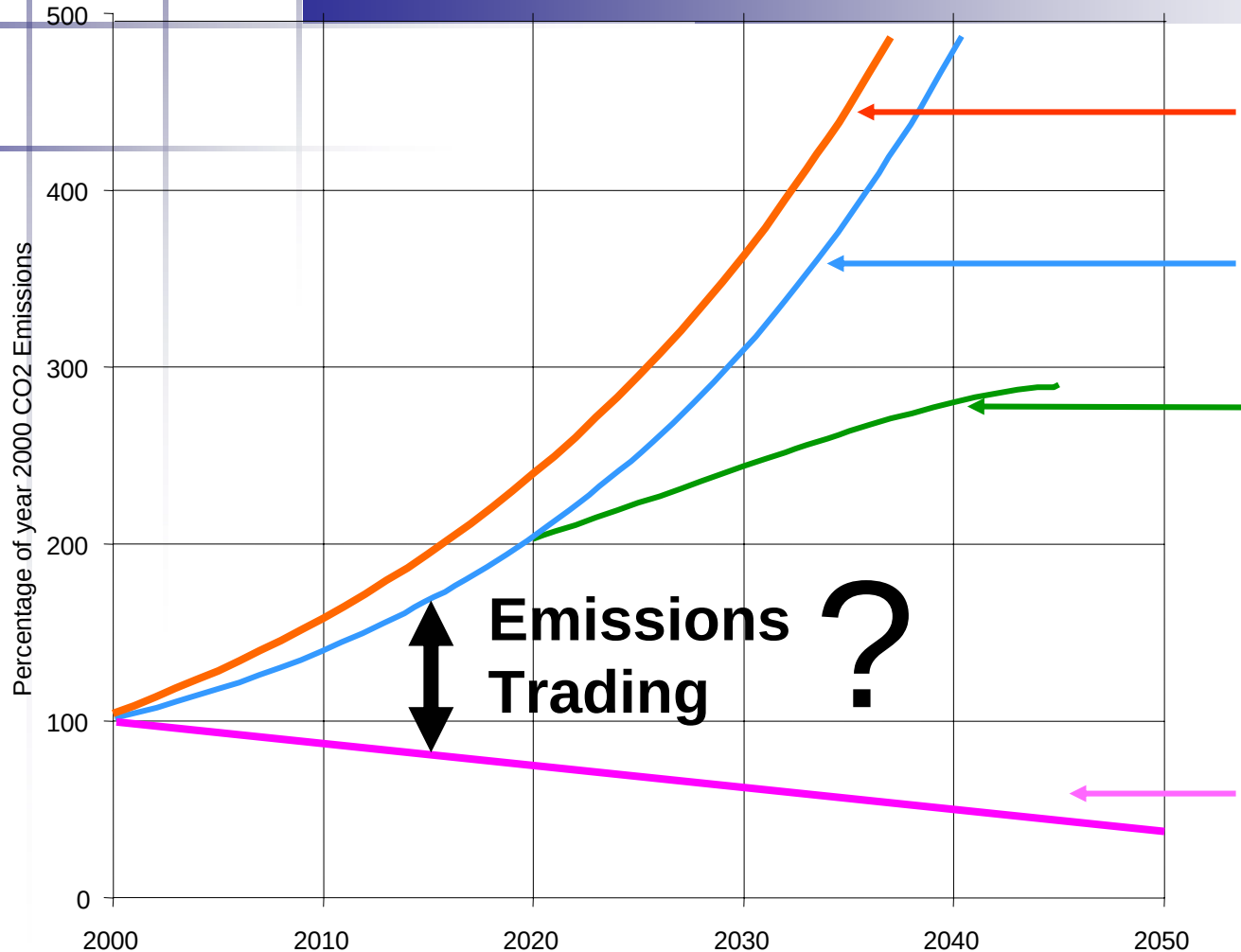
Assumptions

4.25% pa growth in passenger kms

1.5% pa improvement in fleet efficiency

Impact of ACARE targets of 50% efficiency improvement delivered in 2020 and fully deployed by 2045

"Sustainable" aviation emissions





Attitudes towards emissions trading

- Supported unanimously by ICAO States in Assembly Resolution A33/7 - reaffirmed at 35th Assembly (October 2004)
- Could allow emissions from aviation to grow within an overall reducing total
- Most efficient



- UK aspiration is to include aviation in EU emissions trading scheme from 2008, or as soon as possible thereafter
- Already talking in DG ENV, DG TREN and EU Member States



An opportunity for the EU to show leadership



Not an easy task – issues to resolve

- How to allocate international emissions?
- How to distribute allowances to emit CO₂ to the air transport sector? (NAP? EU-wide? Other?)
- Should we be looking at LINKING aviation to the main emissions trading scheme rather than INTEGRATING it?
- In a linked scheme aviation could buy permits through a gateway/ clearing house, but only sell back permits that were Kyoto accredited
- Allocation might be at EU level rather than through individual States to avoid competitive distortion.





Not an easy task – issues to resolve

- Need to develop appropriate reporting and verification methodologies
- Must find definitions of new business or closure that are appropriate for aviation
- Should avoid penalising “early movers”
- How to deal with intra-EU flights by non-EU airlines?
- Are airlines the right trading entity?





ACI EUROPE Milestones

- June 2004: discussion paper on aviation and climate change – in favour of EU / international emissions trading
- November 2004: grand debate
- January 2005: Strategy on Climate Change
- August 2005: views on how to incorporate air transport into an EU Emissions Trading Scheme





Key design elements

ACI EUROPE reaffirms that the best approach for addressing aviation's climate change emissions is a long-term global strategy, which identifies and phases in the most environmentally-effective, economically-efficient and politically-deliverable measure for each emission.

- Early entry of aviation into an emissions trading scheme to cover CO₂ only;
- Other pollutants, such as NO_x, to be tackled using other, more appropriate local instruments;
- Aircraft operators to be allocated the emissions

ACI EUROPE therefore suggests that the European Commission establishes a roadmap for long-term global action, with an Action Plan which sets out the policy milestones for achieving aviation's emissions objectives.

- Emission limits/quotas to be allocated EU level;
- The allocation methodology to ensure no discrimination;
- The scheme should include emissions from intra-EU flights only in a first phase.

Airports hold the same language at world level (ICAO)

... none of the problems is insoluble



Technological internalisation?



- Fuel efficiency is improving by 1-2% a year, while aviation has been growing by 5% a year.
- There is no alternative to burning kerosene in the next 50 years
- NOx can be engineered out, but it will take 20-30 years to replace aircraft fleet, and this could impact fuel efficiency
- Water vapour production could be avoided by new air traffic procedures, but this is a 30-year project
- Internalisation too long-term

... not sufficient



Capacity constraints?



- Preventing airports from growing will damage airport and airline businesses
- Constrained supply will push up airfares
- Constraints will lead to more congestion
- Constraints will choke off many services, especially short-haul
- Constraints in the UK alone will damage UK competitiveness against the rest of the EU/world

... not viable



Taxes?



- Will increase airline and passengers costs
- Applied to the UK alone, it will damage UK aviation competitiveness
- Revenue flows to Government, and is not spent on reducing emissions
- The level of tax needed to affect growth is punitive (ICAO study suggested 8 or 9 times the cost of fuel just to halve emissions growth)
- As emissions continue to grow, additional measures will be demanded – we end up paying twice

... blunt, gross, inefficient, ineffective



Charges?



- Will increase airline and passengers costs
- Applied to the EU alone, will damage aviation competitiveness
- Revenue flows to Governments, and is not spent on reducing emissions
- Some incentive to improve efficiency, but not beyond current technology
- As emissions continue to grow, additional measures will be demanded – we end up paying twice

... unjust and insufficient



Trading?



- Will increase costs to airlines and passengers, but likely to be much cheaper than alternatives
- Directly reduces emissions on aviation's behalf, allowing aviation to continue to grow
- Mechanism already exists: EU ETS
- Accepted by ICAO, DG Environment and NGOs
- Is the best chance of forestalling taxes and charges
- Is the best chance of bringing the US and others on board later

... sustainable and sound, broad industry consensus



Conclusion

- **Three key areas:**

- Technological and procedural improvements
- Amelioration & retrofit – reduction at source
- Community relationship

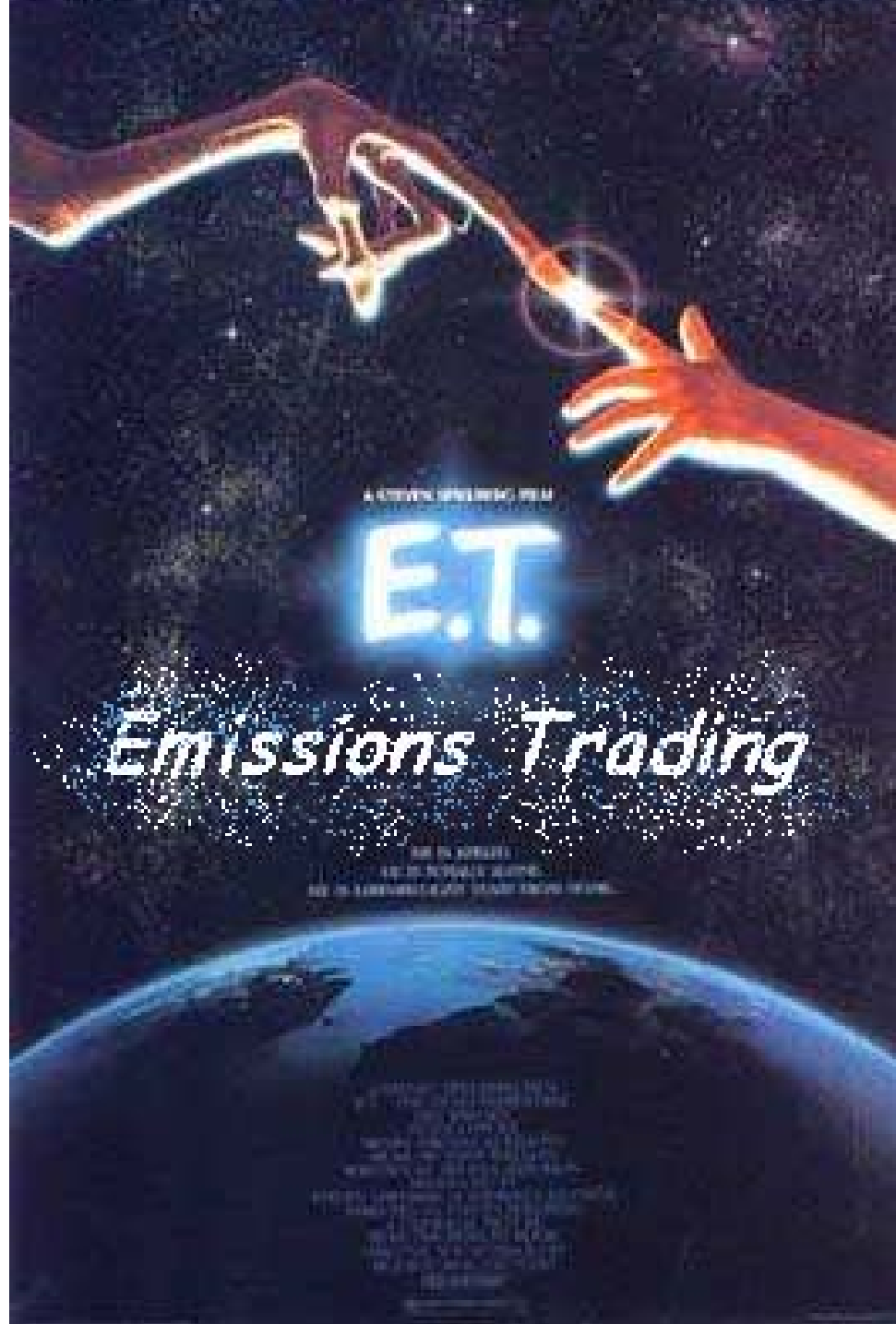
- **Three means to our ambition:**

- Adequate legislation
- Adequate standards
- Harmonisation & implementation

- **Three tasks on our agenda:**

- Communicate - our successes
- Lecture – inform society
- Catch-up – on the deficit of image

Secure our Licence to Grow



APOLOGIES to Mr. Spielberg!

**... and many thanks
for your attention**