Climate Crash in Strasbourg: An Industry in Denial

How the aviation industry undermined the inclusion of aviation in the EU Emissions Trading Scheme

Corporate Europe Observatory, December 2008

In October 2008 EU member states finally approved a deal which will bring aviation into the emissions trading scheme. The agreement follows three years of deliberations, yet despite the apparent commitment by the EU to cut greenhouse gas emissions, it will make little difference to the level of emissions from the aviation sector. How did this happen?

The European Commission initially proposed including CO_2 emissions from aviation in the EU Emissions Trading Scheme (ETS) in 2005 in an attempt to curb international emissions from planes — currently unregulated by the Kyoto Protocol. A three-year lobbying battle began in Brussels and soon extended internationally. The aviation industry, led by the International Air Transport Association (IATA) and the Association of European Airlines (AEA), played a leading role with their campaigns to fight or hijack the scheme in their interests.

Throughout this period, the European Parliament stuck to strict measures strengthening the rather weak Commission's proposal, while the Council defended a less ambitious position. But MEPs finally bowed down in a deal with the Council brokered in June 2008.

The deal was a real setback for the Parliament and the climate because it allows emissions from planes will continue growing dramatically in the future instead of being stabilised or reduced. According to the terms of the deal and the corresponding scenario considered in an impact assessment carried out for the Commission, the reduction in emissions achieved by 2020 will be the equivalent of just one year's growth in air travel under a "business as usual" scenario.

As this report shows, there were many reasons for the climb down by the Parliament – political pressure from inside the EU for a quick agreement, international political pressure from the US and other third countries and, predominantly, industry pressure from both inside and beyond the EU.

This policy proposal was the first real climate legislation to be discussed using the codecision procedure after EU heads of state agreed, in March 2008, to cut greenhouse gas emissions by 20% to 30% by 2020. So this was a real test for the EU's commitment to combating climate change.

But the aviation industry is still fighting at the EU level to get as many free permits to pollute as possible by 2020. It is also very active internationally through IATA, which is, on the one hand, pushing for a global, voluntary carbon offset scheme and, on the other hand, pressurising third-country governments to challenge Europe's ETS through the International Civil Aviation Organisation (ICAO) and other forums before the crunch United Nations climate change conference in Copenhagen in December 2009.

Note: all URLs mentioned in endnotes were accessed on 22 November 2008.

Background

Based on the latest data from the Intergovernmental Panel on Climate Change (IPCC), the aviation sector is responsible for 2% of man-made carbon dioxide (CO_2) emissions worldwide, but when non-CO_2 effects are taken into account its global contribution to climate change is about 3–7%.[1] In the EU alone, these figures have been estimated to be, respectively, 4%[2] and 4.7–11.6%[3] in 2005.

Aviation is the fastest growing source of CO_2 emissions in the EU, increasing by 87% since 1990[4] — and the rate of growth could wipe out savings made elsewhere in the economy. International emissions from aviation are not currently included in the reduction targets under the Kyoto Protocol. In 1997, Kyoto parties gave responsibility for reducing international emissions to a UN body, the International Civil Aviation Organisation (ICAO). But the ICAO has not made any significant progress towards that goal.[5] Recognising the need to curb emissions, the European Commission decided in 2005 to include aviation within the EU Emissions Trading Scheme — requiring airlines to buy permits to cover their emissions of CO_2.

"These clowns in the European Parliament seem determined to destroy the European airline industry with these discriminatory taxation penalties",[6] Ryanair's chief executive Michael O'Leary said, after the EU Parliament's unanimous vote to include aviation in the European Union's ETS on 8 July 2008.[7] *"It is extraordinary that a bunch of MEPs who swan around between Strasbourg and Brussels, enjoy huge expenses and flight benefits, would vote to increase taxation on Europe's consumers in a measure which won't have any effect at all on the environment, but will further damage European airlines at a time when oil is already 140 dollars a barrel"*, he added.

Michael O'Leary's contempt for MEPs, his interpretation of the measures as a discriminatory tax, and his reference to high oil prices as a sufficient incentive to reduce emissions, were indeed some of the main ingredients of an aggressive cocktail that has been served over the last three years by airline industry lobbyists to policymakers and the media. The vote Ryanair's CEO refers to was in fact the culmination of a protracted battle between the European Parliament and the aviation industry, with MEPs finally backing down.[8]

There is one point on which Michael O'Leary was unquestionably right: the vote was not good news for the environment. According to the Commission's own impact assessment carried out in 2006, instead of aviation emissions growing by 83% between 2005 and 2020 (under a "business as usual" scenario), they would grow by 78% (under a scenario matching the terms of the new directive) — a reduction corresponding to only one year's growth in emissions…[9] *"MEPs had asked for a number of measures that could have resulted in real emissions cuts from aviation, but governments once again took the side of their flag-carrying airlines"*, said green NGO Transport & Environment policy officer João Vieira. *"We should be marking a historic deal to cut international aviation emissions, but in fact we are marking a historic missed opportunity."*[10]

A November 2008 study carried out by the Tyndall Centre for Climate Change shows that unless the scheme is redesigned, its impact on aviation emissions will be minimal.[11]

A mere formality

How did it get here? The July vote in Strasbourg was in fact just a mere formality. A political deal had been brokered on 26 June following a series of tense meetings between the Council, Commission and Parliament. These "trialogue meetings" happen when the Parliament and the Council stick to their positions and do not succeed in reaching a compromise on their own about a legislative proposal.[12]

A close look at the deal reveals that MEPs really did bow down to industry and Council pressures after what looked like a very firm stance in favour of strict measures on how to include aviation in the ETS (see Annex 1). There were many reasons for the Parliament's climb down – political pressure for a quick agreement from inside the EU, international political pressure from the US and other third countries and, predominantly, industry pressure from both inside and beyond the EU (see Box 1). In this game, the International Air Transport Association (IATA), an international body representing 230 airlines and 93% of scheduled airline flights, was probably the most active industry group, both in terms of lobbying and promoting greenwash (see Box 2).

Under the agreement, all flights taking off and/or landing in the EU will be included in the ETS from 2012. Airlines will have to meet emission caps (97% of 2004-2006 average emissions in 2012, then 95% from 2013) or buy extra carbon credits in the "open market", ie. from other sectors. Eighty-five per cent of the emission permits required by airlines will be free and the remaining 15% will be auctioned. All revenues generated from the auctioning of allowances will be spent by governments as they wish.

In previous legislative stages, MEPs had voted in plenary for an earlier start date (2011);[13] a more rigorous cap (90% of 2004-2006 average emissions);[14] a separate, closed ETS for aviation (so that airlines could not buy allowances from other industrial sectors and thus could not increase their emissions);[15] full auctioning of allowances (100%);[16] a multiplier to take account of aviation's considerable non-CO_2 impacts on climate;[17] and the obligation for member states to use revenues generated from auctions to mitigate greenhouse gas emissions and adapt to the impacts of climate change in the EU and in third countries ("earmarking" or "ring-fencing").[18] At the end of the day, they got none of these measures.

Box 1 | **The "June deal", a German affair: how Georg Jarzembowski split German MEPs and Lufthansa hijacked the Council**

German MEP Georg Jarzembowski (left) split the EPP-ED party and its German delegation while Lufthansa's CEO Wolfgang Mayrhuber (right) personally lobbied three German ministries.

What really happened behind the scenes just before and during the trialogue meetings held in June in Strasbourg and Brussels? In December 2007, the Council had struggled to reach the political agreement that materialised into a "common position" in April 2008.[19] Late in 2007, German MEP Peter Liese, the Parliament's rapporteur, was put under pressure from within his group (EPP-ED) to defend a less ambitious position and accept the Council's views. According to a source close to the negotiations, German MEP Georg Jarzembowski, rapporteur for the Parliament's committee on Transport and Tourism (TRAN), *"basically was putting the industry line"*, as he had done before.[20]

Liese's report, which was voted on by the Parliament in November 2007 apparently *"went too far"* at a time of sky-rocketing fuel prices, credit crunch and global economic downturn. With two different positions within the same party (EPP-ED) and within the same delegation (Germany), Liese was put in a difficult position during the trialogue meetings.

Within the Council, Germany was a very difficult player too. There was a clash of interests between three ministries inside the German government — the Economic, the Transport and the Environment ministries. The involvement of Lufthansa, the largest airline in Europe in terms of overall passengers carried, was significant — and may have been decisive — during the negotiations last June. Lufthansa's CEO Wolfgang Mayrhuber, who is also heavily involved in both the Association of European Airlines (AEA) and the International Air Transport Association (IATA),[21] personally lobbied the three concerned German ministers, according to a source close to the deal.

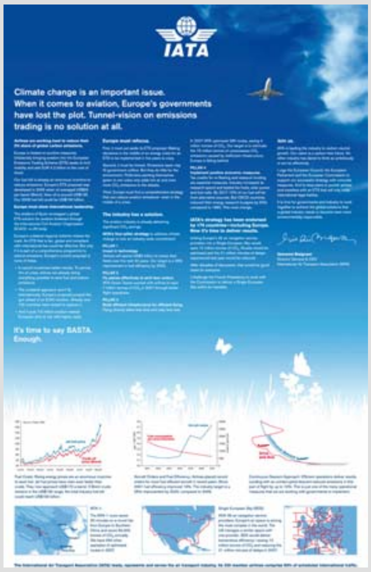
"Nobody wanted a clash"

According to Andreas Ogrinz, Liese's assistant: *"It is clear the outcome is closer to the Council's position...But nobody wanted a clash."* A failure to reach an agreement would have meant using the "conciliation procedure",[22] but Slovenia wanted a deal during its presidency. France, which was about to take on the EU presidency in July 2008, did not want to have to pick up the aviation issue.

The European Parliament was also keen to reach an agreement — even though it had plenty of time before the 2009 elections. Delay would also have caused problems with other pieces of legislation, including the climate and energy package in the second half of 2008. *"If it went to the clash on aviation, it would have been very difficult to have no clash with the other legislation, like the general ETS review"*, explains Ogrinz.[23] A bad deal was apparently better for MEPs than a clash, showing the EU as united on this critical policy in the face of opposition from third countries.

The new directive was finally rubber-stamped by the 27 EU member states in October, bringing to an end a three-year long legislative process. Amendments may still be made before the 2012 start date, however, in order to take into account possible bilateral agreements made by the EU with third countries planning similar schemes of their own, and revisions to the overall ETS in the post-2012 era.[24]

Box 2 | **IATA's high-flying greenwash campaign**



On 26 June 2008, the very day when a deal was expected between the Parliament and the Council on the inclusion of aviation in the EU ETS, the International Air Transport Association (IATA) spent some €80,000[25] on a full-page advertisement in the *International Herald Tribune*.[26] The aim: to put the maximum pressure on the negotiators. *"It's time to say BASTA. Enough"*, read the ad, urging them to *"stop plans to punish airlines and travellers with an ETS that will only invite international legal battles."*

The ad, with grass, flowers and butterflies in the background, stressed that the aviation sector is only responsible for *"2% share of global carbon emissions"*, omitting all the high altitude effects of non-CO_2 emissions (nitrous oxide, contrails, cirrus clouds, soot particles…) that also harm the climate. Although the exact extent of these effects is still uncertain,[27] when they are taken into account, the sector's contribution to climate change in the EU has been estimated to be between 4.7% and 11.6%.[28]

Denouncing Europe's *"unilateral"* approach as designed simply to *"fill government coffers"* without having any significant impact on climate change, the ad also stressed that the inclusion of aviation in the EU ETS would *"add EUR 4.2 billion to the cost of travel"* and would put *"7.6 million aviation-related European jobs at risk with higher costs."* None of these exaggerated figures were sourced.

Greenwashing the airports…

IATA's greenwash campaign is a true multimedia campaign. Besides ads in the press, the air transport lobby also unveiled in October an "environment display" at Schiphol Airport in Amsterdam to promote a public image of aviation as green.[29] Two curved opposing panels form a tunnel effect evoking an aircraft engine with touch-screens and interactive models providing information on the "innovations" airlines are implementing to improve fuel efficiency, alongside technofixes such as agrofuels, solar power and fuel cells. The exhibit is to tour the EU's major airports, spending two months in each location.

IATA also campaigns discreetly through third parties. It is for example the driving force behind the Air Transport Action Group (ATAG), *"the only global association that represents all sectors of the air transport industry."*[30] IATA's director of environment Paul Steele (a former WWF international chief operating officer who joined IATA in December 2007), is also the executive director of the ATAG.[31]

…and the Internet

IATA, through the ATAG, recently relaunched Enviro.Aero, a website that aims to provide *"the science and facts on aviation and its climate change impact"*[32] and *"clear information on the many industry measures underway to limit the impact of aviation on the environment."*[33] An example of "clear information" available on the website can be found in the "Facts & Figures" section, where it says: *"Aviation accounts for 2% of worldwide CO_2 emissions from fossil fuel use, according to a forecast by the UN International Panel on Climate Change. This could reach 3% by 2050. (Working Group III Report, IPCC May 2007, p. 6)."*

But this is not 2% of worldwide CO_2 emissions *"from fossil fuel use",*[34] but 2% of *"total anthropogenic CO_2 emissions"*, according to IPCC.[35] Anthropogenic emissions comprise all man-made CO_2 emissions, including emissions from deforestation, not only CO_2 emissions from fossil fuels. Secondly, the 2% figure is not a *"forecast"* but an estimate based on annual aircraft fuel consumption worldwide. In fact, according to IPCC, the figure could reach 4.1%[36] by 2050 – not 3% as stated. The IPCC reference is also not correct.[37]

Misleading by omission

The Facts & Figures section is also misleading in that it says nothing about the dramatic increase in aviation emissions (87% since 1990),[38] the fact that projected annual improvements in aircraft fuel efficiency of the order of 1–2% will be largely surpassed by traffic growth of around 5% each year, leading to a projected increase in emissions of 3–4% per year, and the fact that the overall climate impact of aviation is much greater than the impact of CO_2 alone.

IATA's efforts have not gone unnoticed by a senior official from the European Commission's Air Transport Unit. Although no enemy of the industry,[39] he thinks that IATA's fight against the EU ETS is dishonest. *"Over the past 40 years you have improved fuel efficiency by 70% and that is a major achievement"*, he declared to a floor of industry executives. *"But do not use this track record – and IATA is very good at this – to conclude that in the future technology and operational measures will solve everything. They won't."*[40] Something IATA knows full well.

A regional ETS or nothing

In its September 2005 communication,[41] the Commission had already decided that the most effective way to deal with aviation emissions would be through a regional ETS — with the Environment Council and heads of state and government backing the decision in December 2005. In fact, the Commission had initially explored the idea of a fuel tax in March 2000,[42] but the idea was deemed appropriate only if the tax was applied on all flights arriving and departing the EU. However, to pass an aviation fuel tax required unanimity in the Council while only three member states (Germany, Belgium and the Netherlands) supported the idea of a community tax in March 2000.[43] Moreover, even if the political will changed, it would take a long time to update the legally binding tax fuel exemptions found in the hundreds of bilateral air service agreements (ASAs) between states.

The Commission then set up an Aviation Working Group (AWG) to explore how to design the inclusion of the aviation sector in the ETS. According to the Commission, the AWG aimed to bring together *"experts from member states and industry, consumer and environmental organisations".*[44] But in practical terms, the AWG was highly unbalanced with only two environmental NGOs,[45] 15 industry federations, while no consumer organisations were involved.

The industry was apparently split on the inclusion of aviation in the EU ETS. A few British players including Airports Council International (ACI),[46] British Airways[47] and BAA Ltd,[48] enthusiastically supported the Commission's position months before it was published, seeing it as a way of pre-empting other regulations — such as a tax on kerosene, a closed trading scheme specific to the aviation sector, or air lane charging, etc. They also saw an opportunity to take an active part in designing the scheme and to cultivate their green responsible image.

Other players, like the International Air Transport Association (IATA)[49,50] and the German airline Lufthansa,[51,52] rejected the Commission's proposal. They instead argued for a so-called "four-pillar strategy" based on technological progress to reduce kerosene consumption, better management of air traffic (the "single European sky"), efficiency-raising measures (best flight path, optimum cruising speed, etc.), and for the International Civil Aviation Organisation (ICAO) to handle emission reductions — safe in the knowledge that it was unlikely to act.[53]

A third grouping reluctantly supported the inclusion of aviation in the ETS. The Association of European Airlines (AEA), the European Low Fares Airline Association (ELFAA),[54] the European Regions Airline Association (ERA) and others[55] initially argued for ICAO but when the decision was clearly taken, gave their support so as to have a better chance of designing the system for their benefit.

European airlines bring out the heavy artillery

The Association of European Airlines (AEA) seem to have been taken by surprise by the European Parliament's proposals and intervened quite late in the process, pulling out the heavy artillery during the 2006-7 debates. British Green MEP Caroline Lucas, who as official rapporteur, drafted the European Parliament's ENVI committee proposals to tackle the aviation industry's growing contribution to climate change,[56] was their main target in 2006. She recalled that: *"before* [the copies] *had even landed in MEPs' pigeon-holes, the aviation industry fired the opening salvo in a bitter lobbying campaign by a sector desperate to hang on to its subsidies and tax breaks."*[57]

In a letter[58] sent to all members of the ENVI committee and signed by the heads of six airline industry bodies, the AEA dismissed the draft as *"misleading and unbalanced"*, rebutting Lucas' arguments one by one and casting doubt on the very principle of the EU acting to limit emissions.

The European Low Fares Airline Association (ELFAA) was also highly critical when the ENVI committee adopted the Lucas Report, stating that its conclusions were *"highly suspect"* and *"not based on the facts."*[59] A few months earlier, the ELFAA had commissioned a report to put *"an end to sloppy thinking and hysterical persecution"* — a report calling for a "balanced" debate on the environment...[60]

Despite a second joint industry letter[61] sent to all MEPs before the plenary vote on the Lucas report, this lobbying strategy did not pay off. The aggressive stance and excessive dishonesty of European airlines had apparently angered many MEPs. On 4 July 2006, they overwhelmingly adopted Lucas' proposals by 439 votes to 74, with 102 abstentions. This non-legislative resolution[62] was in fact Parliament's first response to the Commission's proposal. It called for a separate, closed scheme for aviation with a rigorous cap, full auctioning and measures to take account of aviation's considerable non-CO_2 impacts. But all those tough measures to curb emissions evaporated over the coming months.

When the Commission released its long-awaited legislative proposal on 20 December 2006, Lucas described it as a *"hugely wasted opportunity"*. Key elements of the legislation had been *"watered down or even removed"* due to *"last-minute wrangling"* between members of the European Commission put under high pressure by the airline industry.[63] Two weeks later, UK minister for climate change Ian Pearson vigorously slammed British Airways, Ryanair, Lufthansa and the American airline industry for their "irresponsible" and "disgraceful" lobbying to undermine the inclusion of aviation in the EU ETS.[64]

"The amendments we are going to table"

In April 2007, French Green MEP Alain Lipietz, the rapporteur for the Parliament's Economic and Monetary committee (ECON) on the issue, met some IATA representatives in his office at the European Parliament. *"Their arguments were very poor"*, he recalls. *"They just wanted aviation to be included in the ETS in order to be able to buy CO_2 quotas from other industries. They had no CO_2 reduction target for 2020. They wanted to make fun of me and of the future generations, and they knew I knew it. We parted in great coolness."*[65]

His second encounter with airlines lobbyists happened two months later at a meeting in the Parliament organised by several groups of the European airline industry.[66]*"When we think we have their foreign competitors on our back for weeks and months, it really raises the issue of the ability of the European aviation industry to defend itself!"* But bad timing was not the worst thing in Lipietz' eyes. *"I have actually never seen lobbyists so tactless"*, he recalled. A representative of the companies *"went so far as to say:* 'The amendments we are going to table'*, causing murmurs of outrage in the room"*, Lipietz recalled. The European airlines, which until then had only felt governed by international law, appeared to be true newbies in the EU political debate (see Box 3), he said. *"They are not very accustomed to the real work of a lobbyist to the EU institutions, they simply don't understand the architecture."* As a result, these representatives of European airlines *"treated us as if we did not know anything about the issue, were indignant that the European Commission has been able to rely on its own expertise, and opposed another so-called objective expertise by Ernst & Young."*

Threats of job losses and relocation

Inflating the cost of a piece of legislation and raising the spectre of thousands of job losses is a common industry tactic. The European aircraft operators challenged the impact assessment[67] carried out by the Commission to support its legislative proposal in 2006[68] and instead commissioned consultants from Ernst & Young and York Aviation to conduct their own assessment, published in June 2007.

The Commission's assessment concluded that the overall effect on the European economy and on competitiveness would be *"very small both in terms of overall GDP growth and employment."* The main impact would be *"a small reduction in the rate at which demand grows"* estimated to be *"0.1 to 2.1%"* according to the different scenarios analysed and assuming CO_2 allowance prices of €10-€30. The conclusion was that including aviation in the EU ETS would have *"only a marginal effect on airlines' profitability since they would be able to pass on most or all of the extra cost to customers."*[69]

On the other hand, the study commissioned by industry suggested that including aviation in the EU ETS would mean *"between 8,000 and 42,000 fewer direct jobs"* by 2022 (depending on allowance prices), and would result in *"between €772 million and €3,862 million less"* in terms of gross value contributions to the economy compared to a "business as usual" scenario.[70]

The Ernst & Young study, which was paid for by Airbus, Boeing, Eurocopter and Safran, was the peak of a well-orchestrated and aggressive lobbying campaign lead by the European industry and third countries to defend their national flagships. Lufthansa's chief executive Wolfgang Mayrhuber had already warned Brussels in February: *"Should the European Union go ahead with its plan we would have to think about relocating."*[71] Mayrhuber threatened to relocate hub operations from Germany to Switzerland, which is outside the EU ETS remit. And in May, Lufthansa's head of environmental issues Karl-Heinz Haag told the press that the inclusion of intra-EU flights in the ETS would cost the aviation industry between €0.5 and 1.5 billion per year.[72]

In the meantime, a political offensive was also underway with a joint letter from the US, Australian, Canadian, Chinese, Japanese and South Korean ambassadors sent in April to the permanent representative of Germany to the EU — Germany was chairing the EU at that time — with copies to all member states' permanent representatives in Brussels. The target was the Council of Ministers. The letter conveyed the ambassadors' *"deep concern and strong dissatisfaction"* with the Commission's proposal and "urged" all member states *"to exclude operations of non-European aircraft from the scope of the EU ETS"* and *"to reconsider the Commission's unilateral proposal."*[73]

Box 3 | **When Burson-Marsteller invited the airlines in…**

"When politicians are threatening to add to the cost of a sector doing business, it's time to start briefing the lobbyists (...)*, it's time to set out a few home truths in the corridors of power."*[74] In September 2004 — exactly one year before the Commission's communication on the inclusion of aviation in the EU ETS — the Brussels office of public relations firm Burson-Marsteller issued a long statement on its website in order to encourage the aviation industry to unite and start a lobbying campaign to look after its interests.

The commercial aviation industry is indeed big business, handling USD 485 billion of revenues in 2007.[75] Its prominent members and leading federations are potentially very interesting clients for PR firms, which tried to bait them early in the political process with a subtle mix of scaremongering — *"The European Commission is making increasingly loud noises about tackling aviation fuel* (...) *the UK government* (...) *wants to use its 2005 EU Presidency to push for the aviation industry to be included within the EU ETS"* — and reassuring words — *"An opportunity exists for a company or group of companies to campaign for change, to secure their preferred future business model, and to take the plaudits for helping the environment."*

At the end of the day, it looks like the airline industry played solo. Neither PR giants like Burson-Marsteller nor Hill & Knowlton,[76] for instance, appear to have seduced the aviation industry. It lobbied the EU institutions with its own internal resources, sometimes apparently lacking some basic professional lobbying skills. *"Please tell the people who you pay a lot of money to lobby on your behalf to act a little more positively",* asked a Commission official to an airline audience at a recent industry conference. *"Please also try to take a more proactive, realistic and more focused approach to this debate. Assume your responsibilities and stop being seen, or even being perceived, as in denial",* he added.[77]

Please MEPs, no "extreme amendments"

In October 2007, IATA's regional director for Europe, Monique De Smet, sent an email to members of the Parliament's Environment, Public Health and Food Safety (ENVI) committee — the lead committee on the issue — just before a key vote. IATA warned MEPs that the higher the rate of allocation for auctioning, the higher the chance of challenges by third countries. The letter urged MEPs *"not to vote for any of the more extreme amendments."*[78] The so-called "extreme amendments" were a 50% auctioning of permits to pollute, a 2X multiplier applied to the purchase of allowances to take into account non-CO_2 emissions contributing to climate change, and an earlier starting date for all flights (2010). The committee voted for all of these measures,[79] but IATA and its allied aviation industry groups could still fight them before the plenary vote scheduled a month later...

And it worked. In November the Parliament met in Strasbourg and backed the ENVI committee's proposal — without some of IATA's "more extreme amendments". The proposal for 50% auctioning of permits became 25% and the 2010 start date was delayed to 2011.[80] There was plenty of lobbying before the vote. British Airways, for instance, wrote to MEPs to complain about the very idea of reducing CO_2 emissions from planes and how the extra costs meant it would be *"more difficult for them to invest in the lower carbon technology in planes that they wish to have"*, British MEP Chris Davies (ALDE) recalled.[81]

In December 2007, the Council of environment ministers reached agreement on a common position and moved the start date back to 2012 for all flights to and from member states. In doing so, they plainly rejected the Commission's proposal of including intra-EU flights in the scheme from 2011 — to the great delight of the airline industry.[82]

Mr Walsh goes to Brussels

But for flag carriers with a network of routes outside the EU, such as British Airways (BA), it was not enough. Echoing the letter sent earlier to the EU presidency by the US and other third countries, BA still wanted to exclude flights to and from non-EU countries — a stance it had taken in 2006[83] in opposition to other players like the European Low Fares Airline Association (ELFAA) which call for long-haul airlines to be included in the scheme.[84] In a desperate attempt to reverse EU plans, Walsh himself travelled to Brussels to meet with EU officials in February this year. He warned them that there would be a future *"backlash"* from third countries and declared that European airlines could be at risk of retaliation, raising the spectre of punitive taxes and restricted access to third countries. Walsh also said their non-EU competitors might *"move into other hub airports like the Middle East where Dubai is a perfect example."*[85] That way, he continued, they would have a lighter burden as only the last legs of long-haul flights would require permits.

At that time it was clear to the industry that lobbying the Parliament was almost a lost cause. When the ENVI committee confirmed the Parliament's position from its first reading on 27 May 2008 despite strong opposition from the Council, the European Regions Airline Association (ERA) described the vote as *"radicalism in the extreme."*[86] According to the lobby group, the original proposals put forward by the European Commission had been *"hijacked by extremism". "There is no doubt that many airlines and their employees now have to rely for their future well-being on the European Council of Ministers maintaining, without needless compromise, its own more moderate formulation"*, said Mike Ambrose, director general of ERA.

Mike Ambrose was right: lobbying the Council was more fruitful than the Parliament. As the June deal showed, the Council managed to impose most of its views on the Parliament. But that still was not enough for the industry. *"An appeal is absolutely possible, either through the United Nations or the International Court of Justice in Amsterdam"*, Anthony Concil, director of corporate communications at IATA, told Corporate Europe Observatory ahead of the July vote.[87] *"Over 130 States have vowed to oppose EU's actions. It depends on how quickly States react. But for example, just after the deal was sealed, the EU ambassador to Washington*[88] *was called in to the US Congress Transportation committee for an informal update. The committee made it clear that the US was very unhappy. Clearly the issue has not been forgotten! I would expect that you will see some international pressure very soon."* Fuelled by IATA? *"No"*, replied Anthony Concil, a bit surprised by the question.

Just a few days later IATA's predictions came true. Following the Parliament's vote, big players within the industry, including the US Federal Aviation Administration (FAA), the Association of Asia Pacific Airlines (AAPA), the European Regions Airline Association (ERA), and of course IATA[89] strongly criticised the deal.

School dinners in Nottingham

"Earmarking" was one of the key controversial points during the June negotiations between the Parliament and the Council. MEPs wanted revenues raised through auctioning by EU governments to be used to fund climate change mitigation programmes, research into cleaner aircraft, other forms of low-emission transport and anti-deforestation measures in the developing world. Member states opposed this, and in the deal, while it was agreed that this "*should*" be the case, there is no means of ensuring it happens.[90]

As a result, if revenues simply vanish into national coffers, it might be politically more difficult for the EU to get support from third countries whose airlines will have to join the ETS. One of the strategic approaches from industry was to demonstrate that those revenues would not be spent for environmental purposes and that they were just some kind of stealth tax.

On 30 July, the US Federal Aviation Administration (FAA), well-known for its close ties with the airline industry,[91] called on the EU to drop its regulation of aviation emissions. In a press interview, the director of the FAA's environment and energy office, Carl Burleson, endorsed the industry line and repeated that the ETS was just a tax on the rest of the world to subsidise the 27-nation bloc's public expenditures. *"Why would I want to subsidise school dinners in Nottingham?"*, he declared.[92]

Less than two weeks later, the UK proved him right. A spokesman for the Department for the Environment, Food and Rural Affairs (DEFRA) declared that the UK would not ring-fence revenues from auctioning for environmental purposes.[93] In the following weeks, this position spread like a virus to the whole Council. At a Council meeting in Luxembourg on 9 October, transport ministers backtracked on the June agreement: *"It is for the member states to determine, in accordance with their constitutional and budgetary provisions, how revenues generated by the auctioning of aviation sector emission allowances are to be used, and that in this context, they undertake to combat climate change."*[94] For the industry, this statement[95] was an important victory: other countries are likely to consider the ETS as a tax and might be even more reluctant to join in.

Be responsible, challenge Europe's ETS!

IATA has also been active behind the scenes over the last year. Its director general Giovanni Bisignani told international journalists in December 2007: *"I fully support any challenges by states including the US at ICAO, WTO or elsewhere."*[96] In August this year, he urged Australia to challenge Europe's *"unilateral and illegal"* move to bring aviation into its ETS. *"What right does Europe have, for example, to tax an Australian plane flying from Asia to Europe for emissions over Afghanistan?"*, he asked Australian journalists in Sydney.[97] Bisignani reminded them that the Kyoto Protocol gave the ICAO the responsibility to deliver a global emissions trading scheme. *"Australia signed Kyoto. You have a responsibility to defend it.* (…) *Australia must strongly challenge Europe at ICAO and other international forums."* Bisignani even stressed the fact that Australia's geographic isolation meant that any additional costs for airlines could impact on its *"competitiveness in tourism which contributes 7.1% of GDP."* Two months later in Tunis, using exactly the same rhetoric, Bisignani urged Middle Eastern and North African (MENA) governments to *"be tough in defending the vision of Kyoto which is a global solution for aviation brokered through ICAO."*[98]

Humiliated by the European move to include aviation into the EU ETS, the ICAO is expected to fight back. Its specially-formed Group on International Aviation and Climate Change (GIACC), created in February 2008, is now working to deliver a proposal to the ICAO Council by June 2009 — a few months ahead of the crunch United Nations climate change conference in Copenhagen where the next phase of the Kyoto Protocol is to be discussed.[99] *"Saudi Arabia is a member* [of the GIACC] *and must play a strong role pushing for a global solution"*, recalled Bisignani in Tunis. *"At the same time, states of* [the MENA] *region must challenge Europe's unilateral action and deliver efficiencies in line with our strategy",* he added.[100]

Voluntary global offset and emissions trading schemes

Australia is also one of the 15 member countries of GIACC. IATA is now busy lobbying members of this high-level working group to promote an ETS that is *"fair, global and voluntary"*[101] — not a binding one like the EU's. And at least two GIACC members are already deeply committed to the cause of the industry, one of them being a former IATA lobbyist (see Box 4).

Box 4 | **GIACC hijacked by a former IATA lobbyist and an industry follower**

John Begin (left) and Raymond Cron (right), two major industry allies at ICAO. Mr Begin, a former IATA lobbyist, is now deputy director of ICAO's Air Transport Bureau and secretary of the GIACC. Mr Cron, director general of the Swiss civil aviation authority and chairman of the GIACC's "Measures to Achieve Emissions Reductions" working group, pleads for more *"assistance from industry organisations such as IATA"* and promotes publicly IATA's so-called 'four-pillar approach'.

In 1997, Kyoto parties gave responsibility for reducing international emissions from aviation to the International Civil Aviation Organisation (ICAO). After 10 years of inaction, this UN body reacted to the new EU measures by setting up the Group on International Aviation and Climate Change (GIACC) in September 2007, which is due to develop and recommend an *"aggressive"*[102] programme of action. This high-level group composed of 15 senior government officials representative of all ICAO regions is not very transparent. The list of its members, for instance, is not available on the GIACC pages of ICAO's website.[103] It can only be found in Spanish in an obscure annex of a meeting report of the Latin-American Civil Aviation Commission.[104]

GIACC seems to have a clear industry bias. At its first meeting in February 2008 in Montreal, presentations on possible actions to reduce aviation emissions were given by IATA, the Airports Council International (ACI), the International Business Aviation Council (IBAC), the International Coordinating Council of Aerospace Industries Associations (ICCAIA) and the Civil Air Navigation Services Organisation (CANSO).[105] All the other presentations were made either by ICAO or GIACC representatives.[106] Not a single environmental NGO, academic or trade union was invited. Yet, according to the ICAO, the work of GIACC *"is meant to be inclusive and will involve consultation with all stakeholders concerned."*[107]

At the second GIACC meeting in July 2008, the chair of the GIACC's Measures to Achieve Emissions Reductions Working Group (WG) Raymond Cron indicated that WG *"should be allowed to seek assistance from industry organisations such as IATA and CANSO"* and suggested that the WG rules be amended accordingly. This was agreed by all GIACC members.[108]

The day before, the secretary of the GIACC John Begin[109] praised IATA's four-pillar strategy to reduce emissions and its aspirational goal that *"in fifty years, the aviation industry would* *produce a zero emissions aircraft."*[110] Begin was so full of praise for IATA that the chair of the meeting, Mpumi Mpofu (South Africa) had to remind him that IATA's goals should not necessarily be the GIACC's goals *"as the former represented airlines, whereas the latter represented States."*[111]

But Begin probably doesn't distinguish between the two. He represented IATA and lobbied on behalf of their interests on an ICAO task force on emissions trading in 2005.[112] Without any "cooling-off" period he became deputy director of ICAO's Air Transport Bureau in January 2006.[113] Cron also doesn't seem to distinguish between the public interest and the private interest. In a recent conference in Geneva co-organised by the European Commission and the European Civil Aviation Conference (ECAC), he presented a so-called Comprehensive European Approach *"to be founded on 4 pillars"*, which is exactly IATA's approach.[114]

Indeed, IATA doesn't need to sponsor refreshment breaks during ICAO symposia to make its voice heard.[115] Cron and Begin are likely to achieve better results for the airline industry. And for free.

A global, voluntary ETS is in fact a likely outcome of the GIACC in 2009. The aviation sector is strongly opposed to any form of compulsory ETS with auctioned allowances.[116] And the industry does not want the European model to spread to other regions. The president of the ICAO Council recently declared that he saw no reason why the ICAO should not *"promote"* the participation of its members in a global emissions trading scheme.[117] He did not say "require"…

But IATA is about to divert attention from emissions trading solutions. In late October, Bisignani said that his organisation *"will soon deliver a global carbon offset scheme"* for the industry to use.[118] A year ago, IATA announced it was developing a scheme which would be *"compatible with emissions trading"* so that emissions already offset *"would not be counted twice and subjected to emissions trading caps."*[119] Invited by the GIACC to present its views last February, IATA stressed that emissions trading *"could"* play a role *"if properly designed"* (meaning global and voluntary), and already advocated carbon offset programmes set up by airlines as a better solution, insisting that those programmes *"need harmonisation, certification and recognition."*[120]

Three months later, IATA published "best practice guidelines" for its members. The booklet sang the praises of carbon offset programmes for the industry: they give customers *"a sense of empowerment and choice"* which can in turn *"improv*[e] *the credibility of the offset programme"*; they can *"reduce the exposure to regulatory and market mechanisms such as taxes"*; they demonstrate *"a carbon conscious and environmentally responsible attitude of the company"*; and above all they can *"offer CO_2 reduction at low cost compared to other market-based approaches such as taxes, charges or trading."*[121]

Meanwhile the EU battle goes on...

To increase international pressure on the EU, the US ambassador to the EU sent a letter to the Commission's DG Environment acting director general, Jos Delbeke, at the end of October.[122] Delbeke was the negotiator from the Commission during the trialogue meetings last June. Reiterating that the inclusion of international civil aviation in the EU ETS is *"inconsistent"* with the Chicago convention (the bible of the ICAO coordinating and regulating international air travel) and the US-EU bilateral air transport agreement, the US threatened to take *"appropriate measures"* under international law if the EU *"insists on moving forward unilaterally"* over the issue. Attached to the letter was the still unanswered[123] April 2007 letter sent to the German presidency by the US and other third countries...

According to experts, legal action against the EU for breaching international law is unlikely to happen until a test case arises. This could be as late as 2012, when airlines actually start to participate in the EU ETS.[124]

Now that the EU directive has been approved by the Council, the aviation industry's lobbying efforts are concentrated on the post-2012 period and the review of the general ETS directive (covering energy-intensive installations across the EU). The review, part of the Commission's January 2008 climate and energy package, is currently under discussion in trialogue meetings between the Parliament, the Council and the Commission. A deal on the package is expected at the European Summit in Brussels on 11-12 December.[125]

...for windfall profits

The Commission has always considered that aviation should be treated in the same way as other energy intensive industrial sectors. It has proposed, under the general ETS review, that auctioning of allowances starts at 20% in 2013 and progressively rises to 100% in 2020 (with 15% auctioning already agreed for 2012). When this measure was backed by the European Parliament's ENVI committee in October, the Association of European Airlines (AEA) stated that *"some MEPs are so dogmatic that they have lost touch with reality."*[126]

As the ENVI committee knows, airlines will be able to pass on the costs of any allowances to customers and make windfall profits[127] as has been shown by the EU ETS so far.[128] In a desperate attempt to prove MEPs and Commission wrong, the European Low Fares Airline Association (ELFAA) commissioned a report[129] to demonstrate that airlines will not make windfall profits from free allocation of allowances and called for an immediate removal of auctioning.[130] This was later repeated by the International Air Carrier Association (IACA) which urged the Parliament and the Council *"to keep the design of the aviation ETS directive unchanged until 2020."*[131]

As a Commission official recently pointed up,[132] rarely has an industry been in such a denial towards its climate obligations as the aviation industry today.

Conclusion

The aviation legislation was a clear test of the EU's commitment to combat climate change, but this commitment appears to have been undermined. The EU has failed to deliver legislation that would really cut greenhouse gas emissions from aviation and the blame can only lie with national governments — pushed by industry.

Is this "historic missed opportunity" just a foretaste of the future of the EU's climate and energy package?

ANNEX 1 – MAIN POSITIONS OF THE COMMISSION, THE COUNCIL AND THE PARLIAMENT BEFORE AND AFTER THE JUNE 2008 AGREEMENT
(Adapted and updated from T&E, 2008)

		Commission's proposal[133] (20 December 2006)	**Council's common position[134] (18 April 2008)**	**Parliament's recommendation for 2nd reading[135] (4 June 2008)**	**Agreement between Parliament, Council & Commission (26 June 2008)**
Ensuring inclusion of aviation in the EU-ETS results in emissions reductions from the aviation sector		Aviation included into the existing EU ETS with open trading permitted between airlines and other sectors.	Same as Commission.	Restrict the number of allowances that aircraft operators can buy from other sectors or from CDM/JI. Only aircraft operators that improve their efficiency at a given rate are allowed to buy from other sectors.	Airlines will be able to trade allowances in an open market, i.e. across sectors.
Geographic scope and starting dates		Intra-EU flights in 2011. All flights arriving and departing EU airports in 2012.	All flights from 2012.	All flights from 2011.	All flights from 2012.
The emissions cap	**First Period (2012)**	100% of 2004-6 average (which is equivalent to 90% above 1990 levels)	Same as Commission.	90% of 2004-6 average.	97% of 2004-6 average.
	Subsequent periods (2013 onwards)	Cap should not be changed (stays at 2004-2006 levels)	Cap should be revised in 2015, as part of a general review of the (aviation) directive	Cap should be revised in a linear manner to the overall reduction target applicable to the emissions covered by the ETS (i.e. same as other sectors)	95% of 2004-2006 average. Percentage may be further modified as part of a general review of the ETS directive.
Permit allocation	**First Period (2012)**	Aviation should have as much auctioning as the average of other sectors in the EU ETS (estimated at 3% auctioning)	10% auctioning of permits.	25% auctioning of permits.	15% auctioning of permits.
	Subsequent periods (2013 onwards)	Aviation should be treated as energy intensive industrial sectors: auctioning should start as 20% in 2013 and go up to 100% in 2020.	The percentage to be auctioned may be increased as part of the general review of this directive (i.e. similar to the Commission Proposal).	The percentage to be auctioned shall be increased, according to the maximum level of auctioning in other sectors (i.e. 100% as the Commission proposed for the power sector).	15% auctioning of permits, but this percentage may be increased as part of the general review of the ETS directive[136].

Non-CO_2 impacts of aviation	Emissions of other gases to be addressed by the end of 2008. Climate impact of cirrus clouds and contrails not addressed.	Same as Commission.	Pending other legislation to be proposed by the Commission focusing specifically on the problem of NO_x emissions in aviation, a multiplier should be applied to every tonne of CO_2 emitted.	No multiplier is to be applied to the purchase of allowances.
Need for additional measures	No reference (apart from instrument to deal with NO_x emissions)	No reference (apart from instrument to deal with NO_x emissions)	Need for implementation of Single European Sky and continue funding research. This directive should not prevent member states from maintaining or establishing parallel policies or measures to address the aviation impacts on climate.	The EU has the obligation to seek an agreement on global measures to reduce greenhouse gas emissions from aviation. Bilateral agreements with countries adopting or proposing cap-and-trade schemes of their own (Australia, New Zealand, etc.) could be a first step.
Earmarking of ETS auction money	Auctioning proceeds *should* be used to mitigate and adapt to the impacts of climate change and to cover administrative costs.	Decisions on national public expenditure are a matter for Member States. Nevertheless, revenues generated from the auctioning of allowances *should* be used to mitigate and adapt to the impacts of climate change and to cover administrative costs.	Auctioning proceeds *should* be used to mitigate and adapt to the impacts of climate change.	Auctioning proceeds *should* be used to mitigate and adapt to the impacts of climate change. Governments must report to the Commission on how the money is used.
Exemptions (non-exhaustive)	Flights by heads of state/government, government ministers and reigning monarch on official mission; light aeroplanes under 5.7 tonnes; military, customs, police and search and rescue flights.	Same as Commission plus fire-fighting, humanitarian and emergency flights.	Airlines emitting less than 10,000 tonnes of CO_2 per year; light aeroplanes under 5.7 tonnes; military, customs, police and search and rescue flights; fire-fighting, humanitarian, UN mandated and emergency flights; research flights.	Airlines flying less than an average two flights per day or emitting less than 10,000 tonnes of CO_2 per year; light aeroplanes under 5.7 tonnes; military, customs, police and search and rescue flights; fire-fighting, humanitarian, UN mandated and emergency flights; research flights.

ANNEX 2
Chronology (non-exhaustive)

2005	March-May	Commission's public consultation[137]
	September	Commission's communication[138]
2006	April	Parliament's ENVI committee issues draft of the Lucas report[139]
	May	Parliament's ENVI committee adopts the Lucas report[140]
	July	Parliament votes non-binding resolution backing the Lucas report[141]
	December	Commission's legislative proposal[142] and impact assessment[143]
2007	June	Parliament's ENVI committee issues draft of the Liese report[144]
	October	Parliament's ENVI committee adopts the Liese report[145]
	November	Parliament's first reading vote backs the Liese report[146]
	December	Council reaches political agreement on a common position[147]
2008	April	Parliament's ENVI committee issues draft of the Liese report, 2nd reading[148]
		Council officially adopts its common position[149]
	May	Parliament's ENVI committee adopts the Liese report, 2nd reading[150]
	June	Parliament backs the Liese report, 2nd reading[151]
		Trialogue meetings and deal between Parliament, Council and Commission
	July	Parliament's second reading vote backs the deal, not the Liese report[152]
	October	Council's final adoption of the directive[153]

NOTES AND REFERENCES

[1] "Climate forcing of aviation emissions in high altitudes and comparison of metrics - An update according to the Fourth Assessment Report, IPCC 2007", Hartmut Grassl and Dietrich Brockhagen, Max Planck Institute for Meteorology, December 2007. http://www.mpimet.mpg.de/wissenschaft/publikationen/papers/climate-forcing-of-aviation-emissions-in-high-altitudes-and-comparison-of-metrics.html

[2] "A bottom-up analysis of including aviation within theEU's Emissions Trading Scheme", Alice Bows & Kevin Anderson, Tydall Centre for Climate Change Research, working paper 126, November 2008, p.17. http://www.tyndall.ac.uk/publications/working_papers/twp126_summary.shtml

[3] "Clearing the air: the myth and reality of aviation and climate change", Climate Action Network Europe (CAN Europe) - European Federation for Transport and Environment (T&E), July 2006, p.33. http://www.transportenvironment.org/Publications/prep_hand_out/lid:430

[4] "Climate change: Commission proposes bringing air transport into EU Emissions Trading Scheme", European Commission, press release, 20 December 2006. http://europa.eu/rapid/pressReleasesAction.do?reference=IP/06/1862

[5] "No flight plan: How the International Civil Aviation Organisation has blocked progress on climate change for a decade", Transport & Environment, September 2007. http://www.transportenvironment.org/News/2007/9/UN-body-threatens-EU-aviation-emissions-plan/

[6] "Pollution limits imposed on airlines by MEPs", The Telegraph, 8 July 2008. http://www.telegraph.co.uk/earth/main.jhtml?xml=/earth/2008/07/08/eaaircraft108.xml

[7] 640 votes in favour, 30 against and 20 abstentions.

[8] Amendment of Directive 2003/87/EC so as to include aviation activities in the scheme for greenhouse gas emission allowance trading within the Community. http://ec.europa.eu/prelex/detail_dossier_real.cfm?CL=en&DosId=195168

[9] Under scenario 4 (open system, aviation's emissions capped at 2005 levels, limited access to free allowances) with an allowance price of €15. See "Impact Assessment of the inclusion of aviation activities in the scheme for greenhouse gas emission allowance trading within the Community", COM(2006) 818 final, 20 December 2006, p. 41-42. http://ec.europa.eu/environment/climat/pdf/aviation/sec_2006_1684_en.pdf

[10] "First EU aviation deal confirmed – but is it a milestone or a missed opportunity?", European Federation for Transport and Environment (T&E), press release, 22 July 2008. http://www.transportenvironment.org/News/2008/7/First-EU-aviation-deal-confirmed--but-is-it-a-milestone-or-a-missed-opportunity/

[11] "A bottom-up analysis of including aviation within theEU's Emissions Trading Scheme", Alice Bows & Kevin Anderson, Tydall Centre for Climate Change Research, working paper 126, November 2008. http://www.tyndall.ac.uk/publications/working_papers/twp126_summary.shtml

[12] The 'trialogue meetings' were held at the European Parliament on 4 June (Brussels), 17 June (Strasbourg) and 26 June (Brussels). The three main negotiators were the President of the EU Environment Council and Slovenian Environment Minister Janez Podobnik (Council), German conservative MEP and rapporteur Peter Liese (Parliament); and the Deputy Director-General of DG Environment Jos Delbeke (Commission).

[13] On 13 November 2007 (first reading). http://www.europarl.europa.eu/sides/getDoc.do?type=TA&reference=P6-TA-2007-0505&language=EN&ring=A6-2007-0402

[14] Ibid.

[15] On 4 July 2006 (resolution). http://www.europarl.europa.eu/sides/getDoc.do?Type=TA&Reference=P6-TA-2006-0296&language=EN

[16] Ibid.

[17] On 13 November 2007 (first reading). http://www.europarl.europa.eu/sides/getDoc.do?type=TA&reference=P6-TA-2007-0505&language=EN&ring=A6-2007-0402

[18] On 4 July 2006 (resolution). http://www.europarl.europa.eu/sides/getDoc.do?Type=TA&Reference=P6-TA-2006-0296&language=EN

[19] Common position adopted by the Council on 18 April 2008 with a view to the adoption of a directive of the European Parliament and of the Council amending Directive 2003/87/EC so as to include aviation activities in the scheme for greenhouse gas emission allowance trading within the Community, 2006/0304 (COD), 18 April 2008. http://ec.europa.eu/environment/climat/pdf/aviation/council_common_position.pdf

[20] "MEP says ETS should be only step for aviation", European Federation for Transport and Environment (T&E), 26 July 2007. http://www.transportenvironment.org/Article434.html

[21] Mayrhuber is a member of the Presidents' Committee of the AEA, and a member of the Board of Governors and the Strategy and Policy Committee (SPC) of the IATA. http://www.staralliance.com/en/press/press_releases/biographies/wolfgang_mayrhuber.html

[22] Conciliation is the third and final phase of the codecision procedure. It happens when the Council does not approve all the amendments of the European Parliament adopted at its second reading. The Conciliation Committee is comprised of 27 representatives of the Council and 27 representatives of the Parliament. They must convene within 6 to 8 weeks after Council's second reading. Then they have 6 to 8 weeks to agree on a 'joint text'. If the 'joint text' is not approved by either the Council or the Parliament, the act is deemed not to have been adopted.

[23] In January 2008, the Commission adopted a proposal designed to amend the general EU ETS Directive (2003/87/EC) in order to adapt some of its features for the post-2012 trading period.

[24] "Rapporteur says EU should seek bilateral agreements in seeking global solution to reduce international aviation emissions", GreenAirOnline.com, 8 July 2008. http://www.greenaironline.com/news.php?viewStory=218

[25] International Herald Tribune, advertising rates for 2008. http://www.ihtinfo.com/pdfs/IHT343_RATES_67_EURO_08-8.pdf

[26] http://www.scribd.com/doc/7717537/IATAs-advertorial-in-the-International-Herald-Tribune-26-June-2008

[27] "The high-altitude effects of non-CO_2 greenhouse gases caused by aviation are still uncertain, say scientists", GreenAirOnline.com, 6 October 2008. http://www.greenaironline.com/news.php?viewStory=278
[28] See "Clearing the air: the myth and reality of aviation and climate change", Climate Action Network Europe (CAN Europe) - European Federation for Transport and Environment (T&E), July 2006, p.33. http://www.transportenvironment.org/Publications/prep_hand_out/lid:430
[29] "IATA unveils environment display at Schiphol Airport to promote a green aviation image to the public", GreenAirOnline.com, 14 October 2008. http://www.greenaironline.com/news.php?viewStory=283
[30] About us, EnviroAero website. http://www.enviro.aero/Enviroaeroabout.aspx
[31] Our team, ATAG website. http://www.atag.org/content/showabout.asp?folderid=493
[32] "Aviation industry climate change website re-launched", press release, 18 September 2008. http://www.enviro.aero/Enviroaeropressreleases.aspx?NID=251
[33] About us, EnviroAero website. http://www.enviro.aero/Enviroaeroabout.aspx
[34] Aviation's part of worldwide CO_2 emissions from fossil fuel use was 2.4% in 1992, according to IPCC ("Aviation and the global atmosphere", Summary for policymakers, 1999, p.6. http://www.ipcc.ch/pdf/special-reports/spm/av-en.pdf). In 2005, it was 2.7% (according to the International Energy Agency 2005 raw figures. http://www.internationaltransportforum.org/Topics/CO2AbatementPDFs/WorldCO2.pdf). This is a 29% underestimation by IATA/ATAG.
[35] WG III Technical Summary, IPCC, 2007, p.49. http://www.ipcc.ch/pdf/assessment-report/ar4/wg3/ar4-wg3-ts.pdf
[36] In the so-called "Fe1" scenario. See "IPCC Emission Scenarios - Importance for Assessing Aviation Contributions to Climate Change", Schlager et al., May 2007, p.9. http://www.icao.int/Envclq/clq07/Presentations/Schlager.pdf
[37] When one checks p.6 of the report, there is nothing about aviation. http://www.ipcc.ch/ipccreports/ar4-wg3.htm
[38] "Climate change: Commission proposes bringing air transport into EU Emissions Trading Scheme", European Commission, press release, 20 December 2006. http://europa.eu/rapid/pressReleasesAction.do?reference=IP/06/1862
[39] *"The sector is not the new tobacco industry – tobacco is inherently bad, air travel is inherently good"*, he said for instance to his airline audience.
[40] "Airlines must take a more positive approach to the environmental debate, says European Commission official", GreenAirOnline, 28 September 2008. http://www.greenaironline.com/news.php?viewStory=270
[41] "Reducing the Climate Change Impact of Aviation", Communication of the Commission, 27 September 2005, COM(2005) 459 final. http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2005:0459:FIN:EN:PDF
[42] "Taxation of aircraft fuel", COM(2000) 110 final, 2 March 2000. http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2000:0110:FIN:EN:PDF
[43] "Limited support seen for EU-wide tax on aviation fuel to cut GHG emissions", Joe Kirwin, International Environment Reporter, Vol. 23, No. 8, p. 305, 2000; cited in "Emissions trading in international civil aviation", Öko-Institut e.V., January 2004. http://www.umweltdaten.de/publikationen/fpdf-l/2605.pdf
[44] http://ec.europa.eu/environment/climat/aviation_en.htm
[45] Climate Action Network Europe (CAN-Europe) and European Federation for Transport and Environment (T&E). The full list of participants is available on p.59 of the AWG final report, released late April 2006. http://ec.europa.eu/environment/climat/pdf/eccp_aviation_final.pdf
[46] "ACI Europe Strategy on Climate Change", position paper, 19 January 2005. http://www.baa.com/assets//B2CPortal/Static%20Files/ACI_EUROPE_Strategy.pdf
"ACI Europe's views on how to incorporate air transport into an EU Emissions Trading Scheme", position paper, 26 August 2005. http://www.heathrowairport.com/assets//B2CPortal/Static%20Files/ACI_EUROPE%27s_views.pdf
[47] "British Airways wants aviation in EU ETS", Point Carbon, 17 March 2005. http://www.pointcarbon.com/news/1.23677
[48] "BAA calls for joined up action on climate", press release, 13 January 2005. http://www.baa.com/portal/page/Corporate%5EMedia%20Centre%5ENews%20releases%5EResults/8dbf54b3e34c2010VgnVCM100000147e120a____/a22889d8759a0010VgnVCM200000357e120a____/
BAA is the owner and operator of seven British airports and the operator of several other airports worldwide. Although the company claims that its name is strictly "BAA Limited" and that the letters do not officially stand for anything, it is still widely referred to as the "British Airports Authority" by both the media and the public — even though the Authority officially ceased to exist following the 1986 privatisation.
[49] "IATA Critical of EC Plans to Bring Aviation into European Emissions Trading Scheme", IATA, press release, 28 September 2005. http://www.iata.org/pressroom/pr/2005-09-28-01.htm
[50] "Aviation and the Environment - Killing Myths and Setting the Agenda", IATA, press release, 25 April 2006. http://www.iata.org/pressroom/pr/2006-04-25-02.htm
[51] " EU environmental policy: Bringing climate protection and air travel into harmony", Lufthansa, policy brief, September 2005. http://konzern.lufthansa.com/en/downloads/presse/politikbrief/09_2005/LH_PolicyBrief_09_2005.pdf
[52] "Aviation in the EU ETS presents unacceptable cost risk: Lufthansa", Point Carbon, 11 May 2006. http://www.pointcarbon.com/news/1.18541
[53] "No flight plan: How the International Civil Aviation Organisation has blocked progress on climate change for a decade", Transport & Environment, September 2007. http://www.transportenvironment.org/News/2007/9/UN-body-threatens-EU-aviation-emissions-plan/
[54] "Commission proposals on EU emissions trading system will not encourage environmental efficiency and will damage European growth and employment", press release, 29 September 2005. http://www.elfaa.com/documents/ELFAApressreleasereaviationandETS280905.pdf
[55] "New Industry Impact Assessment on Inclusion of Aviation into EU Emission Trading Scheme", 6 June 2006. http://www.eraa.org/intranet/documents/22/1975/070606_ETS_Press_Release.pdf

[56] Draft report on reducing the climate change impact of aviation, Committee on the Environment, Public Health and Food Safety, 2005/2249(INI), 4 April 2006. http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+COMPARL+PE-371.946+02+DOC+PDF+V0//EN&language=EN
[57] "The stratospheric cost of cheap flights", The Guardian, 5 July 2006. http://www.guardian.co.uk/commentisfree/2006/jul/05/theskysnotthelimit
[58] "Climate Change: Industry comments on draft report by Dr. Caroline Lucas (MEP)", 13 April 2006. http://www.iaca.be/index.cfm?FFA3A720-BDBE-2776-01B4-57B86268CC1D
[59] "ELFAA concerned over european parliament report on including aviation in the eu emission's trading scheme", ELFAA, press release, 14 June 2006. http://www.elfaa.com/pdf/ELFAA_press_release_re_Lucas_report_140606.pdf
[60] "'An end to sloppy thinking and hysterical persecution': ELFAA calls for a balanced debate on the environment", ELFAA, press release, 20 March 2006. http://www.elfaa.com/documents/ELFAA_Press_release_200306_re__Frontier_report_concerning_economic_views_on_aviation_in_the_.pdf
[61] "Climate Change: Joint Position Paper on Lucas Report", 23 June 2006. http://www.elfaa.com/pdf/Joint_industry_letter_to_MEPs_re_Lucas_Report_(230606).pdf
[62] European Parliament resolution on reducing the climate change impact of aviation, P6_TA(2006)0296, 4 July 2006. http://www.europarl.europa.eu/sides/getDoc.do?Type=TA&Reference=P6-TA-2006-0296&language=EN
[63] "Emissions trading: EU aviation plan 'a hugely wasted opportunity'", The Greens/European Free Alliance, press release, 20 December 2006. http://www.greens-efa.org/cms/pressreleases/dok/163/163876.emissions_trading@en.htm
[64] "Labour targets airlines over carbon emissions", The Guardian, 5 January 2007. http://www.guardian.co.uk/business/2007/jan/05/britishairways.greenpolitics
[65] Personal communication with Alain Lipietz, 20 June 2007. Lipietz's personal accounts of the meetings are also available on his blog: http://lipietz.net/spip.php?breve=228, 13 April 2007; http://lipietz.net/spip.php?breve241, 8 June 2007.
[66] Association of European Airlines (AEA), European Business Aviation Association (EBAA), European Cargo Alliance (ECA), European Low Fares Airline Association (ELFAA), European Regions Airline Association (ERA) and International Air Carrier Association (IACA).
[67] "Impact Assessment of the inclusion of aviation activities in the scheme for greenhouse gas emission allowance trading within the Community", COM(2006) 818 final, p. 41-42. http://ec.europa.eu/environment/climat/pdf/aviation/sec_2006_1684_en.pdf
[68] Proposal for a directive of the European Parliament and of the Council amending Directive 2003/87/EC so as to include aviation activities in the scheme for greenhouse gas emission allowance trading within the community, COM(2006) 818 final, 20 December 2006. http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2006:0818:FIN:EN:PDF
[69] "Questions & Answers on aviation & climate change", European Commission, MEMO/06/506, 20 December 2006. http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/06/506
[70] "Analysis of the EC Proposal to Include Aviation Activities in the Emission Trading Scheme", 1 June 2007. http://files.aea.be/downloads/impact_assessment.pdf
[71] "Lufthansa threatens to move hub operations to Zurich to evade EU green plan", Flight International, 20 February 2007. http://www.flightglobal.com/articles/2007/02/20/212138/lufthansa-threatens-to-move-hub-operations-to-zurich-to-evade-eu-green.html
[72] "Aviation in the EU ETS presents unacceptable cost risk: Lufthansa", Point Carbon, 11 May 2006. http://www.pointcarbon.com/news/1.18541
[73] Letter from letter from ambassadors from the US, Australia, Canada, China, Japan and South Korea to Peter Witt, deputy permanent representative of Germany to the European Union, 6 April 2007. http://www.scribd.com/doc/7717914/Letter-to-ambassador-Peter-Witt-6-April-2007
[74] "The Airline industry - improving the climate for European flag carriers", Burson-Marsteller, September 2004. http://www.bmbrussels.eu/content.php?hmID=9&smID=41&ssmID=269
[75] Industry Statistics, IATA, October 2008. http://www.iata.org/NR/rdonlyres/8BDAFB17-EED8-45D3-92E2-590CD87A3144/0/FactSheetIndustryFactsSEP2008.pdf
[76] "Work by us in 2006", Hill & Knowlton International Belgium. http://www.hillandknowlton.be/docs/2006-LOWRES.pdf
[77] "Airlines must take a more positive approach to the environmental debate, says European Commission official", GreenAirOnline, 28 September 2008. http://www.greenaironline.com/news.php?viewStory=270
[78] E-mail from IATA's Regional Director for Europe Monique De Smet to all members of the ENVI committee, 1 October 2007. https://docs.google.com/Doc?id=dfnd6djs_0pzt4tqfk
[79] Report on the proposal for a directive of the European Parliament and of the Council amending Directive 2003/87/EC so as to include aviation activities in the scheme for greenhouse gas emission allowance trading withing the Community (COM(2006)0818 – C6-0011/2007 – 2006/0304(COD)), Committee on the Environment, Public Health and Food Safety, A6-0402/2007 final, 19 October 2007. http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+REPORT+A6-2007-0402+0+DOC+PDF+V0//EN&language=EN
[80] "Amendment of Directive 2003/87/EC so as to include aviation activities in the scheme for greenhouse gas emission allowance trading within the Community", legislative resolution, European Parliament, Strasbourg, 13 November 2007. http://www.europarl.europa.eu/sides/getDoc.do?type=TA&reference=P6-TA-2007-0505&language=EN&ring=A6-2007-0402
[81] "Amendment of Directive 2003/87/EC so as to include aviation activities in the scheme for greenhouse gas emission allowance trading within the Community", debates, European Parliament, Strasbourg, 12 November 2007. http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+CRE+20071112+ITEM-021+DOC+XML+V0//EN

[82] "EU grants airlines pollution respite", Financial Times, 20 December 2007. http://us.ft.com/ftgateway/superpage.ft?news_id=fto122020072139599453
[83] "Commission stands by flight emissions regime", European Voice, 14 December 2006. http://www.europeanvoice.com/article/imported/commission-stands-by-flight-emissions-regime/56386.aspx
[84] "ELFAA calls for wider scope for proposed emissions trading scheme – Long haul airlines should not be exempted", ELFAA, press release, 20 December 2006. http://www.elfaa.com/documents/ELFAA_press_release_re_ETS_201206.pdf
[85] "EU aiming too high with airline emissions", Reuters, 6 February 2008. http://uk.reuters.com/article/businessNews/idUKL0663181620080206?sp=true
[86] "ENVI hijacks European Council position on emissions", ERA, press release, 27 May 2008. http://www.eraa.org/news/erapressreleases/ENVI_Vote.php
[87] Telephone interview, 4 July 2008.
[88] Former Irish Prime Minister and Vice President of the European People's Party John Bruton is head of the European Commission Delegation to the United States since 2004.
[89] "International anger as European Parliament vote to include aviation into EU Emissions Trading Scheme", GreenAirOnline.com, 10 July 2008. http://www.greenaironline.com/news.php?viewStory=219
[90] "Airline industry to be included in the ETS as of 2012 – EU urges the industry to play its part in the fight against climate change", Slovenian Presidency of the EU, press release, 30 June 2008. http://www.eu2008.si/en/News_and_Documents/Press_Releases/June/0630SPBR_airline_industry_ETS.html
[91] The ties are so close that the US House of Representatives voted this summer a new legislation aiming at preventing those ties. See for instance: "House Passes Air Safety Bill To Limit FAA, Industry Ties", Washington Post, 24 July 2008. http://www.washingtonpost.com/wp-dyn/content/article/2008/07/23/AR2008072303494.html
The last high-profile revolving door case happened early July when Daniel Elwell, then assistant administrator for Aviation Policy, Planning and Environment at the FAA, joined the Aerospace Industries Association (AIA). http://www.greenaironline.com/news.php?viewStory=213
[92] "US warns EU to drop aviation from ETS", Point Carbon, 30 July 2008. http://www.pointcarbon.com/news/1.953191
[93] "EU and UK on collision course over aviation carbon-trading deal", BusinessGreen, 13 August 2008. http://www.businessgreen.com/business-green/news/2223825/eu-uk-collision-course-aviation
[94] Council Conclusions on "Inclusion of the aviation sector in the EU ETS – participation of third countries", 2895th Transport, Telecommunication and Energy Council meeting, Luxembourg, 9 October 2008. http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/trans/103233.pdf
[95] Confirmed two weeks later when the Council definitely adopted the directive on aviation's inclusion into the EU ETS: *"Each member state will determine the use to be made of its revenues from the auctioning of allowances. These proceeds* should [emphasis added] *be used to tackle climate change in the EU and in third countries as well as for the research in the field of low-emissions transport, particularly in aeronautics and aviation."* http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/misc/103533.pdf
[96] Remarks of Giovanni Bisignani at Global Media Day, Geneva, 12 December 2007. http://www.iata.org/pressroom/speeches/2007-12-12-01
[97] At the Australian National Aviation Press Club, Sydney, 20 August 2008. http://www.iata.org/pressroom/speeches/2008-08-20-01.htm
[98] At the Annual General Meeting of the Arab Air Carriers Organisation (AACO), Tunis, 22 October 2008. http://www.middleeastevents.com/site/pres_dtls.asp?pid=4370
[99] The GIACC already met twice in February and July 2008. Its third meeting is due in February 2009 and the fourth and final before the summer. ICAO wishes to offer a clear commitment in December 2009 in Copenhagen in order to avoid the risk of losing its position as the regulating instance for climate change issues with respect to international civil aviation. MEP Peter Liese and others are of the opinion that the United Nations Framework Convention on Climate Change (UNFCCC), which is in charge of coming up with an international deal on emissions reductions in Copenhagen, should take back the responsibility from ICAO for getting an agreement on international aviation emissions. http://www.greenaironline.com/news.php?viewStory=218
[100] AACO Annual General Meeting - Remarks of Giovanni Bisignani, IATA, 22 October 2008. http://www.iata.org/pressroom/speeches/2008-10-22-01
[101] "Aviation & Climate Change", IATA's presentation to GIACC, ICAO, Montreal, 26 February 2008, p.22. http://www.icao.int/env/meetings/Giacc/IATA.pdf
The promotion of a global, voluntary ETS was expressed for the first time on 18 October 2007 in a speech by Giovanni Bisignani at the World Air Transport Forum, Cannes, 18 October 2007. http://www.iata.org/pressroom/speeches/18-10-2007-01
[102] "ICAO commits to aggressive action on aircraft emissions", ICAO, press release, 28 September 2007. http://www.icao.int/icao/en/nr/2007/pio200710_e.pdf
[103] http://www.icao.int/env/Meetings/Giacc.html
[104] Comissão Latino-Americana de Aviação Civil, Reunión del Comité Ejecutivo, México, 11 y 12 de septiembre de 2008, p.5. http://clacsec.lima.icao.int/Reuniones/2008/CE74/NE/74CENI05FT.pdf
[105] Although CANSO brings together State-owned companies established to provide air navigation services, its associate members are private companies like Boeing, Airbus, Thales, Raytheon, etc. http://www.canso.org/Canso/Web/members/associate+members
[106] http://www.icao.int/env/Meetings/Giacc.html#Speeches
[107] Statement by ICAO, Bangkok, 31 March-4 April 2008. http://www.icao.int/env/Statement_AWGLCA_2008.pdf
[108] GIACC, second meeting, Montreal, 14-16 July 2008, summary of discussions, day 3, point 26, p.6. http://www.icao.int/env/meetings/2008/GIACC_2/Giacc_2/Giacc2_Sd03_en.pdf

[109] As for the list of GIACC members that information could only be found in Spanish, in a meeting report of the Latin American Civil Aviation Commission. http://clacsec.lima.icao.int/Reuniones/2008/CE74/NE/74CENI05FT.pdf
[110] GIACC, second meeting, Montreal, 14-16 July 2008, summary of discussions, day 2, point 7, p.2. http://www.icao.int/env/meetings/2008/GIACC_2/Giacc_2/Giacc2_Sd02_en.pdf
[111] GIACC, second meeting, Montreal, 14-16 July 2008, summary of discussions, day 2, point 8, p.2-3. http://www.icao.int/env/meetings/2008/GIACC_2/Giacc_2/Giacc2_Sd02_en.pdf
[112] ICAO CAEP/7, Emissions Trading Task Force (ETTF), first meeting, 22-24 March 2005, Montreal, Canada. Draft report, list of participants, p.10. http://www.slv.dk/Dokumenter/dscgi/ds.py/Get/File-7655/A5_ETTF1_DraftReport.pdf
[113] Biography of John Begin on the Japan International Tranport Institute website. http://www.japantransport.com/conferences/2007/10/Begin.htm
[114] "Aviation and Climate Change– Review of the Common European Approach", presentation of Raymond Cron at the ECAC/EU Conference – Meeting the Environmental Challenge, Geneva, 28 October 2008 (p.13). https://www.ecac-ceac.org/file_pub/get_file_o.php?idDoc=4880
[115] ICAO Worldwide Symposium on Performance of the Air Navigation System, Montreal, Canada, 28 March 2007. http://www.icao.int/icao/en/anb/meetings/perf2007/agenda.pdf
[116] "ICAO commits to aggressive action on aircraft emissions", ICAO, press release, 28 September 2007. http://www.icao.int/icao/en/nr/2007/pio200710_e.pdf
[117] "Look on the bright side, urges civil aviation peak body", The Australian, 31 October 2008. http://www.theaustralian.news.com.au/business/story/0,28124,24577250-36418,00.html
[118] AACO Annual General Meeting – Remarks of Giovanni Bisignani, IATA, 22 October 2008. http://www.iata.org/pressroom/speeches/2008-10-22-01
[119] "Aviation and climate change – The road to zero emissions", presentation by Philippe Rochat, IATA global media day, Geneva, 12 December 2007, p.11. http://www1.iata.org/NR/rdonlyres/B6792775-56B2-47A0-B315-5AEF1B7237D0/0/global_media_day_environment.pdf
[120] "Aviation & Climate Change", IATA, presentation to GIACC, ICAO, Montreal, 26 February 2008. http://www.icao.int/env/meetings/Giacc/IATA.pdf
[121] "Aviation carbon offset programmes – IATA guidelines and toolkit", IATA, May 2008. http://www.iata.org/NR/rdonlyres/22669B08-918C-4AB7-8D8F-8F9743BA8FE6/61823/Carbon_Offset_Guidelines_May2008.pdf
[122] Letter from the US ambassador to the European Union Kristen Silverberg to Commission's DG ENVI acting director general Jos Delbeke, 30 October 2008. http://www.scribd.com/doc/7717979/Letter-to-Jos-Delbeke-30-October-2008
[123] "US warns EU to drop aviation from ETS", Point Carbon, 30 July 2008. http://www.pointcarbon.com/news/1.953191
[124] Ibid.
[125] "Polish PM says EU nearing climate deal in December", Reuters, 13 November 2008. http://www.reuters.com/article/environmentNews/idUSTRE4AC3FS20081113
[126] "European Airlines 'deeply frustrated' with political debate about emissions trading", AEA, press release, 8 October 2008. http://files.aea.be/News/PR/Pr08-031.pdf
[127] Impact Assessment of the inclusion of aviation activities in the scheme for greenhouse gas emission allowance trading within the Community, COM(2006) 818 final, 20 December 2006, p.61. http://ec.europa.eu/environment/climat/pdf/aviation/sec_2006_1684_en.pdf
[128] "EU ETS: The winners and losers of EU carbon trading", ClimateChangeCorp.com, 22 September 2008. http://www.climatechangecorp.com/content.asp?ContentID=5654
"Power sector to reap further 'windfall' profits, says report", Euractiv.com, 7 April 2008. http://www.euractiv.com/en/energy/power-sector-reap-windfall-profits-report/article-171386
[129] "Impact of emissions trading on pricing and profits in aviation: review of Vivid Economics reports", Frontier Economics Ltd, October 2008. http://www.elfaa.com/Frontier_review_of_Vivid_Economics_October_2008.pdf
[130] "Case for Auctioning of Allowances for aviation in EU ETS disproved", ELFAA, press release, 13 October 2008.
[131] "Airline association appeals to European legislators to stop moving the goalposts on aviation ETS", GreenAirOnline.com, 17 November 2008. http://www.greenaironline.com/news.php?viewStory=314
[132] "Airlines must take a more positive approach to the environmental debate, says European Commission official", GreenAirOnline, 28 September 2008. http://www.greenaironline.com/news.php?viewStory=270
[133] Proposal for a directive of the European Parliament and of the Council amending Directive 2003/87/EC so as to include aviation activities in the scheme for greenhouse gas emission allowance trading within the community, COM(2006) 818 final, 20 December 2006. http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2006:0818:FIN:EN:PDF
[134] Common position adopted by the Council on 18 April 2008 with a view to the adoption of a directive of the European Parliament and of the Council amending Directive 2003/87/EC so as to include aviation activities in the scheme for greenhouse gas emission allowance trading within the Community, 2006/0304 (COD), 18 April 2008. http://ec.europa.eu/environment/climat/pdf/aviation/council_common_position.pdf
[135] Draft recommendation for second reading, European Parliament's Committee on the Environment, Public Health and Food Safety (ENVI), 4 June 2008. http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+REPORT+A6-2008-0220+0+DOC+PDF+V0//EN
[136] Coherent with its December 2006 proposal (COM(2006) 818 final), the Commission proposed in its ETS revision proposal of January 2008 (COM(2008) 16 final) 20% in 2013 and thereafter the auctioning should increase each year by equal amounts resulting in no free allocation in 2020.
http://ec.europa.eu/environment/climat/emission/pdf/ets_revision_proposal.pdf
It was backed by the European Parliament's ENVI committee on 7 October 2008.

[137] Reducing the climate change impact of aviation. Report on the public consultation March-May 2005, European Commission, Consultation on Reducing the Climate Change Impact of Aviation from 11 March until 6 May 2005. http://ec.europa.eu/environment/climat/pdf/report_publ_cons_aviation_07_05.pdf

[138] "Reducing the Climate Change Impact of Aviation", Communication of the European Commission, 27 September 2005, COM(2005) 459 final. http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2005:0459:FIN:EN:PDF

[139] Draft report on reducing the climate change impact of aviation, Committee on the Environment, Public Health and Food Safety, PE371.946, 4 April 2006. http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+COMPARL+PE-371.946+02+DOC+PDF+V0//EN&language=EN

[140] Amendments to the draft report on reducing the climate change impact of aviation, Committee on the Environment, Public Health and Food Safety, PE 374.036v01-00, 4 May 2006. http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+COMPARL+PE-374.036+01+DOC+PDF+V0//EN&language=EN

[141] European Parliament resolution on reducing the climate change impact of aviation, P6_TA(2006)0296, 4 July 2006. http://www.europarl.europa.eu/sides/getDoc.do?Type=TA&Reference=P6-TA-2006-0296&language=EN

[142] Proposal for a directive of the European Parliament and of the Council amending Directive 2003/87/EC so as to include aviation activities in the scheme for greenhouse gas emission allowance trading within the community, COM(2006) 818 final, 20 December 2006. http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2006:0818:FIN:EN:PDF

[143] Impact Assessment of the inclusion of aviation activities in the scheme for greenhouse gas emission allowance trading within the Community, COM(2006) 818 final, 20 December 2006. http://ec.europa.eu/environment/climat/pdf/aviation/sec_2006_1684_en.pdf

[144] Draft report on the proposal for a directive of the European Parliament and of the Council amending Directive 2003/87/EC so as to include aviation activities in the scheme for greenhouse gas emission allowance trading within the Community, Committee on the Environment, Public Health and Food Safety, PE 390.460v02-00, 11 June 2007. http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+COMPARL+PE-390.460+02+DOC+PDF+V0//EN&language=EN

[145] Report on the proposal for a directive of the European Parliament and of the Council amending Directive 2003/87/EC so as to include aviation activities in the scheme for greenhouse gas emission allowance trading within the Community (COM(2006)0818 – C6-0011/2007 – 2006/0304(COD)), Committee on the Environment, Public Health and Food Safety, A6-0402/2007 final, 19 October 2007. http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+REPORT+A6-2007-0402+0+DOC+PDF+V0//EN&language=EN

[146] Amendment of Directive 2003/87/EC so as to include aviation activities in the scheme for greenhouse gas emission allowance trading within the Community, legislative resolution, European Parliament, Strasbourg, 13 November 2007. http://www.europarl.europa.eu/sides/getDoc.do?type=TA&reference=P6-TA-2007-0505&language=EN&ring=A6-2007-0402

[147] Proposal for a Directive of the European Parliament and of the Council amending Directive 2003/87/EC so as to include aviation activities in the scheme for greenhouse gas emission allowance trading within the Community - Political agreement, 2006/0304 (COD), 21 December 2007. http://register.consilium.europa.eu/pdf/en/07/st16/st16855.en07.pdf

[148] Draft recommendation for second reading on the Council common position for adopting a directive of the European Parliament and of the Council amending Directive 2003/87/EC so as to include aviation activities in the scheme for greenhouse gas emission allowance trading within the Community, Committee on the Environment, Public Health and Food Safety, PE404.735v01-00, 14 April 2008. http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+COMPARL+PE-404.735+01+DOC+PDF+V0//EN&language=EN

[149] Common position adopted by the Council on 18 April 2008 with a view to the adoption of a directive of the European Parliament and of the Council amending Directive 2003/87/EC so as to include aviation activities in the scheme for greenhouse gas emission allowance trading within the Community, 2006/0304 (COD), 18 April 2008. http://ec.europa.eu/environment/climat/pdf/aviation/council_common_position.pdf

[150] "Environment committee takes tough line on airline emissions", European Parliament, press release, 27 May 2008. http://www.europarl.europa.eu/news/expert/infopress_page/064-29902-147-05-22-911-20080526IPR29898-26-05-2008-2008-false/default_en.htm
For details see: Amendments 47-84, Draft recommendation for second reading on the Council common position for adopting a directive of the European Parliament and of the Council amending Directive 2003/87/EC so as to include aviation activities in the scheme for greenhouse gas emission allowance trading within the Community, Committee on the Environment, Public Health and Food Safety, 8 May 2008. http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+COMPARL+PE-406.000+01+DOC+PDF+V0//EN&language=EN

[151] Draft recommendation for second reading on the Council common position for adopting a directive of the European Parliament and of the Council amending Directive 2003/87/EC so as to include aviation activities in the scheme for greenhouse gas emission allowance trading within the Community, European Parliament, A6-0220/2008, 4 June 2008. http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+REPORT+A6-2008-0220+0+DOC+PDF+V0//EN

[152] Amendment of Directive 2003/87/EC so as to include aviation activities in the scheme for greenhouse gas emission allowance trading within the Community ***II, European Parliament, P6_TA(2008)0333, 8 July 2008. http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P6-TA-2008-0333+0+DOC+XML+V0//EN&language=EN

[153] "Council gives green light for inclusion of aviation into the EU Emissions Trading System", press release, Council of the European Union, 24 October 2008. http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/misc/103533.pdf