



FOR IMMEDIATE RELEASE – 3 June 2008

ELFAA urges European Parliament to face new reality on ETS caused by tripling of oil price

Brussels, 3 June 2008 – Ahead of the vote in the European Parliament on the proposed inclusion of aviation into the European Emissions Trading Scheme, the European Low Fares Airline Association (ELFAA) today called on MEPs to be true to the intention of ETS, and use it as to cap emissions, not raise revenue. The tripling of the price of oil will be the backdrop to the MEPs' vote, but ELFAA believes they need to recognise what this means for airlines.

Speaking at an ELFAA media conference in Brussels today, Andy Harrison, Chief Executive of easyJet said:

“We call on the European Parliament to be sensible and not to turn emission trading into a punitive tax on airlines and their passengers. Oil was at \$40 a barrel when ETS was designed. The world has changed and MEPs need to face this reality.”

“The unprecedented tripling in the price of oil will reduce CO2 emissions from aviation significantly. An effective design of the emission trading scheme for aviation has to take account of this reality. Europe needs strong airlines that can afford to invest in the latest technology to reduce emissions.”

“We continue to support bringing aviation into a well-designed European Emissions Trading Scheme. However, the European Parliament has to realise that the wrong outcome could make it harder for aviation to achieve its environmental goals.”

ELFAA believes that it is important that aviation is aligned with the wider EU Emissions Trading Scheme in a way that recognises the economic structure of the sector and ensures that the scheme captures all flights in Europe, otherwise ETS will simply become a punitive tax rather than a trading-mechanism that incentivises airlines to become greener.

- **Auctioning:** ELFAA urges the European Parliament to say no to auctioning. The aviation industry cannot simply add the costs incurred by ETS to ticket prices, as demonstrated by the affects of the recent oil price increase on airlines. Whilst the windfall gains of the power generation industry cannot go unaddressed, aviation is in a very different position, because the sector has no short or medium term opportunity to substitute oil. Hence there is no justification for auctioning and certainly no precedent for the double digit levels of auctioning that are being suggested by the Environment Committee - auctioning would simply be an additional tax without any environmental benefit.



- **Open system:** Emission trading is based on the idea that emissions should be reduced where it is most efficient and hence trading of allowances should be allowed between different sectors, as it is currently the case. Only an open system will allow aviation to achieve its environmental objectives, whereas a closed system would simply penalise one sector without any benefits for the environment.
- **Scope:** ELFAA welcomes the Committee's support for the inclusion of all flights in and out of Europe – a prerequisite for the environmental effectiveness of the system.

NOTES TO THE EDITOR:

ELFAA airline members include: clickair, easyJet, flybe, Jet2.com, Myair.com, Norwegian, Ryanair, Sky Europe, Sterling, Sverige Flyg, transavia.com and Wizz Air.

ELFAA airline members will carry over 150 million passengers in 2008, using a combined fleet of some 500 of the most technologically-advanced, environmentally-efficient aircraft.

Low fares airlines currently account for over 35% of scheduled intra-European traffic.

For further information, please contact:

ELFAA Press Office
Worldcom Europe Brussels
Hans Karperien
T. +32 (0) 2280 6061
M. +32 (0) 497 077 538
E. Hans@web-pr.be

**Register at www.elfaa.com
to receive ELFAA press releases and newsletters as they become available**