



MONDAY, 14 JULY 2008

Low Fares Airlines withdraw their support for inclusion of aviation in EU ETS, as now proposed

Brussels - 14 July 2008. The European Low Fares Airline Association (ELFAA) strongly criticises the second reading vote in the European Parliament on the proposal to include aviation in the EU Emissions Trading Scheme (ETS) for taking no account of the changed economic realities in which airlines now operate. Following substantial changes made by the European Parliament, ELFAA believes that the proposal has become unworkable and damaging to the industry and the European economy as a whole. ELFAA therefore withdraws its support for the scheme, as now proposed.

Most importantly, the European Parliament has voted to support a level of auctioning for aviation that is five times higher than that proposed by the European Commission, despite oil having tripled in price since that time. Despite these significant changes, no revised impact assessment is being undertaken.

ELFAA must withdraw its support for the scheme, as now proposed.

Airlines therefore call on all EU Member States to rethink the back-room deal that was negotiated between representatives of the Council and the European Parliament before the vote in the Council which is currently expected to take place at the next Environment Ministers' meeting on 20 October.

Commenting on the Parliament's vote, John Hanlon, Secretary General of ELFAA, said:

"ELFAA has always been supportive of Emission Trading. However, the aviation industry is currently in crisis, caused by a global economic slowdown and record-high oil prices which have more than tripled since the proposal was drafted in 2006. The Parliament's proposal takes no account of the changed economic reality, and has turned the Commission's sensible proposal into an instrument to punish aviation. Emission trading must incentivise investments in cleaner technology, and not simply penalise aviation."

"It is high time for a reality check! We call on EU member states to undertake an independent impact assessment before they approve a back-room deal that was agreed on without any understanding of the impact it would have on the aviation industry in today's environment."

ELFAA remains committed to finding a workable solution and offers its support in getting an independent impact assessment under way without delay. ELFAA will also write to EU Transport and Environment Ministers to ask them to rethink the damaging backroom deal that is currently on the table.



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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.

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