



FRIDAY, 24 OCTOBER 2008

Flying public faces biggest ever tax due to closed-door compromise on Emissions Trading

Brussels – 24 October. ELFAA registers its extreme concern at the outcome of today's vote in the Council of the EU to formally adopt the compromise agreement on the inclusion of aviation in the EU Emissions Trading Scheme.

The Council has today rubber-stamped a compromise that was reached in closed-door meetings in June 2008, which turns the ambitious cap and trade scheme proposed by the European Commission effectively into a 7-billion-Euro tax thanks to a quintupling of the level of auctioning from 3% to 15%. This is estimated to increase the cost burden to airlines to 7 billion Euros in the first two years of the scheme, rising to some 90 billion Euros over ten years by 2022, with the proposed progressive rise to 100% auctioning.

Commenting on today's vote, John Hanlon, ELFAA's Secretary General said:

“Evidence shows that airlines will not make windfall profits from free allocation of allowances. Therefore, auctioning will simply act as a further tax on airlines and their customers.

While the banking sector enjoys government bail-outs to the tune of hundreds of billions of Euros, the flying public now face the biggest ever tax in aviation history. Auctioning has turned a green initiative into a straight tax that has no environmental benefit whatsoever. The Treasuries of Member States will simply use the billions they will raise with this tax on airlines and their passengers to fund the bail-out of banks.

ELFAA urges the European institutions to beware the real risk of killing the goose that lays so many golden eggs and calls for an immediate removal of auctioning for aviation in ETS.”



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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.

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

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