



European Low Fares Airlines Association

European Low Fares Airline Association



Presentation to United Nations
Framework for Climate Change

Montreal, 7 December 2005

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About ELFAA

AIR-BERLIN

RYANAIR.COM
THE LOW FARES AIRLINE

flybe.com

SKY airlines
EUROPE

easyJet.com
Come on, let's fly!

Sterling.dk

HAPAG-LLOYD EXPRESS

Sverigeflyg holding AB
gotlandsflyg.se kullaflyg.se

transavia.com

norwegian.no

W!ZZ

- 11 member airlines including easyJet & Ryanair
- 100 million passengers in 2005
- 30% of intra-European point to point traffic
- Significant contributor to regional economies



Defining Characteristics of Low Fares Airlines

- Low cost base *enabling*
- Low fares to consumers
- Mainly point to point services vs hub and spoke model
- Mainly secondary airports
- Region to region



Environmental record of European Low Fares Airlines (1)

- Latest technology fleets e.g. B737-800, Airbus A319, Bombardier Q400, Embraer 195
- Fuel efficient, quiet aircraft
- Low average age of fleet
- Operate from less congested airports, *therefore*
- Less holding and ATC delay



Environmental record of European Low Fares Airlines (2)

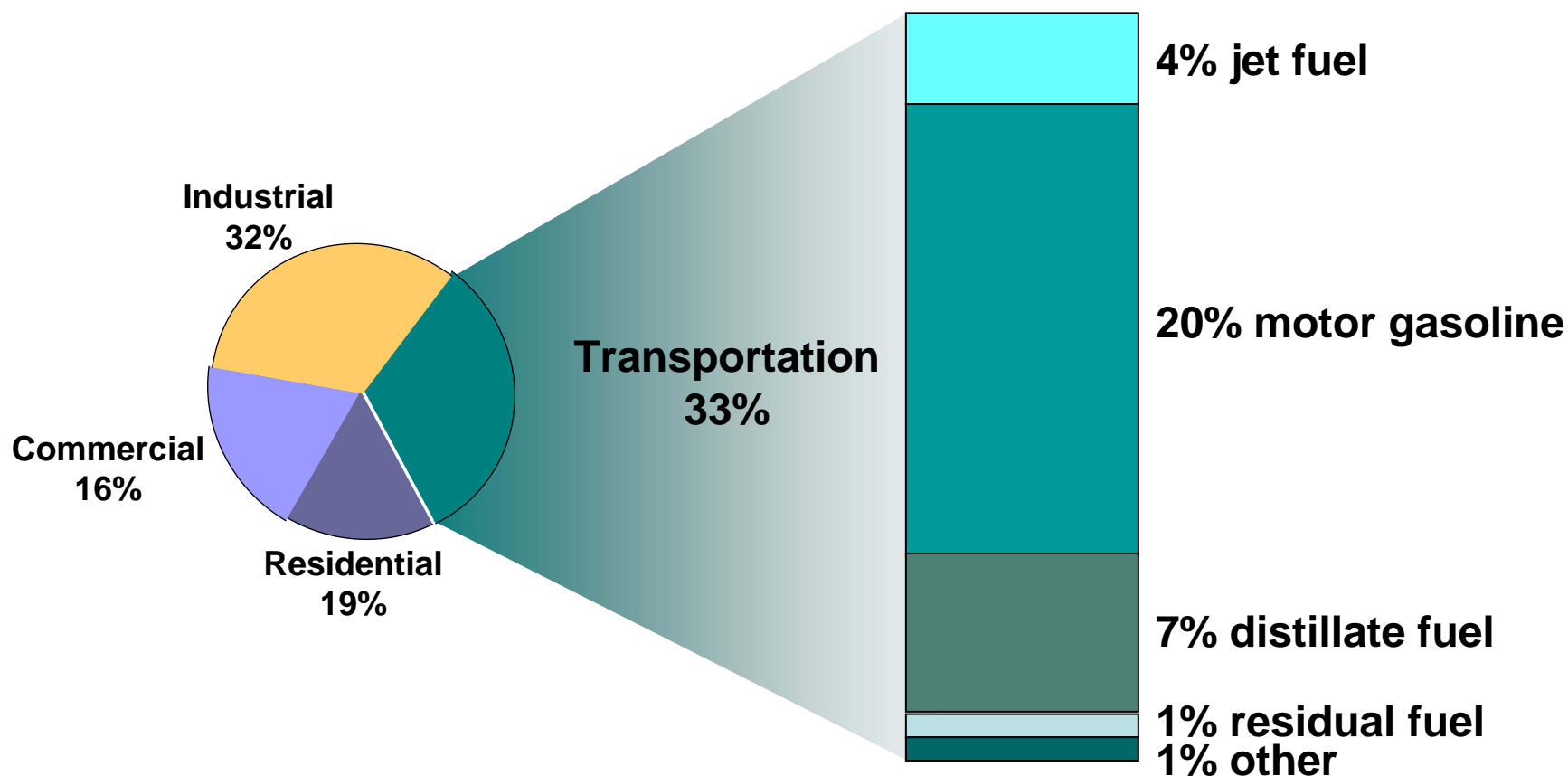
- Not contributing to air quality problems at hub airports
- Millions of road miles eliminated by use of regional airports
- Highest seat configuration *coupled with*
- High load factors *giving*
- Lowest fuel burn per passenger



Aviation in Emissions Trading

- ELFAA understands & supports the need to reduce carbon emissions *but*
- Require a more thorough impact assessment
- Concerned alternatives not been adequately considered
- ATC inefficiencies alone cause massive fuel burn
- Indirect routings, stepped descent
- Hub airports generate holding delays

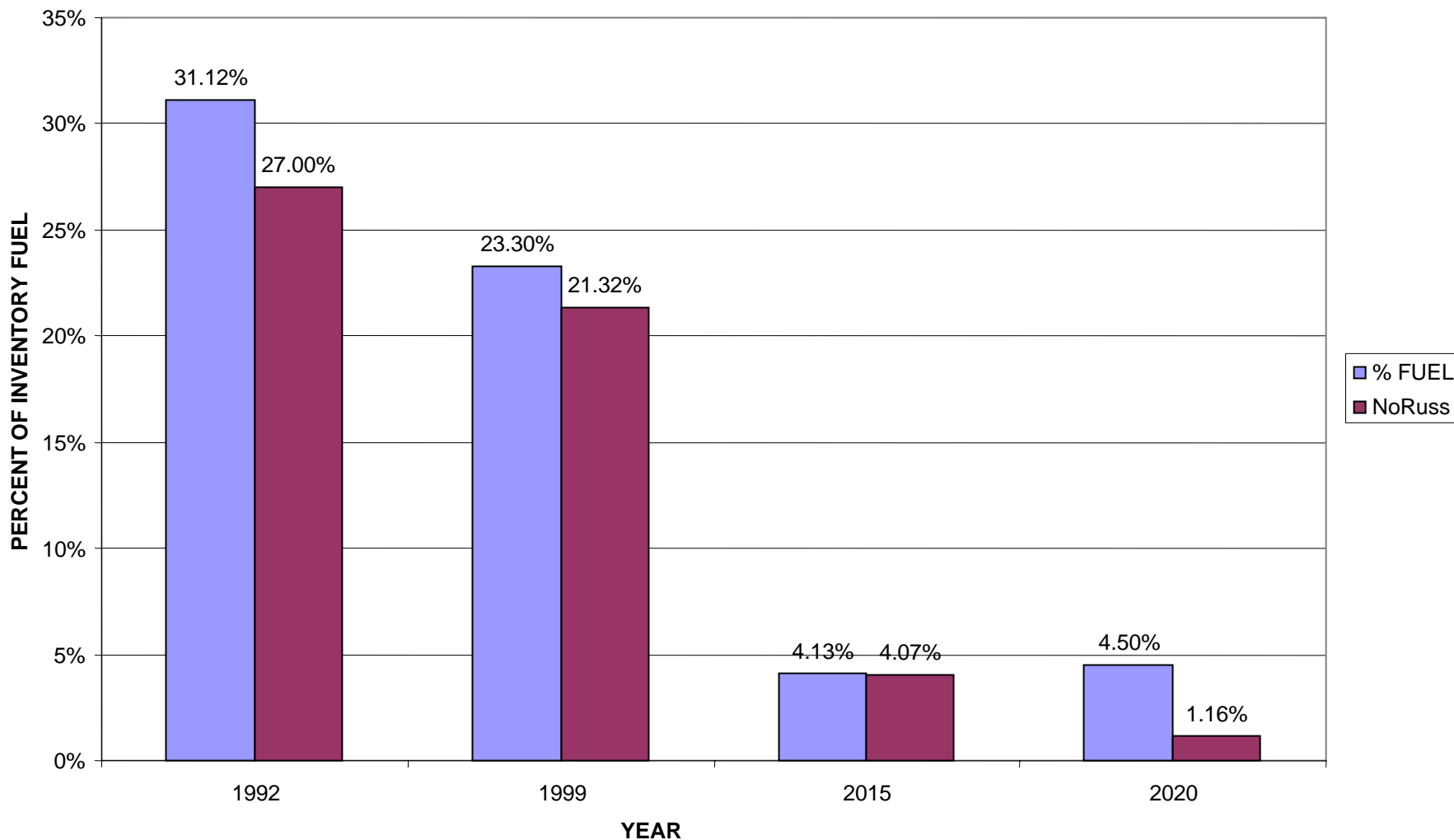
Aviation Uses a Small Percentage of Fossil Fuel



Source: U.S. Department of Energy



PERCENT OF FUEL BURNED BY OLDER TECHNOLOGY AIRPLANES (707/DC8, 727, 737-200, DC9, MD-80, F28, CVL, WITH AND WITHOUT RUSSIAN)



Advanced technology contributes to fuel efficiency



Systems



Materials



Aerodynamics



Engines

breakthrough technologies make environmental advances possible

e.g B787 20% less fuel burn:

- **Engines** 8%
- **Aerodynamics** 3%
- **Materials** 3%
- **Systems** 3%

• **Interaction of all above gives additional 3%**



ELFAA concerns at EC proposal (1)

- Aviation is only 3% of global carbon emissions
- Yet to be convinced legally possible to impose on non-member states *so*
- Solution may emerge as Intra-European scheme only *but*
- Intra-European aviation emissions are only 30% of aviation emissions in Europe



ELFAA concerns at EC proposal (2)

- Proposed to cover departing flights only *therefore*
- Traditional carriers only partially affected *but*
- Double-whammy for intra-European operators
- Distorts competition



What ELFAA could support (1)

- Must be a global scheme
- Include all aircraft operating to and from Europe
- No exemptions
- Allowances must be administered at EU level only
- Free initial allocation on environmental benchmark basis



What ELFAA could support

- Incentivise previous and future investment in aircraft and operational improvements
- Penalise offending aircraft
- Must provide for growth
- ETS – the **only** additional ‘tax’ on aviation



Concerns

- No studies factored in price of tonne of CO₂ allowance
- Impact on air fares and demand
- Incremental to existing pool of ETS CO₂ allowances



Conclusions

- European LFAs born of EC liberalisation of intra-European traffic rights
- LFAs put air travel within reach of all EC citizens
- ELFAA would resist any partial scheme which unfairly impacted our 100 million passengers, while achieving little for the environment
- ELFAA would support an EC ETS for aviation which is applied equally to all, thus achieving most for the environment