

AIRLINES, CLIMATE AND EUROPEAN EMISSIONS TRADING

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Trading Tou

Including aviation emissions in the European Union's much-feted Emissions Trading Scheme could be a step in the right direction, but the terms are just not tough enough.

WITH PROPOSALS ON the table to include aviation in the European Union's Emissions Trading Scheme (ETS), Prime Minister Gordon Brown seems to think he is justified in quietly omitting any mention of aviation from the British government's Climate Change Bill. Yet in truth, as they are currently designed, the European Union's (EU) proposals will make little impact on aviation emissions at all, especially since the European Council's common position, which was agreed back in December, succeeded in weakening already disappointing proposals from the Commission.

It does not take a Nobel Prize winner to work out that the only way this kind of

trading of permits to pollute can possibly reduce aviation emissions is if there is a sufficiently rigorous initial allocation, combined with tough limits to the amount of additional permits airlines are allowed to buy from other sources; for example, from other industrial sectors or projects abroad. Without such limits, airlines will simply pay their way out of trouble, continuing their own damaging business-as-usual approach at the expense of other industries.

DEMAND TAKES OFF

According to the Commission's own figures; the proposals would mean that by 2020, instead of growing by 83 percent under a do-nothing scenario, aviation emissions would



still increase by an extraordinary 78 percent. And since the effect of the scheme would be to add only a maximum \$13 to the price of a ticket, it is hardly surprising that it will have almost no effect on aviation demand.

By the same date under the proposals, instead of growing by 142 percent, demand is still predicted to increase by a staggering 138 percent. If that is global climate leadership, I would not want to see climate complacency.

MORE THAN CARBON

The Council's level of ambition has so far proved woefully inadequate, so the parliament's role in trying to strengthen the Commission's ideas has been all the more important.

The outcome of the parliament's first reading was the first faltering step in that direction. Instead of allowing aviation to receive all the permits free – granting them the potential for huge windfall profits – members of the European parliament agreed that they should at least pay for a quarter of them. Greens argued for one hundred percent auctioning, but were outvoted. We strengthened the provisions on the initial allocation of permits – though not nearly enough – and ensured that a provision for a so-called 'multiplier' was included.

A multiplier essentially recognises that the part played by aviation in climate change is far greater than just its carbon dioxide impact. The water vapour, nitrous oxide, sulphate and soot particles emitted by aeroplanes mean that flying is at least twice as damaging to the climate as its carbon dioxide emissions alone would suggest.

Crucially, a Green amendment was also passed to place at least some restriction on the amount of permits the aviation sector can buy from other sources. This is important, since without it, airlines will simply pay to pollute at the expense of other industries.

While some economists claim that as long as emission cuts are happening somewhere in the economy, it does not matter where. Their

argument overlooks at least two important points: first, that aviation's non-carbon dioxide impacts are not accounted for in the scheme, so that the net effect of aviation emissions is more damaging than those from most ground-based sources. And second, that the longer we postpone effective action on constraining aviation growth, the more difficult it will be for people to change their habits. Allowing the sector to grow further before applying the brakes will also increasingly lock people into air-travel dependent lifestyles and make it harder to act to reduce demand in the future.

HIGHER AND HIGHER

If there was any doubt as to the need for a clampdown on the sector, it has been calculated that if aviation is allowed to grow at current projections, it will account for the EU's entire carbon budget – across all sectors – by 2045. I would call that a major problem.

Whether the more progressive elements of the parliament's vote survive through the next stage of compromise with the Council is frankly doubtful. Essentially, much of this is fiddling while the planet burns, as governments argue over whether they really dare take steps to constrain the growth of aviation.

This weak approach does not stop the industry complaining. A predictable array of airline representatives have tramped out to criticise and condemn aviation's inclusion in the Trading Scheme. According to Sylviane Lust, Director-General of the International Air Carrier Association, for example, 'the Parliament's punitive design of the ETS scheme would damage the aviation sector beyond repair.'

Strangely, she did not mention that international aviation is not covered by the Kyoto Protocol, nor that the sector has been quietly omitted from the world's first climate change bill. The world's airlines currently enjoy a complex array of tax breaks and hidden subsidies – worth more than \$17.4 billion in Britain alone – which are long outdated and totally incompatible with global climate goals.

We should not think that we can solve the problem just by including aviation in European trading. Unless we manage to tighten comprehensively the design of these proposals during the second reading, there is a real danger that they will be thoroughly ineffective in tackling aviation emissions and worse, may compromise the functioning of the scheme for other sectors.



International Events March

- MARCH 2** Russian presidential election
- MARCH 2** Iranian President Mahmoud Ahmadinejad to visit Iraq
- MARCH 8** Parliamentary election in Malaysia
- MARCH 29** Arab League Summit scheduled to take place in Damascus

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