



*A bold voice for transportation workers*

## **SUPPORTING A GLOBAL SOLUTION TO AVIATION EMISSIONS**

Earlier this month the International Civil Aviation Organization's (ICAO) general assembly approved a plan that will provide for the development, over the next three years, of a global framework for addressing aviation's impact on climate change, with the goal of implementing the plan worldwide by 2020. TTD applauds the adoption of this plan, and looks forward to working with ICAO to develop a framework that will substantially reduce global emissions, improve the efficiency and cost-effectiveness of our aviation system, and promote sound environmental stewardship while maintaining competitive balance and fairness in the international aviation marketplace.

The U.S. aviation system plays a critical role in our national economy. It employs millions of workers both directly and indirectly, generates nearly \$900 billion in economic activity annually, and is responsible for nine percent of our GDP. The aviation industry also faces significant financial headwinds as profit margins remain thin and job losses continue at some carriers. Rising fuel costs have contributed greatly to these hardships. Despite technology driven reductions in jet engine fuel consumption and airline fuel conservation practices, jet fuel expenses have become the airlines' largest operating cost. As a result, U.S. airlines have acted proactively to both decrease their environmental footprint and combat volatile fuel expenses. The industry has improved fuel efficiency and lowered emissions, including a 1.5 percent annual average fuel-efficiency gain through 2020, carbon-neutral growth from 2020, and a 50 percent net reduction in emissions by 2050. The U.S. was also actively engaged in negotiating the ICAO global emissions plan.

The ICAO agreement comes on the heels of a contentious period revolving around aviation emissions. In November of last year President Obama signed legislation that allowed the Secretary of Transportation to combat the harmful effects of the European Union's Emissions Trading Scheme (EU ETS) and ensured that U.S. airlines are not subject to the EU cap-and-trade tax penalties. TTD endorsed this legislation, the purpose of which was not to turn a blind eye to the effects of aviation emissions on global climate change, but to reaffirm our commitment to finding a global solution to reducing aviation emissions through ICAO.

The U.S. and EU share the common goal of reducing carbon emissions in the aviation industry. However, while the U.S. was committed to working through the ICAO process, the EU moved forward by unilaterally subjecting all international flights arriving and departing from the EU to emissions standards mandated by the EU ETS. This would have placed an unreasonable financial burden on U.S. carriers and their employees, and would have only further delayed the process of reaching an international, consensus-based agreement. Fortunately, in the face of deep criticism from the international community including the legislation signed by President Obama, the EU delayed implementation of the EU ETS for one year to allow the ICAO process to deliver a global plan.



A global solution is not only the most effective way to reduce aviation emissions in the environment that we all share, but also the most economically sound solution. Rather than a patchwork system of environmental standards set by various governments, a global system will address this problem without putting U.S. carriers and their workers at a competitive disadvantage. The emission payments under the EU ETS, for instance, were expected to cost the U.S. aviation industry over \$3 billion dollars in the next several years – a prohibitive expense that could have cost thousands of jobs.

Despite the international commitment to creating a global framework for reducing carbon emissions, EU officials have unfortunately expressed disappointment with the ICAO agreement and are pushing to implement the misguided ETS scheme regardless. In the aftermath of the ICAO general assembly meeting, the European Commission (EC) proposed revising the EU law so that the ETS would cover all flights over EU airspace, including those flown by international carriers. While we continue to support the responsible reduction of carbon emissions, the latest EU proposal only complicates the goal of reducing emissions on a truly global scale.

TTD and its affiliated unions oppose the heavy handed, unilateral approach being taken by the EU and believe that these actions only harm the international community's ability to find a meaningful and permanent solution. We remain committed to working with U.S. carriers, the U.S. government, and ICAO to build an international framework for combating global carbon emissions in the aviation system, but will oppose unilateral action by other governments that undermine U.S. airlines and their workers.

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