



European Low Fares Airline Association

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European Commission  
Directorate-General Climate Action  
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By email: [CLIMA-CONSULTATION-AVIATION-2013@ec.europa.eu](mailto:CLIMA-CONSULTATION-AVIATION-2013@ec.europa.eu)

12 September 2013

**Re: ELFAA response to the consultation by DG CLIMA European Commission on options for market-based measures to reduce the climate change impact from international aviation**

Dear Sir,

The European Low Fares Airline Association (ELFAA) is the representative body of the principal European low fares airlines. Our members operate a combined fleet of over 800 of the most technologically advanced, environmentally efficient aircraft and collectively carry over 200 million passengers a year – representing a 43% share of intra-Europe scheduled point-to-point traffic, a share forecast to increase to 60% by 2020 (source York Aviation study “Market Share of Low Fares Airline in Europe”, February 2011).

ELFAA airlines are thus significant stakeholders in consideration of any legislative measures to take account of the environmental impact of aviation.

ELFAA lent its strong and vocal support to the inclusion of aviation in EU ETS for the very reason, given by the Commission in choosing ETS over all other options considered, viz. that it offers the greatest environmental benefit at the lowest cost to society. ELFAA supports the design of EU ETS, under which a cap is set on total aviation emissions of CO<sub>2</sub> and a proportion of free allowances within that cap awarded to airlines as a function of their relative environmental efficiency. Airlines which wish to grow beyond the allocation of free allowances must buy additional allowances, which are only available to buy, to the extent that total emissions of CO<sub>2</sub> have been reduced.

ELFAA's support for EU ETS has always been subject, however, to its environmental effectiveness. The overwhelming proportion of EU aviation emissions of CO<sub>2</sub> resulting from medium to longhaul flights, environmental effectiveness necessarily requires the inclusion of all flights to and from EU airports. Sadly, the current intra-EU/EEA- only scope of EU ETS renders ETS environmentally ineffective, while discriminating against airlines operating predominantly within the EU. It further imposes an unfair administrative burden on airlines and a cost penalty to airlines and EU citizens, for little environmental gain.

In assessing the appropriateness of any MBMs for international aviation, ELFAA sees the following criteria as indispensable to the evaluation:

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An MBM must be designed so as to:

- guarantee environmental effectiveness
- permit the continued sustainable growth of aviation
- be non-discriminatory
- reward good and penalise poor environmental performance

ELFAA considers a cap and trade mechanism to be environmentally more effective than any carbon offset scheme and more likely to incentivise investment by airlines in fleet renewal, while motivating increased investment in research and accelerated technological breakthrough by manufacturers.

ELFAA considers that carbon offset schemes offer only reduced environmental payback, compared with a properly-designed cap and trade scheme, and ELFAA is not party to the so-called "industry" proposal for a carbon offset scheme, as submitted to ICAO.

### **MRV**

The current EU ETS suffers from overly-prescriptive MRV requirements, not properly adapted to how airlines record fuel consumption, resulting in very cumbersome procedures for airlines, with, in many cases, a need for over-reliance on external consultants at considerable cost.

Whichever MBM is adopted should therefore learn the lessons from EU ETS. Simplified Monitoring and Reporting requirements should enable airlines to carry out these functions as far as possible in-house, with recourse to external agencies for verification only.

Thank you for affording ELFAA the opportunity to submit its views on this important topic. This response to the consultation being submitted on behalf of ELFAA member airlines, ELFAA requests that appropriate weighting be accorded to it.

Yours sincerely,



**John Hanlon**  
**Secretary General**  
**European Low Fares Airline Association**

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