



Dear Senator:

We write to urge you to support the *European Union Emissions Trading Scheme Prohibition Act of 2011*. This legislation prohibits U.S. aviation operators from complying with the application of the European Union's emissions trading scheme (EU ETS) to international aviation and directs the Administration to ensure U.S. operators are held harmless because the scheme violates U.S. sovereignty, international law and the Chicago Convention. The application of this scheme to aviation is opposed by the Obama Administration, aviation trade associations, airlines and other operators, travel service providers, manufacturers, labor unions, a bipartisan coalition in both bodies of Congress, and numerous foreign governments.

In September 2010, the International Civil Aviation Organization's (ICAO) Triennial Assembly agreed to an action plan to address aviation emissions, including efficiency and emissions targets and principles to govern future activities. In doing so, ICAO recognized that unilateral emissions schemes like the EU ETS undermines the need for a global solution for a global industry. In December 2010, the United Nations Framework Convention on Climate Change (UNFCCC) congratulated ICAO for progress to date on this issue and deferred to that body to continue to implement a global approach for aviation.

In addition to ICAO work, the aviation industry itself has committed to measurable targets for efficiency and emissions improvements, 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. Aviation is the only industry in the world that has come together under clearly defined targets to reduce its dependence on oil, and these targets have been hailed by world leaders as the model for all industries. Fuel is the airlines' and other operators' highest and most volatile operating cost, giving us more incentive than any other industry to reduce fuel consumption.

In reality, the EU ETS will increase costs in the industry significantly, which will reduce consumer demand, and will hamper airlines' and other operators' ability to invest in research and development and in new aircraft and equipment.

The EU ETS is estimated to cost U.S. airlines \$3.1 billion between 2012 and year-end 2020. All aircraft operators and airlines operating to and from the EU will be required to purchase allowances for their emissions over the entirety of each flight to, from and within Europe regardless of their citizenship. The EU has no authority to require EU States to reinvest any revenues from the ETS into aviation research and development or for other environmental purposes, meaning U.S. operators likely will directly subsidize the coffers of foreign governments. Furthermore, the EU ETS and other planned unilateral schemes and taxes will lead to double, triple or worse charges on the same emissions from aviation. Several EU states have imposed so-called "environmental" taxes on aviation, all of which have merely been cash-grabs by foreign governments from U.S. carriers and their passengers, and have not been invested in environmental programs.

Airlines and other operators have operated with a razor-thin profit margin over the last 40 years and have lost more than \$55 billion and 160,000 jobs since 9/11. A new 787-800 costs \$185.2 million. If unilateral emissions schemes, such as the EU ETS, are allowed to proliferate, scarce capital in the aviation industry will be siphoned into foreign governments' general funds inhibiting the industry's ability to improve our mutual goal – fuel efficiency. Civil aviation is responsible for 5.2 percent of U.S. GDP and 10 million U.S. jobs, and is the catalyst for the U.S. and global economy.

We urge you to support this important legislation to protect American jobs and to send the message to the EU that the U.S. government will not tolerate violations of its sovereignty and will ensure the EU ETS does not apply to U.S. aviation.

Sincerely,

Aerospace Industries Association
Air Line Pilots Association
Aircraft Owners and Pilots Association
Airlines for America
American Society of Travel Agents
Cargo Airline Association
General Aviation Manufacturers Association
Global Business Travel Association
International Air Transport Association
Interactive Travel Services Association
National Air Carrier Association
National Air Transportation Association
National Business Aviation Association
Regional Airline Association
U.S. Travel Association

