

IATA Encourages Russia to Resist Emission Curbs

By The Moscow Times

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The International Air Transport Association said it encouraged Russia to be "more vocal" in its opposition to the European Union's plan to extend curbs on carbon to the international aviation industry.

The EU decided in 2008 that flights to and from the bloc's airports should be added from 2012 to its emissions trading system, known as the ETS, after airline discharges in Europe doubled over two decades. The United States has criticized the plan, and China's airline association said earlier this month that the European initiative may prompt trade conflict.

"Europe's plan could not be more wrong," IATA chief executive Giovanni Bisignani said Monday in a statement after his visit to Russian Transportation Minister Igor Levitin. "Europe needs to understand that imposing EU ETS on sovereign states like Russia, China and the United States could lead to consequences, not just for its airlines, but for the weak European economy."

The EU is not considering a change in the regulation to include aviation in its cap-and-trade program, European Commission President Jose Barroso said June 8. The 27-nation bloc is facing an escalating argument with countries including China, Russia and the United States over the expansion of the ETS, according to Poland, which is taking over the rotating EU presidency in the second half of this year.

The ETS, which covers more than 11,000 utilities and manufacturers, is the cornerstone of Europe's climate plan. It requires companies that exceed their carbon–dioxide emission quotas to pay a fine or buy spare permits from businesses that emit less.

Airlines will be the second-largest sector in the system, after power generators. Under the legislation, 82 percent of the emission allowances making up the airline-industry cap will be allocated for free and 15 percent will be auctioned. The remaining 3 percent will be put into a special reserve for later distribution to fast-growing airlines and new entrants.

The European legislation offers an option to exclude incoming flights from a non-EU country if the nation implements "equivalent" measures to cut pollution from aviation.

The aviation industry needs a "global solution" for economic measures through the International Civil Aviation Organization, or ICAO, Bisignani said in the statement.

The EU plan "contravenes the Chicago Convention which prohibits such taxation and it goes against the Kyoto Protocol, which gives ICAO the responsibility to manage aviation's international emissions," he said. "It's an extra-territorial action that will distort markets. Europe cannot be the sheriff policing emissions outside its political territory."

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