

## Carbon-Emission Trading for Aeroflot Could Be Prohibited

By The Moscow Times

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The Russian government is chiming in against the EU ruling on airlines. Vladimir Filonov

Russia may prohibit its airlines from carbon-emission trading in protest against a European Union law it says is unfair, state carrier Aeroflot said Monday.

A group of nations will gather in Moscow this week to debate possible retaliation to the law, which raises the risk of a trade war by forcing all airlines to pay for their carbon emissions.

"The Russian government is now reviewing a bill prohibiting Russian airlines to participate in emission trading: It means considering a retaliatory approach," Aeroflot said on the eve of the talks.

The new law obliges global airlines to pay for emissions when using EU airports as of Jan. 1 this year, a measure it says will reduce carbon output and help protect the environment.

But the non-EU opposition, which includes India, China and the United States and is known as

the "coalition of the unwilling," says the industry developments of cleaner fuel and more fuel-efficient aircraft are enough to lower emissions.

Aeroflot said the law could cost it 800 million euros (\$1.05 billion) by 2025. It warned that the opposition could change its approach from "oral protestations" to "various forms of trade wars with the EU."

EU and Russian sources have indicated that no one wants the dispute to go that far, and the Transportation Ministry has said a decision should be made by the United Nation's International Civil Aviation Organization.

Aeroflot, about 53 percent owned by the Russian government, said it agreed that ideally ICAO was best placed to resolve the potential crisis.

"Aviation authorities of non-EU countries through joint efforts need to prepare an ICAO resolution with regard to the development of a global framework for greenhouse gases emissions reduction," it said.

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