



**European Federation for
TRANSPORT and ENVIRONMENT**

Brussels, 9 March 2007

Dear Minister,

Re: "Open Skies" EU-US aviation agreement - Transport Council, 22 March, Brussels

On behalf of the European Federation for Transport and Environment (T&E) I would like to draw your attention to the potential of the EU-US open skies agreement to result in increased emissions of greenhouse gases and, at the same time, to severely hamper Europe's ability to introduce environmental measures for aviation in the future. We urge you to reject the agreement in its current form and ensure that the door is kept open on European action both for the proposed inclusion of aviation in the EU emissions trading system, and other measures that are necessary now and in the future.

3.5m tonnes of extra CO₂ emissions – canceling out reductions from emissions trading

The European Commission estimates that the open skies agreement will lead to 25 million extra air passengers between the EU and the US over the next five years, due to increased competition that will lead to lower fares (and freight rates). This will lead to some 3.5 million tonnes of extra CO₂ emissions annually. This is about as much as the expected reduction of aviation emissions resulting from the inclusion of aviation into the European emissions trading system.

With the signature of this agreement the EU will further open its skies to US carriers. It is only fair that the EU should, in return, gain more control over the environmental impacts these carriers cause.

Keep Europe's options open

The EU has a track record of 'keeping options open' on aviation emissions reduction measures. In some other recent bilateral air service agreements this has been pursued successfully, and this approach should be repeated for this the most important of all bilateral air service agreements.

However, the current text makes it even more difficult, or impossible to include American carriers in European environmental initiatives. If American carriers cannot be included, neither can European ones because discrimination of carriers by nationality is prohibited under the Chicago Convention which governs international air travel.

1. The agreement flatly prohibits kerosene taxation on flights by US carriers between the US and Europe, effectively removing the possibility of introducing the most effective and efficient policy instrument to reduce CO₂ emissions from air transport.
2. The agreement also disallows the taxation of kerosene used by US carriers on intra-EU routes. Under the terms of the draft agreement, this issue would fall under an arbitration process.
3. The agreement does not address the inclusion of US carriers in a future emissions trading scheme.

The EU should not agree to further open its skies to US airlines unless the agreement contains much improved provisions on environmental policies and measures.

We urge you to preserve Europe's right to determine the environmental policies applicable to flights arriving and departing EU airports as Europe sees fit.



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In other words, the agreement should specifically stipulate that US airlines must comply with EU regulation on environmental protection. It goes without saying that such measures would be non-discriminatory vis-a-vis European carriers.

The open skies agreement will lead to a substantial growth in flights, as the European Commission has described. In the context of the current debate on the need to urgently cut greenhouse gas emissions in Europe, it would clearly be wrong to fail to consider the environmental impact of the open skies agreement.

But it would be grossly irresponsible, at the same time, to allow the United States to dictate the environmental policies that apply in Europe, or indeed to allow the US to prevent future European action on this issue.

We hope you will take these comments into consideration as you debate the open skies agreement with your colleagues on 22 March.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Jos Dings', written in a cursive style with a long horizontal stroke extending to the right.

Jos Dings
Director