

# Why Aviation should be included in the EU Emissions Trading Scheme

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# Aviation and the EU ETS

- The problem
- Why emissions trading?
- What are we doing?
- Next steps

# Aviation Emissions

- 3% of carbon dioxide emissions in 2001
- Increased by 68% from 1990-2001
- Projected doubling by 2010

# What are the options?

- Taxes
- Charges
- Trading
  - Environmental objective
  - In the most cost efficient manner
  - Internationally endorsed (ICAO)

# Emissions Trading: a win-win solution?

Regulator

Avoids operator-specific limits  
Simplified enforcement

Industry

Flexibility lowers costs of abatement  
Incentive to make additional reductions

Environment

Certainty of overall effect

# Issues to resolve

- Climate impacts
- Geographical scope
- Trading entity
- Allocation rules and methodology
- Interplay with Kyoto protocol
- Monitoring, Reporting and Verification

# Summary

- Clear case for urgent action
- More than 'just carbon dioxide'
- Emissions trading
- Considering other options
- Priority for UK Presidency of the EU

# Aviation and the EU ETS

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