

June 2, 2011

Nancy Young, Vice President, Environmental Affairs  
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Dear Ms. Young,

Thank you for your May 18, 2011 letter setting out your thoughts regarding the letters that our CEOs sent to the CEOs of American Airlines and United Continental Holdings on May 11, 2011.

While we appreciate the time you took to put your thoughts on paper, your response misses our key point: American and United/Continental are hypocritically and publicly touting their commitment to environmental protection *while simultaneously* working actively to undercut the world's first program to reduce carbon pollution from aviation activities. In addition we note that, the CEOs of American Airlines and United/Continental have yet to respond to the letters from the CEOs of our organizations regarding the airlines' greenwashing campaigns.

Our groups actively support efforts to create a *global* measure to reduce emissions from aviation activities; in fact a global measure is our preference. However, in the absence of such a measure, regional programs to achieve emissions reductions present an important interim opportunity to reduce carbon pollution. We recognize that American, United/Continental, and other members of the Air Transport Association (ATA) have complied, and continue to comply, with the European Union aviation emissions trading system (ETS)—albeit, as you note, under protest. Additionally, we commend the aviation industry's prior and ongoing efforts to reduce noise pollution and improve fuel efficiency, although we note the limited recent progress in doing so. However, the purpose of the EU aviation directive is to achieve significant additional carbon pollution reductions. It is this important objective that United/Continental, American and ATA are seeking to block by filing suit challenging the Directive and lobbying the United States Congress. By participating with ATA in a lawsuit seeking to undercut the world's only program holding airlines accountable for verifiably reducing their carbon emissions, United/Continental and American Airlines are indeed taking very serious "anti-environment" action.

In response to the particular points you raise, we note the following:

**More greenhouse gas emissions come from aviation than the entire United Kingdom, and will quadruple by 2050 if left unregulated.**

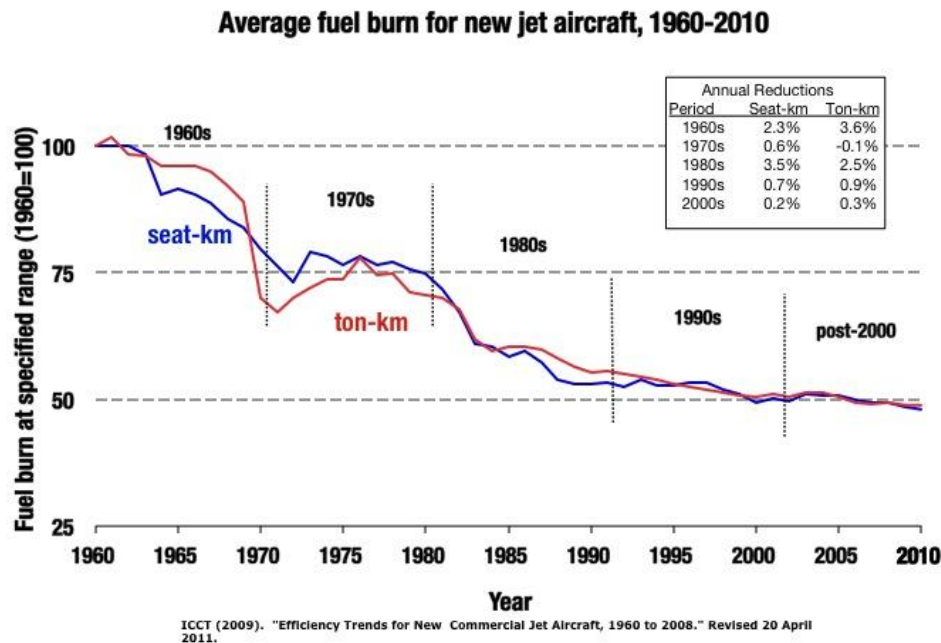
According to the International Civil Aviation Organization (ICAO), aviation activities (both domestic and international) account for roughly 2%-2.5% of global anthropogenic CO<sub>2</sub> emissions—greater than those of the entire United Kingdom. Moreover, unregulated, aviation emissions are on pace to quadruple by 2050.<sup>1</sup> While the aviation industry has commendably doubled its fuel efficiency over the past half century, efficiency gains in the last decade have slowed dramatically and in some cases have been stagnant (see figure).<sup>2</sup> And, what you describe as the ATA members' commitment to "carbon neutral growth from 2020" amounts to capping aviation emissions at their 2020 levels, allowing for unfettered growth in

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<sup>1</sup> International Civil Aviation Organization. *ICAO Environmental Report: Aviation's Contribution to Climate Change*. 2010.

<sup>2</sup> International Council on Clean Transportation. "Efficiency Trends for New Commercial Jet Aircraft 1960 to 2008." November, 2009.

aviation emissions for the next decade—which could significantly constrict the world's remaining options for avoiding dangerous climate change.



**The European Union aviation emissions trading system (ETS) provides flexibility and incentivizes innovation.**

The EU aviation ETS requires modest emissions reduction—3% emissions reduction (compared to a 2004-2006 baseline) by 2013, and a 5% reduction by 2020—and it is flexible, enabling aircraft operators to achieve their reductions in myriad ways. Additionally, flights arriving from countries with programs equivalent to the EU’s are exempt from the EU ETS. The Directive is by no means “uneconomic” or “punitive.” On the contrary, the Directive will unleash the aviation industry’s potential for innovation by incentivizing and rewarding technological advances. This has the potential to spur the creation of new high-tech and manufacturing jobs in the United States, and help the United States to take a path towards energy independence and energy security. Just as the auto industry resisted environmental performance standards for years, only to see their finances improve dramatically after their adoption, the aviation industry is poised for a similarly strong outcome. If the airlines are actually doing what their PR documents say—“implementing programs to reduce our environmental impact” and “admiring the earth from 30,000 feet and working to protect it”—then complying with the ETS should be easy and indeed could be a source of revenue for the industry’s environmental leaders.

**The EU Aviation Directive does not contradict international law.**

The Directive is specifically and carefully designed to fall well within the parameters of customary international law, the Chicago Convention, and other pertinent air services agreements. The Directive is applied even-handedly to all flights using EU airports—regardless of their origin, destination, or home country—and has provisions to avoid double counting and redundant regulation. In the comprehensive, 112-page legal analysis commissioned by the German government, Eckhard Pache—a professor and lawyer with expertise in international trade and economic law—concludes that “the inclusion of

greenhouse gas emissions from international aviation in the EU emission allowance trading scheme...is consistent with all relevant international provisions and therefore permissible under international law.”<sup>3</sup>

Again, we thank you for your thoughts on the letters that our CEOs sent to the CEOs of American Airlines and United Continental Holdings, and our CEOs look forward to their responses. We would welcome the opportunity to have a discussion with you on effective policy approaches to reducing pollution of all kinds from aviation activities.

Respectfully,

Sarah Burt  
Staff Attorney  
Earthjustice

Nathan Willcox  
Federal Global Warming Program Director  
Environment America

Annie Peterson  
International Counsel  
Environmental Defense Fund

Jake Schmidt  
International Climate Policy Director  
Natural Resources Defense Council

John Coequet  
Director of International Climate Programs  
Sierra Club

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<sup>3</sup> Pache, Eckhard. “On the compatibility with international legal provisions of including greenhouse gas emissions from international aviation in the EU emission allowance trading scheme as a result of the proposed changes to the EU emission allowance trading directive.” Commissioned by the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety. Würzburg, Germany, April, 2008.