

Congress of the United States
House of Representatives
Washington, DC 20515-1314

July 26, 2011

The Honorable John L. Mica
Chairman
Transportation & Infrastructure Committee
U.S. House of Representatives

The Honorable Nick J. Rahall
Ranking Member
Transportation & Infrastructure Committee
U.S. House of Representatives

The Honorable E. Thomas Petri
Chairman
Aviation Subcommittee
U.S. House of Representatives

The Honorable Jerry F. Costello
Ranking Member
Aviation Subcommittee
U.S. House of Representatives

Dear Chairman Mica and Petri and Ranking Member Rahall and Costello:

We write to urge you to support Sec. 511 in the House version of the FAA Reauthorization bill during conference. This provision states the Sense of Congress that the application of the European Union's emissions trading scheme to international aviation violates the Chicago Convention and that the US Government should take action to ensure it does not apply to US air carriers. The EU ETS is opposed by the Obama Administration, aviation trade associations, airlines, manufacturers, labor unions, a bipartisan coalition in both bodies of Congress, and numerous foreign governments.

In a recent letter to Congress, a number of environmental organizations raised their opposition to Sec. 511, claiming the EU ETS does not violate international law. However, the EU ratified and is bound by the Chicago Convention, which is the primary source of international law on aviation. Article 1 of this treaty explicitly establishes that each state has sovereignty over its own territory. This fundamental principle of aviation law is also reflected in the US – EU Open Skies Agreement. It is therefore illegal under this international convention for the EU to impose its ETS on US carriers for flights over the United States. Further, the Kyoto Protocol, which was ratified by the EU, explicitly states that aviation emissions should be addressed by the International Civil Aviation Organization (ICAO), the UN body charged with setting standards for international aviation. In September 2010, ICAO's Triennial Assembly agreed to an action plan to address aviation emissions, including efficiency targets and principles to govern future activities. In doing so, ICAO recognized that unilateral emissions schemes like the EU ETS would serve to undermine the need for a global solution for a global industry. In December 2010, the United Nations Framework Convention on Climate Change (UNFCCC) congratulated ICAO for progress to date on this issue and deferred to that body to continue to implement a global approach for aviation.

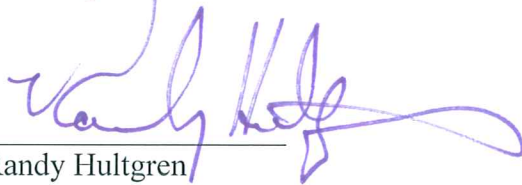
In addition to ICAO's work, the aviation industry itself has committed to verifiable targets for efficiency improvements, including a 1.5% fuel efficiency gain each year until 2020, carbon neutral growth from 2021, and a 50% absolute reduction in emissions by 2050. Aviation is the only industry in the world that has come together under clearly defined targets to reduce its dependence on oil, and these targets have been hailed by world leaders as the model for all industries. Fuel represents the highest volatility to operating costs, which creates more incentive than in any other industry to reduce fuel consumption. It is inconceivable that airlines need more incentive to purchase new aircraft, such as the Boeing 787, and that, without the EU ETS, US carriers will not realize that more efficient aircraft will reduce fuel costs. We are certain airlines are aware of the benefits of more efficient aircraft. In reality, the EU ETS will increase costs in the industry significantly and will hamper airlines' ability to invest in research and development and in new aircraft and equipment.

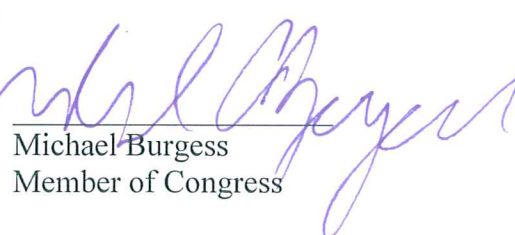
The EU ETS is estimated to cost airlines \$1 billion in 2012 escalating to \$4 billion a year by 2020. All airlines operating to and from the EU will be required to purchase allowances for their emissions regardless of their citizenship. The EU has made no promise to reinvest any revenues from its ETS into aviation research and development, meaning US air carriers will directly subsidize the coffers of foreign governments. Furthermore, the EU ETS and other planned unilateral schemes and taxes will lead to double, triple or worse charges on the same emissions from aviation. Several EU states have imposed so-called "environmental" taxes on aviation, all of which have merely been cash-grabs by foreign governments from US carriers and their passengers and have not been invested in environmental programs.

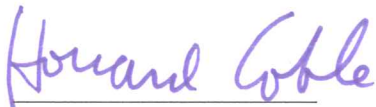
The world's airlines have an average profit margin of 0.1% over the last 40 years and have lost over \$50 billion since 9/11. A new 787-800 costs \$185.2 million. If unilateral emissions schemes, such as the EU ETS, are allowed to proliferate, scarce capital in the aviation industry will be siphoned into foreign governments' general funds inhibiting the industry's ability to improve the very goal of environmental groups – fuel efficiency. Civil aviation is responsible for 5.2% of US GDP and 10 million US jobs and is the catalyst for the US and global economy. We urge you to support Sec. 511 to protect American jobs and to send the message to the EU that the US Government will not tolerate violations of its sovereignty and will ensure the EU ETS does not apply to US aviation.

Thank you for your hard work and consideration of our request.

Best Regards,


Randy Hultgren
Member of Congress


Michael Burgess
Member of Congress



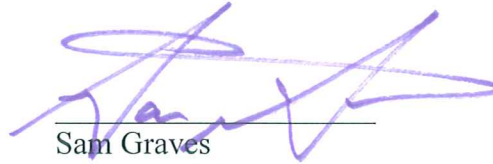
Howard Coble
Member of Congress



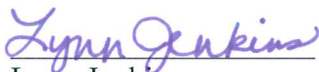
Robert Dold
Member of Congress



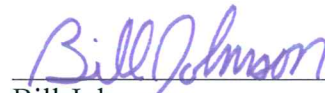
Bill Flores
Member of Congress



Sam Graves
Member of Congress



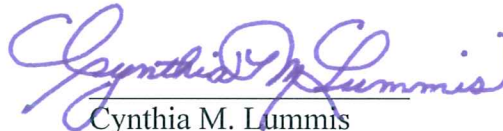
Lynn Jenkins
Member of Congress



Bill Johnson
Member of Congress



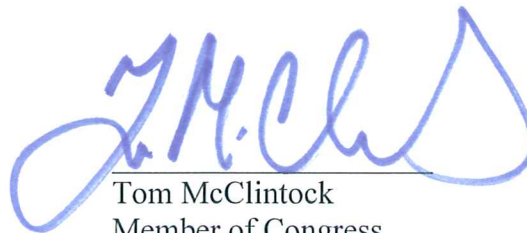
Billy Long
Member of Congress



Cynthia M. Lummis
Member of Congress



Don Manzullo
Member of Congress



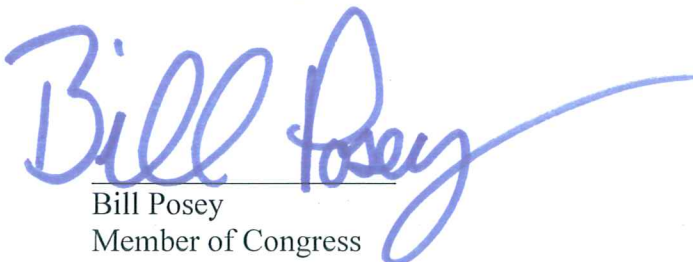
Tom McClintock
Member of Congress



Candice S. Miller
Member of Congress



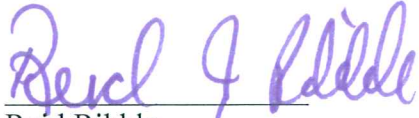
Mike Pompeo
Member of Congress



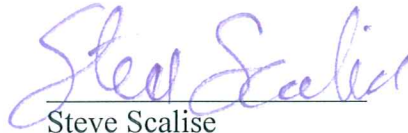
Bill Posey
Member of Congress



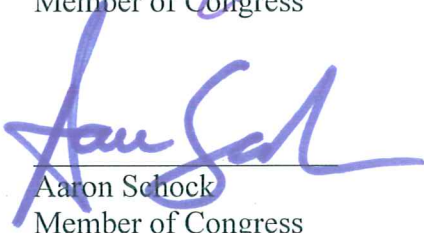
Laura Richardson
Member of Congress



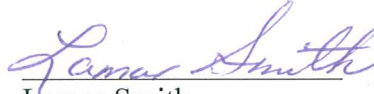
Reid Ribble
Member of Congress



Steve Scalise
Member of Congress



Aaron Schock
Member of Congress



Lamar Smith
Member of Congress