European Low Fares Airline Association

Presentation to United Nations
Framework for Climate Change
Montreal, 7 December 2005

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European Low Fares Airlines Association

About ELFAA

- 11 member airlines including easyJet & Ryanair
- c.100 million passengers in 2005
- 30% of intra-European point to point traffic
- Significant contributor to regional integration and economies

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Defining Characteristics of Low Fares Airlines

- Focus on minimising costs and maximising efficiency
- Lower costs passed on to consumers as lower fares
- Mainly point to point services vs hub and spoke model
- Mainly use secondary and regional airports
- Direct services between the regions

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Environmental record of European Low Fares Airlines (1)

- Latest technology fleets e.g. B737-800, Airbus A319, Bombardier Q400, Embraer 195
- Fuel efficient, quiet aircraft
- Low average age of fleet
- Operate from less congested airports,
- Less holding and ATC delay, *therefore*
- Lower emissions

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Environmental record of European Low Fares Airlines (2)

- Highest seat configuration *coupled with*
- High load factors *giving*
- Lowest fuel burn per passenger
- Not contributing to air quality problems at hub airports
- Millions of road miles eliminated by use of regional airports, *therefore*
- Lower emissions

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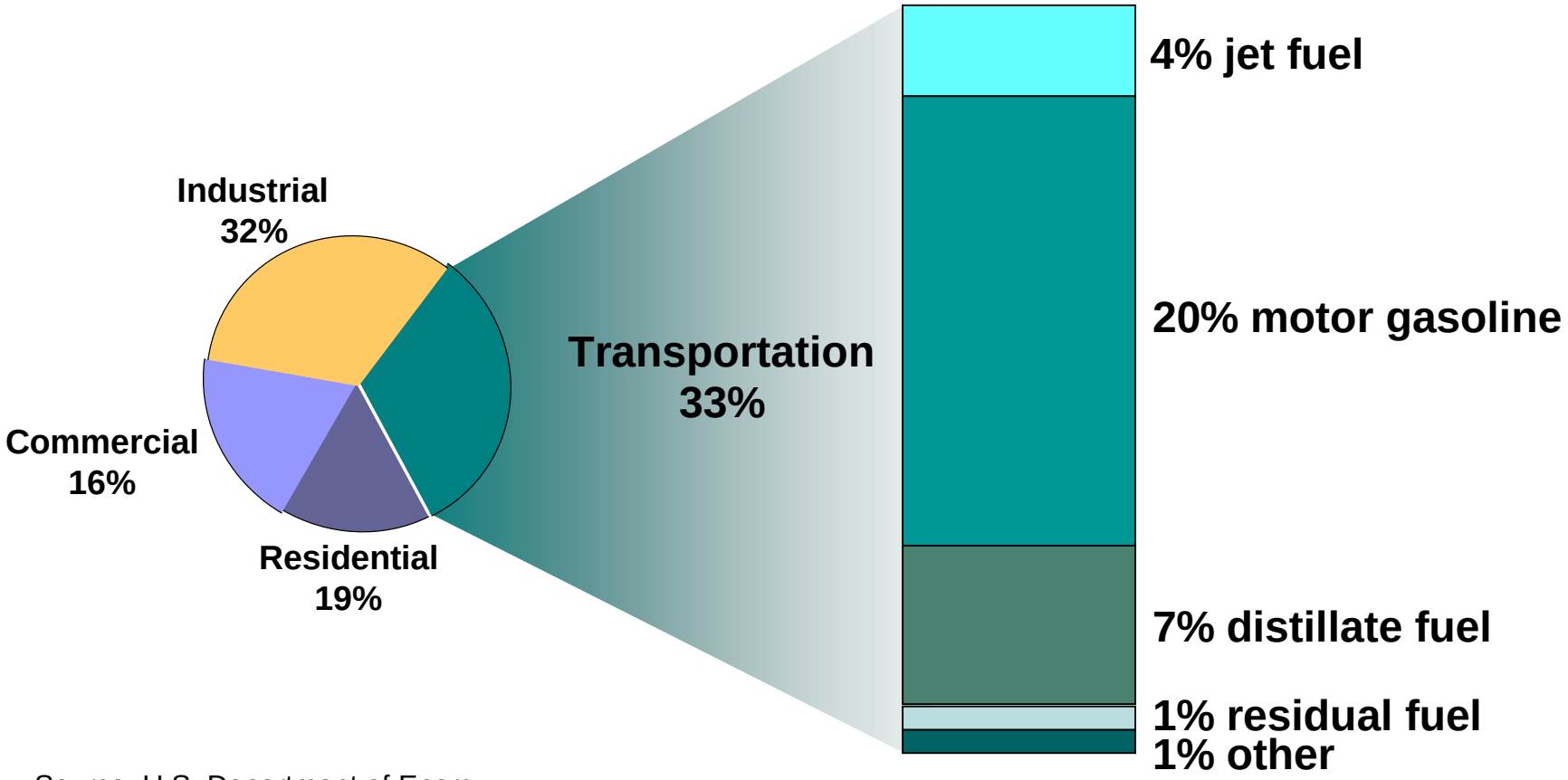
Aviation in Emissions Trading

- ELFAA understands & supports the need to reduce carbon emissions *but*
- ATC inefficiencies alone cause massive unnecessary fuel burn
- Indirect routings, stepped descent
- Hub airports generate holding delays, *therefore increased emissions*

Aviation Uses a Small Percentage of Fossil Fuel



Source: U.S. Department of Energy

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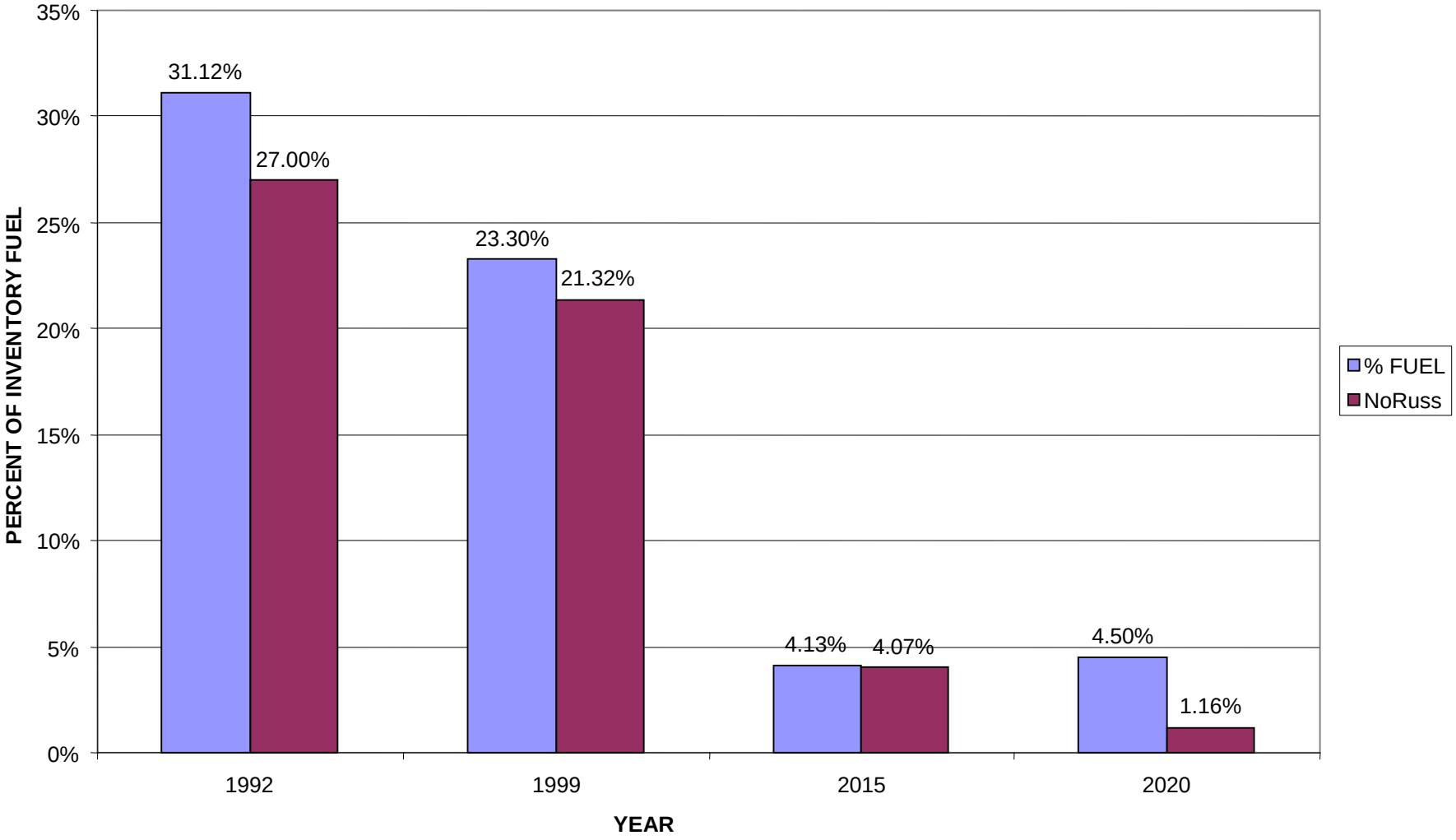
Percent of Fuel Burned by Older Technology Airplanes

(707/DC8, 727, 737-200, DC9, MD-80,F28, CVL, WITH AND WITHOUT RUSSIAN)



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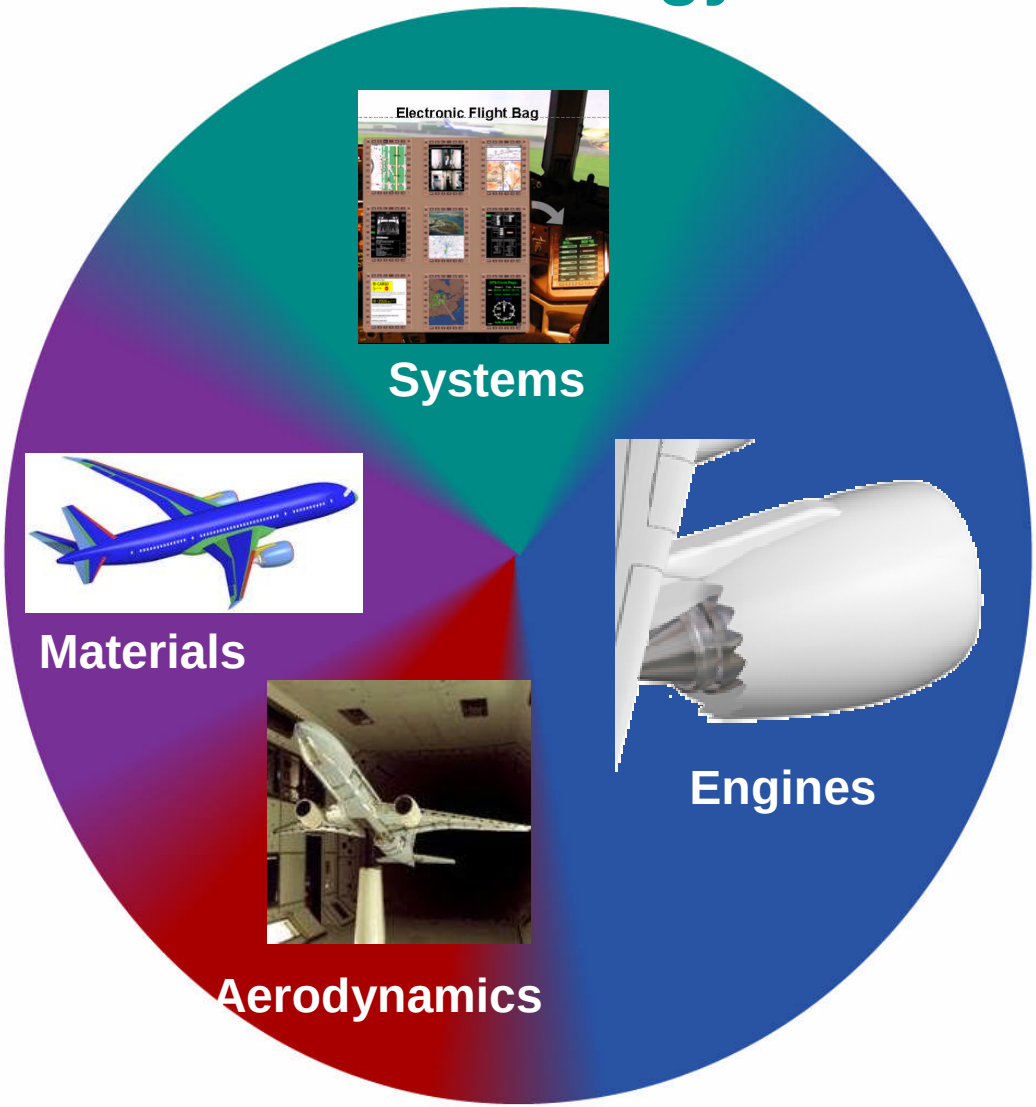
Advanced technology contributes to fuel efficiency



breakthrough technologies make environmental advances possible

e.g B787 20% less fuel burn:

- **Engines 8%**
- **Aerodynamics 3%**
- **Materials 3%**
- **Systems 3%**
- **Interaction of all above gives additional 3%**

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ELFAA concerns at EC proposal

- More work needed on impact assessment
- Other more cost effective approaches not adequately considered
- Yet to be convinced legally possible to impose on non-member states
- Solution may emerge as intra-European scheme – would only address 30% of the problem
- Anything less than complete coverage produces only a token effect on reducing emissions but totally distorts competition

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What ELFAA could support

- Must include all aircraft operating to, from and within Europe
- Must incentivise technological and operational efficiencies
- Must allow for environmentally sustainable growth
- Allowances must be based on industry best practice benchmark
- No charge for initial allocation
- Allowances must must be administered at EU level only
- ETS should be the only additional ‘tax’ on aviation

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Conclusions

- European LFAs born of EC liberalisation of intra-European traffic rights
- LFAs put air travel within reach of all EC citizens
- ELFAA would resist any partial scheme which unfairly impacted our 100 million passengers, while achieving little for the environment
- ELFAA would support an EC ETS for aviation which incentivises technological investment and operational efficiency and does not discriminate