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Clearing the air

Emissions from commercial planes prompt concerns about regulating greenhouse gases

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As the debate over global warming heats up, airlines, regulators and environmentalists agree that emissions from commercial aircraft are a growing source of greenhouse gases and need to be brought under control.

Their problem: how to cut toxic emissions without cutting into the economics of the financially vulnerable airline industry.

Airlines contribute a small but growing share of the planet's toxic emissions: 2 percent of the total in 2005, and that amount is expected to rise to 3 percent by 2050.

The growth in travel, sparked by the increase in low-fare airlines around the world, has led to higher emissions of greenhouse gases such as carbon dioxide and nitrous oxide, which most scientists believe contribute to climate change and cause more damage when discharged at high altitudes than at sea level.

The European Union has taken the lead in addressing aviation greenhouse emissions, proposing a system of carbon trading. Some EU countries have imposed passenger taxes to pay for environmental programs. And in some cases, European airlines have adopted regulations that go beyond minimum government requirements.

By contrast, Washington has taken a go-slow approach. The Bush administration opposes the EU emissions plan, which would affect all airlines flying to and from the 27 EU countries by 2012. In the absence of directives from the White House, U.S. carriers have launched no major greenhouse initiatives of their own.

U.S. carriers and regulators say they prefer a global rather than a regional or national solution. Additionally, they are wary of any mandates that could increase costs and imperil the U.S. aviation industry's fragile financial recovery.

Over the past five years, the world's airlines have roughly broken even or eked out small profits, according to Geneva's International Air Transport Association. Worldwide profits for 2007 are expected to be about \$2.5 billion, the association reports.

In this country, the going has been much rougher. U.S. carriers lost \$40 billion from 2001 to 2005, according to the Air Transport Association. Major U.S. carriers began to return to profitability only last year after slashing workforces, wringing wage and benefit concessions from workers and increasing fuel efficiency during a time of sharply rising fuel costs.

Europe and America's starkly different approaches to aviation and global warming appear to put the EU and the United States on a political collision course.

The conflict intensified in December, when the EU decided to include both European and foreign airlines in an emissions trading system that the EU says would result in a modest rise in fares but would at least begin to bring emissions under control.

The scheme would involving capping each airline's permissible greenhouse emissions, allowing carriers that exceed limits to buy credits from other companies and carriers that come in under their caps to sell rights.

The EU plan is set to go into effect in 2011 for flights within the EU and be extended to flights to and from EU countries in 2012.

The plan has the support of major European carriers. Among them is British Airways, which already participates in a carbon-trading system for domestic flights in the United Kingdom. British Airways and other carriers also have imposed an "air passenger duty" -- a British government tax -- to airfares. The tax, designed to raise funds to combat global warming, went into effect Feb. 1.

Unfair burden

U.S. carriers say the EU plan would impose an unfair burden on non-EU airlines and are awaiting a global approach to global warming.

Of climate change and possible solutions to it, Robin Urbanski, a spokeswoman for United Airlines, the world's No. 2 carrier by passenger traffic, said, "This is something that we are studying." She didn't offer details.

Tim Smith, a spokesman for American Airlines, which carries the most passengers in the world, said American is letting the Air Transport Association lead the response to global warming.

The world's leading aviation organizations, though, disagree on what to do.

The International Air Transport Association, whose member-airlines carry 95 percent of the planet's air passenger traffic, says it can live with emissions trading. Emissions caps and trading,

the organization said, is preferable to additional taxes or restraints on growth -- which the association believes hurt airline bottom-lines more grievously.

"Aviation is about the most expensive place to make cuts in CO2 emissions -- we have no substitute fuels, and high fuel prices have already generated most of the achievable efficiencies," Brian Pearce, the association's chief economist, said in Geneva in December.

Nevertheless, the EU plan could work, Pearce said -- provided airlines that exceed their carbon caps are permitted to buy credits from companies in other industries -- especially energy companies and heavy manufacturers, which could have an easier time staying below their own caps and thus have credits to sell.

Emissions trading in general -- and the EU plan in particular -- draws no support from the Air Transport Association, which represents most major airlines in the United States -- including U.S. carriers that also belong to the global group.

"ATA is disappointed that the (EU) remains intent on unilaterally covering the flights of non-European Union carriers in its emissions trading scheme," the U.S. association said in a statement. "This misguided decision clearly violates international laws and bilateral air service agreements."

The EU should back off and allow a global agreement to be crafted -- preferably by the United Nations-affiliated International Civil Aviation Organization, the U.S. association maintained.

The Bush administration has also cast a cold eye on the EU proposal, hinting that it might take legal action when the European plan goes into effect. John Byerly, deputy assistant secretary of state for transportation affairs, called it "unworkable and unlawful" in remarks last month.

In the absence of formal international agreement, some airlines are charting their own flight plans when it comes to global warming.

British Airways, Europe's third-largest carrier, supports the EU emissions trading plan, said Robin Hayes, executive vice president for the Americas. "Global warming is a real fact in our industry," he said. "We can't stick our heads in the sand."

The airline has improved its fuel efficiency by 27 percent since 1990, according to Hayes, and has usually managed to operate in the black. "This proves that economic and environmental factors can go hand-in-hand," he said.

In addition to participating in the carbon-trading scheme and backing the EU proposal for a larger and more ambitious system, British Airways is seeing that the new Terminal 5 at London's Heathrow Airport -- the airline's hub -- is as green as possible when it opens next year. "We are looking at ways to reduce environmental impact, using wastewater and recycling," he said.

The airline is also weighing the purchase of new, low-emissions, fuel-efficient aircraft, in keeping with the intense dialogue in Europe over global warming, Hayes said.

"I think Europe is a bit ahead," Hayes said. "You would be absolutely staggered about how often this is mentioned. There are headlines almost every day."

Working the middle

In the Asia Pacific region -- which, along with the Middle East, has the world's fastest-growing civil aviation market -- leading carriers appear to be staking out positions somewhere between those of the European Union and the United States.

Hong Kong's Cathay Pacific Airways is investing in environmentally friendly technology and "focusing on fuel efficiency as a key internal way to tackle climate change," said spokesman Hugo Lai at the airline's regional headquarters in San Francisco.

As for emissions trading, Cathay Pacific -- which flies to Europe from Asia and would be affected by the EU plan -- is interested in theory but also cautious.

"Cathay Pacific understands that emissions trading is a possible mechanism to help mitigate the impact of the industry on climate change," Lai said. "However, the company believes that further study is required to ensure that such initiatives can be applied practically to a global industry such as aviation."

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