

# Climate to pay price for low-cost flying

**I**RISH-BASED airlines reacted with outrage this week to attempts by the European Union to extend its environmental levy to include aviation. Aer Lingus has written to all Irish MEPs and TDs urging them to oppose the "potentially disastrous" measure. Ryanair described the move as "a scam by the EU to steal money from our passengers".

We Irish love to fly. Last year, there were more than 28 million flights in and out of the country, with its population of just four million. Individually, we fly five times more often than we did in 1990. Hopping on a flight has become a national pastime.

A major downside of this explosion in air travel has been the massive increase in greenhouse gas emissions.

Across the EU, overall emissions actually fell by 5.5 per cent between 1990 and 2003. In the same period, however, aviation emissions shot up by 73 per cent. In Ireland, the picture is much worse. Our emissions from flying increased by some 290 per cent in the same period. If you are looking for a model of environmental unsustainability, international aviation is the prime example.

The EU's Emission Trading Scheme (ETS) involves largescale CO<sub>2</sub> emitters reporting their annual emissions and paying a contribution based on the amount of CO<sub>2</sub> they emit. In simple terms, it is the "polluter pays" principle, and is a critical part of the EU's efforts to rein in increases in CO<sub>2</sub> emissions that are unhinging the planet's climate systems.

For historical reasons, aviation gets special treatment other industries could only dream of.

For example, aviation fuel is tax free. Compare this with the 65 cent a litre the average European pays in fuel tax, and you have an immediate annual subsidy of more than €35 billion for the airline industry. That's a lot of money that could be channelled into healthcare or job creation.

Airline tickets are exempt from VAT. Duty-free shopping is another vast subsidy. The EU abolished duty-free sales on flights within the union in 1997, prompting months of hysterical doomsaying by the industry.

Then there's the taxpayers' largesse towards airline manufacturers; Boeing and

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Airbus have received handouts of more than €30 billion.

But the biggest free ride of all is the notion that aircraft, which are – mile for mile – by far the worst environmental offenders, should be exempt from paying even the modest pollution levies being proposed by the EU.

The carbon tax in the ETS amounts to about €20 a tonne. This translates into barely five cent on a litre of kerosene – still only a tiny fraction of what you pay at the forecourt.

Despite this, Aer Lingus chief executive Dermot Mannion is convinced the sky is about to fall in on the industry. At a time of rising oil prices, he says it is "incomprehensible" that airlines should have to give up their special privileges.



**JOHN GIBBONS**

## OPINION

**Reckless promotion of aviation as cheap or 'free' has resulted in it being tremendously misused**

A more measured contribution came last month from the head of Dutch carrier KLM. "I won't say that the good times are over, but what we did wrong was to give the customer the impression that flying is cheap," Peter Hartman said. "Consumers are now realising that fuel is not free."

Aer Lingus and Ryanair have been locked in a low-fares race to the bottom, which has left them both vulnerable to increases in input costs, since they are not charging customers anything approaching the true cost of flying.

The entire low-cost flying model is predicated on a lie. Reckless promotion of aviation as cheap or even "free" has led to tremendous misuse of this valuable resource. Stag parties and transatlantic shopping weekends are cases in point.

The world's poor pay the highest price for runaway emissions, yet barely 5 per cent of the global population has set foot on an aircraft.

The Government has serious commitments to meet in emissions control, yet ironically the former national carrier, Aer Lingus, is working to undermine these. Compare this with the ESB, which recently announced a €22 billion plan to cut its carbon emissions in half by 2020, with the aim of being carbon neutral by 2035.

We are now seeing the real cost of handing over strategic control of our national airline. Mannion stated this week that the EU levy was "against the Irish national interest", yet his only legal responsibility is to protect his shareholders' financial interests.

Evidence of the blase environmental mindset of the Irish-based airlines is that neither offers customers the option to pay a voluntary carbon offset, unlike carriers such as British Airways.

The aviation business claims it is only a minor contributor to total global emissions. The reality is that, in the EU, aviation's contribution to climate change is in the range of 5-12 per cent. The UK's Tyndall Centre for Climate Change Research estimates that, left unchecked, aviation will amount to a minimum of 40 per cent of the EU's entire emissions allocation by 2050.

The EU is committed to reducing total carbon emissions by 3 per cent per annum. If aviation is allowed to evade paying its fair contribution, these reductions will be impossible to achieve, and our efforts at controlling climate change will fail. It's a high price for low fares.

John Gibbons is founder of Climatechange.ie and writes the blog, ThinkOrSwim.ie