

# Aviation and Emissions: Managing the Challenge of Growth

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The challenge ahead of us

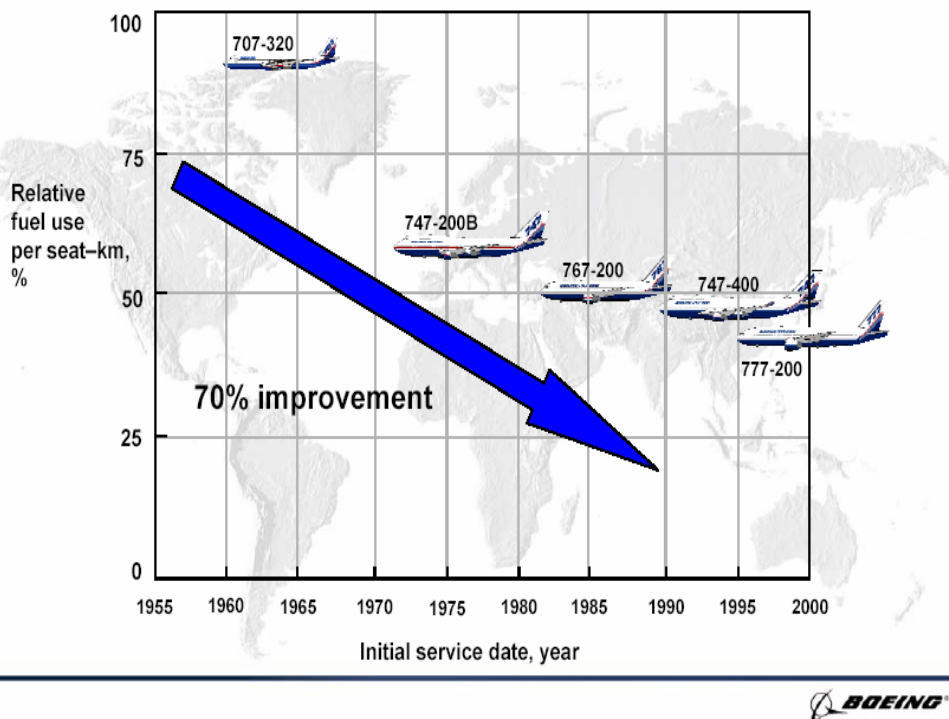
Understanding emissions in context

ICAO's role

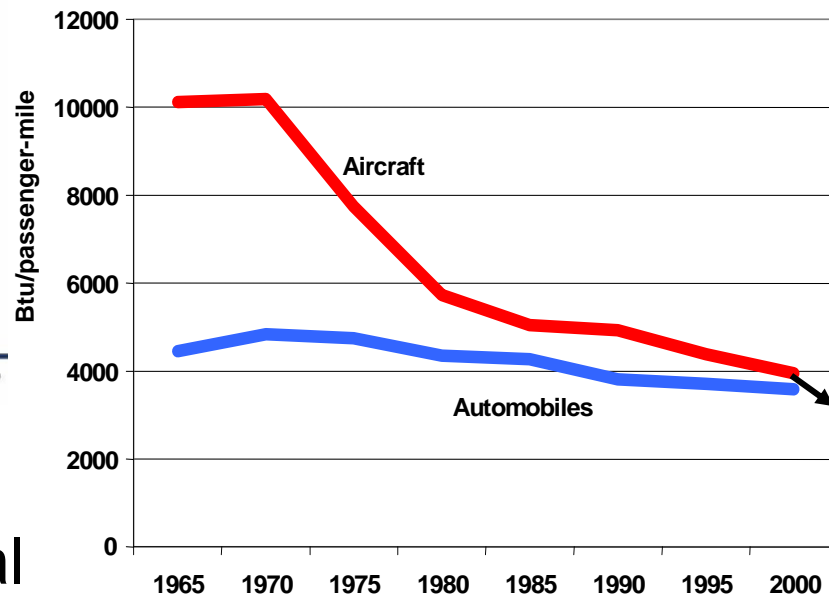
The U.S. Approach - "Five Pillars"

Mandatory emissions trading?

# Significant Fuel Efficiency Gains Historically



- Aviation-- 2-3% of global GHG emissions



- Historically new technology accounts for 90% of environmental footprint reduction

Source: BTS, National Transportation Statistics 2002

# The Role of ICAO

- ICAO Record– One of Demonstrated Success in Addressing Environmental Issues
- Progress Thus Far– Much is Result of ICAO Initiative: Aircraft Emit 70% less CO<sub>2</sub> Than 40 Years Ago
- Moving Forward-- Empowered a Steering Group to Continue Environmental Protection Committee's Work

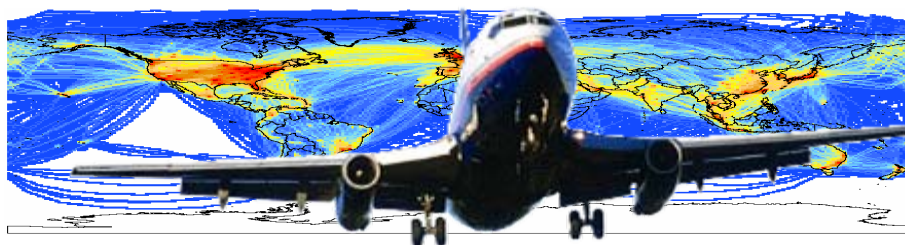


*Develop an Understanding of the Problem  
and only Then Act*

- Collect the Facts
- Invest in Long-Term Technologies
- Take Practical, Cost-Effective, Near-Term Steps to Reduce Energy Use and Emissions–  
**Without Harming the Economy**

# A Better Way Forward – The Five Pillars

- Promote Better Scientific Understanding
- Accelerate Air Traffic Efficiency Improvements
- Foster Energy Efficiency in Aircraft and Engines
- Explore Development of Alternative Fuels
- Adopt EFFECTIVE Market Based Measures



# Why a Mandatory Trading Scheme is Unworkable



- Older, Less Efficient Aircraft Move to Non-EU Routes– *No Less Emissions, but Higher Fares*
- Much Connecting Traffic Would Shift to Non-EU Hubs Such as Those in Middle East– *No Less Emissions , but Higher Fares*
- Potential for Significant Market Distortions
- Impinges on National Sovereignty

# Summary

- Environmental issues pose real constraints to aviation growth
- Mandatory emissions trading is misguided and unworkable
- “Five Pillars” approach offers a better way forward to manage growth

