Emissions Plan Sparks Concerns

By ALESSANDRO TORELLO

BRUSSELS—Some European Union countries are raising concerns that efforts to break a deadlock with other major world economies over an EU plan to regulate greenhouse-gas emissions could end up discriminating against their own airlines.

EU law requires any airline landing at or departing from an EU airport to hold permits to emit CO2 as of next January. That has put the 27-country bloc at odds with other governments that say the EU has acted unilaterally, exerting authority beyond its borders and creating controversy that will delay global efforts to limit emissions from airlines. The European Commission, the EU executive body that originally proposed the plan, estimates it could add as much as €12 ($16) a trip to the cost of a flight.

China threatened retaliation, and the U.S. Congress is considering legislation that would block U.S. airlines from participating in the plan.

The legislation allows the EU to exclude foreign airlines from holding permits if their home countries have adopted similar environmental measures to cut carriers' emissions, a move that could ease tensions before the law takes effect.
But some EU members say they are increasingly concerned the commission might accept measures that would penalize their own airlines.

"We believe it is necessary...to obtain detailed information about the commission's views concerning the application of the possible exclusion clause," and in particular on how the commission plans to assess the potential equivalent measures, the Italian government said in a document prepared for a meeting of EU environment ministers.

Joop Atsma, Dutch state secretary for infrastructure and the environment, supported the Italian initiative. The system, as it is outlined now, "is disturbing the level playing field in competition in the global airline industry," he said.

Germany and France, home to Deutsche Lufthansa AG and Air France KLM, Europe's two biggest airlines, are also wary of the issue, even though they continue to support the EU plan, diplomats said.

"Some member states voiced concerns that these measures could have a negative impact on the competitiveness of their national airlines," the EU said after Monday's meeting. The commission "informed [the ministers] that it has an ongoing dialogue" with the International Civil Aviation Organization, the forum where the issue of regulating global airline emissions is discussed.

The commission said governments supported the legislation, and that it will continue to implement it as planned, while also keeping discussions open with non-EU countries.

"We will continue the implementation [of the plan] and we will continue the talks with third countries," a spokesman for the commission's climate department said.

The next ICAO meeting on Nov. 2 will be key to assessing whether there is progress toward a global plan to deal with airline emissions.

Airline associations estimate the permits will cost carriers more than €17 billion through 2020. Lufthansa, for example, has said it expects the system to cost it as much as €350 million a year.

—Bart Koster in Amsterdam contributed to this article.

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