



Bundeskanzlerin Dr. Angela Merkel MdB,  
Bundeskanzleramt  
Willy-Brandt-Strasse 1  
10557 Berlin

Cc  
President Barroso;  
Vice President Kallas;  
Commissioner Hedegaard;  
Commissioner De Gucht;

9 March 2012

### **Consequences of EU Emission's Trading Scheme Applied to International Aviation**

Dear Chancellor,

We have always accepted the need to improve the sustainability of worldwide aviation by reducing our environmental impact. Furthermore we support market based measures as one important means of achieving this goal within a wider 4-pillar-strategy (consisting also of operational, technological and infrastructure improvements). As such we remain principal supporters of Emissions Trading Schemes (ETS) when applied to aviation globally.

However, for several months now, we have been drawing the attention of your government, the European Commission and the European Parliament, to the growing threat of potential action against European aviation-related businesses as a reaction to European ETS. In February 26 nations signed the Moscow Declaration, in which they threaten numerous retaliation measures.

These threats are now real and being translated into concrete action. This is starting to have serious consequences on the European aviation business and could proliferate at any moment.

In many of the countries opposed to ETS, countermeasures and restrictions on European airlines are in preparation. In China, US\$12 billion worth of Airbus orders have been suspended. Airbus estimates that this will jeopardise more than 1,000 Airbus jobs in Europe and at least another 1,000 in the supply chain. India has let EU airlines know that certain traffic rights / overflights will be suspended or not extended. Russia has threatened additional overflight charges. This hits EU airlines that struggle from many burdens and will cost numerous jobs in the aviation industry.

We fully expect this list of suspensions, cancellations and punitive actions to grow as the Moscow Declaration is turned into reality. The situation is becoming intolerable for the European aviation industry. A situation that we can ill-afford in the current economic climate.

We would, therefore, ask you to urgently request consultations at level of the EU Council and, most importantly, with the States taking this trade retaliatory action. The aim must be to find a balanced solution and avoid a major trade conflict.

We remain convinced that only a global solution would be adequate to resolve the problem of global aviation emissions. This solution can only be found in ICAO, which has recently appointed a high level dedicated group to propose a global framework for international aviation emissions by the end of this year.

We would, therefore, also ask that you use your influence in the ICAO Council to find an acceptable solution within the shortest possible time frame and we would be happy to assist you in providing resources to make this possible. Discussions in ICAO have now accelerated considerably. Everything must be done to keep this promising progress on track. Also, the European Single European Sky Initiative, the biggest CO2-reduction product, must be reanimated and a much more focused effort put towards viable alternative fuel alternatives.

To that end, similar letters representing the views of key industry players in the UK, France and Spain have also been sent to Prime Ministers Cameron, Fillon and Rajoy.

We thank you for your interest in this matter.

Yours sincerely,



Tom Enders,  
Airbus President & CEO



Hartmut Mehdorn,  
CEO Air Berlin



Christoph Franz,  
Chairman & CEO Deutsche Lufthansa



Egon W. Behle,  
CEO MTU Aero Engines