Sustainability & Climate Change Reporter



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The Iceland Volcano's Lingering (Legal) Fallout on Aviation

Although commercial aviation in Europe is <u>up and running again</u> after a several-day shutdown due to the Iceland volcano, Eyjafjallajokull, the eruption may have raised an issue that goes beyond passenger disruptions. Just as the aviation sector is fighting inclusion in the European Union's Emissions Trading System ("EU-ETS"), the cancellation of more 100,000 flights in Europe due to concerns about volcanic ash highlighted that sector's significant contribution to greenhouse gas emissions.

Aviation Emissions

On a typical, non-volcanic eruption day, aviation in Europe contributes about 344,000 tons of CO2 to the atmosphere. It took ash from the eruption in Iceland (inconveniently located upwind of Europe), which grounded more than half of the air traffic in Europe, to show just how big a factor aviation is in carbon emissions. By shutting down much of the air travel in Europe during the eruption, the aviation sector's CO2 emissions actually declined by about 60 percent (PDF).

EU-ETS Expansion

The groundings and decline in CO2 emissions come at a time when the EU-ETS is adding airline emissions to its cap-and-trade system starting in 2012. This would include any airline that lands or takes-off from an EU-member country, even if the airline is not based in an EU country. For example, the United Kingdom is responsible for <u>regulating 891</u> operators, the largest number of which are headquartered in the United States, and as of January 1, 2010, it is requiring airlines to report their emissions.

Impact on Lawsuit

While the Air Transport Association of America ("ATA") and American, Continental and United Airlines have <u>filed suit</u> to block inclusion of aviation in the EU-ETS, the timing of the eruption is unfortunate for the airlines' case. The dramatic reduction in aviation's contribution to CO2 emissions because of the highly visible volcanic eruption only served to

highlight the argument for including aviation in the EU-ETS program. The eruption, however, probably did not diminish the airlines' primary argument that any regulation of aviation emissions is more appropriate on a global basis, rather than through the EU.

The airlines' case is likely headed for the European Court of Justice, which may not hear the matter until next year. In the meantime, further eruptions in Iceland could result in significant legal and regulatory fallout on the Continent.

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