



Beginning January 1, 2012, the European Union (EU) will impose fees on airlines taking off from, and landing in, the bloc.¹ The regulation, a part of the EU's Emissions Trading System (ETS), is designed to help fight global warming. However, as the law will require airlines from all countries to pay for excessive carbon dioxide emissions,² the cost of tickets and air freight shipments will likely increase to offset the new fees.

EUROPE'S EMISSIONS TRADING SYSTEM MAY DECREASE EMISSIONS – BUT INCREASE COSTS

THE MONETARY EFFECTS OF ETS

Under the law, airlines will only be allowed to emit as much carbon dioxide on flights to and from the EU as they hold in carbon dioxide certificates. They will have to pay for 15-percent of the emissions certificates required to cover the emissions of their flights.³

According to the International Air Transport Association, the aviation industry will incur costs of at least 2.4 billion euros (\$3.3 billion) to comply with the law.⁴ Likely, much of these fees will be passed onto travelers or freight forwarders (and in turn, their customers). The EU

Commission estimates that flights within the EU could see pricing increases of approximately nine euros, and flights to New York could increase by up to 40 euros.⁵

Several airlines from the U.S. are challenging the EU's directive, and the motion has been referred to the European Court of Justice.⁶ EU officials have indicated that American airlines may qualify for reduced fees if the U.S. government passes measures that will cut emissions through better air traffic management and apply a passenger tax at U.S. airports that represent a fee on emissions.⁷



¹ James Kanter. "Europe May Ease Jet Carbon Fees." The New York Times, October 11, 2010.

² Joshua Chaffin and Pilita Clark. "EU claims victory in airline emissions wrangle." Financial Times, October 10, 2010.

³ Thomas Ludwig. "Climate Wars: EU Threatens Rest of World with Flight Ban." Handelsblatt, September 27, 2010. Translated by Benny Peiser.

⁴ James Kanter. "Europe May Ease Jet Carbon Fees." The New York Times, October 11, 2010.

⁵ Thomas Ludwig. "Climate Wars: EU Threatens Rest of World with Flight Ban." Handelsblatt, September 27, 2010. Translated by Benny Peiser.

⁶ Joshua Chaffin and Pilita Clark. "EU claims victory in airline emissions wrangle." Financial Times, October 10, 2010.

⁷ James Kanter. "Europe May Ease Jet Carbon Fees." The New York Times, October 11, 2010.

INTERNATIONAL SUPPORT FOR REDUCING GREENHOUSE GASES

Currently, the aviation industry is responsible for two- to three-percent of worldwide greenhouse gas emissions – a number that will likely grow as air travel increases.⁸

During the 37th Assembly of the International Civil Aviation Organization (ICAO), the United Nations agency that coordinates aviation policy, the 190 member states agreed on a plan to reduce emissions emitted by the aviation industry. Highlights of the framework include:⁹

- > Improving fuel efficiency by two-percent a year until 2050
- > Collectively achieving carbon neutral growth from 2020
- > Establishing a global carbon dioxide certification standard for aircraft engines by 2013
- > Developing a global framework for market-based measures, such as a global ETS

While the ICAO's resolution addresses long-term emissions reduction, the EU's ETS will go into effect much sooner – and will likely spur progress in other nations.



RECOGNIZED FOR ENVIRONMENTAL COMMITMENT

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Graebel Movers International headquarter's has also earned the ISO 14001 certification – a framework to help companies create policies, plans, and actions to control the environmental impact of their activities, products, and services.

Additionally, all Graebel divisions work diligently to find and adopt ways to minimize the company's environmental impact. Specific initiatives include:

- > Re-using office equipment and furnishings
- > Recycling moving debris when practical and permissible by law
- > Reducing reliance on paper in office activities
- > Reducing carbon footprint through efficient dispatch of moving equipment

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⁸ Joshua Chaffin and Pilita Clark. "EU claims victory in airline emissions wrangle." Financial Times, October 10, 2010.

⁹ Kerry Reals. "EU to press ahead with ETS despite ICAO global emissions framework." Air Transport, October 13, 2010.