

The Honorable Thomas E. Petri, Chairman
Subcommittee on Aviation
Committee on Transportation and Infrastructure

**Full Committee Markup of H.R. 2594 -- European Union Emissions
Trading Scheme Prohibition Act of 2011**
Explanation of the Legislation and Statement
September 8, 2011

I thank the chairman for yielding.

H.R. 2594, the European Union Emissions Trading Scheme Prohibition Act of 2011, enjoys bipartisan support. It expresses key findings of Congress regarding the European Union's inclusion of the international civil aviation sector in its Emissions Trading Scheme, and directs the Secretary to prohibit U.S.-flagged carriers from participating in the E.U.'s scheme. In addition, the legislation directs the executive branch agencies of the United States government, including the State Department and the Federal Aviation Administration, to use every tool at their disposal to hold U.S. flagged carriers harmless against the European Union's unilateral action.

The European Union's inclusion of international civil aviation in its emissions trading scheme, including all segments of the flight whether in EU Member airspace or not, is a violation of U.S. sovereignty and international law. Aviation is a global industry and demands global solutions, not unilateral action that amounts to nothing more than a cash-grab.

Real concerns exist as to whether the European Union's emissions trading scheme will produce the environmental benefits desired. For instance, through fleet investment and research and development efforts, the United States has seen a 15 percent drop in overall aviation emissions since 2000. Had those fleet investment and research and development dollars been paid to an E.U. Member State pursuant to the E.U.'s emissions trading scheme rather than invested in new technologies, these environmental benefits would not have been achieved.

A particularly troubling aspect of the European Union's emissions trading scheme is the application of extraterritorial taxation of carriers.

What right does the European Union have to tax anyone outside of their borders? None. And this legislation would put a stop to that preposterous and illegal idea.

Also of great concern is the lack of any requirement that the funds collected pursuant to the Emissions Trading Scheme be invested to reduce aircraft emissions or achieve any kind of direct environmental benefit. Instead, E.U. Member States can use the money however they want.

Most importantly, there is grave concern that funds extracted from the airline industry will harm the prospects for growth in the airline industry, and, therefore, will threaten job creation here in the United States.

Any effort to address these issues should be handled through the International Civil Aviation Organization. The U.S. is not alone in its opposition—most, if not all, non-E.U. countries oppose the European Union's emissions trading scheme and are raising objections to this unilateral and illegal system.

What's more, the U.S. civil aviation industry has shown an impressive record of improving environmental performance. NextGen operational benefits, once achieved, will continue this track record. The E.U.'s Emissions Trading Scheme is illegal, extra-territorial, and of questionable benefit. Therefore, I am happy to support this bipartisan legislation.

I yield back.