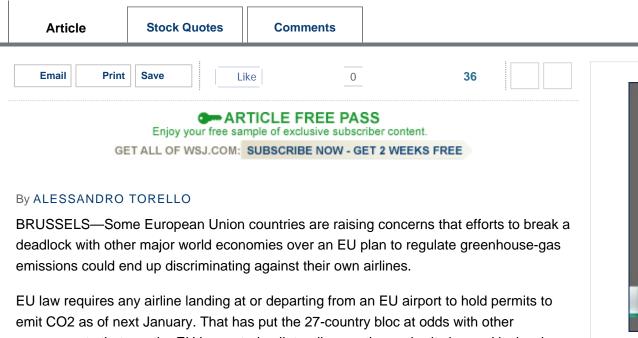


BUSINESS | OCTOBER 13, 2011

Emissions Plan Sparks Concerns



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.



Available

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 <u>Deutsche Lufthansa</u> 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 itas 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.

Write to Alessandro Torello at alessandro.torello@dowjones.com

JOIN THE DISCUSSION Be the first to comment

MORE IN Business »

Like Send Sign Up to see what your friends like.

36 0 Email Print Order Reprints

Chicag Take On Trash



Cain V in Poll

Get your t

The Wall

Includes u

Subscription not

Most Pop

Mossberg: i 4S Is an Up But Not a M

Finance

Personal E Tax Privat Financial / managem Replenish

keyword

MORE JOBS /
Technology

FINS for En

More in E Add a Comment **JOURNAL COMMUNITY BlackBerry** We welcome your thoughtful comments. Please comply with our Community **Investment** rules. All comments will display your real name. Rajaratnam Want to participate in the discussion? Fitch Down REGISTER FOR FREE European E Or log in or become a subscriber now for complete Journal access. **Most Pop** Track replies to my comment Go to Comments tab Εn Read Share articles and post your comments CLEAR POST Login with Facebook on Facebook | What's this? 1. C 2. B 3. For] 4. P **5**. Occi Most Read Latest Ho Chicago Ma Congress Pa Obama Rais Accusations Harrisburg Camera Wa Man Charge Calif. Salon **High Court** Senators W

More Headlin

Related and Recommended

World's Local Bank? Hillic Holdings; profit/lises before tax, by region Asio-flusfit; est. Kroq King Nong Kong Earner Lidin America Modifit East and North Africa North America North America





Bertelsmann Chief Leaves

Areva in 'Full-Scale' Talks to Build India Nuclear Plants

German Industrial Output Slows

State Pushed to Help a Union

France, Belgium to Further Discuss Dexia Break-Up

LVMH Snaps Up Crocodile Goods Firm

Video: Detroit Makes a Comeback

Video: Acura TL: A Good Grille and a Better Car Behind It

Union to Finalize Chrysler Contract

Employees With 'High Potential' Need to Know

Discovery Adds Digital Chief

Elsewhere on the Web

Content from Sponsors What's This?

TOPSTOCKANALYSTS.COM

This 10% Yielder Is a "Buy" in This Uncertain Market

FYILIVING.COM

Are Divorce Rates
Affected by a Woman's
Employment Status?

FYILIVING.COM

Consumption of Cholesterol-Reducing Foods Lowers LDL Cholesterol

FYILIVING.COM

Andre Leon Talley Eliminated from "America's Next Top Model"

BYLINER.COM

When Alcohol Was Illegal

ENTREPRENEUR.COM

Docstoc's Jason Nazar on Fostering Innovation (Video)

FYILIVING.COM

Kevin Federline Procreates Again; Let's Offer Him Some Advice

Powered by 00 oneSpot

WSJ.com Ac My Account Subscriber F

Create an Ac Register for Subscribe to Sign up for

Help & Infori Help Customer S Contact Us Global Supp New on WS Take a Tour

Print Subsci

Subscribe Now for Full Access to WSJ.com and Get

2 WEEKS FREE

SUBSCRIBE NOW

WSJ Subscriber's content provides:

· Personalized tracking of industries

- Heard on the Street: up-to-the-minute news and analysis that affects the markets and industries
 - · Core business news: "What's News" and new "Management" section

Tools & Forma

Today's Pape Video Center Graphics

Columns

Blogs Topics

Guides

Alerts Newsletters

Mobile

Editors' Picks



A Future in Pay Phones? One Firm Answers Call



Soldiers Confront a Hairy Situation



Building a Better Bunny Slope



Son of F Motorola I Giant

Tablet Edition
Podcasts
RSS Feeds
Journal Community
WSJ on Twitter

WSJ on Facebook WSJ on Foursquare

My Journal Portfolio

WSJ Digital Downloads

Professor Journal
WSJ U.S. Edition
WSJ Asia Edition
WSJ Europe Edition
WSJ India Page

Foreign Language Editions:

WSJ Chinese WSJ Japanese WSJ Portuguese WSJ Spanish

Copyright ©2011 Dow Jones & Company, Inc. All Rights Reserved