

**For immediate release**

**CANADA'S LARGEST AIRLINES EXPRESS DISAPPOINTMENT IN RECENT COURT DECISION AND RENEW THEIR CALL ON THE EU TO SUSPEND ITS EMISSIONS TRADING SCHEME IN FAVOUR OF A COMPREHENSIVE MULTILATERAL SOLUTION**

OTTAWA, December 21, 2011 – The National Airlines Council of Canada (NACC) expressed its disappointment today with a recent ruling of the European Union Court of Justice (EUCJ) that dismissed a challenge, based on numerous well-established principles of international law, to the EU's Emission Trading Scheme (ETS) and renewed its call on the EU to suspend application of its ETS to aviation in favour of a global solution agreed upon by all affected parties.

"While we respect the Court's ruling and authority, the NACC is nevertheless disappointed that the clear extra-territorial scope and application of the EU ETS was not found to be in violation of fundamental principles of international customary and treaty law, as had been comprehensively argued" said George Petsikas, President of the NACC. "Although this is probably one of the last judicial recourses available under EU law, this ruling by no means settles this matter".

In 2010, the NACC and the International Air Transport Association (IATA) intervened in support of a lawsuit brought by the US Air Transport Association (ATA) against the ETS. The main thrust of this challenge was based on the airline industry's near-unanimous view that the extra-territorial scope and application of the EU ETS violates fundamental principles of international customary and treaty law, and in particular numerous provisions of the Chicago Convention, the EU-US Open Skies Agreement, the Canada-EU Air Transport Agreement and the Kyoto Protocol, among others.

"Over the last several months, most of the world's major non-EU aviation powers including the US, China, Russia, Japan and Canada, have clearly expressed their objections to having their respective sovereignties infringed and the ETS imposed on their airline industries without their consent" recalled Mr. Petsikas. "Rather than acting unilaterally, the EU should exercise its political will and work with its international partners to achieve a coherent, multilateral framework to deal with aviation environmental challenges based on principles of mutuality and sovereign non-interference. The appropriate forum for such a global initiative and solution remains the International Civil Aviation Organization."

The National Airlines Council of Canada is a trade association founded by Canada's largest commercial airlines in order to ensure safe, sustainable and competitive air travel for Canadian consumers.

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**For more information please contact:**

Janet Meldrum  
Administrative Assistant  
National Airlines Council of Canada  
Tel.: 613-231-7223  
admin@airlinecouncil.ca