

Airports Commission
6th Floor Sanctuary Buildings
20 Great Smith Street
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UPS Response to Discussion Paper on Aviation and Climate Change

UPS recognises the importance of the climate change debate as a key component of sustainable aviation and welcomes the opportunity to provide comments to the Airports Commission.

We are one of the largest airlines worldwide. Every day, UPS's 400,000 employees manage the flow of goods, funds and information in more than 200 countries and territories. Our mission is to increase the efficiency, and reduce the environmental impact, of global commerce by combining the shipping activities of our customers into a single, highly efficient logistics network.

We have a significant presence in, and commitment to, the UK, employing over 7,000 people. We support thousands of businesses in the UK which rely on us to export to the world and to support many thousands of additional UK jobs.

UPS has already achieved significant cuts in emissions and plans future ambitious reductions. For instance, between 1990 and 2005, UPS reduced the carbon emissions intensity from our airline activity by 28% (per available tonne mile) and we have set a further goal to cut CO₂ emissions intensity from our airline by an additional 20% by 2020.

We have taken every feasible step to reduce emissions. We have consistently been a pioneer in testing, adopting and helping develop next-generation technologies for increasing the fuel efficiency of our aircraft, and reducing our aviation-related emissions, using advanced or unconventional techniques such as:

- Using lower flight speeds in a number of flights each week, computer-optimizing flight plans and using our Surface Management System to reduce taxi time and long lines of aircraft, saving as much as 250,000 gallons of fuel a year.
- Using fuel-efficient towing tugs, electric dockers, biodiesel in ground support equipment, engine cleaning, and environmentally friendly paint, which typically eliminates a third coat of paint, or 300 pounds per plane.
- Buying and operating primarily a 757 fleet (more than 70) for our midsized fleet in lieu of a 727 fleet.

UPS has also been a leader in the development on 'continuous descent approaches' in which pilots take a continuous glide path toward their arrival airport. Eliminating the 'stepping down' approach reduces fuel consumption.

Another aspect of our commitment to reducing emissions is our investment in new aircraft. The UPS fleet of 223 operating aircraft represents a tremendous capital investment, especially considering the UPS fleet is one of the youngest and most efficient fleets in the industry with an average age in Europe of only 11 years. The company spent nearly \$8.5 billion on aircraft and related parts in the 10

years between 2001 and 2010 and is scheduled to take delivery of an additional 15 new 767-300Fs from Boeing by the end of 2013.

However, due to the huge costs involved, investment necessarily takes place over a longer timeframe than in other industries. The nature of the freight and time-sensitive delivery business means that UPS has to operate wide-bodied intercontinental freighters to ensure that we are able to operate at the necessary capacity. The list price of the Boeing 767-300F which we operate is currently \$185.4 million, and the aircraft has a lifespan of 25 years. It is therefore not economically viable to accelerate the uptake of newer, more environmentally friendly aircraft without the growth needed to generate returns to deliver the investment required.

For additional reductions in emissions, new technology as well as the widespread use of biofuels will be required. Along with other transportation companies, we support the development of jet engine biofuels and considering use of biofuels to help meet carbon reduction pledges.

We believe that Government should recognise what has already been achieved, with companies like UPS taking extraordinary measures to reduce emissions. Additionally, we believe that one of Government's main environmental responsibilities is the need to encourage economic growth to enable companies such as UPS to pay for the investment needed to achieve an even greater reduction in emissions through investment in new aircraft, new energy efficiency technologies, and the widespread roll out of the use of biofuels.

If you have any questions, please do not hesitate to contact me.

Kind regards.

Yours faithfully,

A handwritten signature in dark ink, appearing to read 'Richard Currie', with a stylized flourish at the end.

Richard Currie

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