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Thank you for that kind introduction.

It's a privilege to follow Dr. Schultz, who has just shared the amazing story of the City – and the people – of Greensburg.

In a few minutes, I'll be talking about our eco-partnership with Greensburg. But first I want to tell you how honored I am to be a part of this exceptional conference and to be in the midst of so many accomplished professionals focused on building a better future.

I'm grateful for the opportunity to be here today to provide the perspective of the manufacturer and the aviation industry – an industry that is a vital element in achieving the 'better future' that we all envision.

As businesses continue to compete in a truly global marketplace...

As communities further their economic development...

As friends and families find themselves living in different parts of the country or on different continents...

As our cultures come together to take on humanitarian efforts...

Aviation is essential.

I'm talking about commercial, military and general aviation. In the United States, aviation contributes more than \$1.2 trillion annually to the economy and provides 11 million jobs.

At Cessna, we design, manufacture and support general aviation aircraft – pistons, turboprops and light to mid-size business jets.

This segment alone contributes \$150 billion annually to the U.S. economy and represents 1.3 million jobs. General aviation is an important part of America's air transportation system. It serves more than 5,000 airports while the airlines serve only about 500. And, very importantly, General Aviation provides a pipeline of pilots and other trained aviation personnel that are the lifeblood of the air transportation system.

Hundreds of manufacturers and airports, thousands of commercial and private operators and millions of employees work hard to connect our world and are committed to working just as hard to protect our planet.

In aviation, economic and environmental goals converge. The market demands efficiency. And because of our aggressive pursuit of greater fuel efficiency, carbon dioxide emissions from all of aviation represent only about 2 percent of total CO2 emissions arising from the burning of fossil fuels. General aviation is a fraction of this number.

Over the past four decades, our industry has improved aircraft fuel efficiency by more than 70 percent...while passenger and cargo traffic increased more than six fold, making aviation an extremely greenhouse gas-efficient economic driver. It's important to note these improvements are a result of customer demand and market forces, not regulation.

During the same period we saw jet engine fuel efficiency improve by 70 percent without government carbon emission standards, federal emission standards for the auto industry produced only about 15 percent improvement.

Aviation has established an outstanding track record in reducing its environmental impact as we grow to meet rising demand for transportation around the world. Still, we recognize there is much more we must do.

To further reduce aviation's impact on climate change requires partnership between industry and government and a commitment to find realistic solutions everyone can live with. We must pursue policies and practices that balance progress and technology with environmental sensitivity.

Let me give you some specifics of what we are doing at Cessna and what we are doing as an industry to find that balance of protecting the environment while being mindful to not stifle progress and economic recovery.

In the United States, the companies leading the economic recovery are those who use business aviation as a productivity tool just as they would invest in advanced production equipment or an innovative computer network system.

Through business aviation, they gain speed, flexibility, efficiency, security, confidentiality and productivity. And, studies have proven, that they are better performing businesses than those who do not use business aircraft.

Business aviation is inherently efficient because it is point-to-point travel:

- Companies use mission-specific aircraft
- Fewer hours are flown
- Operational practices are efficient
- Use of secondary airports – smaller general aviation airports – relieves congestion in the air and on the ground at the major commercial airports

But, again, there's more we can do, and all sectors of aviation share this common interest. We realize we must participate constructively in the debate on legislation in order to protect and grow our industry.

In June 2008, I formed the Cessna Environmental Strategy Council to oversee implementation of our company's long-term environmental strategy. This group includes professionals from every function and has five main areas of focus:

- aircraft emissions
- industrial emissions/waste/recycling
- recycling consumables
- energy conservation
- and engaging employee participation through communication

Through this Council, Cessna reached out to the City of Greensburg. Last month we signed a Memorandum of Understanding to explore areas of possible cooperation on environmental issues as Greensburg works to rebuild "better, stronger and greener" following the devastating 2007 tornado.

The agreement is essentially a pledge to mobilize our workforce – which numbers about 6,000 in Wichita alone – to provide expertise for various projects, green airport development and other activities in the Greensburg community.

Our hope is that this public-private collaboration serves as a model for other communities and businesses that wish to pursue environmental excellence.

In addition to public/private partnerships like this one, we are working with our aircraft operators and numerous industry associations.

Early in 2009, a consortium of these industry groups in the U.S. developed a constructive set of principles to frame the discussion of policy tools to address aviation and climate change.

Here are the principles that we feel are critical to the public policy debate:

- Cost-benefit analysis is vital.
- A central framework – standards must be set at a federal level rather than regional or local
- Even further, any environmental measures must be considered on a global scale. The European Union's unilateral decision to subject non-EU aviation to its Emissions Trading Scheme puts this principle at risk.
- Climate change policy must be developed in the context of a comprehensive energy policy.
- And the final principle: the public policy debate should be shaped by science and facts, not public image.

The consortium also developed a list of specific areas that should be discussed when talking about aviation and climate change.

The list they developed illustrates a broad consensus that is also reflected in much of the environment work at the International Civil Aviation Organization – or ICAO. ICAO is a United Nations agency and is the global forum for civil aviation. Among their objectives is addressing aviation's impact on the environment.

The consortium's list of focus areas includes:

- Infrastructure
- Technology and research
- Economic measures
- Operations

I'll touch on each of these briefly:

### Infrastructure

The single most effective action we can take today to reduce aviation's greenhouse gas emissions is to modernize an antiquated air traffic control system. With a modern, safe, secure and efficient system, we'll see reduced fuel burn and carbon dioxide emissions through the elimination of airport congestion and en route delay.

In the U.S. we refer to this as NextGen – the next generation air transportation system. There are a number of international modernization efforts, such as Europe's Single European Sky Research program. The ICAO provides a framework to ensure interoperability between these systems.

### Technology and research

Efforts throughout the industry are already underway for further technological advancement.

Engine companies are working on new technologies that will take efficiency to a new level. For example, FADEC – digital engine controls where a computer manages fuel flow based on selected pilot inputs – allow for more efficient fuel management.

Avionics continue to advance quickly; already 89 percent of new pistons have glass cockpits that provide a leap forward in air travel efficiency.

New aircraft models feature aerodynamic efficiencies – such as the use of composite materials – and we're also able to enhance the aerodynamics of our existing fleets by incorporating improvements such as winglets.

Engine companies, airlines and airframers have joined together to test various alternative fuels that have great potential to decrease reliance on petroleum and reduce emissions.

The aviation manufacturing industry is committed to continuing to bring to market more efficient products but government must participate by providing the necessary funding for aeronautics research – in the U.S. that's through the FAA and NASA.

### Economic measures

Economic measures in the form of positive incentives can further enhance the industry's efforts and augment the gains achieved through regulations and market forces. Measures that impose fees, charges or taxes – whether directly or indirectly – are unnecessary and counterproductive in light of industry initiatives. Should any climate measures raise revenues, however, those revenues should be reinvested into aviation to support initiatives that directly reduce aviation's greenhouse gas footprint and for research into technologies that are directly applicable to improving aviation's emissions.

### Operational measures

Commercial airlines, their pilots and general aviation operators have improved the efficiency of their operations at every stage of flight and on the ground – from avoiding excessive ground idling to carrying less weight on a flight.

In October, Cessna introduced GreenTrak flight planning software. This is a new program our Citation business jet operators can use to optimize their flight profile for time, cost or for the lowest carbon footprint.

We are the first general aviation manufacturer to offer such a system. It uses a process known as cost indexing to minimize total trip cost by balancing the costs of direct operation, fuel burn and carbon emissions.

GreenTrak is just one way we are working with our operators when it comes to environmental concerns. We also provide guidance for optimized performance for their aircraft.

And, we're helping them navigate the requirements surrounding Europe's new emissions trading scheme that has caused widespread confusion...this is a perfect example of why environmental measures for aviation must be global solutions.

If not, we risk damaging the growth and vitality of the aviation industry – one of the most dynamic, forward-looking and innovative sectors in the world...and an essential part of both the world's transportation system and the global economy.

Cessna is committed to leadership on this front.

I am confident that determined, resourceful leadership on the environmental front by all involved parties should result in a better future for the general aviation industry and all who rely on it.

Thank you for listening. And now, I'd be happy to answer any questions.