



Brussels, 06 September 2022

Open letter to *Fit for 55* interinstitutional negotiators

We are writing collectively as representatives of the European aviation eco-system – airlines, airports, and air navigation service providers, to emphasise the need for several adjustments to the ReFuel EU and EU ETS aviation proposals, which are critical for the European aviation industry.

We believe the Fit for 55 package is in line with the industry's ambitions on many aspects, and we welcome the proposed measures. We acknowledge that several constructive amendments are put forward by the co-legislators to further improve the ReFuel EU and EU ETS aviation proposals. In Autumn 2022, the Council of the EU, the European Parliament and the European Commission will start the interinstitutional negotiations on these two files to reach an agreement.

Therefore, we want to call the attention of the negotiators to the importance of having the necessary policy measures supporting European air transport in meeting its decarbonisation pledge to effectively reach Net Zero CO₂ by 2050, while enabling it to offer social and economic benefits highly valued by European citizens and indispensable for the continent's sustainable economic development.

We believe that the proposed policies can be further refined by including appropriate remedies to mitigate against the risk of having Europe and its citizens affected by downgraded air connectivity, while remaining uncompromising on the acceleration of the decarbonisation ambition.

This is why we are asking the European Commission, the European Parliament and the Council of the EU to support the following proposed measures in the upcoming trilogue negotiations:

- **Provide for a European single market for Sustainable Aviation Fuel (SAF):** We plead for the setting of a European mandate for SAF that should supersede national mandates and harmonise all relevant legislation to avoid fragmentation of the single aviation market in Europe. National SAF mandates would lead to competitive distortion within the single market, and create problems of availability and accessibility hampering the uptake of SAF in Europe.
- **Further incentivisation and financial support for the uptake of SAF through a 'SAF allowance mechanism':** We welcome the Council and European Parliament support to the creation of a 'SAF allowances mechanism' – whereby airlines would be granted free allowances under the EU ETS commensurate with overall CO₂ reduced by the use of SAF. It would be an effective way to bridge the price gap between kerosene and SAF and thus incentivise the uplifting of SAF. However, we are concerned about the recommendation of a maximum of 20 million allowances reserved for that purpose until 2030. Such a limited amount of allowances would penalise remote and insular regions of the EU and Member states that are dependent on air connectivity. For it to be successful, the mechanism should increase overall SAF uptake across Europe and incentivise going beyond the blending mandate, in turn reducing more CO₂ emissions from the sector.
- **Provide a strict definition of SAF:** We are concerned by a potential broadening of the definition of SAF to include non-sustainable feedstock, which would occur at the expense of food supplies and food price increases, and/or damage the environment notably through deforestation. SAFs must be truly sustainable without any compromise. We urge policymakers not to expand the eligibility criteria to include non-sustainable feedstock and to keep the definition of SAF as proposed by the European Commission.

- **Introduce a flexibility mechanism in the physical SAF supply chain:** It is critical to allow for the most cost-effective logistics, by minimising associated CO2 emissions while promoting the development of SAF production capabilities across the EU. A mechanism similar to a book and claim system is needed to ensure a sustainable and efficient supply chain, allowing airlines to claim the use of SAF without the need for physical supply at all airports. This would also avoid additional safety and environmental risks at airports that may arise by increasing the number of refuelling events due to the SAF physical refuelling obligation.
- **Allocate revenues for aviation decarbonisation:** To accelerate the aviation industry's decarbonisation pathway while preserving air connectivity, revenues must be earmarked for aviation decarbonisation purposes. This is the bare minimum level of public support needed to help aviation finance its transition to Net Zero. Proposals to create a 'Sustainable Aviation Fund' funded not only with the penalties under ReFuel EU, but also with the revenues generated from the auctioning of allowances should be supported.
- **Conduct further research for evidence of the effects of non-CO2 emissions:** We fully acknowledge that non-CO2 emissions are an important element to tackle. Therefore, and given the insufficient scientific understanding of the non-CO2 effects on climate, we recommend further grasp scientific evidence through additional studies and investigations before setting a requirement to include non-CO2 emissions within ETS.

The companies we represent have committed to decarbonisation. They want to be part of the solution, to ensure that aviation remains an essential feature of our future carbon free societies bringing people and cultures together.

We therefore very much hope that we can count on your government's active support for the refining of ReFuel EU and EU ETS aviation proposals as part of the interinstitutional negotiations.



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