

## Consultation response

# Commission proposal for ReFuelEU aviation

AmCham EU speaks for American companies committed to Europe on trade, investment and competitiveness issues. It aims to ensure a growth-orientated business and investment climate in Europe. AmCham EU facilitates the resolution of transatlantic issues that impact business and plays a role in creating better understanding of EU and US positions on business matters. Aggregate US investment in Europe totalled more than €3 trillion in 2020, directly supports more than 4.8 million jobs in Europe, and generates billions of euros annually in income, trade and research and development.

## ReFuelEU aviation consultation response

Sustainable aviation fuels (SAF) are one of the most direct ways to make substantial reductions in net carbon emissions for aviation across all market segments and aircraft sizes. AmCham EU members representing key players along the aviation value chain have been committed to the development and the scaling up of SAF.

Given the strong signal the recently released proposal for a regulation on ensuring a level playing field for sustainable air transport will provide to the industry, AmCham EU members encourage the European Commission to take this opportunity to support more investment in the SAF industry and complement the proposed mandate with tools to close the price gap between fossil and SAF.

The European Commission should consider developing regulatory and financial incentives for the research, development and deployment of SAFs. Increasing production and supply capacity are the key measures that underpin wider SAF use by airlines. A technology neutral, incentive-based approach would create growing market demand and therefore increased production as the industry continues to innovate.

We encourage the Commission, co-legislators and Member States to develop market-based mechanisms and industrial alliances that can support SAF uptake and can effectively complement the blending quota proposed today.

We recommend maintaining diversity in the technology and feedstocks provided they adhere to robust sustainability criteria. Given the very early stage of commercial scale production and adoption, all pathways which can deliver fuels which are cost competitive to the airlines and provide credible and significant life cycle emissions benefits while obtaining third party certified sustainability approvals are beneficial to the sustainable growth of the aviation sector.

All technology innovations, and rules adopted by the International Civil Aviation Organization (ICAO) should be valued by the regulation to ensure coherence in a truly global sector and a level playing field regulatory framework avoiding market distortion.

The Commission has proposed that the regulation is complemented by other regulatory changes (eg, Energy Taxation Directive, EU Emissions Trading System), to reduce the current price gap between fossil and sustainable fuels. We encourage the Commission to tailor those mechanisms to the needs of the aerospace sector. Attention should be paid to the risks of carbon leakage generated by the cumulative impact of the potential measures. AmCham EU members believe a holistic impact assessment should be performed by the Commission before the entry into force of the measures.

Lastly, we believe that the current proposal does not address the fact that few airports across Europe provide SAF regularly and have supplies on site. As a consequence, airlines may not be able to uplift SAF on all routes covered under the proposed regulation or transporting the needed SAF would lead to increased emissions. We encourage the Commission to work closely with airlines, airports and fuel producers to implement a book and claim system across European airports.

Notably, more flexibility should be given to the obligated parties. Article 13 of the proposal introduces a transitional period where fuel suppliers may supply the minimum share of SAF as a weighted average over all aviation fuel they supplied across Union airports. AmCham EU members support equivalent flexibility if extended for the whole of the regulation duration (until 2050) for more efficiency across the supply chain. A book and claim mechanism between the suppliers and airline operators could also be introduced to facilitate the procedures in a controlled manner.

AmCham EU members are convinced that these recommendations can support the creation of a marketplace for sustainable aviation fuel and look forward to collaborating with the EU to achieving common climate objectives.