

Report of meeting

On 8 June 2021, Henrik Hololei (HH) and Filip Cornelis (FC) met with A4E CEOs at A4E's request to discuss the Commission's upcoming "Fit for 55" package of policy proposals to be adopted on 14 July.

HH gave an overview of the whole package and focused on the objectives and overall approach of the main components of importance to aviation i.e.

- ReFuelEU Aviation;
- revision of the Renewable Energy Directive;
- revision of the EU ETS Directive;
- revision of the Energy Taxation Directive.

A4E CEOs made a number of points including the following:

- Importance of ensuring connectivity.
- Destination 2050 is a "massive undertaking" to be recognised ('EU Pact on Sustainable Aviation'). It will not happen unless we get help.
- Who is connecting the dots on total estimated costs?
- Why is there nothing on electric and hydrogen aviation? Where are funds and R&D, incentives?
- The public wants affordable prices and connectivity.
- SAF is the single most promising way to decarbonise, We need uptake agreements, auctioning, and finance. Disappointing lack of interest in SAF production in Recovery and Resilience Plans. Need to ensure availability of SAF (priority to aviation), no carbon leakage and market distortion, harmonisation (regulation rather than directive) through blending mandate on suppliers, no supplier monopolies, transparent accounting, sustainability guaranteed beyond current Renewable Energy Directive rules. Suppliers to be transparent about the sustainability of the SAF and the support they get. Prices are disconnected from cost of production of SAF. US is the most advantageous place for SAF producers. How does the Commission plan to prevent tankering?
- The ETS is the most appropriate measure to cut emissions. We welcome CORSIA. There should be no double pricing under ETS, CORSIA and national taxes. Free allowances under ETS should be gradually reduced take into account both the impact COVID has had on the sector and risk of carbon leakage. We support the adoption of a long-term CO2 goal in ICAO. EU should use climate diplomacy to ensure that there are no international free riders and competitive distortions. CORSIA should be implemented swiftly with minimum deviation. With the current "stop-the-clock" on ETS applying to extra-European flights, how do you see the risk of international counter-measures/retaliation?
- On kerosene tax, any earmarking of revenues to support SAF? Taxes hamper connectivity and deprive the sector of resources needed to invest in decarbonisation as set out in Destination 2050. The timing of an EU wide kerosene tax doesn't take into account COVID impacts and ETS revision.

HH and FC responded to most of these points.