



EUROPEAN COMMISSION

Brussels, 7.02.2022  
C(2022) 801 final

*Dear President,*

*The Commission would like to thank the Senát for its Opinion on the proposal for a Regulation of the European Parliament and of the Council on ensuring a level playing field for sustainable air transport {COM(2021) 561} and on the proposal for a Directive of the European Parliament and of the Council amending Directive 2003/87/EC as regards aviation's contribution to the Union's economy-wide emission reduction target and appropriately implementing a global market-based measure {COM(2021) 552}.*

*As reflected in its political guidelines for 2019-2024 and in its 2021 work programme, the Commission committed to 'putting forward a comprehensive plan to increase the European Union's target for 2030 towards 55% in a responsible way'. Hence, these proposals form part of a broader package of ambitious measures designed to reduce net greenhouse gas emissions by at least 55% by 2030 across Member States and pave the way to achieving climate neutrality by 2050, in accordance with the binding objectives of the European Climate Law.*

*A well-functioning and competitive aviation internal market is essential for the mobility of European citizens and for the European economy as a whole. To decrease significantly its emissions, the aviation sector needs to reduce its current exclusive reliance on fossil jet fuel and accelerate its transition to innovative and sustainable types of fuels and technologies. The Commission decided to propose a harmonised aviation-specific Regulation on sustainable aviation fuels to take into account the inherent cross-border and global dimension of air transport. A framework requiring transposition at national level would result in a patchwork of national measures with differing requirements.*

*The Commission has also proposed to strengthen the European Union's Emission Trading System (EU ETS) in respect of aviation emissions in a cost-effective and coherent way to ensure that aviation contributes to the 2030 emissions reduction target in accordance with the European Green Deal. It has therefore proposed to increase auctioning in respect of the allocation of emission allowances for aviation. The proposal also takes into account the international commitments of the EU and its Member States*

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*by amending the EU ETS with a view to implementing in the EU the ICAO's Carbon Offset and Reduction Scheme for International Aviation (CORSIA).*

*Executive Vice-President Timmermans has also discussed the Green Deal proposals with representatives of the Senát as part of his visit to the Czech Republic in July 2021.*

*The Senát's Opinion has been made available to the Commission's representatives in the ongoing negotiations of the co-legislators, the European Parliament and the Council, and will inform these discussions. However, the Commission does not plan to undertake separate country-by-country impact assessments of the proposals.*

*The Commission takes seriously the concerns expressed by the Senát as regards funding and increased costs, ways to replace fossil fuels, affordability and connectivity, safety and the global competitiveness of European aviation, and would like to refer the Senát to the annex for a detailed reply.*

*The Commission hopes that these clarifications address the issues raised by the Senát and looks forward to continuing the political dialogue in the future.*

*Yours faithfully,*

*Maroš Šeřčovič  
Vice-President*

*Adina-Ioana Vălean  
Member of the Commission*

## Annex

*As regards the points to which the Senát has drawn its particular attention, the Commission would like to make the following comments:*

*On sustainable aviation fuels and funding, the proposed Regulation takes into account the fact that the transition to sustainable aviation fuels requires significant investments. It is therefore indispensable that the regulatory framework provides a single, long-term and robust set of rules to all investors EU-wide. For producers of sustainable aviation fuels, the investment needs over the period 2021 to 2050 are estimated at around €10.4-10.5 billion. A transitional period of 5 years is provided to allow for a reasonable amount of time for aviation fuel suppliers, Union airports and aircraft operators to make the necessary technological and logistical investments. During this phase, aviation fuel containing higher shares of sustainable aviation fuel may be used to compensate for lower shares of sustainable aviation fuels at other airports.*

*The Senát also highlights the impact of the Covid-19 pandemic on the air transport sector. The Commission would like to reassure the Senát that it is well aware of the weight of the pandemic on the sector. While the need for all sectors to contribute to the Union climate efforts is clear, action has to take into account the need for a just transition. Therefore, the Commission would like to highlight several options for the sector to benefit from the European Green Deal:*

- The aviation sector, like other sectors, can apply for funding under the Innovation Fund. The Innovation Fund is one of the world's largest funding programmes for the demonstration of innovative low-carbon technologies. The Innovation Fund will provide around EUR 25 billion of support over 2020-2030, depending on the carbon price<sup>1</sup>.*
- The aviation sector can also apply for funding under the Modernisation Fund, which is a dedicated funding programme benefiting ten EU Member States including the Czech Republic.*

*On ways to replace fossil fuels, the proposed Regulation addresses sustainable aviation fuels that are liquid, drop-in fuels, fully fungible with conventional aviation fuel and compatible with existing aircraft engines. Several production pathways of sustainable aviation fuels have been certified at global level for use in civil aviation. Sustainable aviation fuels are technologically ready to play an important role in reducing emissions from air transport already in the very short term. Advanced biofuels and synthetic fuels still require further development and/or scale-up of production. Therefore, they are only expected to play a role as of 2030.*

*On increased costs, affordability and connectivity, the proposed Regulation would result in higher fuel costs that are reflected on air fares, which are estimated to increase by around 8.1-8.2% by 2050. Higher air fares lead to a slight reduction in total passenger*

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<sup>1</sup> This estimate is based at a EUR 50 carbon price per ton of CO<sub>2</sub>.

*air transport activity relative to the baseline, despite still growing by 77% by 2050 relative to 2015.*

*Concerning costs linked to the Emissions Trading System revision as regards aviation, the Commission considers that those will be small. The study underpinning the impact assessment for the proposal found that by 2030, CO<sub>2</sub> costs are expected to be 5.6% of fuel costs and only 1% of total operating costs<sup>2</sup>. Furthermore, the study found that fluctuations in fuel price easily outweigh fluctuations in carbon costs both in the medium and longer term<sup>3</sup>. When examining impacts on ticket prices, the study found that levels of change in ticket price are small compared to variations arising from changes in other variables, most notably fluctuations in fuel price<sup>4</sup>. This is also set out in the impact assessment, which states that there will only be very limited impacts on the sector by 2050<sup>5</sup>. On specific impacts on the Czech Republic, the report on the EU Reference Scenario 2020<sup>6</sup> contains analyses of the long-term economic, energy, climate and transport outlook based on the policy framework in place in 2020. This scenario provides a comprehensive analytical basis against which new policy proposals can be assessed. National experts from all EU countries contributed to the Reference Scenario 2020 through a consultation process, and stakeholders also contributed on technology assumptions. Detailed Member States' results on policy scenarios for delivering the European Green Deal and the 2030 climate target have been made available to each Member State.*

*On safety, the aviation fuel uplift obligation established under the proposed Regulation should be consistent with the rules on aviation fuel safety as set out under Regulation (EU) No 965/2012 and ensure full compliance with fuel safety rules. Given the strict technical safety requirements related to the use of aviation fuel, sustainable fuels need to pass a stringent certification process over 3-5 years.*

*On the global competitiveness of European aviation, the proposed Regulation is fundamentally about maintaining high levels of connectivity, competition and industry competitiveness in the aviation internal market while stepping up its sustainability. Airlines operating direct long-haul flights from EU airports will be able to claim economic benefits under the Carbon Offsetting and Reduction Scheme for International Aviation from their use of sustainable aviation fuels. This will not be the case for airlines operating long-haul flights from non-EU hubs if those hubs are not supplied with sustainable aviation fuels. The most effective avenue to protect the competitiveness of EU airlines will be to promote the use of sustainable aviation fuels across the world. Several strategic aviation third country partners - including the UK and the US - are accelerating their national reflections on the increase of sustainable fuels for air transport.*

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<sup>2</sup> Assessment of ICAO's global market-based measure (CORSIA) pursuant to Article 28b and for studying cost pass-through pursuant to Article 3d of the EU ETS Directive, September 2020, commissioned by the European Commission, p212 accessible at: <https://www.transportenvironment.org/wp-content/uploads/2021/03/Ares20211459392.pdf>

<sup>3</sup> Study at the link above, p 55.

<sup>4</sup> Study at the link above, p 67.

<sup>5</sup> SWD(2021)603, p53.

<sup>6</sup> [https://ec.europa.eu/energy/data-analysis/energy-modelling/eu-reference-scenario-2020\\_en](https://ec.europa.eu/energy/data-analysis/energy-modelling/eu-reference-scenario-2020_en)

*Finally, on the choice of policy instrument (emissions trading or taxation), the Commission would like to highlight that the EU Emissions Trading System is a well-established instrument which has delivered tangible emissions reductions across the range of sectors it covers. By 2030, the EU committed to reduce at least intra-EU aviation emissions through the system as part of its revised, economy-wide greenhouse gas emissions reductions commitment. Initially, co-legislators decided in 2008 to include aviation in the system, starting from 2012. The European Aviation Safety Agency (EASA) estimates that in the period from 2013 to 2020, the system successfully delivered a net reduction in aviation-related CO<sub>2</sub> emissions of 193.4 million tons. The system offers flexibility – market participants have the choice to undertake in-sector reductions, or purchase reductions generated in other sectors under the system.*