



23 February 2018

Dear Minister,

EU Renewable Energy Directive / Sustainable Aviation Fuel

In 2008, the aviation industry adopted a set of ambitious environmental targets, namely:

- improving fuel efficiency by an average of 1.5% per year from 2009 to 2020;
- stabilising emissions from 2020 with carbon-neutral growth;
- reducing net emissions from civil aviation by 50% by 2050 compared to 2005 levels.

The industry has made significant efforts to reduce its environmental impact through investment in new technology and aircraft, improved operating procedures and more efficient use of infrastructure. In October 2016, aviation became the first global transport sector to agree to implement an economic measure to address its climate impact through the ICAO Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) which will allow the sector to cap its emissions at 2020 levels.

With jet fuel representing up to one third of an airline's operating cost, the industry has a clear economic incentive to strive for continual efficiency improvement. However, unlike the ground transport sector, commercial aviation does not yet have the option of electric propulsion technology. Best evidence suggests aviation will require liquid fuel (especially for long-haul aircraft) for at least the next fifty years.

Last June, at IATA's 73rd Annual General Meeting (AGM), our members unanimously approved a Resolution calling upon governments to implement policies to accelerate the deployment of sustainable aviation fuels (SAF). A copy of that Resolution is attached. The Resolution also reaffirmed the industry's commitment to implementation of the CORSIA agreement. While we believe offsetting is critical to managing emissions in the short-term, in the long-term we will rely on clean technology improvements such as SAF to achieve our goals.

The IATA Resolution also calls upon governments to create an appropriate regulatory framework to accelerate the development of alternative fuels production facilities. Such policies could include:

- Easier access to finance, including loan guarantees and capital grants
- Supporting demonstration plants and supply chain research and development
- Putting SAF on an equal footing with automotive biofuels through equivalent public incentives
- Legislative certainty over an extended period of time to give investors confidence and incentive to finance new production facilities.



At a time when the EU institutions are discussing revisions to the Renewable Energy Directive, a significant opportunity exists for Europe both to support the sustainable growth of aviation and foster its proven economic and environmental benefits and to establish a significant new energy economy. IATA is therefore calling upon European energy, environment and transport ministers to support the amendments adopted by the European Parliament¹ which propose to prioritize the supply of sustainable alternative fuels to aviation with an increased multiplier of two.

European states have the opportunity today to transition from reliance on energy imports to building sustainable feedstock and production supply chains, including the associated jobs and economic benefits. IATA strongly encourages European States to include in their national plans specific support to accelerate the commercial production and deployment of SAF for aviation in Europe.

Yours sincerely,

Paul Steele
Senior Vice President
Member and External Relations & Corporate Secretary

¹ Amendments 29, 139 and 220