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Subject: Towards finalizing the ReFuelEU Aviation negotiations

30 January 2023

To the attention of the Swedish Presidency of the Council of the EU

Ahead of the next trilogue meeting, Europeans for Fair Competition (E4FC) - a unique coalition of network airlines and trade unions fighting for fair competition and high social standards - would like to share with you its position towards finalizing the ReFuelEU Aviation negotiations.

The members of E4FC are fully committed to reducing their carbon footprint and support the ambition set out in the European Commission's Fit for 55 package. We fully support the ReFuelEU Aviation proposal, which aims to boost the production, supply, and uptake of Sustainable Aviation Fuels (SAF) in Europe. It is a clear signal to all relevant stakeholders and an important step to boost the sector's green transition.

In these final stages of the negotiations, we wish to underline three key points to foster the development of a much-needed SAF industry in Europe, while preserving the competitiveness of the European Aviation sector.

1. Set a harmonized EU SAF blending mandate across the EU, including the synthetic fuel (RFNBO) sub-target

We support setting a harmonized EU-wide blending mandate to develop a SAF market in Europe. It is essential that the blending percentage is the same in every EU Member State to ensure a level playing field. This should not only be the case for the overall ambition, but also for the RFNBO sub-mandate, i.e. the synthetic fuel percentage. We must avoid a patchwork of different national levels for synthetic fuels within the EU mandate, which would undermine the integrity of the single market and cause distortions within Europe.

2. Set realistic EU SAF blending mandate levels across the EU

It is fundamental that the upscaling of SAF in Europe is ambitious, but at the same time realistic. Feedstock to make SAF must be truly sustainable, meet the highest criteria, and not compete with food and feed production. The production of synthetic fuels is dependent on the availability of sufficient green electricity. In this context, also the RFNBO or e-fuel target needs to be realistic, where the European Commission proposed 0.7% in 2030 following a thorough Impact Assessment. Any higher target needs to be realistic and based on proper research, impact assessment, and/or recent reliable studies.

3. **Maintain a strong Review Clause (Article 14) in the final text to counter any distortions of competition that may occur**

To ensure that the regulation is future-proof and prevents unfair competition and resulting job losses, E4FC would like to underline the importance of maintaining a strong Review Clause (Article 14) in the final agreement on ReFuelEU Aviation. It is crucial that the European Commission regularly monitors, evaluates, and analyzes the application of the regulation, and reports on the impact on the competitiveness and functioning of the European aviation sector.

The resulting report should explicitly address the **impact** of ReFuelEU Aviation on **the competitiveness of the European aviation sector vis-à-vis non-EU carriers** and the **carbon leakage** towards non-European airport hubs. It must assess the impact of the Regulation on **connectivity for the whole European aviation sector**, not only for islands and peripheral regions.

Most importantly, the European Commission should be called upon to immediately **begin working on mechanisms** to counteract - or ideally avoid - **competitive distortions to non-EU countries** arising from the price differences between SAFs and conventional aviation fuels and, if appropriate, **make corresponding legislative proposals** so that such mechanisms can be **deployed immediately in case the report concludes that there are competitive distortions**.

E4FC members believe that the inclusion of these three key components in the final text would limit the adverse impact of the Regulation on the European aviation sector. It would take into account the gradual increase of the blending mandate, help to address the competition distortion between EU carriers and non-EU carriers generated by a higher refueling mandate, securing European jobs as well as sustaining connectivity for Europe's citizens.

We count on you to take these key elements into consideration in the context of the final phase of the Trilogue negotiations and ensure, in particular, to maintain a strong review clause.

We remain available should you have any questions.

Kind regards,

**Europeans for Fair Competition
E4FC**

Contact

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