

To:

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Executive Vice-President Teresa Ribera
Executive Vice-President Raffaele Fitto
Commissioner Wopke Hoekstra
Commissioner Apostolos Tzitzikostas
Commissioner Dan Jørgensen
Director-General Kerstin Jorna, DG GROW
Director-General Kurt Vandenberghe, DG CLIMA
Director-General Magda Kopczyńska, DG MOVE
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Brussels, 17 February 2025

Joint industry letter on sustainable aviation fuels and book and claim

We, the undersigned – aerospace manufacturers, aircraft operators (passenger and cargo), airports, airport regions, express delivery companies, fuel producers and logistics service providers representing a broad spectrum of the European aviation ecosystem – are united in calling upon the European Commission to **create the necessary conditions** for our sector to rapidly decarbonise while remaining competitive by setting up an effective market for Sustainable Aviation Fuels (SAF) in line with our shared objectives. Scaling the production and supply of SAF is critically important for decarbonising air transport and achieving the EU's climate targets.

In the context of the upcoming Clean Industrial Deal and the Sustainable Transport Investment Plan (STIP), we **urge the Commission to swiftly enact further flexibilities to the ReFuelEU Aviation Regulation in line with the findings of the Commission's stakeholder consultation** which demonstrated that there is **industry-wide support** for the introduction of a “**book and claim**” mechanism to better enable market efficiencies between SAF producers, fuel suppliers and aircraft operators. This system can be introduced without any additional cost to the EU or the Member States, while it would enable better distribution of and access to SAF at competitive prices¹, which in turn would help to stimulate and deploy production across Europe. We also call for the Clean Industrial Deal to include **measures to incentivise access to adequate financing of SAF production projects in the EU and ensure SAF availability and affordability**.

OUTLOOK AND NEED FOR EU ACTION

The ReFuelEU Aviation Regulation (EU) 2023/2045 (the regulation) introduces a phased obligation for fuel suppliers to supply SAF to “Union airports” (the EU SAF mandate) with the objective of creating a “*strong ramp-up of the production, supply and uptake of SAF*”. Nevertheless, the short to medium term **outlook of the Union's SAF market** is influenced by several complicating factors, most notably:

- While the SAF mandate provides for the obligation to have physical availability of SAF at all “Union airports” (large airports with over 800.000 passengers annually) from 2035, many of

¹ See, for example, [IATA's briefing on Access to SAF in Europe](#).

these “**Union airports**” as well as **non-Union airports** are unlikely to have **access to physical SAF molecules** for the foreseeable future.

- **Investment decisions** for domestic EU SAF production are **being delayed** in part because of continuing uncertainties around feedstock definitions.
- A **narrow definition of eligible feedstocks** could further slow the ramp-up of EU SAF production due to limited feedstock supply.
- New SAF producers and aviation fuel suppliers are confronted with barriers to access the SAF market, such as stringent and misaligned supply requirements stemming from ReFuelEU Aviation Regulation and the Renewable Energy Directive (RED).
- At the time of writing, **not a single investment decision** has been made to support domestic **EU e-fuel**² production.
- SAF is currently between **1.5x to 10x more expensive**³ than fossil-based jet fuel. The Draghi report recognized the persistent price gap between alternative and conventional fuels and that advanced biofuels are not price competitive at present.⁴

The co-legislators acknowledged these early market problems, introducing a 10-year flexibility mechanism that will allow fuel suppliers to meet their legal obligations based on the principle of mass-balance. Furthermore, the co-legislators also recognized the need to investigate **further temporary flexibilities to allow for the emergence of a competitive and effective SAF market** in the Union. This is clearly set out in **Article 15 (2)** of the regulation, tasking the Commission with: “*assess(ing) possible improvements or additional measures (...) such as setting up or recognising a system of tradability of SAF to enable **fuel supply in the Union without it being physically connected to a supply site** (...)*. Such a possible system, incorporating elements of a **book and claim** scheme, could enable aircraft operators or fuel suppliers, or both, to purchase SAF through contractual arrangements with aviation fuel suppliers and to claim the use of SAF at Union airports”. The Commission has regrettably not met the 1 July 2024 deadline to complete its assessment and issue a report, accompanied by a legislative proposal as necessary.

Developments since then have demonstrated the need for additional action to ensure that SAF production is rapidly scaled up in the coming years, especially from 2030 onwards, and to ensure that the enabling conditions are in place for a competitive market in the long term.⁵ Market signals in 2024 were not promising, as some fuel suppliers suspended plans to construct large-scale plants to produce alternative fuels in Europe.⁶

Introducing further flexibilities is of paramount importance to avoid structural imbalances and to reduce overall costs in the EU’s SAF market, while ensuring an efficient deployment of SAF across the EU in the most environmentally friendly manner. Given the current market outlook, we fear that without action, distortions will occur, negatively impacting aircraft operators and aviation fuel suppliers. For example, **if the limited, and geographically dispersed Union SAF is not easily tradable across borders**, it is easy to see how **non-market driven pricing practices could disadvantage certain aircraft operators** simply based on the location of service provision, with knock-on effects on competitors’ business models. Ultimately, **distortions in the**

² [E-fuels for planes: with 45 projects, is the EU on track to meet its targets? - Transport & Environment \(transportenvironment.org\)](#)

³ [Aviation Benefits Without Borders](#): 2x-10x; [EASA](#): 1.5x-6x; [ICCT](#): 10x for efuels.

⁴ [Report on the future of European competitiveness – Mario Draghi](#)

⁵ [European Aviation Environmental Report 2025](#); [EASA report on the State of the EU SAF market in 2023](#)

⁶ [Shell to pause Dutch biofuels project as market sags - Reuters](#)

SAF market could end up being **detrimental for consumers** in a wide variety of **aviation transport services, undermining Europe’s position** as a global leader in sustainable aviation.

Furthermore, an increased flexibility would lead to a broader customer base for both new SAF producers as well as established aviation fuel suppliers. Such a scenario would also allow them to optimize their fuel supply under economical as well as environmental aspects, thus leading to lower supply chain costs and lower carbon emissions from the very transport of fuels. Additionally, the flexibility mechanism applicable to fuel suppliers under ReFuelEU Aviation Regulation must be extended to aircraft operators, enabling them to reduce their EU ETS obligations under the applicable scope by claiming the use of SAF from all Union Airports. Currently, the fuel supplier has optionality regarding which airport(s) to supply SAF to, as long as the SAF supplied reaches the mandated quantity. Aircraft operators, however, do not have optionality as they can only claim the SAF purchased at airports benefiting from physical SAF supply.

At a workshop organised by the Commission in March 2024, participants from across the industry supported the option that would **allow EU fuel suppliers to trade SAF certificates within the EU**, ultimately **allowing aircraft operators to “book and claim” the SAF**, which would allow for **more competitive pricing** and more robust **market demand signals, enabling more investment in European SAF production**, without being restricted by physical supply constraints. The technical implementation of such a system could easily be linked to the Union Database for Biofuels under the RED, as demonstrated by the consultants during the workshop.

OUR RECOMMENDATION

It is urgent for the Commission to take action and to **introduce improvements** to the flexibility mechanism and guidance on SAF accounting, as the substantive legal obligations⁷ of the regulation, including fuel suppliers’ SAF blending obligation, have now taken effect from 1 January 2025. In addition, similar flexibility mechanism must also be extended to the aircraft operators, allowing them to claim the use of SAF while respecting the applicable scope of EU ETS.

We believe that robust accounting principles must be adopted to safeguard environmental integrity of SAF supply and use under ReFuel EU Aviation Regulation. It is also desirable to define the rules and procedures related to the flexibility mechanism and SAF accounting by fuel suppliers and aircraft operators in the legislation, rather than on a voluntary basis only. This holds especially true for aircraft operators as they eventually purchase SAF and have an interest in a guarantee that their investment in SAF can be accounted for externally, for instance under the applicable scope of EU ETS and the 20 million SAF allowances or towards their customers.

Book and claim is a prime example of how to boost the competitiveness of EU industries in the twin green and digital transition, as technical solutions already exist to implement the system while preventing double-counting of SAF and fraud. The Union Database for Biofuels is being adjusted to support the tracking of SAF and could be used to centralise information on SAF transactions, including book and claim transactions. Such a system will help to ensure the accounting for distribution of SAF to all “Union airports” in the medium term and will help to scale up SAF production across the EU, meet future demand by improving market efficiency, and help reduce the price gap with conventional aviation fuels in the short term. It should be noted that the “mass balance” approach for fuel suppliers already facilitates in part the decoupling of physical

⁷ Articles 4,5,6,8 and 10

availability and delivery of SAF, but it does not provide flexibility for aircraft operators or SAF producers.

We urge the Commission to seize this opportunity and swiftly enact further flexibilities to the ReFuelEU Aviation Regulation in line with the findings of the Commission's stakeholder consultation. As noted in the Draghi report, it is vital to accelerate the SAF production that Europe needs to strengthen its strategic energy autonomy and meet the ambitious mandates set out in the ReFuel EU Aviation Regulation.

We also believe that the Clean Industrial Deal and the STIP are key opportunities to also establish financial incentives and/or co-financing for SAF projects to complement a book and claim system by mobilizing capital for competitive SAF production in Europe. Together, these measures will enable the industry to competitively decarbonise and meet the EU's climate objectives which has the potential for an economic success story for the EU in a strategically important area.

Sincerely,

