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| From: | General Secretariat of the Council | |
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| To: | Working Party on Aviation | |
| N° Cion doc.: | 10884/21 | |
| Subject: | Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on ensuring a level playing field for sustainable air transport - Comments by Member States | |

Delegations will find, attached, comments from <u>Italy</u> on the above mentioned proposal.

Italian comments to the Proposal for a Regulation of the European Parliament and of the Council on ensuring a level playing field for sustainable air transport (RefuelEU Aviation initiative)

Italy welcomes the RefuelEU initiative, considering the proposed regulation a useful instrument to promote the deployment and use of SAFs in Europe.

As a general comment, in our view the ReFuelEU Aviation initiative should have a strong and explicit link to the REDII, ETS, and other (infrastructure, taxation) key revised Directives.

In the following table specific comments are listed as regards the articles of the new proposed Regulation.

| Ref. to | Specific topic | Comments |
|------------|---|---|
| Regulation | | |
| Article 3 | SAFs and feedstocks eligible for SAFs | Due to the limited quantities of feedstock available, ss regards REDII Annex IX, feedstock list should be expanded and cap increased. Similarly, the use of feedstocks eligible for Annex IX Part A should be expanded as well, to increase the feedstock base. An alignment with the list of feedstocks eligible for SAFs that are included in the ICAO-CORSIA scheme would be welcomed; in each case the achievement of the GHG saving indicated in RED II directive shall be ensured. Being SAFs certified fuels, the regulation should specify that SAFs, being drop-in fuels are fully fungible with conventional aviation fuel and compatible with existing aircraft engines at a max blending level defined in the corresponding ASTM safety standards. |
| Articles 4 | Deployment and use | The possibility to introduce a "book & claim" mechanism based on |
| and 5 | of SAFs (possibility to introduce a "book and claim" mechanism) | an exchange of certificates in our view should be strongly considered. This mechanism could be a useful instrument to accelerate and facilitate the use of SAFs, at least until SAFs are physically available in all EU airports, and could allow the aircraft operators to use SAFs independently from the airports where their flight operations will take place. In addition, SAF is currently produced in very limited volumes and only in a few places in Europe. To optimize the sustainability of SAF, it is better to keep the supply chain as efficient as possible: by entering SAF into the fuel system of an airport close to the production facility, the supply chain's GHG emissions are minimized. Moreover, SAFs are more costly than fossil kerosene and it is crucial for the development of the market that costs are minimized. Producers could need to strictly separate SAF in the supply chain with the result that possibly new infrastructures would be required. This would be inefficient and expensive, thereby also significantly increasing the price of SAFs. |
| Article 11 | Sanctions | As to sanctions, they seem difficult to be applied, and the system should be revised and simplified. As an example, sanctions for a non-EU air operator cannot be easily "collected" due to the complex rules linked to international agreements in terms of administrative procedures. Moreover, it would be appropriate to also provide for incentives for sustainable fuels in order to reduce the considerable price difference as compared to traditional fuels and make their use easier. |

Italian comments to the Proposal for a Regulation of the European Parliament and of the Council on ensuring a level playing field for sustainable air transport (RefuelEU Aviation initiative)

| Annex I | Volume shares of | f Italy expresses concern about the possibility to achieve the |
|---------|------------------|--|
| | synthetic fuels | minimum volume share of synthetic fuels that is expected by 2030 |
| | | (0.7%) due to the fact that, mainly, technology for these fuels is not |
| | | yet fully developed and are difficult to purchase. Should the |
| | | percentages be confirmed as they are set now in the draft of the |
| | | proposed regulation, adequate flexibility should be provided for the |
| | | implementation of the requirements of Annex I (for example, in |
| | | case that a MS would not be able to achieve the production target of |
| | | 0.7% of synthetic fuels it should be allowed to share an higher |
| | | percentage of SAFs (e.g. 6% of SAFs at 2030 instead of 5%) in |
| | | place of 0.7% of synthetic fuels. |