

European Commission
1049 Bruxelles/Brussel
Belgium

3 May 2023

Dear Sirs or Madams,

Re: Delegated Act for Aviation – Activities 6.18 and 6.19

We, the Aviation Working Group (**AWG**), thank you for the opportunity to comment on the Commission's draft Delegated Act supplementing Regulation (EU) 2020/852 and amending Delegated Regulation (EU) 2021/2178, published for feedback on 5 April 2023 (the **Delegated Act**).

AWG is a non-profit entity chaired by Airbus and Boeing, and comprised of the world's major aviation manufacturers, leasing companies and banking and other financial institutions. AWG works on regulations and practices to facilitate international aviation financing and leasing. We are widely considered a leader on the link between finance and aviation, and a specialist on their relation and interplay with regulation.

We are fully supportive of the Delegated Act as it relates to aviation. We believe that the inclusion of aviation in the Delegated Act is critical to the aviation industry's efforts to transition to net zero by 2050, given the capital-intensive nature of the aviation industry and its reliance on financing. If aviation were to be excluded, then it would significantly impact the aviation industry's ability and timeline to meet net zero.

While it will be challenging for participants in the aviation industry to meet the high standards and requirements set in the technical screening criteria for aviation in the Delegated Act, we recognise that such is necessary to meet the net zero objective and appropriate as a matter of fundamental environmental policy. We also recognise and accept that the process that led to the Delegated Act has been fair, transparent, and with the encouraged input of participants from both the aviation industry and environmental bodies.

Without detracting from our full support for the Delegated Act, we note two points.

First, inclusion of **SAF criteria for lessors** would substantially promote the objectives of the Delegated Act. Aircraft lessors (as owners of more than 50% of the world's fleet) should be incentivized to promote SAF usage, a key element of the pathways to net zero. Both airlines and lessors should be entitled to look to the provisions of 6.19 (Passenger and freight air transport), rather than the aircraft lessor separately looking to the provisions of 6.18 (Leasing of aircraft), where there is no SAF option. This would apply where an airline has agreed to provide SAF usage information or to meet SAF usage requirement for the benefit of the lessor.

Secondly, inclusion and/or contemplating means and methods to **supplement, clarify, and provide guidance** under the Delegated Act in respect of **industry-specific and operational practicalities** would substantially promote the objectives of the Delegated Act. These include existing points (e.g., initial allocation, time-period applicable to, and trading of, eligibility credits; treatment of complex leasing and financing structures, re-financings, and financing of multiple aircraft and parts; details on grandfathering initial eligible assets; and treatment of 'book and claim' and SAF criteria) and similar ones over time. These are non-contentious and technical points which relate to and advance the workability of the system.

We thank the Commission for their ambitious yet pragmatic and considered work in preparing the Delegated Act and iterate our full support for it. We look forward to the Commission's continued constructive engagement with industry and all stakeholders in connection with efforts to ensure that the Delegated Act is robust and workable in a practical context, both now and in the future.

Sincerely yours,



Jeffrey Wool
secretary general
Aviation Working Group