European Business Aviation Manifesto: EU Institutional Term 2024-2029

EBAA
EUROPEAN BUSINESS AVIATION ASSOCIATION

GAMA
General Aviation Manufacturers Association

BA in Europe

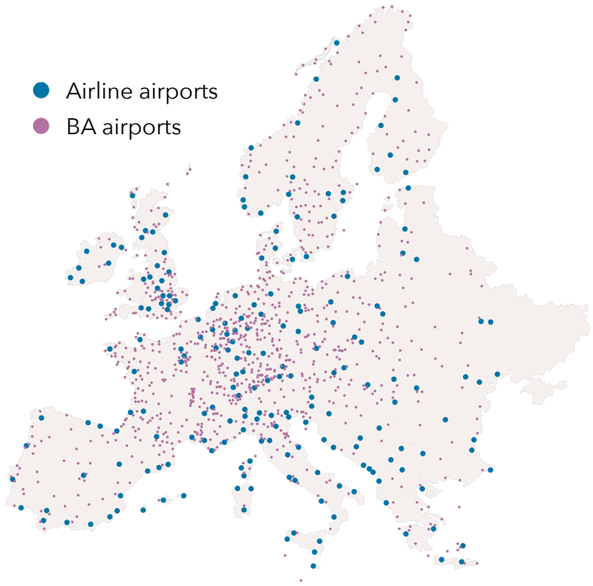
BA is a specialised mobility solution enabling people to meet face to face when time matters the most. Often in the absence of any viable alternative, BA is the only option available to its users, who require unparalleled flexibilities and confidentiality, and often have specialised safety requirements. Furthermore, BA aircraft are at the forefront of innovative safety and sustainability-enhancing new technologies that are later scaled up as upgrades to commercial airlines.

The European Business Aviation Association (EBAA) and the General Aviation Manufacturers Association (GAMA) are committed to engaging with the next European Commission and Members of the European Parliament to drive a sustainable, competitive and safe aviation sector of the future benefitting the whole ecosystem of the industry with European BA as a key pillar of this transition.

BA connects and serves Europe like no other mode of transport

Our industry facilitates the day-to-day operating efficiencies of companies that invest in Europe and avail themselves of the four fundamental freedoms that are set out in the EU's founding treaties. We achieve this by connecting 80.000 unique airport pairs across the Union and serving 1000 airports that are otherwise unserved by scheduled air transport (airlines). In total, BA flights account for 8% of European aviation traffic, while generating €100 Billion of the EU's annual GDP, employing over 449.000 people across the EU (directly and indirectly) and ensuring that Europe remains a competitive place to invest, and do business.[1]

Our sector also serves vital diplomatic and government missions, ensuring that the Union of 27 geographically dispersed countries continues to function as efficiently as possible. Our aircraft and operators also save peoples' lives, completing an average of 70 medical flights a day.



BA is a catalyst for innovation, benefitting the entire aviation industry

The manufacturing of BA aircraft also plays an important role as the catalyst for innovation for Europe's aeronautical industry, as many of the cutting-edge innovations that are helping to push the boundaries of environmental efficiencies are initially developed, tested and proven in the realm of BA before being adopted by commercial airlines. A fact that is well recognised by EUROCONTROL[2] and the European Union Aviation Safety Agency (EASA).[3]

Promoting the rapid decarbonisation of the sector, BA manufacturers and operators committed to the Business Aviation Commitment on Climate Change (BACCC) in 2009, and updated in 2021, which sets out our industry's roadmap to net-zero by 2050. To further strengthen our commitment, in 2024 EBAA & GAMA published a joint Sustainable Aviation Fuel (SAF) plan, which emphasises the importance of using SAF in our operations beyond the legally mandated levels set out by the ReFuelEU Aviation Regulation. The EBAA – GAMA SAF plan suggests more ambitious SAF uplift targets for our sector than those set out in ReFuelEU Aviation (5% instead of 2% uplift in 2025 rising to 100% uplift instead of 70% in 2050).

The European Business Aviation Association and the General Aviation Manufacturers Association stand ready to engage with all stakeholders to continue being the bridge between the European BA industry and policymakers. We believe the EU can be at the forefront of a just transformation inspiring Europeans and building a more interconnected and prosperous Europe, one that honours its past while looking after its future.

1 Source: EBAA Yearbook https://yearbook.ebaa.org/
2 BA: A test bed for sustainability innovations (2021) https://www.eurocontrol.int/article/business-aviation-test-bed-sustainability-innovations
3 EASA, A European Plan for Aviation Safety (2022) https://www.easa.europa.eu/en/downloads/134918/en (p.21)
4 EBAA and GAMA SAF Plan: https://www.ebaa.org/press/above-and-beyond-european-business-aviation-to-uplift-saf-beyond-minimum-requirements/

Executive Summary of Recommendations

Safeguarding a competitive, and fair European Single Market for BA operators

Non-CO2 reporting requirements must be simplified as much as possible for small operators.

Maintaining a level playing field in terms of access to airports and airspace for all airspace users.

Abstaining from taxing non-CO2 emissions while high level of scientific uncertainty exists.

Abstaining from introducing energy taxation on kerosene to maintain the European aviation sector's competitiveness.

Enabling BA to reach net-zero by 2050

Ensuring BA has access to sustainable aviation fuels (SAF) so we can reach our net-zero goals by 2050.

Include BA in the Sustainable Finance Taxonomy to ensure adequate financing is available to modernise the European fleet.

Cutting 10% of EU aviation emissions by creating a real Single European Sky.

Investing in Europe, Investing in the Future

Ensure that European advanced air mobility (AAM) companies have adequate funding available in the face of international competition.

Ensure EASA is appropriately funded to accelerate the certification of new and more efficient aircraft and technologies

Recognise the strategic importance of General and BA manufacturing as a lynchpin for advancing innovation and decarbonisation in aviation.

Enabling BA to reach net-zero by 2050

Enabling BA to reach net-zero by 2050

While aviation is universally recognised as a hard to abate industry, BA manufacturers and operators are committed to reaching net-zero by 2050[5]. We are an innovative, versatile and high-tech industry that recognises the importance of reducing our environmental footprint. However, to get there, we need to have access to SAF, access to financing to accelerate the upgrades to the BA fleet in Europe, and we need critical enabling policy decisions on issues like the Single European Sky.

Ensure European BA has access to SAF

At present, the ReFuelEU Aviation Regulation (Regulation (EU) 2023/2405) does not recognise Book and Claim (B&C) as an accounting mechanism for operators to purchase SAF credits while claiming the reporting benefits under the EU's Emissions Trading Regulation (ETS). With global SAF demand projected to continue to outpace supply by up to 70% for the foreseeable future, investors need strong market signals to scale European, RED III compliant SAF production . BA operators want to be a part of the solution, by rapidly transitioning to SAF use with the EBAA – GAMA SAF plan suggesting more ambitious SAF uplift targets for our sector than those set out in ReFuelEU Aviation (5% instead of 2% uplift in 2025 rising to 100% uplift instead of 70% in 2050). But given the scarce supply, and the legal priority given to large "Union Airports" by the ReFuelEU Aviation Regulation, small BA operators, SMEs often operating out of non-Union airports will struggle to secure physical SAF supply as they do not have the same purchasing power as large airlines. Allowing BA operators to purchase more expensive SAF through a B&C system would help bridge the initial supply-demand imbalance. Several feasible technical solutions exist for ensuring that any B&C system is of the highest integrity.

Accordingly, GAMA and EBAA call on the incoming European Commission and Parliament to:

→ Create a **reliable, fraud-proof B&C system under ReFuelEU & recognised in the ETS regulation** to send strong market signals to producers, **reduce currently excessive SAF prices** (5x-7x JET A1) and create a real single market for SAF.

Create a real, Single European Sky

The SES2+ compromise, negotiated between the European Parliament and the Council under the last political mandate[9], lacks the ambition necessary to deliver on solving the problems of the EU's fragmented airspace system. At the end of the day, it is airspace users who pay the bill as European air traffic remains fragmented and marked by continuous delays and cancellations, affecting European citizens. The fragmentation of EU airspace also leads to 10% more fuel being burnt than needed due to inefficient routing. We consider that a broad range of additional actions are indispensable to fully optimise the Single European Sky, and to help reach the climate targets set by the European Commission.

Accordingly, EBAA and GAMA call on the incoming European Commission and Parliament to:

→ Find the **right level of ambition for SES2+** and submit a revised proposal to **fully optimise European skies and reduce unnecessary carbon emissions** due to fuel burn.

Enable the Financing of Sustainable BA – Revise the Taxonomy

BA is here to stay. Excluding this entire segment from the scope of the EU Taxonomy, as is currently the case is misguided for several reasons. Most importantly, BA has a credible pathway to reach net-zero emissions by 2050 . Including our sector within the Taxonomy will only encourage financial institutions to finance the purchase of more efficient and sustainable aircraft, contributing to our common, global goal of decarbonising aviation.

In addition, it is also important to acknowledge that aviation and especially banking are global industries. Alternative climate finance metrics to support the modernisation of the global BA fleet are already being developed outside of the European Union. The EU economy only stands to lose-out by maintaining BA's exclusion from the Taxonomy. Other geographies, such as financial hubs neighbouring the EU can look to capitalise on shortsighted EU rules to support the aviation sector.

Accordingly, GAMA and EBAA call on the incoming European Commission and Parliament to:

→ **Amend Delegated Regulation (EU) 2021/2139** to include the **manufacturing of BA aircraft** under the technical screening criteria for aircraft manufacturing, recognising the **substantial climate change mitigation impact that the financing of fleet modernisation** has on our environment.

[5] BA Commitment on Climate Change - https://gama.aero/wp-content/uploads/BACCC_update_0523_A4.pdf
[6] World Economic Forum (2024) "Scaling Up Sustainable Aviation Fuel Supply: Overcoming Barriers in Europe, the US and the Middle East": https://www3.weforum.org/docs/WEF_Scaling_Sustainable_Aviation_Fuel_Supply_2024.pdf
[7] Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02018L2001-20231120
[8] EBAA and GAMA SAF Plan: https://www.ebaa.org/press/above-and-beyond-european-business-aviation-to-uplift-saf-beyond-minimum-requirements/

[9] Single sky reform: Council and Parliament strike a deal to improve efficiency of air space management in the EU: https://www.consilium.europa.eu/en/press/press-releases/2024/03/06/single-sky-reform-council-and-parliament-strike-a-deal-to-improve-efficiency-of-air-space-management-in-the-eu/ https://www.consilium.europa.eu/en/press/press-releases/2024/03/06/single-sky-reform-council-and-parliament-strike-a-deal-to-improve-efficiency-of-air-space-management-in-the-eu/
[10] Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023 - https://eur-lex.europa.eu/eli/reg_del/2023/2485
[11] BA Commitment on Climate Change - https://gama.aero/wp-content/uploads/BACCC_update_0523_A4.pdf

Safeguarding a competitive, and fair European Single Market for BA

Safeguarding a Competitive, and Fair European Single Market for BA

Over the past years, our industry has been repeatedly threatened with severe taxes, restrictions or outright bans by certain political groups and NGOs. Not only would such restrictions or bans on our sector be at fundamental odds with the four freedoms of the EU, but they would also be extremely shortsighted. BA provides specialised, point-to-point travel solutions that help businesses operate in a more efficient and streamlined manner, contributing to Europe's overall competitiveness and attractiveness as a place to manufacture, innovate and do business in general. Discussions about aviation in general, and BA in particular should reflect these realities and take a holistic view of the impacts of further regulating our sector.

Exercise Caution on Non-CO2

It is imperative that political leadership in the Commission and Members of the Parliament recognise and acknowledge that the science underpinning non-CO2 emissions is still an evolving field, as recognised by countless scientific studies and leading subject-matter experts[12]. In fact, the broader aviation sector is united in raising several legitimate concerns and questions around the actual climate impacts of these emissions[13] and their relative impact compared to CO2, the feasibility of large-scale data collection and the reliability of any data collected.

Accordingly, EBAA and GAMA call on the incoming European Commission and Parliament to:

- **Exercise caution** and ensure that reporting obligations for non-CO2 emissions are both **technically feasible** and do not place **undue administrative and logistical burden** on operators.
- **Distinguish between small and large emitters** when it comes to discussing the data collection methods.
- **Abstain from** using the eventual non-CO2 **MRV to introduce a 'non-CO2 tax'** recognising that there is no scientific consensus on the impact of non-CO2 emissions or the most appropriate mitigation measures. Any approach to regulating non-CO2 emissions should be developed globally at ICAO.
- The future non-CO2 MRV within the EU must be simplified as much as possible for small operators.

[12] David S. Lee et. al (2023) 'Uncertainties in mitigating aviation non-CO2 emissions for climate and air quality using hydrocarbon fuels' Environmental Science: Atmosphere 23/03: https://pubs.rsc.org/en/content/articlehtml/2023/ea/d3ea00091e

[13] For example, see following communications: IATA https://www.iata.org/en/pressroom/2024-releases/2024-04-30-01/ A4E: https://a4e.eu/publications/non-co2-emissions-from-the-aviation-sector-a4e-perspectives/ ASD: https://www.asd-europe.org/news-media/publications/asd-position-papers/monitoring-non-co2-aviation-effects/

Say No to Energy Taxation

BA pays its fair share when it comes to taxes. The phase-out of free ETS allowances impacts our industry the same way it impacts airlines. BA is also increasingly subject to disparate national taxes and levies and in the most recent iteration of the proposed Energy Taxation Directive (ETD) would subject non-commercial BA to the full rate of the kerosene tax from day 1, whereas airlines would benefit from a 10-year transition period. Such an increased tax burden would compound the increased costs associated with procuring SAF (5x-7x more expensive than conventional jet fuel) to meet the recommendations set out in the EBAA and GAMA SAF plan, which are more ambitious than the mandates set out by the ReFuelEU Aviation Regulation.

Accordingly, GAMA and EBAA call on the incoming European Commission and Parliament to:

- Recognise that **aviation is a global industry**, and that Europe does not exist in a void. **New taxes** on our sector will only serve to **drive BA operators and operations to neighbouring geographies** while potentially having an **adverse impact on CO2 emissions.**
- **Encourage Member States** to **ringfence any taxes** they have already collected from the aviation sector and use this income to **further our shared sustainability objectives.** Such as **increasing SAF production** in Europe, supporting **innovative manufacturers** or investing in **alternative fuels infrastructure** to support the rollout of electric and hydrogen aircraft and ensure that aircraft are 100% SAF compatible as soon as possible.

[14] Of 0.38€ /litre as per the last draft text of the ETD

Safeguard the Integrity of BA Operations

BA operators find it particularly difficult to acquire airport slots under the current Slot Regulation (Regulation 95/93) as operators do not fit into the 'programmed non-scheduled' definition under current rules. Past revisions of the rules have prevented BA operators from obtaining and maintaining access at any airport that would become slot coordinated. Recent restrictions referring to noise-related concerns at significant European airports pose additional operational challenges to access airports.

Accordingly, EBAA and GAMA call on the incoming European Commission and Parliament to:

- Ensure a **fair and equitable solution in the next revision of the EU Slot Regulation**, recognising historical rights for all airspace users with an understanding that each model is an essential component of Europe's air transport policy.
- Ensure that **any future revision of Regulation 1008/2008** on the operation of air services creates a robust and harmonised legal framework to **safeguard consistency and avoiding avoid 27 different national interpretations** (as currently experienced regarding the ban on short-haul flights in certain Member States referring to 'serious environmental problems').
- Ensure that **Regulation 598/2014 on noise-related operating restrictions at large airports will not be opened with the purpose to unlawfully restrict or ban BA at airports** (previously seen attempts at Amsterdam Schiphol) and thus guarantee the rights of all operators to fair access to airports in Europe.

Investing in Europe, Investing in the Future

Investing in Europe, Investing in the Future

Europe needs a strong industrial policy underpinned by a focus on competitiveness and innovation. Otherwise, as pointed out by the recent Letta Report, Europe faces the possibility of deindustrialisation . In terms of direct impacts, BA manufacturing is a €40+ billion global industry[16] which has a proven track record of being the cradle of innovation for aviation writ large. From the first certified fully electric trainer aircraft, to manufacturing some of the most sophisticated business turboprops, jets helicopters and a rich landscape of advanced air mobility solutions, Europe has a strong industrial base for General and BA aircraft. When considering the wider impacts that are enabled by BA operations, the effect is many times amplified as these services are a critical mobility solution for business leaders, investors and governments, which in turn facilitates investment, secures supply chains and leads to economic growth.

Investing in Innovation

Our sector strongly supports investments into creating a robust, European SAF production base, as the rapid rollout and uptake of SAF is the most immediate way to decarbonise aviation. In parallel, we also call on the Commission and Member States to support further innovative research and testing into maximising engines' ability to uplift higher percentages of blended SAF, and neat, unblended 100% SAF to make the environmental benefits of using sustainable fuels even more impactful.

In addition to investing in alternative fuels, and as various aviation roadmaps show, new technology will contribute to as much as one third of the decarbonisation needed to meet aviation's net zero emissions by 2050[17]. General Aviation manufacturers are already demonstrating the immense added value they bring to advancing the cause of electric aviation[18] while BA manufacturers have a long and storied history of pushing the boundaries of nascent technologies like winglets or advanced vision systems that later become more widely adopted by commercial airliners.

However, bringing aviation products to market typically takes 5-10 years or more. Supporting the success of alternative, zero or low emission propulsion systems and other emissions saving innovations is clearly in the geopolitical interest of the EU as decarbonising aviation will remain an imperative political and economic objective over coming decades, with intense competition from other countries around the world looking to attract innovative aviation manufacturing capabilities.

Changes, specifically needed to spur the success of electric aviation include modifying EU state aid rules, changing the European Investment Bank's lending practices, and the rules associated with the Innovation Fund and Joint Undertakings. For a detailed overview of the main policy changes needed to support the development and deployment of electric aviation in Europe, consult GAMA's White Paper on Electric Aviation.

Accordingly, GAMA and EBAA call on the incoming European Commission and Parliament to:

- Invest in European **SAF capacity**, and support research into the **use and uptake of higher blends of SAF**, including the use of 100% "neat" SAF.
- **Recognise** at EU level the **strategic importance** of **General and BA manufacturing** as a lynchpin for advancing innovation and decarbonisation in aviation.
- Create the appropriate **regulatory** and **funding frameworks** to enable new, **clean aviation technologies** to come to market.

Investing in EASA to Maintain Global Competitiveness

European manufacturers across the aviation landscape help maintain Europe's global competitiveness in aviation. However, it is crucial to emphasise that aviation is a globalised industry where the harmonisation of standards with other leading aviation regulators in the USA, Canada and Brazil, is a strategic imperative that directly impacts the export potential of European products and the sustainability of high-tech jobs across Europe.

EASA in particular, plays a crucial role here, as EASA develops safety standards, regulations, certifies new technologies, and performs oversight of Member States and approved organisations. For example, in April of 2024, EASA became the first regulatory authority to finalise rules for operations and pilot training for piloted electric air taxis (eVTOL aircraft), setting a new global benchmark.

Yet for EASA to be able to work at pace to support the market entry of new safety and sustainability-enhancing aircraft and technologies, the agency needs to be more sustainably funded with a long-term view to the needed skills and expertise of its staff. Nevertheless, EASA's EU subsidy currently only totals €40million, which is significantly less than what the Agency is understood to need for the coming years to complete all its rulemaking tasks alone.

Accordingly, EBAA and GAMA call on the incoming European Commission and Parliament to:

- Ensure that **EASA is properly funded** to efficiently and effectively carry-out rulemaking tasks and to recruit and retain expert staff vital to the **success of the Agency and Europe's sustained global relevance in aviation**.
- Actively promote the **harmonisation of standardisation and rulemaking processes** for new and emerging technologies in aviation.

[15] Enrico Letta (2024) "Much More Than a Market": https://www.consilium.europa.eu/media/ny3j24sm/much-more-than-a-market-report-by-enrico-letta.pdf (p.10, 62)
[16] Fortune Business Insights: https://www.fortunebusinessinsights.com/industry-reports/business-jet-market-101585
[17] World Economic Forum "How to accelerate the decarbonisation of aviation" https://www.weforum.org/agenda/2023/07/how-the-aviation-industry-can-create-an-effective-roadmap-towards-decarbonization/
[18] See: General Aviation Manufacturers Association (GAMA) White Paper on Advanced Air Mobility 2024: https://gama.aero/wp-content/uploads/GAMA-White-Paper-on-Electric-Aviation-2024-April.pdf

About EBAA

The European Business Aviation Association (EBAA) is the leading organisation for operators of business aircraft in Europe. Our mission is to enable responsible, sustainable growth for BA, enhance connectivity and create opportunities. EBAA works to improve safety standards and share knowledge, to further positive regulation and to ease all aspects of closely tailored, flexible, point to point air transportation for individuals, governments, businesses and local communities in the most time-efficient way possible. Founded in 1977 and based in Brussels, EBAA represents +700 members companies, corporate operators, commercial operators, manufacturers, airports, fixed-based operators, and more, with a total fleet of +1,000 aircraft.

We provide more than 50 products and services to the BA community, including the European Business Aviation Convention & Exhibition (EBACE), Europe's largest BA trade show.

About GAMA

The General Aviation Manufacturers Association (GAMA) represents more than 140 of the world's leading manufacturers of Business and General Aviation aeroplanes, rotorcraft, engines, avionics, components, and related services and technologies. GAMA members are also providers of maintenance and repair services, fixed-based operations, pilot and maintenance training, and aircraft management. Additionally, GAMA represents companies in the emerging sector of new air mobility, which includes the development of vertical take-off and landing (VTOL) aircraft as well as electric, hybrid and hydrogen propulsion and autonomous systems for civil purposes. GAMA member companies have facilities in over 30 countries.

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