

AIRE POSITION ON THE AVIATION ENVIRONMENTAL LABELLING SCHEME

AIRE welcomes the European Commission's efforts to decarbonize aviation through the ReFuelEU Aviation initiative. While we fully support the goal of transparency in emissions data and the commitment to providing passengers with accurate environmental information, we have identified several areas that could be enhanced to ensure fair implementation, incentivize participation, and support the broader sustainability objectives. Our response outlines key concerns and provides constructive recommendations.

1. Pricing.

A critical concern remains the absence of a clear pricing structure for the environmental labelling tool under the European Aviation Safety Agency (EASA). We strongly believe that this tool should be made available to airlines **free of charge**, as the data it generates serves the public interest by enabling passengers to make informed decisions. Airlines act as intermediaries in providing essential information, and imposing financial burdens on them would be **counterproductive**.

Supporting this viewpoint, several similar environmental labelling tools in other jurisdictions are either offered at no cost or heavily incentivized. For instance, the **IATA CO2 Connect tool** allows airlines to monitor emissions and report carbon data, facilitating transparency without imposing undue financial strain on carriers

Additionally, the **French government's environmental labelling system for food products** exemplifies a successful approach to transparency. Developed under the Anti-Waste Law (AGEC), this labelling scheme began with a voluntary phase and is designed to provide labels at no cost to

producers. This initiative ensures that even smaller companies can participate without incurring significant expenses, thereby promoting broader engagement.¹

These examples illustrate that reducing financial barriers associated with ecolabelling tools ensures broader and quicker adoption, especially among smaller airlines, which are often disproportionately impacted by regulatory costs.

Thus, it is reasonable for EASA to adopt a similar approach, either by providing its environmental labelling tool **free of charge** or by offering substantial incentives for compliance. Such measures would align the EU's aviation sustainability efforts with international best practices, ensuring that the responsibility for promoting transparency and environmental accountability does not unduly burden the industry but instead serves the greater public good.

Recommendations

The **labelling tool** should be **freely accessible** to all airlines to ensure that compliance does not place an undue financial burden on smaller operators and regional airlines. If costs are unavoidable, there should be **reduced obligations** or **additional support mechanisms** specifically tailored for smaller and regional carriers. A one-size-fits-all approach risks disproportionately impacting smaller airlines, which often operate with **tighter margins** compared to larger airlines (Air Transport Action Group, 2019).

For example, the **IATA CO2 Connect tool**² demonstrates that offering essential tools at no cost promotes industry-wide transparency and compliance without imposing unnecessary financial burdens. This approach can support broader participation, particularly among smaller operators who may otherwise struggle with the additional costs associated with such regulations (ICAO, 2022)³. By adopting similar practices, the ReFuelEU initiative can ensure that all airlines, regardless of size, are able to meet their environmental obligations without facing disproportionate financial hardship.

¹ See [Consumer Goods Forum](#)

² IATA. (n.d.). *Information on the CO2 Connect Tool*. Retrieved from: www.iata.org/en/programs

³ ICAO. (2022). *Recommendations for supporting smaller operators*. Retrieved from: www.icao.int

2. Incentives.

Starting in January 2025, airlines will face a series of obligations under the ReFuelEU Regulation, including the use of **sustainable aviation fuels (SAF)** and refuelling mandates. However, there are currently no incentives to encourage early compliance, despite the significant technical and operational challenges involved. It is essential to recognize **first movers**—those airlines that proactively comply ahead of time—should be rewarded for their forward-thinking approach. Incentivizing early adoption would not only facilitate the desired environmental outcomes sooner but also help the industry adapt smoothly to the upcoming regulatory framework.

In the **absence of financial aids** or support mechanisms, and considering the considerable regulatory burdens that ReFuelEU imposes on operators starting January 1, 2025, it would be prudent to extend the **voluntary period for the Flight Emission Calculator**. This extension would allow airlines additional time to adjust to the various compliance requirements without overwhelming their operational capabilities.

Recommendations

To encourage airlines to voluntarily adopt the **Flight Emission Calculator**, the European Commission should introduce a range of **early adoption incentives**. These could include **financial aids** or **public recognition** for airlines that begin implementing the labelling scheme ahead of the mandatory deadline. Offering direct **financial relief**, such as subsidies, would be particularly beneficial, mirroring successful strategies seen in sectors like **automotive** and **energy**, where early adopters of green technologies are often provided with similar incentives (European Commission, 2020; IEA, 2021).

Additionally, **financial grants** or **subsidies** could help offset the upfront costs associated with sustainable aviation fuel (SAF) and emissions reporting tools. This model reflects successful initiatives in the electric vehicle and shipping industries, where early adopters have received **state-backed support** to facilitate their transition to sustainable practices (OECD, 2021; World Bank, 2022).

Another effective incentive could be **public recognition**, encouraging airlines to position themselves as leaders in sustainability. This approach would function similarly to the **EU Ecolabel system**, which

enables businesses to market their early compliance to environmentally conscious consumers, thus enhancing their competitive advantage (European Commission, 2023).⁴

By implementing such incentives, the EU could accelerate voluntary compliance, making early action more attractive to airlines while helping the aviation sector meet its sustainability targets more swiftly.

3. Clarity in the Calculation Formula.

The calculation formula used to estimate flight emissions and the lifecycle emissions of aviation fuels is currently insufficiently clear, raising significant doubts among operators regarding the **reliability** and **clarity** of the emissions reporting system. From a regulatory perspective, the **European Aviation Safety Agency (EASA)** has a legal obligation to ensure that all regulated entities fully comprehend and are able to comply effectively with these requirements. The existing ambiguity poses a substantial risk of non-compliance or misreporting, as operators may interpret the formula differently, leading to inconsistent reporting practices.

Under **EU law**, regulations that impose obligations must provide adequate clarity and guidance to ensure practical implementation (as stipulated in **Article 296 TFEU**). Failure to achieve this clarity may result in confusion, increased compliance costs, and ultimately impede the objectives of the regulation. The principle of **legal certainty** necessitates that all regulatory frameworks be easily interpretable to facilitate compliance and accountability.

⁴ European Commission. (2023). *The EU Ecolabel: Promoting Environmental Responsibility*. Retrieved from [Link to Source](#).

Recommendations

- Clarification of the different methodologies applicable, clearly highlighting the applicable methodologies and the variables to be considered, such as **fuel efficiency, flight distances, and SAF lifecycle emissions**. Clear guidelines would help operators understand their obligations more thoroughly and minimize the risk of errors.
- EASA should host **workshops and webinars** aimed at educating airlines, particularly smaller carriers that may lack in-house technical expertise, on the proper use of the emissions reporting tool prior to its mandated implementation. Such educational initiatives can enhance compliance and foster a culture of transparency within the industry.
- Establishing a **dedicated helpdesk** or support system to address technical inquiries would ensure that airlines can confidently implement the system without the risk of incurring costly errors or penalties. This support would be invaluable, particularly for smaller operators who may face unique challenges in understanding complex regulatory requirements.

4. Flexibility for the Flight Emission Calculator

The absence of alternative IT tools for the **Flight Emission Calculator** under the **ReFuelEU Aviation Regulation** raises significant concerns regarding **fair competition** and **proportionality**. While we fully support the regulation's environmental goals, the current framework may inadvertently restrict flexibility for airlines in reporting emissions. This limitation stands in contrast to the **EU ETS (non-CO2 MRV framework)**, which provides tools like **NEATS** at no cost and allows operators the option to use alternative certified tools.

Currently, airlines are mandated to utilize the **EASA tool**, which incurs costs that can impose a significant financial burden, particularly on smaller operators. This situation raises concerns under **Article 101 TFEU**, as it restricts options and imposes costs without offering viable alternatives. Furthermore, the lack of flexibility may lead to inconsistencies in emissions reporting between

the ReFuelEU regulation and other frameworks, such as the **EU ETS CO2 reporting** system, potentially complicating compliance efforts for airlines.

Recommendations

It is crucial that the labelling scheme aligns with the current **EU ETS reporting methodology**. By harmonizing these reporting frameworks, airlines will be able to streamline their reporting processes, ensuring consistency across regulatory regimes. This alignment would help reduce administrative burdens and minimize the risk of errors in emissions reporting.

By adopting these recommendations, the Commission can enhance regulatory fairness, ensure consistency in emissions reporting, and improve the overall effectiveness of the ReFuelEU initiative without imposing undue burdens on the airline industry. Supporting flexibility in emissions reporting will not only foster compliance but also reinforce the EU's commitment to sustainable aviation practices.

5. Validity by Season and Increased Costs for Airlines

A significant issue arising from the **ReFuelEU regulation** is the **seasonal validation requirement** of the environmental labelling tool, which stipulates that the certification will expire at the end of each summer and winter season. This requirement imposes an additional financial burden on airlines, as they will need to undergo re-validation every six months. The necessity for a **third-party verifier** to assess compliance twice a year not only compounds these costs but also makes the verification process time-consuming and administratively challenging for operators.

From a regulatory fairness perspective, the frequency of validation places an unreasonable financial strain on airlines, particularly smaller operators who may already struggle with the high costs of compliance. The aviation sector is already facing numerous obligations under ReFuelEU starting in January 2025, and adding a biannual validation requirement exacerbates the financial and administrative challenges these carriers must navigate. Research indicates that regulatory costs disproportionately affect smaller operators, as they typically operate with thinner profit

margins and fewer resources to absorb additional expenses (Air Transport Action Group, 2019; European Commission, 2020).

Recommendations

In light of these concerns, the European Commission should consider:

- **Extend the Validation Period:** Extending the validation period beyond six months would reduce the frequency of verification and associated costs, allowing airlines to allocate their resources more effectively and efficiently.
- **Provide Financial Relief:** Offering **financial relief** or **subsidies** for smaller operators would help alleviate the burden of biannual verification, ensuring that these airlines can meet compliance requirements without jeopardizing their financial stability.
- **Implement a Simplified Verification Process:** Establishing a **simplified verification process** for operators who have already demonstrated compliance would reduce the need for repeated full-scale assessments, thereby streamlining operations and minimizing administrative overhead.

By addressing the seasonal validation issue, the European Commission can mitigate the risk of discouraging participation from airlines, ultimately supporting the overall goals of the ReFuelEU initiative in promoting sustainable aviation across the sector.

AIRE remains committed to working with the European Commission to ensure the successful implementation of the environmental labelling scheme. We believe that with the right incentives, clarity in methodology, and a balanced approach to smaller operators, the scheme can drive the aviation sector towards a more sustainable future. We hope our recommendations will be taken into consideration to enhance the overall effectiveness of this initiative and maintain a cooperative relationship between the industry and the regulators.