Airports & Sustainable Aviation Fuel (SAF)

Airports should work with airlines and governments to promote the creation of a global SAF market with global mechanisms. Local solutions such as SAF airport charge incentives do not reduce global emissions, can hinder the development of the SAF market and distort competition.

SITUATION

Sustainable Aviation Fuel (SAF) production and supply markets are currently at the nascent stage. Stakeholders across the aviation industry and governments are working to support the urgent scale up of SAF production which will then allow the transition from fossil-based fuel, which is fundamental for aviation to meet Net Zero 2050.

Although, at present, SAF only comprises a small percentage of the total jet fuel uplift by airlines, it has a tremendous advantage in that it is a drop-in solution. This means that, once blended, it can use all the transportation infrastructure already developed by multiple actors to ensure a safe and reliable supply of fuel is available at each airport, including existing airport fuel storage and hydrant networks.

As key partners in the value chain, airports have an important role to play in supporting SAF deployment. However, by its nature, SAF is known as a "drop-in" fuel, which implies no changes in airport infrastructure are necessary to ensure its efficient supply and access. Airports should be careful not to enforce local fees, taxes or charges which conflict the goal of scaling up SAF production. This is particularly important if such initiatives are then marketed as supporting environmental performance improvement of the airport, especially as the climate benefits from SAF are created during feedstock generation.

IATA POSITION

Airports should support industry partners and governments to ensure SAF is produced at the most efficient locations around the world and existing infrastructure is utilized without unnecessary costs to airlines and consumers. A key enabler for this will be a global SAF accounting framework, which will avoid be-spoke local claims, but instead ensure the transparent allocation of environmental attributes for any SAF purchase, while preventing any double claims.

Airports can have significant economic power and care should be taken to avoid privilege of access to specific fuel suppliers or models. Specific actions airports could take include ensuring access for new entrants who are able to supply jet fuel which includes a SAF blend. In such cases, new fees for access should be avoided.

The use of financial incentives for airlines can also help lower the cost impact due to price differentials between SAF and conventional fuel. However, such incentives should be funded by the government.

Any taxes imposed related to SAF usage should be avoided as they would only divert investment away from the aviation's biggest lever for net zero transition.

Key reasons why airports should not introduce SAF incentives, modulations or charges

1) Charges would not be related to the costs of providing infrastructure or services at the airport given that SAF is a drop-in solution.
2) Incentives or modulations will not support additional SAF production.
3) Airport charges are unlikely to drive any change in ability for airlines to purchase SAF.
4) SAF-related incentives and charges will likely distort competition between airlines.
5) SAF incentives/charges can in some cases imply airports influencing airlines to select specific fuel suppliers. It is not the role of airports to decide where airlines buy their fuel.
6) Airports requiring airlines to report SAF usage will result in high administrative workload and inconsistent reporting requirements. This means airports and airlines spending money on bureaucracy rather than reducing emissions.

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What can airports do to support SAF deployment?

Airports have an important role to play in supporting the advancement of SAF deployment.

- Support initiatives for global mechanisms, notably regarding SAF accounting.
- In markets where SAF is produced, ensure access for those suppliers to existing fuel infrastructure.
- Join airlines and industry partners in advocating with governments for policies to encourage SAF production incentives and avoid new taxes.
- Support through industry level education campaigns for passengers.