REPORT

Iran crisis: a moment of reckoning for European aviation

Time to double down on the transition away from fossil fuels

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Summary

The recent Middle East crisis underscores that European aviation's greatest vulnerability is its fossil fuel dependency, not the climate regulations designed to break it. While some industry players are using geopolitical instability to lobby against the ETS and ReFuelEU, T&E highlights that these laws are essential blueprints for achieving energy independence. Weakening this legislation now would only deepen the sector's exposure to global oil shocks. This briefing explores why and how Europe should not backtrack on climate legislation, but rather reinforce it.

Key data points

95%

The EU relies on imports for over 95% of its jet fuel.

€90

Estimated increase in long-haul flight costs since the outbreak of the war, compared to €3 from the EU's SAF mandate.

30%

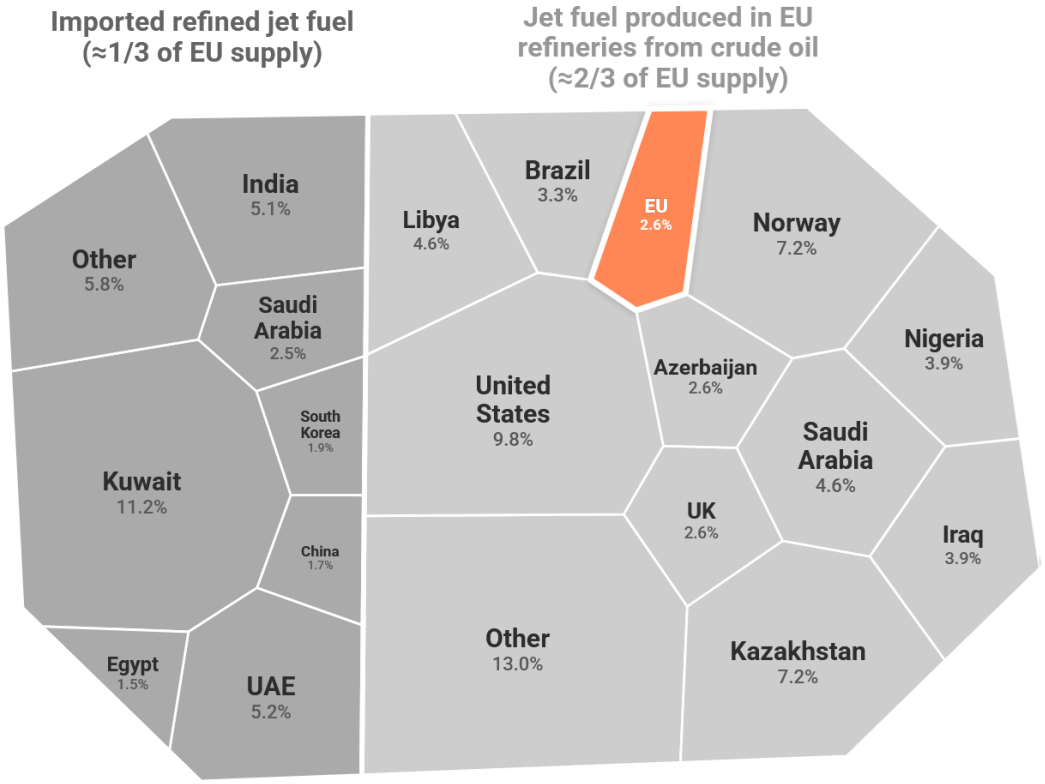
Jet fuel demand reduction required to offset a full disruption of Middle East supply.

The escalating crisis in the Middle East has sent profound shockwaves through the energy sector, but is particularly acute for aviation. To the surprise of many is the extent to which the aviation industry is easily shaken by political conflicts around the world because of its over-reliance on oil and jet kerosene produced and/or transited via the Middle East.

The EU currently imports around 95% of its crude oil and therefore almost all of the crude oil used for jet fuel refining within the European Union. Additionally, roughly one third of European jet fuel demand is met by directly importing refined jet fuel, with the Middle East as the main supplier. Taken together, this means that around 30% of EU jet fuel supply, including both crude oil refined within the EU and imported refined jet fuel, relies on imports via the Strait of Hormuz.

Over 95% of EU jet fuel depends on imported fossil fuels

Origin of EU jet fuel supply (2024): imported jet fuel and crude oil used for EU refining



Source: T&E (2026), based on ERM (2026) • Country shares for refined jet fuel are estimated based on the origin of crude oil imports. Differences in crude yield are not reflected but do not materially affect the overall picture.

The impacts of the crisis are multifaceted and are still evolving; notably, airlines have been forced to undergo rerouting to avoid volatile airspace, while many regional Middle Eastern carriers remain grounded. Beyond operations, the crisis has triggered jet fuel shortages that have led to significant flight cancellations and an increase in fuel costs. SAF prices are also surging despite relatively stable costs for feedstocks like Used Cooking Oil (UCO).

In recent weeks, these disruptions have been leveraged as a catalyst for a renewed attack against green legislation, with aviation industry players calling on the EU to tackle fuel supply issues while simultaneously attempting to dismantle the very climate frameworks - such as the ETS and RefuelEU - designed to ensure long-term energy security. While the following analysis explores some of these key developments, they represent only a portion of the broader, ongoing disruptions facing the sector.

This briefing will demonstrate that the compliance costs of the ETS and ReFuelEU are negligible compared to volatile fossil fuel price spikes, arguing that dismantling these laws would compromise the very resilience needed to end Europe's reliance on foreign imports. This document further explores how reducing flight volumes can significantly curb the aviation

sector's massive contribution to global oil demand, in the short-term. Finally, we look at why SAF is the strategic choice for long-term energy security. Recommendations at the end of the briefing are targeted specifically at the AccelerateEU package expected by the European Commission to tackle the consequences of the current energy crisis.

Key recommendations

While Europe must work hand-in-hand with the aviation sector to manage immediate jet fuel shortages - challenges that this briefing does not seek to address - **it is vital that these short-term pressures do not derail our climate goals**. Instead of retreating, the EU should use this crisis to strengthen its strategic autonomy through the following policy actions:

- **Protect the ETS and reinvest revenues:** Rather than offering price relief that keeps the aviation sector hooked on fossil fuels, the EU should double down on reinvesting part of ETS revenues directly back into the sector. This includes scaling up SAF and leveraging the Innovation Fund to support startups and technologies that will reduce our dependency on fossil fuels.
- **Implement short-term demand measures:** To immediately reduce our reliance on volatile oil imports, Europe should consider demand-side measures that curb unnecessary flight growth, providing a quick win for energy security. Member States must also consider anchoring these demand-side measures in their long-term policy frameworks to prevent a return to business-as-usual and ensure the sector no longer grows in isolation from climate and geopolitical realities.
- **Reinforce long-term SAF mandates:** The only way to decouple aviation from geopolitical instability is to stay the course on SAF mandates, including the UK SAF mandate and ReFuelEU. Strengthening these requirements now will build the domestic production capacity needed to ensure Europe's long-term energy independence. The EU and Member States should consider measures in the AccelerateEU package to boost funding for SAF.

ETS and RefuelEU: Defend them, don't destroy them

In recent weeks, the aviation industry has leveraged the deepening Middle East crisis to launch a coordinated push for the rollback of EU climate legislation, alongside demands on how to tackle jet fuel shortages. Citing skyrocketing kerosene prices and supply disruptions, major stakeholders like Airlines for Europe (A4E) and national lobbies such as France's FNAM and Germany's BDL are calling for a temporary suspension or price cap on the ETS, claiming that carbon pricing unfairly burdens carriers during this oil shock. While industry lobbies frame these as necessary emergency measures, they represent an attempt to weaken the very regulations intended to steer the sector away from the fossil fuel dependency that has left it so vulnerable to global instability.

1.1 Climate costs are not to blame

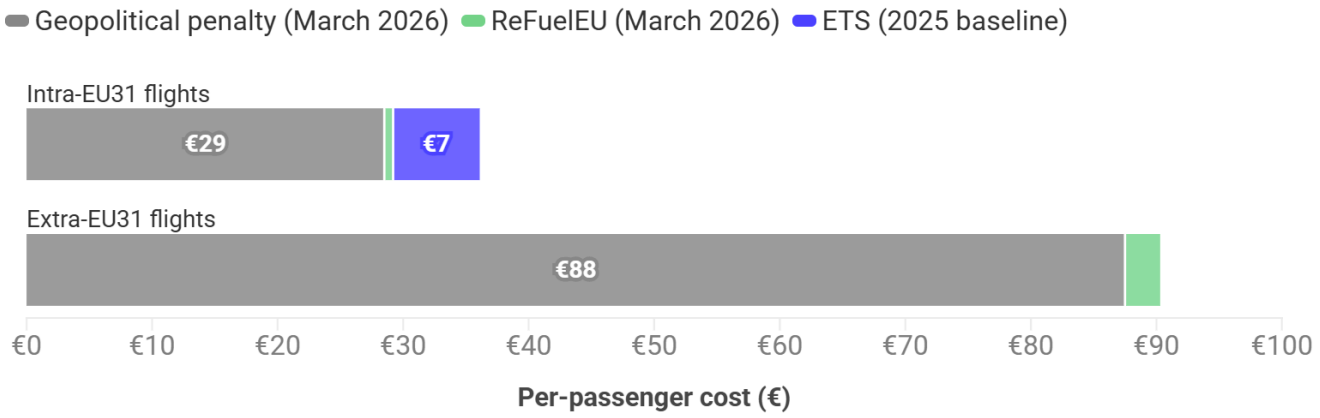
The recent surge in kerosene prices, driven by geopolitical instability, has dwarfed the costs associated with EU climate legislation. While airline lobbies point to the ETS and ReFuelEU as significant financial burdens, the data tells a different story. The reality is that these costs are negligible compared to the hundreds of euros added to every metric ton of jet fuel by the volatile global oil market. The true threat to the industry's bottom line is not the price of carbon, but a continued, wholesale reliance on a fossil fuel supply chain that is inherently fragile and subject to the unpredictability of international conflict.

For an average intra-European flight, the geopolitical premium on fossil fuels currently adds €29 to the airline's per-passenger fuel costs. To put this in perspective, we estimate that in March 2026, the ReFuelEU mandate added just €0.7, while European carbon markets (the EU, Swiss, and UK ETS) added nearly €7. The oil market insecurity penalty is therefore nearly four times larger than the combined cost of European climate policies.

For long-haul extra-European flights, which account for the bulk of the aviation emissions problem, the gap widens further. This is simply because long-haul flights completely escape carbon pricing due to scope exemptions. Consequently, the fossil fuel penalty surges to €88 per passenger, while ReFuelEU adds only €3. Conversely, none of the most polluting routes departing from Europe fall within the scope of current carbon markets, leaving fossil fuel volatility as the sole major driver of added costs on these flights.

Middle East energy crisis adds far more to fuel costs than EU climate policies

Estimated additional per-passenger costs through climate policies and geopolitical fossil fuel cost increase



Source: T&E modeling based on OAG data and Eurocontrol method • Departing flights from Europe (EU31)

To illustrate these costs for individual passengers, we consider two popular routes. On a long-haul flight from Paris CDG to New York JFK, each passenger is indirectly responsible for burning around 0.2 metric tons of fuel. As extra-EU flights are currently exempt from the ETS, the climate policy cost amounts to just €3 under the ReFuelEU mandate. However, the geopolitical shock to the global oil market would add an astonishing €129 to the same ticket if higher fuel costs are passed on to passengers.

Even on short-haul intra-European routes where emissions are almost fully priced under the EU's carbon market (net of free allowances), the situation remains unchanged. A passenger flying from Barcelona to Berlin burns approximately 0.04 metric tons of fuel, generating an ETS compliance cost of €7 and a ReFuelEU cost of €0.6. Yet, the geopolitical premium on the fossil fuel itself adds nearly €26, more than three times the combined cost of the applicable climate policies. These are real-world examples that unequivocally demonstrate that the industry's financial exposure to external macroeconomic shocks is the true driver of rising ticket prices, rather than its environmental obligations.

Middle East energy crisis adds far more to fuel costs than EU climate policies

Average fuel cost increase per passenger from geopolitical fossil fuel cost increase

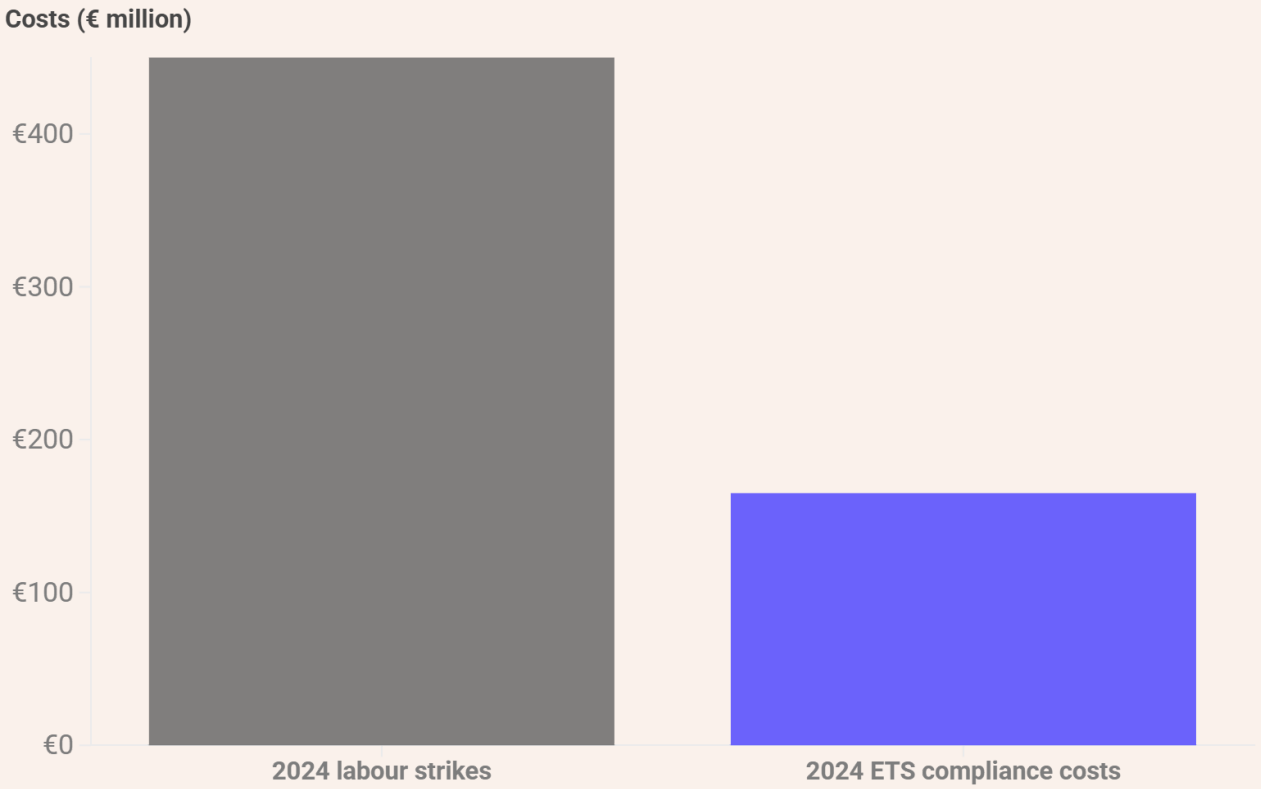
Source: T&E modelling based on OAG (2025). Average costs per passenger for a one-way flight on the routes Barcelona-Berlin and Paris-New York.

Another example: unpacking Lufthansa's true cost drivers

In April 2026, Lufthansa announced the acceleration of its corporate restructuring, shutting down its CityLine regional subsidiary, and retiring dozens of older aircraft earlier than planned. The airline cited two primary drivers for this drastic capacity reduction: crippling labor disputes and surge in kerosene prices triggered by the war in Iran.

The last time the company faced labour strikes, in 2024, the financial damage incurred from labour disputes alone cost the Group almost three times as much as its entire emissions obligation under the EU ETS for the same year. Now, combining these costs with the sudden, crushing costs of jet fuel caused by the conflict in the Middle East, the impact of carbon pricing pales in comparison to the burden of conventional operational hazards.

Labor disputes cost Lufthansa nearly three times more than carbon pricing



Source: T&E modeling based on ETS verified emissions, OAG data, ICAP ETS prices and Lufthansa Group financial report • Departing flights from Europe (EU31)

We have used this example to show that blaming the ETS for the industry's current economic difficulties or using the geopolitical crisis as leverage to scrap climate legislation ignores the mathematical reality. The fundamental financial vulnerability of the aviation industry lies in its reliance on a volatile fossil fuel market, rather than in the cost of transitioning away from it.

Funding the future of green aviation via the ETS

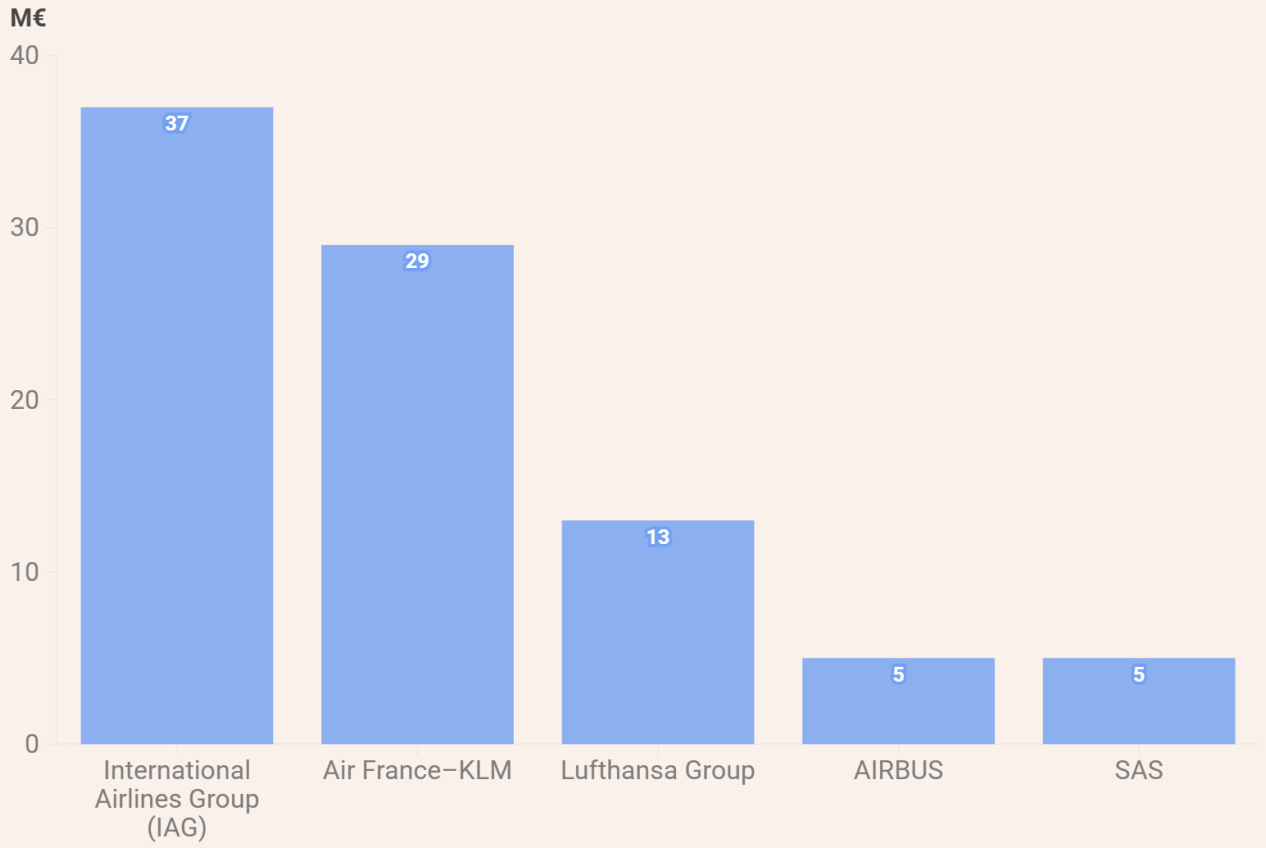
Below we outline two examples of how Europe's carbon market has already had tangible effects on the sector's transition away from fossil fuels and therefore why it is so important to preserve it, rather than weaken it.

SAF allowances:

In the latest revision of the ETS, a dedicated pool of 20 million “SAF allowances” was put in place to reward the use of SAF between 2024 and 2030. These 20 million allowances translate to a subsidy of €1.6 billion over seven years (assuming a carbon price of €80/t). They were intended to cover part of the price difference between SAF and conventional jet fuel on intra-European flights.

European airlines receive €100M worth of ETS allowances for their 2024 SAF purchases

Top 5 beneficiaries of EU SAF allowances in 2024 (in M€)



Source: T&E (2025), based on European Commission (2025)

In 2024, the European Commission distributed 1.3 million such allowances across 53 airlines, worth around €100 million in total support. Three airline groups captured the overwhelming majority: IAG received around 500,000 allowances (roughly €37 million), Air France-KLM around 380,000 (€29 million), and the Lufthansa Group around 180,000 (€13 million). Our calculations suggest this covered approximately 40% of IAG's total SAF use in 2024, around 50% of Air France-KLM's, and close to 100% of Lufthansa's.

The SAF allowances are a key example of how ETS revenues can be used to support the sector's transition to green fuels.

Boosting zero-emission aircraft development:

The Innovation Fund - another product of the ETS - is already supporting projects such as Aura Aero's HERMES in France. HERMES was awarded €95 million and aims to bring to market a 19 seat hybrid-electric regional aircraft. Compared with the reference scenario of a conventional aircraft of the same size, it is expected to reduce energy and maintenance costs by around 50% and achieve a 51% relative GHG emissions avoidance. Over its first ten years of operation, it is also expected to avoid more than 10 million tonnes of CO_2 equivalent. With entry into operation planned for 31 December 2029, the project is a concrete example of how ETS-related revenues can support the decarbonisation of Europe's aviation sector while reducing our reliance on fossil fuels.

With the revision of the ETS upcoming, **T&E recommends not backtracking on the ETS, and using the review to reinforce the ambition of the text - by extending the scope to departing flights.** A strong ETS price signal will help Europe to reduce its reliance on fossil fuels and transition to cleaner technologies like SAFs.

How can less flights help in the short-term?

In the face of the current supply crisis, reducing aviation demand emerges as a critical and immediate tool for alleviating Europe's dependency on volatile oil imports. The International Energy Agency (IEA) has explicitly identified aviation as one of the first sectors where demand-side measures can be scaled up to ease oil price pressures and protect consumers from supply shocks. Aligning with this view, EU Energy Commissioner Dan Jørgensen has recently called on Member States to proactively curb oil demand via less flying to prepare for a prolonged disruption in global supplies. By prioritizing flight reductions in the short-term, Europe can significantly shield its economy from Middle Eastern oil volatility while maintaining the momentum of its long-term energy transition.

2.1 Cutting specific flights now to bridge Europe's oil shortfall

Reducing aviation demand offers a powerful lever for slashing Europe's oil consumption, particularly as geopolitical instability threatens supply chains. However, the technical reality of oil refining means that cutting jet fuel usage alone is not a silver bullet; because jet kerosene is produced as a specific output alongside diesel and gasoline from every barrel of crude, the most significant oil savings occur when demand is reduced across the board. To truly decouple from foreign imports and maximize the impact of aviation cuts, Europe must pair aviation demand measures with broader transport demand reduction (e.g. via electric vehicles), ensuring that a decrease in flight activity contributes to a comprehensive decline in total crude oil intake.

In fact, in recent weeks, different announcements by airlines and airports have started showing that cuts to flights will be necessary to save fuel. Following the closure of the Strait of Hormuz, SAS has been forced to cancel over 1,000 flights in April alone. Four Italian hubs - Milan Linate, Bologna, Venice, and Treviso - have introduced restrictions on jet fuel due to the energy crisis, with priority given to long-haul and medical flights. Meanwhile, Lufthansa has prepared contingency plans to ground up to 40 aircraft. Ryanair leadership has similarly warned of potential 10% reductions across its network to manage skyrocketing kerosene costs.

Airlines are reducing the frequency of low-demand flights and less popular leisure routes, consolidating into fewer, fuller departures, particularly for domestic flights. They are also shifting from destinations in and adjacent to the Middle East due to airspace closures and traveller safety

concerns. These are being replaced by more direct long-haul services to Asia, and in more European destinations. Looking to reduce capacity, some carriers are planning for early retirement of less fuel-efficient aircraft.

At the same time, we find ourselves in the absurd situation where extremely short-haul flights within Europe are still taking place. Data from Flight Radar shows that there are still several flights a day for the Brussels-Paris route, Brussels-Amsterdam and Paris-London routes, amidst the crisis - and these are only three examples. Cuts to flights should start by these extremely short liaisons. In fact, KLM has already announced that it will cut some of its short flights to destinations like Dusseldorf and London from Schiphol Airport, exemplifying how these liaisons are the easy targets for demand reduction measures.

In a worst-case scenario of a full supply stop through the strait of Hormuz, aviation fuel demand would need to be cut by around 30% in the short term. This corresponds to approximately **1.1 Mt of jet fuel per month** that is either imported from the Middle East directly or produced from crude oil originating from that region. A gap that could only be partially filled by redirecting US exports. This figure is based on annual average fuel demand, and may even understate the problem as the shortage is going to coincide with peak summer travel months with higher jet fuel demand.

Flight cuts across the board will be necessary, as short-haul flight cuts alone will not deliver meaningful fuel savings. The real savings lie at the other end of the distance spectrum: a flight from Amsterdam to Singapore burns roughly 15 times more fuel per passenger than a quick Brussels to Paris trip. To illustrate the scale of the challenge we face: reducing flights over 6,000 kilometers by 30%, affecting less than 2% of all EU departure flights, could compensate for around 30% of the potential jet fuel shortfall. In other words, roughly 90% of these very long distance flights would need to be cut to close the supply gap. The following chapter sets out what targeted demand measures for long and short-haul flights could look like in practice.

2.1.1 Demand measures are possible

T&E's modeling shows the necessity of reduction in flight activity, a move that would immediately bolster energy security by reducing jet fuel demand. Whilst in "peace" times, such measures do not appear politically palpable by certain decision makers, the reality of the current crisis is that countries are weeks away from fuel shortages and that cutting flights will become the only solution. Decision makers must however use this moment to take stock of what aviation is really "necessary" and how some of these measures can be maintained in the long-term. Measures could include:

- Adopt targets for reductions in corporate flying, to 50% of 2019 levels. Long-haul flights can be substituted with virtual collaboration; businesses can reduce frequent flying and shift from regional air travel to high-speed rail. This measure could be a follow-up initiative to the Clean Corporate Fleets legislation.

- **Reduce or ban extremely short flights**: Eliminate routes that can be replaced by a train journey of less than 4 hours (e.g. Paris-Brussels), where multiple liaisons are still taking place every day, eventually extending up to 8 hours.
- **Shift to rail**: Set a European exemption of VAT for international passenger rail.
- **Restrictions on private jet travel**: Deprioritise airport slots for private jets, giving preference to commercial flights carrying high numbers of passengers. Eliminate private jet routes where alternatives do not increase travel time by more than 2.5 hours.
- **Identify the routes deemed a priority in the context of a crisis** (military flights, evacuation and medical) and introduce measures to reduce the non-necessary commercial ones, starting with the easiest to cut (private jets, extremely short-haul routes, etc.), and following up by reducing routes with multiple liaisons a day.

The sudden wave of flight cancellations and route suspensions across Europe serves as a real-time test for the industry, forcing an immediate reckoning with the necessity of cutting aviation demand. As carriers like SAS, Lufthansa, and Ryanair reduce their schedules to survive fuel shortages and airspace closures, we are witnessing a live experiment in prioritization that raises a fundamental question: if the sector can maintain its core functionality while shedding significant capacity, were these flights ever truly "essential"? This moment reveals that when the "infinite" supply of cheap fossil fuel is interrupted, not every takeoff is indispensable to the economy. Decision makers should take stock of this crisis and short-term flight cuts to see how such measures can live on further than just a few months: this is both a climate and an energy imperative.

Clean fuels are the key to Europe's independence

The current crisis has starkly exposed Europe's dangerous reliance on fossil fuel imports, a dependency that leaves its economy and security perpetually vulnerable to global instability. As we have seen with the closure of the Strait of Hormuz and the subsequent fuel shortages, the aviation sector remains at the mercy of foreign supply chains as long as it is tethered to oil. While SAF is not an "emergency tap" that can be turned on overnight, it is the long-term strategic anchor for our energy independence.

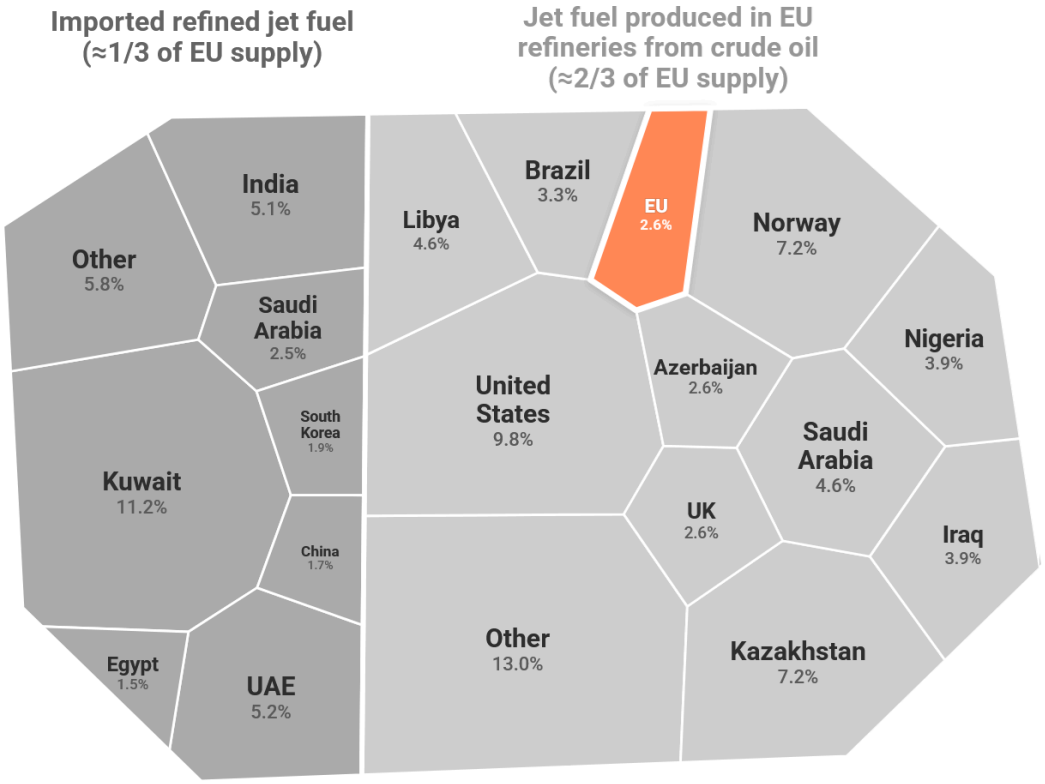
By doubling down on SAF mandates now, Europe can break this cycle of vulnerability and build a sovereign, domestic fuel supply that is shielded from geopolitical shocks. In the long-term, these mandates are the only way to transform SAF from a scarce alternative into a stable, home-grown energy source that ensures the sector's resilience. While SAF may cover the lion's share of European aviation's energy independence, the development and deployment of zero-emission and hybrid aircraft can also make European regional aviation more resilient to future shocks.

3.1. Europe's aviation fuel dependence to imports is a strategic vulnerability

Europe depends on imports for around 95% of its aviation fuel supply: roughly one third is directly imported as refined jet fuel, primarily from the Middle East, while the remainder is derived from imported crude oil refined within the EU. This high level of import dependence exposes the sector to geopolitical risks, price volatility and supply disruptions, undermining Europe's energy security.

Over 95% of EU jet fuel depends on imported fossil fuels

Origin of EU jet fuel supply (2024): imported jet fuel and crude oil used for EU refining

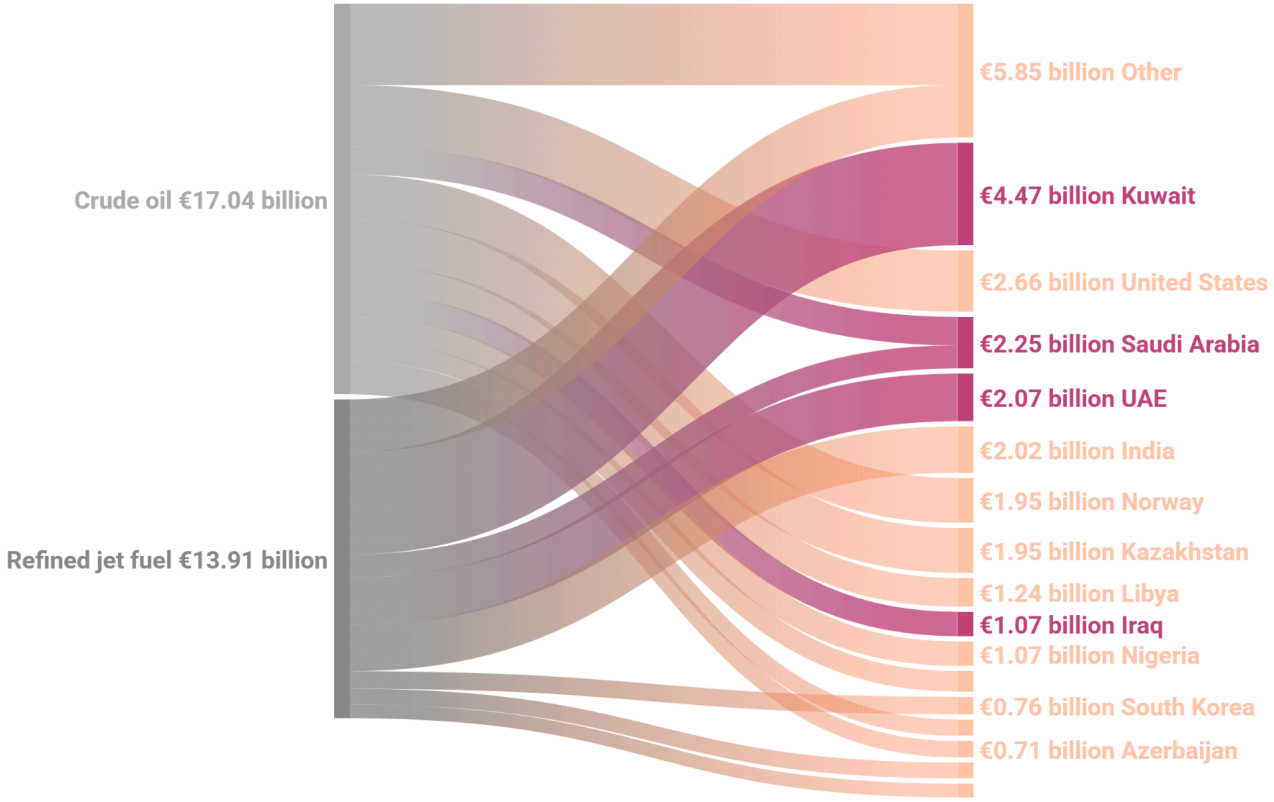


Source: T&E (2026), based on ERM (2026) • Country shares for refined jet fuel are estimated based on the origin of crude oil imports. Differences in crude yield are not reflected but do not materially affect the overall picture.

Every euro spent on fossil kerosene represents a direct transfer out of the European economy and into the pockets of global oil giants, effectively funding the windfall profits of an industry that thrives on geopolitical volatility. In 2024 alone, the EU imported more than €30 billion in fossil fuels for aviation - both refined jet fuel, and crude oil for jet fuel refining in the EU. This bill is expected to rise significantly in 2026 in the midst of the current oil crisis.

The EU imported more than €30 billion in fossil fuels for aviation in 2024

Nearly €10 billion went to 4 countries in the **Gulf region**



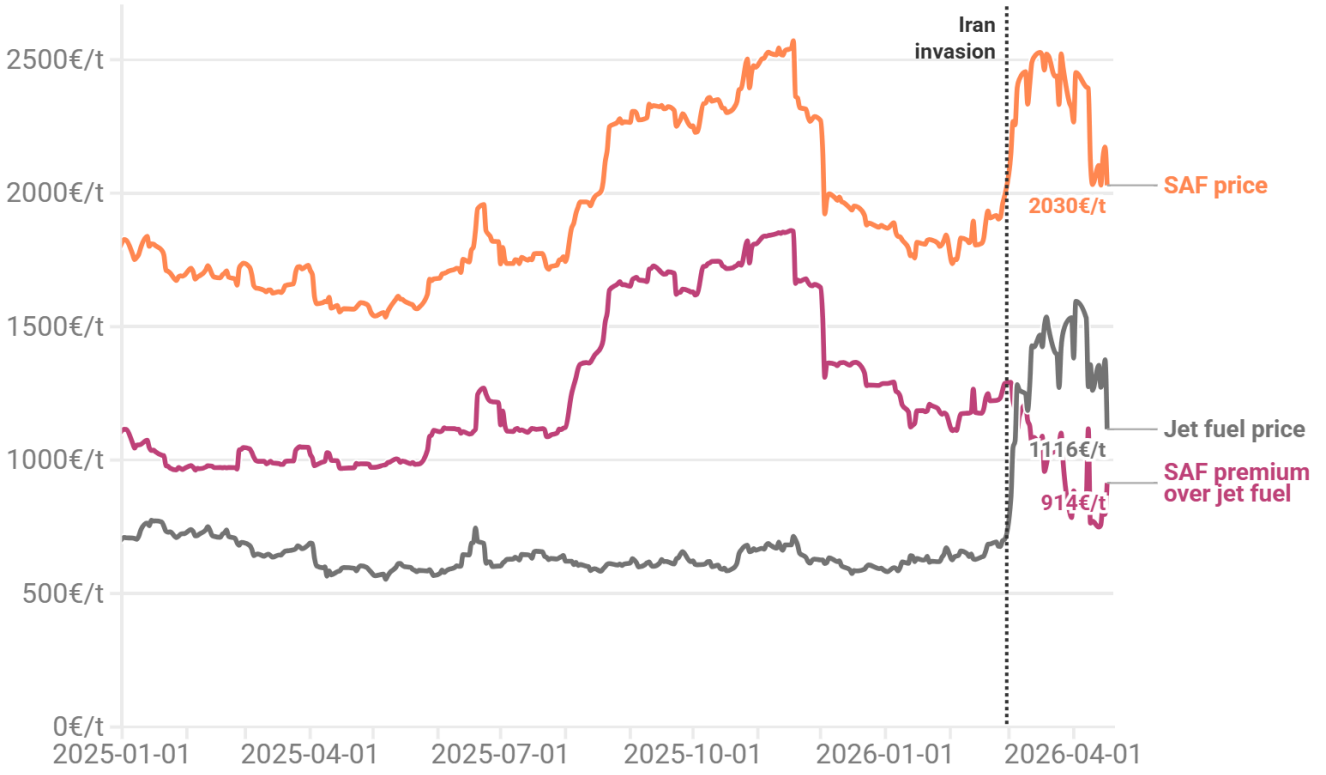
Source: T&E (2026), based on ERM (2026) and Bloomberg (2026) · Estimated expenditure in crude oil for jet fuel refining, and in direct purchases of refined jet fuel, based on average 2024 prices.

3.2 Why SAF cannot deliver energy security in the short-term

While SAF represents the strategic anchor for Europe's long-term energy independence, it is not an immediate "emergency tap" that can be turned on to solve the current fuel crisis. As highlighted by industry experts, aviation lacks the commodity flexibility found in the road sector; unlike electric vehicles, which can immediately draw from a diversifying power grid, SAF volumes are currently too small to provide short-term relief, and prices have actually surged in recent weeks alongside fossil kerosene, with the SAF premium over jet fuel only reducing slightly.

This increase is not primarily driven by feedstock costs, such as used cooking oil (UCO), which have remained relatively stable so far, but may reflect structural features of SAF pricing. In practice, SAF is typically sold under contracts indexed to fossil jet fuel with a fixed premium, meaning that when kerosene prices rise, SAF prices follow regardless of underlying input costs. At the same time, competing demand from the road sector is exacerbating the situation: hydrotreated vegetable oil (HVO) delivers higher returns for producers, drawing limited feedstock and production capacity away from SAF. Finally, Europe's bio-SAF supply remains heavily dependent on imported feedstocks, limiting its ability to shield the region from global market volatility and reinforcing its current exposure to external price dynamics.

Iran crisis only slightly reduces SAF premium over jet fuel in Europe



Source: T&E (2026), based on QCI FOB ARA price assessments retrieved on 2026-04-20

3.3 E-SAF offers a strategic path to energy independence

Unlike biofuels, e-SAF is not constrained by limited sustainable feedstocks. T&E estimates that domestic, sustainable advanced and waste biofuels could cover only up to ~15% and 7.5% of the projected EU jet fuel demand in 2030 and 2050. This structural constraint already translates into import dependence: around two-thirds of SAF feedstocks reported to EASA in 2024 originated from outside the EU, with China and Malaysia as the main suppliers.

By contrast, e-SAF can be produced domestically using renewable electricity and CO_2, reducing reliance on global supply chains and exposure to geopolitical chokepoints.

Beyond aviation, a recent ERM study commissioned by T&E highlights how e-SAF production could strengthen Europe's wider energy transition. It could cut costs, speed up infrastructure build-out and support skills development across renewables, hydrogen, shipping fuels and low-carbon chemicals. Greater deployment of renewables and electrolysers driven by e-fuels demand is expected to reduce costs through learning effects, economies of scale and increased competition, lowering input costs for multiple decarbonising sectors. The production of intermediates such as green hydrogen and e-methanol also provides market flexibility, reducing

investment risk by allowing producers to serve multiple end uses such as e-ammonia for shipping and fertilisers or e-methanol for shipping and plastics as demand evolves.

3.4 The role of zero-emission and more efficient aircraft

The development and uptake of more efficient planes is key to reducing the energy demand of the aviation sector. Decades of artificially cheap energy, lack of proper market competition and absence of meaningful policies have stalled aircraft innovation, with no new designs from the two major manufacturers since 2015, leaving the sector more exposed to energy crises.

Zero-emissions aircraft (ZEA) and hybrid planes deserve special attention among the disruptive technologies to boost aviation efficiency. These technologies, many of them currently under development in Europe, can be partly or totally powered by EU-produced hydrogen or electricity. This makes them less sensitive to price shocks or physical disruption of jet fuel supplies, turning them into key assets to secure regional connectivity and PSO routes in future oil crises.

Measures like investing in R&D for high risk, high reward technologies, modulating landing fees and airport access based on CO_2 emissions, and establishing emission limits for short flights and Public Service Obligation (PSO) routes, on top of an ETS price signal, would help create a market for ZEA and disruptive aircraft. The long-term gains of more efficient and zero-emission aircraft are clear: they rely on home-grown energy sources and less fuel.

Recommendations for the EU's upcoming AccelerateEU Communication

As the EU will publish an emergency communication on energy (AccelerateEU) in the coming month, **T&E urges the European Commission to preserve the ambition of the EU ETS and RefuelEU; rolling back on these policies will only exacerbate Europe's dependency on fossil fuels. In addition, we recommend using the momentum of the AccelerateEU Communication to prioritise the uptake of SAFs**, as a key lever to reduce dependence on fossil fuels. Measures on SAF could include:

01 Windfall profit tax: Member states impose a tax on windfall profits generated by fossil kerosene and earmark these revenues to support SAF development.

02 European Commission matching funds in the pilot auction: The European Commission commits to matching Member States' contributions within the framework of eSAF pilot auctions to accelerate FIDs.

03 Member States boost financial aid schemes for SAF and eSAF, such as upfront capital grants or tax advantages, like the French SAF tax credit or Germany's €350 million grant to Concrete Chemicals. They commit funding to H2 Global to launch pilot double-sided auction(s) by the end of 2026 / early 2027.

04 Tax exemptions: Member states waive grid fees for high-voltage electricity used for e-SAF production.

05 Energy taxation (transport-only package): The European Commission reintroduces the ETD package proposed in 2021 (in the form proposed then) specifically for taxation energy in transport. Mixing up several sectors has caused unnecessary difficulties in the adoption of the ETD.

To reduce dependency on fossil fuels in the short-term, **the EU should consider the following demand measures for the aviation sector:**

06 Adopt targets for reductions in corporate flying, to 50% of 2019 levels. Immediate cuts should be prioritised. Long-haul flights can be substituted with virtual collaboration; businesses can reduce frequent flying and shift from regional air travel to high-speed rail. This measure could be a follow-up initiative to the Clean Corporate Fleets legislation.

07 Reduce or ban extremely short flights: Eliminate routes that can be replaced by a train journey of less than 4 hours (e.g. Paris-Brussels), where multiple liaisons are still taking place every day, eventually extending up to 8 hours.

08 Restrictions on private jet travel: Deprioritise airport slots for private jets, giving preference to commercial flights carrying high numbers of passengers. Eliminate private jet routes where alternatives do not increase travel time by more than 2.5 hours.

09 Identify the routes deemed a priority in the context of a crisis (military flights, evacuation and medical) and introduce measures to reduce the non-necessary commercial ones, starting with the easiest to cut (private jets, extremely short-haul routes, etc.), and following up by reducing routes with multiple liaisons a day.

10 Shift to rail: Set a European exemption of VAT for international passenger rail.

11 To prioritise fuel-efficient flying, airports should follow leading examples, and introduce or strengthen airport charges modulation to incentivise more fuel-efficient aircraft.

As governments seek to manage the risk of airline bankruptcies, we urge that aid is temporary and tied to green conditions. The following measures should be considered:

12 Member States should introduce green conditions for airlines receiving state aid to maintain economic activity (loans, loan guarantees, wage subsidies, and capital injections). To receive the aid, the airline must have been profitable in year N-1. Green conditions should include eliminating short-haul routes or reducing frequency on leisure and long-haul routes, scrapping the least efficient aircraft still in service in the fleet and taking equity stakes in European-made synthetic fuel production projects.

13 The European Commission must condition future state aid on a halt to all ongoing airport expansion projects by the State and a binding commitment to meet specific rail infrastructure investment targets as a percentage of GDP.