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# US Senate Passes Budget Reconciliation Bill with Aviation Provisions

Last weekend, the Senate passed a historic tax, climate, and health-care bill known as the Inflation Reduction Act of 2022. The spending bill survived over 15 hours of a vote-a-rama on Saturday night, a session in which senators vote on an unlimited number of amendments for 10 minutes each until all amendments have been considered.

Senate Democrats passed the legislation with a 51–50 vote under the budget reconciliation process, which allows for simple majority passage. The spending package now moves to the House of Representatives for approval. The House plans to vote on the legislation on Friday, Aug. 12.

The bill provides \$369 billion in funds for energy and climate measures. The climate funding includes five years of sustainable aviation fuel (SAF) tax provisions. The SAF blender's tax credit (BTC) would be in place for 2023–2024 only. The clean fuel production credit (CFPC), which applies

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to all transportation fuel and provides an enhanced value for SAF relative to ground transportation, would apply for 2025–27. According to this time line, there would be two years of the SAF BTC at \$1.25–\$1.75 per gallon and three years of the CFPC up to \$1.75.

SAF and other transportation fuels will qualify under the CFPC as long as their emissions are less than 50 kg/MMBtu. The refundability provisions of the SAF BTC will remain. The bill provides \$297 million for the Transportation Department to establish a grant program for state and local governments and nonprofits to support SAF and low-emission aviation technology projects.

#### White House Hosts AAM Summit

HAI President and CEO Jim Viola attended the White House Summit on Advanced Air Mobility (AAM) on Wednesday, Aug. 3. Officials, groups, association representatives, and other industry stakeholders in the AAM space were invited to attend.

The summit featured keynote presentations from NASA, the FAA, local community leaders, the US Army, the Department of Transportation, and the White House. The summit also hosted several panel discussions featuring experts from federal agencies, academia, and the AAM industry.

Presentation and panel discussion topics explored the benefits of AAM, security concerns, preparations for the next generation of flight, and American global leadership and competitiveness.

HAI thanks the White House for having had this opportunity to learn more about the future of vertical lift and work alongside other industry leaders as the United States begins to integrate AAM technologies into the National Airspace System.

#### **HAI International News**

## **EU Diplomats Prep for "Fit for 55" Negotiations**

The European Parliament and European Council will enter negotiations in the coming months on the "Fit for 55" climate laws in the European Union (EU). The outcome of these negotiations will shape the future of transport policy across the EU.

Under the ReFuelEU Aviation proposal, all aircraft refueling at EU airports will be required to blend a percentage of sustainable aviation fuel (SAF) with kerosene. This percentage will be scaled up approximately every five years until 2050.

Discussion about the ReFuelEU Aviation proposal will likely focus on two main questions: What is a realistic percentage of SAF to mandate,

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and what exactly constitutes SAF? The Parliament and the Council have differing views on the SAF percentage mandate. Parliament would like 85% of jet fuel to consist of SAF by 2050, whereas the Council has stuck with the Commission's original proposal of 63%. The Parliament and Council also differ on which advanced and waste biofuel feedstocks would deliver sustainable results while also meeting the demand for fuel.

The Parliament and Council will also discuss the emissions trading system (ETS), which puts a price on carbon. Parliament wants to expand the ETS to all flights departing from the EU, not just inter-EU flights. Parliament also wants to remove the free allowances given to airlines to reduce their ETS costs by 2025.

In contrast, EU member states want flights departing the EU to be covered by the United Nations' Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), which is less stringent than the EU carbon market. The member states also plan to set the phase-out date for the carbon allowances to 2027, two years after the Parliament's planned phase-out date.

### **European Helicopter Association (EHA) Contribution**

# **European Commission Implementing and Delegated Regulations Concerning Aircraft Used for Sport and Recreational Activity**

The Legislation Series of the *Official Journal of the European Union* has posted three regulations concerning aircraft used for sport and recreational activities. The three regulations are described below and can be accessed through the links provided.

- <u>Commission Delegated Regulation (EU) 2022/1358 of 2 June 2022</u> amending Regulation (EU) No. 748/2012 as regards the implementation of more proportionate requirements for aircraft used for sport and recreational aviation.
- Commission Implementing Regulation (EU) 2022/1360 of 28 July 2022 amending Regulation (EU) No. 1321/2014 as regards the implementation of more proportionate requirements for aircraft used for sport and recreational aviation.
- Commission Implementing Regulation (EU) 2022/1361 of 28 July 2022 amending Regulation (EU) No. 748/2012 as regards the certification, oversight, and enforcement tasks of the competent authorities in the implementation of the rules concerning the organizations involved in the design and production of aircraft used for sport and recreational aviation.

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