COMMISSION IMPLEMENTING DECISION (EU) 2022/2358
of 1 December 2022

on the French measure establishing a limitation on the exercise of traffic rights due to serious environmental problems, pursuant to Article 20 of Regulation (EC) No 1008/2008 of the European Parliament and of the Council

(notified under document C(2022) 8694)

(Only the French text is authentic)

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EC) No 1008/2008 of the European Parliament and of the Council of 24 September 2008 on common rules for the operation of air services in the Community (1), and in particular Article 20 thereof,

After consulting the Committee referred to in Article 25(1) of Regulation (EC) No 1008/2008,

Whereas:

I. PROCEDURE

(1) By letter of 17 November 2021 (2), France informed, pursuant to Article 20(2) of Regulation (EC) No 1008/2008 (the 'Regulation'), the Commission of its intention to introduce a temporary limitation subject to conditions on the exercise of traffic rights due to serious environmental problems (the 'Initial Measure').

(2) The information initially submitted by France included: (1) Article 145 of Law No 2021-1104 of 22 August 2021 on combating climate change and strengthening resilience to its effects ('Loi Climat et Résilience' or the 'Law') (3); (2) the consolidated version of Article L. 6412-3 of the Transport Code following Law No 2021-1104; (3) a draft decree setting out the conditions for the application of the prohibition (the 'Draft Decree') as well as (4) additional elements outlining the context, content and justification for the Initial Measure under Article 20(2) of the Regulation.

(3) The Commission received two complaints (one from airports and one from airlines) (4) alleging that Article 145 of the Law does not meet the conditions of Article 20(1) of the Regulation and hence is incompatible with EU law.

(4) The complainants allege, in particular, that Article 145 of the Law would be ineffective and disproportionate to the intended objective, that it would discriminate between air carriers and that its duration would not be limited in time. The complainants also argue that the impact assessment carried out by the French authorities would not be sufficiently detailed and referred in this context to the Opinion of the French Council of State (5) and, moreover, that the air transport sector is already subject to other measures pursuing the same objective, such as the EU Emissions Trading System (ETS), and will soon be subject to other new legislative measures such as those proposed in the Fit for 55 package (6). The Initial Measure would also come in addition to the obligation, pursuant to Article 147 of the same Law, on all airlines operating in France to offset their emissions on domestic routes.

(2) Registered under ARES (2021) 7093428.
(6) Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: 'Fit for 55': delivering the EU's 2030 Climate Target on the way to climate neutrality, COM/2021/550 final
In view of its preliminary assessment, the Commission decided on 15 December 2021 to take up the Initial Measure for further examination pursuant to Article 20(2) of the Regulation (the 'Commission Decision of 15 December 2021'). It also decided that the Initial Measure could not be implemented until the Commission had completed its examination (7).

By letter dated 7 January 2022, the Commission services requested additional information from the French authorities to allow them to assess the compatibility of the Initial Measure with the conditions laid down in Article 20(1) of the Regulation.

By letter of 9 May 2022, France provided additional elements on the content and justification for the Initial Measure under Article 20 of the Regulation. By letter of 21 June 2022, France submitted updated information regarding its notification containing an amended Draft Decree without derogations (the 'Final Draft Decree') as well as additional elements intended to take account of the concerns raised by the Commission and its services as to its compatibility with the conditions laid down in Article 20(1) of the Regulation (jointly the 'Measure').

II. THE FACTS

II.1. Description of the Measure

France adopted Law No 2021-1104 on combating climate change and strengthening resilience to its effects on 22 August 2021.

Article 145.I of the Law prohibits, on the basis of Article 20 of the Regulation, scheduled public passenger air transport services on all air routes within French territory for which there are several direct rail connections per day of less than two and a half hours.

Pursuant to Article 145.II and IV of the Law, the application of the prohibition will be evaluated after three years from the date of its entry into force.

Article 145.I, second paragraph, of the Law requires a subsequent decree to be adopted having regard to the opinion of the French Council of State (Conseil d'Etat) to specify the conditions for the application of the first paragraph, 'in particular the characteristics of the rail connections concerned, which must ensure sufficient service, and the modalities under which this prohibition may be derogated from when the air services mainly provide the transport of connecting passengers or can be regarded as providing carbon-free air transport. It also sets the level of CO2 emissions per passenger that services regarded as carbon free need to comply with'.

The Final Draft Decree sets out the conditions for the application of the prohibition.

According to Article 1 of the Final Draft Decree, the prohibition applies to those scheduled public passenger air transport services for which a rail connection provides, in each direction, a journey of less than two and a half hours:

1° between train stations serving the same cities as the airports concerned; where the most important in terms of traffic at the two airports concerned is directly served by a high-speed rail service, the train station used shall be the one serving this airport;

2° without change of train between these two train stations;

3° several times a day with sufficient frequencies and satisfactory timetables;

4° and allowing more than eight hours of presence on the spot during the day.'

The Final Draft Decree does not include the derogations on connections and for services that can be considered decarbonised referred to in Recital (11) of the Commission Decision of 15 December 2021.

(7) Commission Implementing Decision of 15 December 2021, C(2021)9550
Pursuant to Article 2 of the Final Draft Decree, the Decree will enter into force the day after its publication for a duration of three years.

The French authorities have indicated the following (8) about the Measure:

1. A differentiation has been introduced into the calculation of alternative rail journey times, taking full account of the potential of certain airports for intermodality:
   - where the most important airport in terms of traffic is served directly by a high-speed rail service, the train station used to calculate the alternative rail service shall be the one serving this airport;
   - in all other cases, the station used to calculate the alternative rail service shall be the one serving the same city as the airport concerned.

In practice, of the eight routes identified, only two airports are directly served by a high-speed rail service: Paris-Charles de Gaulle and Lyon-Saint Exupéry.

Paris-Charles de Gaulle airport has the fifth highest transfer rate in Europe (30%, source IATA 2019) and its current infrastructure includes a high-speed train link. The French authorities therefore consider that – unlike Paris-Orly, which is a point-to-point airport (7% connections, same source) – the intermodal potential of Paris-Charles de Gaulle, reinforced by the location of a station linked to the high-speed rail network at this hub, must be taken into consideration, and it should be understood as a destination in its own right when analysing alternative rail journeys from Bordeaux, Lyon, Nantes or Rennes.

In the same vein, Lyon-Saint Exupéry airport is equipped with a high-speed train station which must be regarded as a destination in its own right when analysing various relevant routes, in particular the Marseille-Lyon link.

2. The French authorities have also decided to further specify the conditions for a rail service to be considered as acceptable (9); it must provide sufficient frequencies and suitable timings in accordance with the wording of Article 16 of Regulation (EC) No 1008/2008 on public service obligations. This definition must make it possible to ensure compliance with Article 20 of this Regulation, by framing the Measure with a precise definition of the concept of 'appropriate levels of service'.

The French authorities further specify (10) that ‘In practice, (…), the situation regarding the eight routes referred to in the original notification would be as follows:

   ‘— the three routes between Paris-Orly and Bordeaux, Nantes and Lyon will be prohibited for any carrier;
   — the routes between Paris-Charles de Gaulle, on the one hand, and Bordeaux and Nantes on the other, are excluded from the scope of the Measure owing to the rail journey time of more than 2 hours 30 minutes to the Paris-Charles de Gaulle airport station (with the best travel times of around 3 hours 30 minutes and 3 hours respectively);
   — the routes between Paris-Charles de Gaulle, on the one hand, and Rennes and Lyon on the other, as well as the Lyon-Marseille route, are excluded from the Measure given the rail services available at present. This is because, even if the journey times by rail can be less than 2 hours 30 minutes, they do not make it possible to get to Paris-Charles de Gaulle airport (or Lyon-Saint Exupéry airport in the case of the Lyon-Marseille route) early enough in the morning or to depart from there late enough in the evening;
   — future improvements in the rail services, with services operating at sufficient frequencies and suitable timings, in particular for the purposes of connecting flights, will enable these air routes to be banned.’

The French authorities moreover included in their reply an annex which provides details on how the criteria of the Final Draft Decree are applied to the eight air routes mentioned above.

(8) In the additional information provided on 9 May 2022.

(9) In the additional information provided on 9 May 2022, the French authorities had erroneously stated 'The French authorities have also decided to further specify the conditions for a rail service to be considered as substitutable'. The text was corrected after verifying it with the French authorities.

(10) In the additional information provided on 21 June 2022.
The French authorities also specify that ‘The situation regarding banned routes and routes potentially affected by the ban (mainly domestic routes connecting Paris-Charles de Gaulle, Paris-Orly, and Lyon Saint Exupéry airports to destinations served by high-speed rail routes) will be examined ahead of each scheduling season’ (i.e. each time a programme is submitted). ‘In addition, during the period of application of the Measure, the French Civil Aviation Authority (DGAC) will keep the list of routes that are effectively banned updated for the public, clarifying the link between these bans and the criteria of the Decree’.

Furthermore, the French authorities reiterate and further specify their commitment made at the request of the Commission, to ‘produce and transmit to the services of the European Commission an assessment of the Measure 24 months after its entry into force. This review will take particular account of the effects of the Measure on the environment, including climate change, and on the internal market for air services’.

II.2. Commission Decision of 15 December 2021

In its Decision of 15 December 2021, the Commission considered, based on its preliminary assessment, that the Initial Measure as notified by France on 17 November 2021 raised concerns as to its compatibility with the conditions laid down in Article 20(1) of the Regulation in terms of non-discrimination, distortion of competition, justification and proportionality.

The Commission considered that the first two initial derogations benefiting air services carrying a majority of connecting passengers bore a risk of possible discrimination and distortion of competition between air carriers and that the third derogation benefiting air services that would meet a maximum emission threshold required further analysis as to its potential effects on competition and possible discrimination between air carriers.

The scope of the derogations also raised questions as to the effectiveness of the Initial Measure vis-à-vis the objective pursued, as the pursuance of the environmental objective would be limited by the application of the first two derogations.

III. ASSESSMENT OF THE MEASURE

As a preliminary observation, the Commission notes that as a derogation from Article 15 of the Regulation and the right of EU air carriers to freely operate intra-EU air services, Article 20 of the Regulation must be interpreted in a manner which limits its scope to what is strictly necessary in order to safeguard the interests which it allows the Member States to protect.

Whether serious environmental problems exist

The Commission supports measures to promote increased use of low-carbon modes of transport, while ensuring the proper functioning of the internal market. One of the objectives of the Commission’s Sustainable and Smart Mobility Strategy (the ‘Mobility Strategy’) is to create the conditions for transport operators to offer carbon neutral options by 2030 to their customers on scheduled collective journeys of less than 500 km in the EU.

In its Decision of 15 December 2021, the Commission already acknowledged that the intended objective of the Measure as notified by France is to contribute to address climate change by using less CO₂-intensive transport modes where suitable alternatives exist.

In their reply of 9 May 2022, the French authorities indicate that ‘the Measure notified by the French authorities is the result of the work of the Citizens Convention for Climate which led to the drafting of 149 measures aimed at speeding up the fight against climate change. They further specify that ‘the prime focus of reducing flights, in coordination with a number of other measures, is to tackle climate change’ while stressing that ‘the positive secondary impact on noise and local pollution will stem naturally from the Measure thanks to the resulting reduction in air traffic’.
In its proposal for a Regulation establishing the framework for achieving climate neutrality and amending Regulation (EU) 2018/1999 (the ‘European Climate Law’) (11), the Commission acknowledges that ‘tackling climate change is an urgent challenge’ and refers to the Intergovernmental Panel on Climate Change’s (IPCC) Special Report on the impacts of global warming of 1.5 °C above pre-industrial levels and related global greenhouse gas emission pathways, which notably confirms that greenhouse gas emissions need to be urgently reduced (12).

The European Green Deal calls for a 90 per cent reduction in greenhouse gas (GHG) emissions from transport by 2050 and making the transport system as a whole sustainable. As stressed in the Mobility Strategy, ‘to achieve this systemic change, we need to (1) make all transport modes more sustainable, (2) make sustainable alternatives widely available in a multimodal transport system, and (3) put into place the right incentives to drive the transition. (…) This implies that all policy levers must be pulled’.

Promoting sustainable transport choices, such as high-speed rail, is necessary in order to achieve that goal. As highlighted in the Mobility Strategy, this requires that suitable (rail) services are in place at competitive prices, frequencies and comfort levels.

In this context, the Commission believes that France is entitled to consider that a serious environmental problem exists in the situation at issue, which includes the urgent need to reduce GHG emissions, and that a measure, such as the one envisaged by the French authorities, could be justified under Article 20(1) of the Regulation provided it is non-discriminatory, does not distort competition between air carriers, is not more restrictive than necessary to relieve the problem, and has a limited period of validity not exceeding three years, after which it should be reviewed, as provided for in Article 20(1) of the Regulation.

Non-discrimination and distortion of competition

As regards non-discrimination and impact on competition, the Initial Measure contained two derogations benefitting air services carrying a majority of connecting passengers, which would have, in the Commission’s initial assessment (13) borne a risk of possible discrimination and distortion of competition between air carriers.

Based on the additional information provided by the French authorities, the Commission considers that such derogations would, regardless of the proportion of connecting passengers being considered, have constituted de facto discrimination and would have led to a distortion of competition to the detriment of existing or potential point-to-point air carriers whose business model is not focused on connecting passengers.

By France’s withdrawal of the two derogations, the concerns in relation to these two derogations regarding the risk of possible discrimination and distortion of competition between air carriers were resolved.

The criteria used for the ban in the Final Draft Decree are based on the length of the train connections and frequency and suitability of timings, and, hence, are objective in nature. The prohibition applies to all scheduled public passenger air transport services for which a rail connection provides, in each direction, a journey of less than two and a half hours and fulfils the conditions of Article 1 of the Final Draft Decree as referred to in Recital 13. As no air services will be exempted from the prohibition, the Measure does not lead to discrimination on grounds of nationality, identity or business model of an air carrier, nor does it give rise to distortion of competition between air carriers.

The measure should not be more restrictive than necessary to relieve the problems

Article 20(1) of the Regulation requires such measure not to be more restrictive than necessary to relieve the problems.

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(13) See Recital 21 above.
As stated in Recital 30, the problem identified by the French authorities in this case includes the urgent need to reduce GHG emissions. In its assessment of whether the Measure is not more restrictive than necessary to relieve the problem at issue, the Commission will look at whether the Measure is capable of attaining the objective—which is to contribute to the reduction of GHG emissions, and does not go beyond what is necessary in order to attain it, taking into account whether other modes of transport provide appropriate levels of service to ensure the necessary connectivity.

In this context, the negative impacts on European citizens and connectivity of any restriction of traffic rights must be offset by the availability of affordable, convenient and more sustainable alternative transport modes.

As a preliminary remark, the Commission notes that a variety of legislative and non-legislative tools are being developed to help and further encourage the air transport sector to significantly reduce its CO\textsubscript{2} emissions and become more sustainable. As part of its 'Fit for 55 package', the Commission presented a proposal to revise the EU Emissions Trading System (ETS) (\textsuperscript{14}) to strengthen the carbon price signal, a proposal to revise the Energy Taxation Directive (\textsuperscript{15}) that removes the mandatory exemption on jet fuels, as well as a new legislative proposal, the 'ReFuelEU Aviation' (\textsuperscript{16}). That initiative aims to decarbonise the aviation sector by mandating the uptake of sustainable aviation fuels (SAF) while ensuring a well-functioning aviation market. The Commission proposals to update the legislation on the Single European Sky and the rules on air traffic management (\textsuperscript{17}) also hold great potential for modernisation and sustainability, helping to cut excess fuel burn and CO\textsubscript{2} emissions caused by flight inefficiencies and airspace fragmentation. These legislative proposals are currently being discussed by the co-legislators and are not yet applicable. Once in place, they should effectively contribute to the decarbonisation of the air transport sector to such extent that the Measure at hand should no longer be needed.

Notwithstanding this, in order to contribute to the reduction of greenhouse gas emissions in the air transport sector in the meantime, the Commission notes that France has chosen to temporarily limit the exercise of traffic rights for domestic scheduled public passenger air transport services for which there are several direct daily rail connections of less than two and a half hours with sufficient frequencies and suitable timings.

As regards whether other modes of transport provide appropriate levels of service, the Commission notes that Article 1 of the Final Draft Decree provides for a more detailed set of relevant and objective requirements that take into account the quality of the connection both for point to point and connecting passengers. Moreover, the French competent authorities have committed to assess \textit{ex ante}, before each scheduling season, whether or not the rail connection offers an appropriate level of service on a given route (as defined in Article 1 of the Final Draft Decree), and thereafter to properly inform potentially interested carriers of which routes can continue to be served. It also means that a route that was banned could potentially be served again if the quality of the rail service changes and no longer fulfils the conditions of appropriate levels of service, thereby incentivising the provision of quality rail services offering appropriate levels of service. The Commission considers that such a dynamic approach which takes into account the future development of rail services would promote multimodality in line with the objectives of the Mobility Strategy and benefit connectivity.

As regards the environmental benefit of the Measure, the French authorities state that 'the already effective closure of the three routes of Orly-Bordeaux, Orly-Lyon and Orly-Nantes (\textsuperscript{19}) leads to an overall reduction of 55 000 tonnes of CO\textsubscript{2} emissions from air transport' (\textsuperscript{19}).

\textsuperscript{18} The Commission notes that Air France had already decided to stop its operations on these three routes in 2020, notably in the context of the loan and State guarantee on loans granted by France. Banning those routes will therefore not lead to an actual reduction in emissions. However, unquantifiable environmental benefits may nonetheless be generated since air carriers potentially interested in operating these routes will be prevented from doing so.
\textsuperscript{19} DGAC estimates based on 2019 traffic.
They also explain that the global offer of seats by Air France on the routes Paris Charles de Gaulle (CDG)-Bordeaux, CDG-Lyon and CDG-Nantes has remained stable since 2019 (between -1% and +3% depending on the route concerned) and has not led to a transfer of capacity from Orly.

The French authorities anticipate that people will primarily switch to high speed train rather than to coaches or cars. Available data referred to (20) seem to point to a historical preference for rail connections amongst the people who use air connections. To obtain estimates on the potential impact of the modal shift on emission reductions, the French authorities calculated two extreme scenarios for the Orly-Bordeaux route: according to the French authorities, the Measure would result in the worst-case scenario (21) to a reduction of CO₂ emissions by almost 50% (-48.2%) and in the best-case scenario (full modal shift to rail) to 98.3% less emissions.

The air routes CDG-Lyon, CDG-Rennes and Lyon-Marseille are currently not in the scope of the Measure because one or several of the conditions set out in Article 1 of the Final Draft Decree are not (yet) fulfilled. However, the French authorities indicate these three air routes may fall within the scope of the prohibition as soon as a rail operator improves the conditions of its services (mainly in terms of proposed schedules). The French authorities estimate that the prohibition of these three additional routes could lead to potential emission reductions of 54,900 tonnes of CO₂. By contrast the routes CDG-Bordeaux and CDG-Nantes do not, and will not, according to the explanations provided by the French authorities (see Recital 17), fall within the scope of the Measure without structural improvements in the rail services.

The French authorities also point to a potential positive impact of the Measure as it ‘will prevent the creation of air services for point-to-point traffic from the Paris region to 60% of the 40 most populous cities in metropolitan France’ to the extent that ‘24 of these cities are accessible by train from Paris in under 2 hours 30 minutes’. To support this, they refer to the freedom of air carriers to operate within the internal market and to the growth dynamics in point to point traffic in pre-pandemic times.

While awaiting the adoption and implementation of those more effective measures to lower CO₂ emissions in air transport mentioned in Recital 38, the Commission considers that the Measure, although it is in itself unable to eliminate the serious problems at issue, nevertheless is capable of making a short-term contribution towards the reduction of emissions in the air transport sector and the fight against climate change.

Moreover, the Commission notes that the Measure provides for a limited restriction to the freedom to provide air services. It targets only those routes where a more sustainable transport mode is available and offers an appropriate level of service as defined in Article 1 of the Final Draft Decree.

Furthermore, the Commission takes note of the French commitments, referred to in Recital 18, to review ‘The situation in respect of banned routes and routes potentially affected by the ban […] ahead of each scheduling season’ and, in Recital 19, to ‘produce and transmit to the European Commission an assessment of the Measure 24 months after its entry into force. This review will take particular account of the effects of the Measure on the environment, including climate change, and on the internal market for air services’. This should enable the French authorities to properly enforce the Measure so that it does not go beyond what is necessary to relieve the serious problems at issue or, as the case may be, to lift the Measure if it is no longer considered necessary and proportionate to the aim pursued.


(21) The assumption is that ‘air passengers would switch to road and rail in the same proportions as passengers already travelling on these alternative modes of transport at times when there was a flight available (overlooking the ‘other’ reason). The proportions applied are taken from the 2019 People’s Mobility Survey’. They however add that ‘a worst-case scenario must be assumed for the switch to road transport to halve the gains from the closure of the air route’.
The Commission also notes that ‘during the period of application of the Measure, the French Civil Aviation Authority will keep the list of routes that are effectively banned updated for the public, clarifying the link between these bans and the criteria of the Decree’. This will ensure the transparency necessary towards European citizens and relevant stakeholders and allow them, as the case may be, to challenge the Measure at national level.

In view of the above considerations, the Commission considers that the Measure is, pending the adoption and implementation of those more effective measures to lower CO₂ emissions in air transport mentioned in Recital 38, not more restrictive than necessary to relieve the problems.

**Limited period of validity**

Article 20(1) of the Regulation requires the Measure to have a limited period of validity, not exceeding three years, after which it shall be reviewed.

As recalled in Recital 10 the application of the prohibition will be evaluated after three years from the date of its entry into force, which is the maximum allowed under Article 20(1) of the Regulation.

Following concerns expressed by the Commission, and in line with Article 20(1) of the Regulation, the period of validity of the Final Draft Decree has been limited to three years (Recital 15). In addition, France has committed to ‘produce and transmit to the services of the European Commission an assessment of the Measure 24 months after its entry into force. This review will take particular account of the effects of the Measure on the environment, including climate change, and on the internal market for air services’. If, as a result of that analysis, a new measure is envisaged, pursuant to Article 20(2) of the Regulation France is to notify it to the Commission.

The Commission therefore considers that the Measure has a limited period of validity of three years.

**IV. CONCLUSION**

Based on the examination of the notification, and in view of the above, the Commission considers that the Measure envisaged complies with the conditions laid down in Article 20(1) of the Regulation.

HAS ADOPTED THIS DECISION:

**Article 1**

The Measure as notified by France on 17 November 2021 and amended by letter of 21 June 2022 complies with Article 20(1) of the Regulation.

France shall review the Measure after 24 months from its entry into force and pursuant to Article 20(2) of the Regulation it shall notify to the Commission any new measure envisaged as a result of such review.

**Article 2**

This Decision is addressed to the French Republic.

Done at Brussels, 1 December 2022.

For the Commission
Adina-ioana VĂLEAN
Member of the Commission