

Domestic flight ban in France

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Knowledge for Tomorrow



Introduction: What is this presentation about?

- **Domestic or short-haul flight bans** are increasingly being discussed as measures to reduce the carbon footprint of the air transport sector. In 2021, **France** actually decided to implement such a ban which became effective **23 May 2023** after two years of discussion.
- According to **press reports**, however, only a handful of non-hub routes seem to be actually affected.
- **So much ado about nothing?**
- **Objectives:**
 - What are the **exact rules** and **genesis** of the measure, and what is the **position of the EC**?
 - What is the **actual impact on different airlines**, and on the **environment**?



Structure

- Introduction: What is this presentation about?
- Literature & Research gap(s)
- Methodology
- Data / Legal Sources
- Results & Discussion
- Conclusion and further thoughts



Literature & Research gap(s)

- **Air transport** ensures global **mobility and connectivity** at the cost of contributing about 3-5% to global warming in emitting **CO₂** and generating additional **non-CO₂ effects** (Simorgh et al., 2022; Lee et al., 2021).
- **Market-based measures** like the EU ETS or CORSIA have been introduced to reduce the sector's climate footprint, in addition to **technical and operational improvements** or the use of **sustainable fuels**.
- Some **stakeholders** call for stronger regulation, such as **minimum fares** or **flight bans** (e.g., Robin Wood, n.d.; Greenpeace, 2021)
- Published academic work on this topic is limited to, e.g., impacts of short-haul flight bans on airline supply at European airports (Szymczak, 2021) or to the quantification of emission reduction and seat substitutability potentials when shifting demand from air to ground-based transport (e.g., Avogadro et al., 2021; Baumeister et al.; 2021).
- The specific **design of actual flight bans** has **not yet** been tackled **in the literature**.



Methodology

- **Analysis of legal documents** to assess the genesis and content of the measure in detail, including the most important rules and exceptions, as well as the view of the EC
 - Assessment of the legislative process with a focus on the Commission Implementing Decision 2022/2358
 - Identification of amendments to the (original) draft decree to identify key amendments that were applied in the course of the legislative process after initial EC review
- **Quantification of affected passenger numbers** to assess the extent different airlines are affected by the actual measure, also compared to the draft decree, based on **route- and airline-level** air transport statistics from the **Sabre Market Intelligence**



Data / legal sources

- **Legal documents**

- Regulation (EC) No 1008/2008 on common rules for the operation of air services in the Community
- (French) Law 2021-1104 (2 Aug 2021) on combating climate change (“the law”), Article 145
- Consolidated version of Art. 6412-3 of the (French) Transport Code following Law 2021-1104
- *Draft decree (setting out the conditions for the application of the prohibition) (not publicly available)*
- Final decree 2023-385 dated 22 May 2023
- Commission implementing decision (EU) 2022/2358 from 1 December 2022

- **Sabre Market Intelligence**

- a database consolidating MIDT (Marketing Information Data Tapes) booking data from global distribution systems with additional data from external sources and own estimates for, e.g., increasingly important direct bookings
- to assess airline supply on the affected versus non-affected French domestic routes



Genesis of the Measure

EU legislation



Regulation (EC) No 1008/2008 on common rules for the operation of air services in the Community



Article 20 “serious environmental problems” as door opener for the revocation of traffic rights

Article 20: Environmental measures

1. When **serious environmental problems** exist, the Member State ... may **limit ... traffic rights**, in particular when **other modes of transport** provide **appropriate levels of service**. The measure shall be **non-discriminatory**, shall **not distort competition** between air carriers, shall **not be more restrictive than necessary** to relieve the problems, and shall have a **limited period of validity**, not exceeding three years, after which it shall be reviewed.

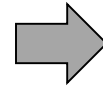
2. ... **Member State** ... shall, at least three months before the entry into force ..., **inform** the other Member States and **the Commission**, providing **adequate justification** for the action. The action may be implemented unless ... the **Commission** ... takes it up for **further examination**.



Genesis of the Measure

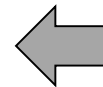


EC 1008/2008, Article 20
“serious environmental problems” as door opener for the revocation of traffic rights



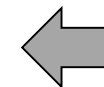
Law 2021-1104 on combating climate change (“the Law”) (2 Aug 2021), **Article 145 + Consolidated version** of Art. 6412-3 of the **Transport Code**

Further examination by the Commission: Is the Initial Measure compatible with EU law? (15 Dec 2021)



Submission
17 Nov 2021

Temporary limitation of domestic traffic rights due to serious environmental problems (“**Initial measure**”)



Draft decree (setting out the conditions for the application of the prohibition) and additional elements

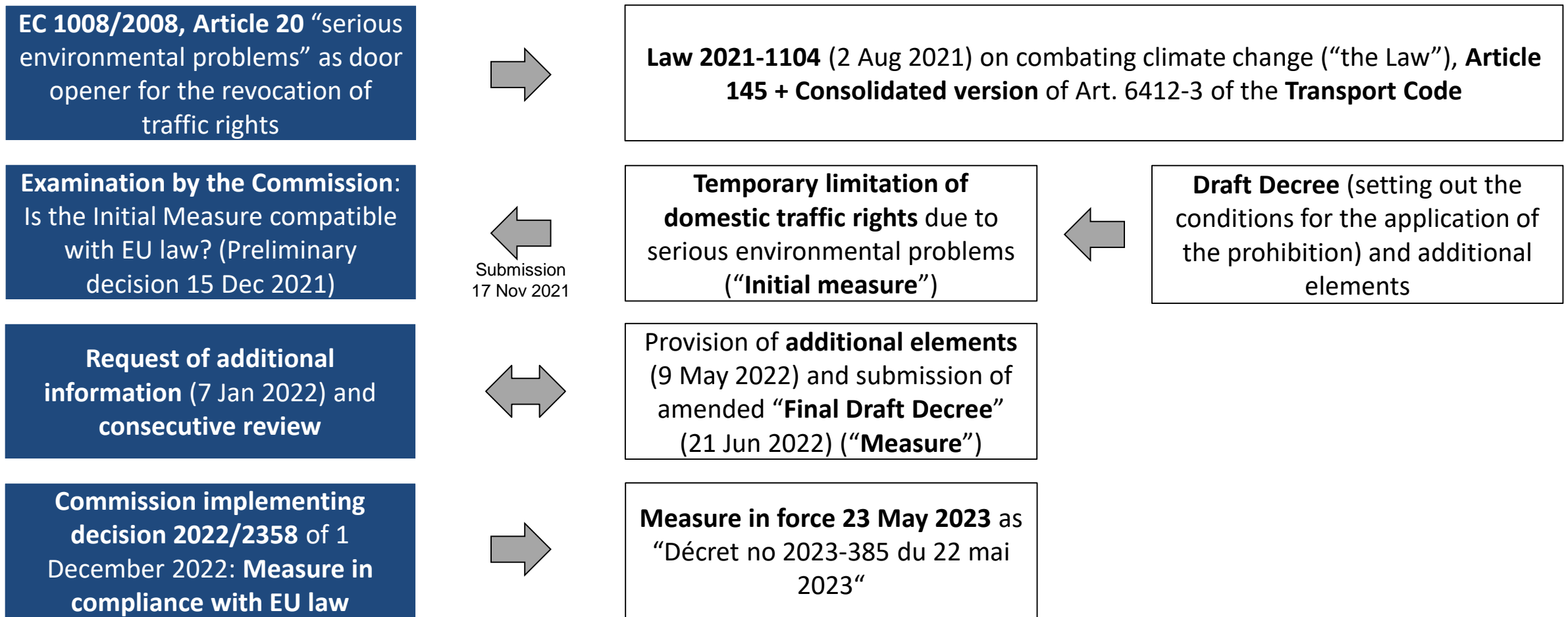


Complaints from airlines and airports

- Measure is ineffective, disproportionate, discriminates between carriers and has unlimited duration
- Air transport sector in France already covered by existing measures with the same objective (EU ETS; offsetting obligation of Article 147 of the same law for French domestic flights)



Genesis of the Measure



Conditions of the Measure

Initial Measure submitted 17 Nov 2021 (according to EU 2022/2358)

Prohibition of scheduled domestic passenger flights on routes with several daily rail connections (city-to-city level) below 2.5 hours (Art 145 I)

Draft decree (Art 145 I (2)) with conditions for „qualifying“ rail connections and derogations for feeder flights

**8 routes affected
with TGV connections downtown-downtown below 2.5 hrs**

Paris Orly to Bordeaux (train from 2:06*) /
Lyon (1:49*) / Nantes (2:00*)

Paris CDG to Bordeaux (2:06*) / Lyon (1:49*) /
Nantes (2:00*) / Rennes (1:29*)

Marseille-Lyon (1:32*)

Waiver for services dominated by connecting passengers, i.e. mainly Air France to/from CDG

Commission Decision 15 Dec 2021 based on preliminary assessment: Risk of competitive distortion if carriers focusing on connecting passengers were allowed to continue flying such routes

Air France would have lost 4 services into CDG if the EC had stopped the connecting services waiver.



Conditions of the Measure

(Final) Measure submitted 21 Jun 2022 and Decree 2023-385 from 22 May 2023

Availability of „several“ direct train services per day below 2.5 hours in each direction with „sufficient frequencies“ between the main train stations of the cities served by the airports

Train schedules must allow for stays of more than 8 hours at the destination

No general derogation for connecting flights

If the larger airport of the route is directly served by HSR, its airport train station shall be understood as a destination in its own right instead of the city train station (Lyon, Paris CDG)

3 routes affected with TGV connections downtown-downtown are below 2.5 hrs: Paris Orly to Bordeaux (train from 2:06*) / Lyon (1:49*) / Nantes (2:00*)

Exclusion of

- **Paris CDG to Bordeaux (3:52*) and Nantes (3:25*) as rail journey times to Paris CDG airport station exceed 2.5 hrs**
- **Paris CDG to Rennes (2:31*) and Lyon (1:54*) & Lyon LYS-Marseille (1:39*) as rail journey times do not allow for early morning or late evening connections; e.g. last departure CDG-Lyon at 20:39* and LYS-Marseille at 18:56***

The “final” measure has no formal, but an implicit waiver for connecting flights

General view by the EC

- The EC acknowledges the view that **serious environmental problems exist** (climate change as „urgent challenge“) which can **justify a route ban where suitable alternatives exist** (EU 2022/2358 III. 24-30).
- **Distortion of competition** would occur if **transfer flights were exempt** from the measure. As the criteria for the **ban are now solely based on travel times and frequencies**, the EC sees **no discrimination** on grounds of „nationality, identity or business model“ (EU 2022/2358 III. 31-34).
- The measure is „**not more restrictive than necessary** to relieve the problems“ as the measures stemming from the Fit for 55 package are „not yet applicable“. The EC also notes that the closure of Orly-Bordeaux/Lyon/Nantes alone can help reducing 55,000 tonnes of CO₂ (EU 2022/2358 III. 35-41).

No consideration of

- the environmental impact of the current **EU ETS** for aviation, which already limits total CO₂ from intra-EEA aviation. Due to the **waterbed effect** (e.g. Appunn, 2023), the actual CO₂ saving impact of the ban could be zero;
- potential **shift of resources** (aircraft, slots) formerly used for domestic flights **to international**, probably even non-ETS, **services**. This could mean a net increase in global CO₂ emissions.



Impacts of the measure

Number and share of affected passengers by (operating) airline (year: 2019)

	Total Pax 2019	Initial measure without transfer waiver		Initial measure with transfer waiver (initial draft decree by the government)		Measure in operation (after EC review)	
		Affected pax	Reduction	Affected pax	Reduction	Affected pax	Reduction
All airlines	25,750,773	2,641,081	10.3%	876,696	3.4%	801,380	3.1%
Air France	11,789,566	2,013,617	17.1%	391,134	3.3%	391,133	3.3%
Easyjet	4,396,865	1	0.0%	1	0.0%	1	0.0%
HOP!	4,640,442	566,590	12.2%	429,482	9.3%	378,755	8.2%
Air Corsica	1,811,179	2	0.0%	2	0.0%	-	0.0%
Volotea	1,377,737	-	0.0%	-	0.0%	-	0.0%
Ryanair	413,746	1	0.0%	1	0.0%	-	0.0%
Chalair Aviation	192,318	-	0.0%	-	0.0%	-	0.0%
Twin Jet	58,317	-	0.0%	-	0.0%	-	0.0%
Others	1,070,604	60,871	5.7%	56,076	5.2%	31,491	2.9%

If applied strictly to all routes where trains operate in less than 2:30 hours city-to-city, the measure would have the potential to reduce domestic passenger volumes by some 10.3% (Air France: 17.1%, HOP!: 12.2%).

Air France benefits strongly both from the initial waiver for connecting flights and from the final regime after EC review, “reducing the reduction” to 3.3%. HOP! only benefits slightly from the waiver (from 12,2% to 9.3/8.2% reduction).



Conclusion and further thoughts

- Several **conditions and exceptions** in the decree ensure that **only very few routes** are actually banned.
- These are **point-to-point routes** between cities where direct **train connections below 2:30 hrs** exist at high frequencies.
- Also, the hub airports **CDG** (and LYS) are treated like a **destination**, meaning that travel times to the airport train stations and not to Paris city are considered when applying the 2:30 hours frontier. Another condition here is that trains to and from CDG (and LYS) must operate early and late enough to connect with onward and inbound flights. **As a result, no hub route is actually banned.**
- This way, especially **Air France** is **far less affected** than in a regime without such waivers.
- In its assessment, the **EC does neither consider overlaps with the existing EU ETS**, with its likely **waterbed effect**, nor a **potential shift of aircraft and slots to international services**, probably even outside the EU ETS scope. Such phenomena could be subject to **future research**.

