Public Consultation reply – December 2025

T&E reply to the public consultation on the Air Services Regulation

T&E welcomes the opportunity to contribute to the public consultation on the Air Services Regulation (1008/2008). It strongly supports the initiative objective of promoting an "environmentally sustainable and socially responsible connectivity".

To realise this critical objective, the Regulation must be updated to integrate climate and energy considerations. This revision represents a key opportunity for decarbonising aviation, promoting sustainable connectivity, and unlocking the potential of key industrial sectors, such as zero-emission aircraft technologies and sustainable aviation fuels (SAFs).

The current framework is not fit for 2025, and will certainly not be fit for 2030, 2035, and beyond, especially when it comes to accounting for the growing and worsening impacts of climate change, Europe's energy security needs, and promotion of key European industrial value-chains. Moreover, the Regulation must be updated to be aligned, not only with the EU climate and energy objectives, but also with the principles set out in the Smart and Sustainable Mobility Strategy and the objectives set by the Fit for 55 package, especially ReFuelEU Aviation.

T&E calls for the revision of the Air Services Regulation to support the objective of an "environmentally sustainable and socially responsible connectivity", in particular by leveraging the Public Services Obligation framework and the provisions under Article 20 for limiting traffic on environmental grounds. Furthermore, T&E stresses that market distortions stemming from carbon leakage are marginal, if not minimal, and not impacting the decarbonisation efforts of airlines (in fact, quite the opposite) and the importance of ensuring better clarity on the so-called 'green fares'.

Article 20 – Restriction of flight traffic on environmental grounds

T&E stresses the key and complementary role that restrictions of flight traffic on environmental grounds under Article 20 have alongside the measures of the Fit for 55 package to reduce the aviation sector's emissions. Such restrictions provide for an effective and swift tool for CO2 mitigation, providing an immediate decrease in emissions where implemented.

The necessity of complementary measures to the Fit for 55 package

While the measures in the Fit for 55 package are critical for the sector's long-term decarbonisation, T&E's Down To Earth report shows that alone they are insufficient to curb

rising aviation emissions. For instance, this was acknowledged by the French government in the context of achieving its national 2030 emissions reduction goals and in the implementation of Article 20. Since the EU's aviation emissions are still rising, further measures to reduce emissions and limit uncontrolled growth are necessary. Flight restrictions on environmental grounds must, therefore, be considered as complementary to the Fit for 55 package and as a key policy tool for Member States to fulfil their climate targets in line with the European Green Deal.

Promoting sustainable connectivity and multimodality

The full scope of Article 20 must be maintained, if not reinforced, and its role to promote sustainable connectivity recognised. The Regulation is to be viewed in the context of a comprehensive approach to sustainable connectivity that considers all transport modes and not just air travel. In this regard, the provisions of Article 20 are to be seen as a means to do so, as they promote more sustainable transport modes and multimodality, whilst preserving connectivity and contributing to the achievement of Smart and Sustainable Mobility Strategy (SSMS) and Green Deal objectives.

Moreover, flight restrictions also reflect the recently published High-Speed Rail Plan text where it was stated that “A high-speed rail network connecting capitals and other major cities in the EU can offer a convenient and clean alternative for travellers to short-to-medium-haul flights”. A potential to be untapped as shown by a new research published in the Transport Policy Journal which assessed rail journeys of four to five hours between city pairs with a high potential to substitute effectively flight journeys.

The French administration's use of Article 20 shows that effective climate benefits and connectivity can be achieved simultaneously, by promoting the use of rail instead of air transport. Moreover, as the Commission itself acknowledges, the dynamic approach implemented by France’s ban takes into account the future development of rail service and multimodality, therefore aligning with the Sustainable and Smart Mobility Strategy and the High-Speed Rail Plan.

Complimentary, the EU must ensure the price of rail transport is competitive compared to air travel and that the completion of the TENT-T network (both core and comprehensive) is ensured.

Avoiding unnecessary procedural requirements

As regards the need of a prior authorisation by the Commission, the introductory text to Problem 3 of the consultation text states that the scope for national authorities to take temporary-restrictions measures was already clarified by the Commission in 2022. Therefore, requiring prior approval would represent an unnecessary burden, as Member States have now sufficient clarity to design compliant actions.

Similarly, whilst a thorough consultation and impact assessment should be undertaken, the Balanced Approach should not be a blueprint. Experience shows it tends to support the status quo, rather than taking into account evolving environmental and societal priorities. Moreover, the French government's case shows effective consultation – and active civic engagement – can be conducted transparently and effectively without the Balanced Approach.

Adding unnecessary procedural requirements risks undermining the effectiveness and potential of Article 20 and would deprive Member States of an effective and swift tool to reduce emissions rooted in national democratic processes. In France, a citizens' convention on climate change identified the restriction as an essential short-term action. In Spain, the Parliament approved a Sustainable Mobility Law including a similar action. It is not to be forgotten that, as shown by a Hitachi Rail survey, two thirds of Europeans back legislation banning short-haul flights where high-speed rail alternatives exist.

Leveraging zero-emission technologies

Among measures proposed in the consultation, allowing Member States to require zero-emission aircraft on short routes is a welcomed and needed decarbonisation and industrial measure that leverages Europe's lead in the sector. As zero-emission technologies mature, this measure should be strengthened by extending the threshold beyond 500 km and requiring the use of zero-emission aircrafts if no other sustainable mode offers the same level of service.

The Commission, at the same time, should enact a dedicated zero-emission aviation strategy, building on the European Parliament Electric Aviation INI Report, and dedicate adequate resources to this critical sector. For instance, the next MFF should establish a coherent R&D pathway for zero-emission and disruptive aviation. The EU's next research and innovation programme for 2028–2034 (FP10) should ring-fence a dedicated envelope for zero-emission aviation and create a successor to Clean Aviation. This successor must support electric, hybrid and hydrogen technologies, new aircraft architectures and the certification and safety research needed for new aircraft classes.

Furthermore, it should ensure SMEs and new original equipment manufacturers (OEMs) can participate on an equal footing through simplified access and dedicated instruments. The FP10 should also introduce first-of-a-kind validation tools and create strong synergies with the European Competitiveness Fund and the Connecting Europe Facility and Sustainable Transport Investment Plan, so that innovative startups can progress smoothly from early research to industrial pilots and deployment.

Moreover, the European Commission should leverage the Slot Regulation and the Airport Charges Directives to support the uptake of zero-emission technologies, by prioritising slots to zero-emission operations and having zero-rated or adequately modulated charges promoting the use of zero-emission aircraft.

Public Services Obligations

The Public Service Obligations (PSO) framework must be strategically leveraged to achieve environmentally sustainable connectivity and unlock the potential of key European industrial sectors, notably zero-emission aircraft and Sustainable Aviation Fuels (SAFs). The revision of the Regulation is critical for untapping PSOs' potential for decarbonising aviation and promoting sustainable connectivity. However, the current awarding framework is not fit for supporting these objectives, alongside the EU's climate and SSMS ones, and requires structural reform to integrate climate and energy considerations fully.

The regulatory gap and the need to include environmental considerations in PSOs

Currently, the Interpretive Guidelines on PSOs lack any substantive reference to environmental considerations or criteria. This regulatory void is reflected in the limited number of PSO tenders that include such requirements; instances such as the Irish tenders, or the Norwegian contracts, remain the exception and not the norm.

This outcome demonstrates that current rules are insufficient and unclear on how to effectively integrate environmental criteria, even in recent PSO impositions (e.g. Limoges – Paris Orly or Ancona – Rome Fiumicino) where such integration would have been expected and critically needed to meet the Sustainable and Smart Mobility Strategy (SSMS) milestones. As an example, these two routes, under 500 km and thin, could serve as test-beds for zero-emission aircraft technologies. It is clear that the Interpretive Guidelines must be updated to fully integrate environmental considerations into the process of imposing PSOs.

The need for a robust environmental award criterion

T&E believes that simply clarifying the rules to allow Member States to grant "extra points" for environmental performance is insufficient. The Regulation must establish, alongside price and quality, a mandatory and robust environmental criterion for the awarding of PSOs. Its inclusion could be compatible with EU law, if set in a proportionate, non-discriminatory, and objective manner, ensuring price and connectivity remain a primary criteria, akin to how quality is already integrated. Ideally, the environmental weighting should be at least 30%.

The environmental weighting must focus on quantifiable and verifiable metrics that guarantee a structural emissions reduction. These metrics must include:

- SAF use: requiring minimum SAF blend levels.
- Environmental efficiency: quantifying lower emissions (CO2 and non-CO2) and noise based on the proposed aircraft, with specific mechanisms to account for new zero-emission technologies.

A revision of the PSOs awarding criteria is critical not only to align the Regulation with EU climate objectives and the SSMS but also to address energy sovereignty concerns and promote the nascent EU SAF and zero-emission aviation industry.

A longer contract length tied to environmental gain

Regarding contract length, an extension could be an envisaged measure, but it must be intrinsically tied to a verifiable, structural environmental gain. A longer contract provides the revenue stability required for an airline to finance new zero-emission aircraft or long-term e-SAF offtake agreements.

Crucially, for any longer contract tender, the environmental performance weighting must be significantly higher to ensure the public subsidy delivers a proportionate, verifiable, and permanent emissions reduction.

PSOs as a test-bed for zero-emission technologies

PSOs have a key and strategic role to play in the uptake of zero-emission technologies, as many are short-haul and thin routes. There is an untapped potential for PSOs to be the test-beds for zero-emission aircrafts, given their characteristic and this should be reflected in the Regulation. Moreover, the benefits of leveraging PSOs as test-beds for zero-emissions aircraft would not only bring CO2 and non-CO2 benefits, but also industrial, leveraging Europe's leadership in the sector.

Furthermore, the use of SAFs in PSOs can ensure that all territories across Europe, including peripheral regions, can grasp the benefits of SAF in terms of emissions reductions and air quality, simultaneously serving as a driver for the development of local SAF value-chains, as it is not to be forgotten that many e-SAF projects are located in these regions (e.g. Lapland, Castilla–La Mancha or Hauts-de-France).

Carbon leakage

T&E disagrees that EU carriers are facing disproportionate market distortions solely stemming from the EU decarbonisation policies part of the Fit for 55 (FF55) package. Nonetheless, there are other factors which may lead to competitive disadvantages for European carriers. These include the closure of the Russian airspace and the liberal market access given to carriers such as Qatar Airways that are heavily subsidised and therefore able to set artificially low prices.

The introduction of EU decarbonisation measures only marginally influence the growth of these third country hubs and carriers. These measures remain overwhelmingly effective at reducing aviation's emissions and are certainly not undermining EU carriers' decarbonisation efforts, but rather ensuring it.

For instance, a 2023 analysis of aviation traffic forecasts found that rapid growth at non-EEA hubs, such as Istanbul, Dubai, Doha and Casablanca, will occur regardless of the introduction of the FF55 measures.

Airport	2018 passengers	2035 passengers (no policy change)	2035 passengers + FF55
Istanbul	47.3 M	+73.4%	+76.5% (+3.1%)
Dubai	26.5M	+60.8%	+58.9% (-1.9%)
Doha	13M	+54.7%	+54.8% (+0.1%)
Casablanca	9.1M	+55%	+41.7% (+1.7%)

This analysis shows clearly that the FF55 measures are not solely and – especially primarily – responsible for a substantial shift of European demand to non-EEA hubs.

Furthermore, the potential 'leakage' of passengers on certain routes is minimal, concentrated at a few hubs, and therefore does not undermine the overall aim of the FF55 measures to reduce aviation's emissions. A 2023 T&E study found that the risks of carbon leakage as a result of ReFuelEU and the EU ETS are limited to 3% of the total emissions savings brought by the measures in 2035. Although ideally no emissions would be lost to carbon leakage, the amount is so minimal that it is evident that these measures have a net positive effect on the decarbonisation of the sector.

While overall leakage is small, some routes (notably to South East Asia via Istanbul) may be more exposed. Three potential policy tools could mitigate this risk (read the full legal analysis here). These measures could be referenced in a revised Air Services Regulation.

Targeted SAF allowances

Adapt the existing ETS reserve of 20 million SAF allowances to routes proven to face high leakage risk (i.e. Amsterdam to Hong Kong via Istanbul). This would lower the relative cost of direct EU routes (i.e. Amsterdam to Hong Kong direct). If applied transparently and based on objective criteria, it would comply with EU law and international aviation rules by being route- rather than nationality-based.

Targeted carbon pricing (between airport pairs)

Apply differentiated carbon prices between specific airport pairs where passengers could avoid EU measures by transiting via non-EEA hubs (i.e. between Amsterdam and Istanbul). This would raise the price of stopover routes instead of discounting direct ones. It can be integrated into the ETS using existing route-level emissions data and justified as proportionate and evidence based.

SAF-BAM

Modelled on the EU's CBAM, this would require airlines routing via third-country hubs to buy certificates compensating for avoided ReFuelEU obligations. While it corrects regulatory asymmetry, it would be complex, costly and legally sensitive due to potential conflicts with the Chicago Convention and international agreements.

On top of the integration of these targeted tools, T&E is open to the role of national levies. While an EU levy faces significant hurdles due to the unanimity principle on taxation in the Council, enabling Member States to introduce their own national levies could be an effective measure. T&E has concerns that a prolonged debate over a centralised EU tax would undermine the efforts of Member States frontrunners, while benefitting laggards and providing an excuse to weaken existing aviation taxes at the national level.

Moreover, informing passengers about which segment of their flights are not covered by EU legislation aimed at decarbonising aviation is a key measure to foster transparency and empower consumers to make sustainable travel choices.

Green fares

A key aspect that should have been considered in the consultation is the ability of passengers to make fully informed choices when it comes to the so-called 'green fares'.

At the moment, 'green fares' are not representative of truly sustainable options, because they rely mainly on ineffective carbon offsets, whose real emission reduction is often questionable. A passenger cannot always gain a 'green conscience' by opting for this system and de facto the flight itself is not in itself 'green', as shown by the recent case involving Eurowings.

While some fares include a SAF share, this amount is often modest and relies on biofuels. Furthermore, the passenger has limited visibility on the SAF being used. The sustainability of many biofuels (used oils) is limited by feedstock scarcity and fraud risks or (in the case of crop-based biofuels) they are a cure worse than the disease driving deforestation or competing with food supply. Stronger guidelines should be ensured so that customers can really understand the benefits of what they are buying, especially when more scalable and sustainable options could be available (i.e. e-SAF). In this regard, green fares should promote the use of sustainable and scalable options, such as e-SAF.

Furthermore, it is crucial to clearly distinguish these offers from environmental surcharges (such as those from the Lufthansa Group or airBaltic) as this could be confusing for customers that could think the surcharges might equate higher sustainability operations by an airline compared to another.

Further information

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