



Airlines decry lack of leadership and clarity from European Commission recommendations on use of travel vouchers during COVID-19

- The lack of leadership from the EC will not alleviate and could even contribute to the financial distress of airlines and the wider tourism industry.
- Unclear and non-binding EC recommendations will create further confusion for airlines and passengers at a time when clear, decisive regulatory action is urgently needed.
- Request of majority¹ of EU member states for an emergency amendment to Regulation EU261 to defer immediate reimbursements has been ignored.
- A recommendation which cannot be followed across the board will distort the EU's level playing field.

Brussels/Geneva, 13 May 2020 – Airlines for Europe (A4E), Airlines International Representation in Europe (AIRE), European Regions Airline Association (ERA) and the International Air Transport Association (IATA), representing the collective interests of European airlines, today decried unclear and non-binding guidelines from the European Commission on airlines' use of refundable travel vouchers as an alternative to immediate cash refunds for flights cancelled as a result of the COVID-19 pandemic.

The latest EC recommendation is disappointing and confusing both for airlines and their passengers because:

1. The recommendations are non-binding but raise certain expectations about the terms of vouchers. Some airlines may be better placed than others commercially to meet such terms.

¹ 16 EU Member States

2. The recommendations may be implemented differently in various countries, only partly, or not at all, thereby creating the risk of market distortion.
3. Passengers are left unsure what to expect from voucher schemes depending on where they live, as these could differ across markets.

Faced with up to €9.2 billion in cash reimbursements through the end of May² due to a regulation which was never designed to deal with mass cancellations caused by a global pandemic – European airlines since March have urged the EC to propose an emergency amendment to Regulation 261/2004 in support of refundable travel vouchers, or delayed reimbursement of tickets, instead of the current seven-day reimbursement period.

“While passengers have a clear right to reimbursement of their tickets, we believe refundable vouchers, or a delayed reimbursement, represents a fair and reasonable compromise given the unprecedented liquidity situation airlines are currently facing”, said Thomas Reynaert, Managing Director of A4E.

No less than 16 EU member states representing 70 per cent of EU citizens have expressed their support for the temporary voucher solution. This is also the approach taken by other countries such as Canada.

“At a time when airlines are facing the greatest crisis in their history, we are disappointed and astonished that the Commission has ignored the request from the majority of member states for a temporary amendment to Regulation 261/2004. Millions of jobs are at risk if airlines collapse. Action from the Commission now would safeguard consumer protection and help airlines through the current crisis”, said Rafael Schwartzman, IATA’s Regional Vice President for Europe.

By issuing unclear recommendations instead of the decisive regulatory action airlines so desperately need, more airlines may be forced into further financial distress, with up to 6.7 million aviation jobs at risk across Europe.

Montserrat Barriga, Director General, ERA said: “We don’t understand why the Commission has disregarded the recommendations from the majority of the member states that have made it clear that connectivity, competition and consumer choice in Europe must continue. Amending EU261 is key to survive

² Estimate of European portion of global unrefunded ticket cost of \$35 billion. Source: IATA <https://www.iata.org/en/iata-repository/publications/economic-reports/covid-19-cash-burn-analysis/>

this catastrophic situation that will otherwise ultimately damage the consumer and lead to higher prices and fewer routes.”

“We needed strong leadership from the Commission, with unambiguous and identical rules for all airlines, big and small. We got the opposite. The Commission is even promoting market distortion”, said Sylviane Lust, Director General of AIRE.

The associations call upon the EU member states in the Council to ensure that a harmonised approach to reimbursements and vouchers during COVID-19 is achieved through a temporary adjustment of the current passenger rights framework.

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Notes for editors:

- Launched in 2016, Airlines for Europe (A4E) is Europe’s largest airline association, based in Brussels. The organisation advocates on behalf of its members to help shape EU aviation policy to the benefit of consumers, ensuring a continued safe and competitive air transport market. Follow us on Twitter @A4Europe.
- AIRE represents airlines of all sizes and business models flying to, from and within Europe.
- Founded in 1980, ERA is a non-profit trade association representing 64 airlines and 149 companies involved in European air transport and is the only association representing the entire spectrum of companies involved in European aviation.
- IATA (International Air Transport Association) represents some 290 airlines comprising 82% of global air traffic. You can follow IATA at <https://twitter.com/iata> for announcements, policy positions, and other useful industry information.