

## **EUROPEAN COMMISSION**

## **PRESS RELEASE**

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## European Parliament votes on air passenger rights

The European Parliament has voted today on proposals from the European Commission to strengthen passenger rights including: measures to ensure that air passengers have new and better rights to information, care and re-routing when they are stranded at the airport. At the same time there will be better complaint procedures and enforcement measures so passengers can actually obtain the rights to which they are entitled.

Commission Vice-President Siim Kallas, responsible for transport, said: "I hate being stranded at an airport. And I am sure most other people hate it too. It is bad enough if you are travelling on business, but if it's the holiday time and you have a young family with you it quickly turns into a nightmare. That's why it's so important that passenger rights do not just exist on paper. We all need to be able to rely on them when it matters most – when things go wrong. We know that the real priority for stranded passengers is just to get home. So our focus is on information, care and effective re-routing. The aim is to get passengers where they want to be as quickly as possible while giving the airlines the time they need to sort problems out."

The Commission's <u>air passenger rights proposal</u> (presented March 13 2013) clarifies legal grey areas and introduces new rights where necessary – for a full list see <u>MEMO/13/203</u>.

The Parliament gave strong backing to key Commission proposals to strengthen air passenger rights, including:

- **Enforcement:** Parliament supports the Commission's proposal to strengthen oversight of air carriers by national and European authorities (with tougher requirements on national authorities to monitor closely the performance of airlines and new possibilities for joint investigations between authorities facing the same problems), as well as more effective sanctions.
- **Right to care**. Parliament supports the Commission's proposal to introduce a right to care for passengers after a delay of 2 hours, for all flights irrespective of distance. Until now, the time varied depending on the flight distance.
- **Complaint handling.** Parliament backs the Commission's proposal to ensure that the passenger has a right to a response to their complaint within 2 months and an acknowledgement of a complaint within a week (there is currently no time limit). The Parliament proposes in addition that the Commission define a common complaint form.
- **Right to information:** Parliament backs the Commission's proposal to ensure passengers have a right to information about their situation, 30 minutes after a scheduled departure. Currently there is no time limit. In addition, the Parliament proposes to have contact points in the airports to inform passengers on the

circumstances of their travel disruption and on what are the rights they are entitled to.

- **Re-routing:** Parliament backs the Commission's proposal to improve the rights of consumers by ensuring that passengers have a right to be re-routed by another air carrier or transport mode in case of cancellation when the carrier cannot re-route on its own services. The Commission proposes that this right applies after 12 hours, the Parliament suggests a much lower limit of 8 hours.
- **Misspelling:** Parliament backs the Commission's proposals to provide a right for a passenger to correct a spelling mistake in a name "free of charge."
- **Connecting flights:** Parliament backs the Commission's proposal to clarify that rights to assistance and compensation apply if you miss your connecting flight because the previous flight was late however, the Parliament specifies that the compensation applies only where there is a delay of at least 90 minutes for the first flight.
- **Luggage:** Parliament backs Commission's proposal to give national authorities enforcement powers over lost luggage rules (set out in the Montreal Convention). Claims provisions are also improved the form you fill out at airports must be accepted by airlines when you make a claim.

There are three important areas where the Parliament's proposals differ from the Commission's:

- Compensation for delays (short and medium flights): Parliament proposes to fix the threshold for compensation for delays at 3 hours. For the Commission this is not in the passengers' best interests. The priority for passengers stranded at an airport is to get home. For that reason the Commission proposal fixes the threshold for compensation for delays at 5 hours to strongly incentivise airlines to try to avoid paying compensation, to make every effort to run flights and fix technical problems. Cancellation is always the worst option for passengers as they then rely on re-routing and availability on other flights and risk not getting home until the next day. If compensation for cancellation and delays are fixed at the same level of 3 hours, the risk for passengers is that this triggers more cancellations.
- Extraordinary circumstances: Parliament backs the Commission proposal to clearly define extraordinary circumstances e.g. strikes, storms, operational problems which are outside the airline's control, so the carrier is not required to pay compensation. On the issue of technical faults, however, whereas the Commission proposal allows for a limited number of technical faults to be exempt for example technical faults discovered while in the air if maintenance has been carried out correctly, Parliament proposes that technical faults can almost never be exempt. In addition, Parliament proposes an exhaustive list for exceptional circumstances, while the Commission argues that experience shows events like a volcano eruption can happen which no one expected, so the proposed list should be "open", to take account of future circumstances not yet foreseen.
- In addition, the current air passenger regulation, sets no limit to liability even in extraordinary circumstances like a volcano or major crisis, where in some cases state authorities would mobilise to assist stranded citizens. The Commission proposes to introduce a limit of 3 nights, to give passengers the certainty of the care they need, in circumstances such as snow, storms, strikes (based practical experience over almost a decade shows that 3 nights covers passengers' needs). This would also give airlines some predictability when they budget for passenger rights. The Parliament proposes to raise the limit to 5 nights.
- Finally, the Parliament proposes to impose on airlines an obligation to take insurance in case of bankruptcy (insolvency). The aim is to ensure that passengers would be reimbursed the cost of their tickets and stranded passengers would be repatriated. The Commission is concerned that such a systemic measure would double the cost of the current Air Passenger Regulation for companies, and that these costs then would then get passed on to passengers in their airline ticket prices. These costs for passengers risk being disproportionate to the scale of the problem: in the last ten years, only 0.07% of all return trips were affected by insolvency and, of that 0.07%, only 12% of the affected passengers were stranded. In addition, the Commission adopted a communication on passenger protection in the event of airline insolvency of 18 March 2013. This aims to tackle the problem through a number of recommendations for preventive measures as well as required actions by Member State authorities and the industry in the event of bankruptcy.

## **Next steps:**

Member States will meet in the Transport Council in June with a view to agreeing a position (General Approach) on the revision of the Air Passenger Rights Directive.

Given time constrains, the detailed negotiations between Parliament, Council and Commission on the details of the proposals would normally start after the elections to the European Parliament.

For more info:

http://europa.eu/rapid/press-release IP-13-219 en.htm

http://europa.eu/rapid/press-release MEMO-13-203 en.htm

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