



**Group of the Progressive Alliance of  
Socialists & Democrats  
in the European Parliament**

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Ms. Adina VĂLEAN  
EU Commissioner for Transport  
Rue de la Loi 200  
B-1049 Brussels

Mr. Thierry BRETON  
EU Commissioner for Internal Market  
Rue de la Loi 200  
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Dear Commissioners Vălean and Breton,

**Subject: COVID19 crisis and air passengers' rights**

The COVID19 crisis has severely affected the travel and tourism industry as borders across the world have been shut and travel restrictions have led to mass cancellations of tickets and travel packages. We in S&D TRAN would like to highlight the pressing need to protect passengers' rights and the respect for EU law while ensuring proper access to liquidity for airlines and travel companies.

Responding to mass cancellations and a drop in the demand, a growing number of airline and travel companies are refusing to offer reimbursement to passengers and are restricting their offer to travel vouchers. This situation has caused very difficult financial circumstances in the whole tourism value chain, where the majority are SMEs. While airlines and travel companies are entitled to offer travel vouchers as an alternative, the refusal to offer direct reimbursement is an unacceptable disregard for EU Regulation 261/2004 on air passenger rights as well as Commission guidelines issued on March 18<sup>th</sup> 2020.

S&D TRAN reiterates its position that airlines and travel companies should respect the EU's passenger rights legislation and ensure passengers with the right to ask for reimbursement of the ticket.

Due to the current unprecedented crises, we understand the need for a balanced solution to handle the ongoing situation and facilitate the survival of the sector. The EU aviation sector directly employs over 2 million people and indirectly supports 9.4 million jobs, significantly in the tourism industry. The tourism sector accounts for 10 percent of the EU GDP and more than 27.3 million workers (11.7% of total employment), many of which are SMEs. Avoiding the collapse of the airline industry is thus of key importance to protect the livelihood of millions of European workers. For us in S&D TRAN it is important to find a balanced solution and recognise the liquidity challenge

faced by many European airlines, cruise liners and intermediaries as all passengers apply for reimbursements at once, while at the same time defending the rights of passengers and their right to reimbursement. Therefore, we believe an EU coordinated response regarding the appeal of vouchers should be found and we urge the Commission to look at a common EU response to improve the airline liquidity while safeguarding the interest of European passengers by making vouchers more attractive.

We also welcome the relaxation of state aid rules under the Commission Temporary Framework of March 19<sup>th</sup> 2020, which has enabled Member States to support companies in need of urgent rescue aid. However, we would like to emphasize that the many simultaneous reimbursement claims represents a separate challenge.

One large concern among many passengers is the potential loss of vouchers in the case of airline or travel company insolvency. We encourage the Commission to coordinate public guarantees on the value of travel vouchers acquired during the COVID19 crisis. This could take the form of a European Travel Guarantee Fund in line with the Danish model, offering security for passengers and liquidity for airlines and travel companies. We in S&D TRAN highlight that companies' access to guarantees should be conditional on a binding commitment to social and environmental minimum standards to ensure that EU crisis management supports our commitment to the 2015 Paris Climate Accord and the European Green Deal.

Additionally, the Commission must ensure that vouchers are kept at a high standard and are automatically exchanged for a full refund within a reasonable period in case passengers do not make use of them. To ensure trust in the market and transparency in the relationship between carriers, intermediaries and passengers, the airlines and travel companies that issued the original ticket has to be the company responsible for the reimbursement or the voucher.

The travel sector must be supported during this exceptional crisis, and so must passengers and the word of the European law. Aside from the above-mentioned EU Regulation, the Directive (EC) 2015/2302 on package travel is also of relevance in the continued work finding a solution to the current situation.

Yours sincerely,

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The Transport Committee's members of the Progressive Alliance of Socialists and Democrats in the European Parliament