

Brussels, 09.06.2021

1008/2008 Air Services Regulation - Call for evidence for an Impact Assessment

ECTAA, the European Travel Agents' and Tour Operators' Associations, welcome the European Commission's initiative to update the impact assessment on the revision of the Air Services Regulation. As a longstanding contributor to policy development in the air travel ecosystem, ECTAA appreciates the opportunity to submit feedback reflecting the latest developments and ongoing challenges representing an industry consisting of 98% SMEs and their customers.

We agree with the Commission's recognition that "the internal market for air services is undoubtedly one of the EU's major success stories." This achievement must be safeguarded through targeted, well-calibrated adjustments. The market has delivered broad connectivity and consumer benefits, but these gains are under increasing threat due to recent trends such as strong airline consolidation, opaque pricing, and reduced content access.

The 2019 evaluation rightly concluded that while the Regulation works well overall, targeted adjustments are needed to ensure long-term resilience, competitiveness, and fairness.

A strong wave of airline consolidation poses risks to competition and the travel ecosystem. Very strong air carriers and airline groups are increasingly using their market power to restrict access to content, impose surcharges on neutral distribution channels, and withdraw fares from regulated environments, undermining transparency and consumer choice. Lufthansa Group, IAG and Air France/KLM for example have all removed certain fares (light/basic fares) from GDSs that are regulated to guarantee neutrality under Reg. 80/2009. They can only be found in unregulated systems that can be controlled by airlines / airline groups or in their very own distribution channels. For other fares still available in neutral GDS, the same airlines / airline groups added surcharges. These fares are therefore available at a lower price in unregulated systems that can be controlled by airlines / airline groups or in their very own distribution channels. This harms travel intermediaries and consumers alike. Full and fair access to airline content and ancillary services across all distribution channels is needed to preserve transparency and allow a level playing field. The same is necessary concerning forms of payments. For the sale of an airline ticket to a customer, intermediaries should be able to pass at least the same forms of payment to the airline that the airline also offers to the customer on their own website - without discrimination and without additional surcharges.

Indirect distribution should be enabled to thrive, not sidelined.

Article 23 currently allows air carriers to divide the price of air tickets into different parts. Under the present wording of Article 23 (1) (d) airlines are thus allowed to separate various operational costs and present them as separate charges.

To prevent that important price information becomes lost in an excess of information, we suggest that the information provided should be limited to the *information necessary for consumers to make an informed purchase decision* which is more in line with the EU Directive on Unfair Commercial Practices (2005/29/EC). The only information which is genuinely useful for the consumer at the time of purchase is the size of the refundable charges / fees for unused tickets, i.e. airport charges and government taxes / fees imposed on passengers, and the total ticket price. We therefore believe that Community law should only allow and require airlines to specify the total price and airport charges and government imposed taxes / fees levied per departing passenger. This will increase price transparency by providing consumers with necessary, but not superfluous, price information and give efficient airlines a competitive advantage.

Airline insolvencies continue to cause massive disruption. More than 1,200 commercial passenger airlines have failed globally in the last 25 years, highlighting the systemic risk to both consumers and travel intermediaries¹. During the pandemic, many carriers could not refund pre-paid tickets — putting an undue burden on intermediaries and their clients.

It is long overdue to introduce a mandatory airline insolvency protection, similar to what package organizers have to provide under the Package Travel Directive. This must also include unrestricted B2B reimbursements. Travel intermediaries and consumers must not continue to shoulder the risk of airline default alone. Furthermore, there is already an airline insolvency protection in place in Denmark since many years, covering flight only tickets to and from Denmark. We do believe it is high time to create a level playing field within all EU Member states.

While new business models and fare unbundling have created more options, comparing fares “like-for-like” has become increasingly difficult. Basic elements such as cabin baggage are often excluded or inconsistently applied across airlines.

Minimum standard service levels should be granted including the right to carry a standard-sized cabin bag free of charge and included in every fare. Customers should not have to buy a new bag or cabin trolley just to match the multiple measurement requirements of different airlines. If an aircraft cannot hold a standard-size cabin bag or if overhead bins are already full, these cabin bags can be loaded in the belly of the aircraft free of charge. This is already standard practice today and should not be misused as an

¹ https://www.wexinc.com/wp-content/uploads/2025/05/WEX_Protecting-Travel-Intermediaries_WhitePaper_Final.pdf

“argument” why a standard-sized cabin bag cannot be included free of charge in every fare to the benefit of customers.

All fares and fare components including ancillaries should be available in all distribution channels. Direct and indirect distribution should be able to compete on a level playing field and customers should have the right to use the channel of their choice.

Non-compliance with EU rules prohibiting discrimination based on passenger residence or the location of the ticket seller weakens the internal market and violates consumer rights. Therefore, enforcement mechanisms that clearly prohibit geographic discrimination in ticket pricing and availability must be strengthened.

ECTAA fully supports the general objectives identified by the Commission: resilience, competitiveness, sustainability, and informed consumer choice. However, these cannot be achieved without:

- Mandatory airline failure protection,
- Unhindered access to transparent content,
- Clarity on minimum service levels, and
- Effective enforcement of non-discrimination rules.

We are pleased to contribute again to this critical process and look forward to participating in the upcoming public consultation and stakeholder dialogue.