

Air Passenger Rights at a crossroads: Striking the right balance

AIRE and IATA are committed to engaging constructively with the EU institutions as they seek to progress the ongoing revision of the EU Passenger Rights framework. We underline the need for the Council and Parliament to strike a balance, to ensure that consumer protection goes hand-in-hand with ensuring that rules support air connectivity and the competitiveness of the European aviation market. The industry's experience is essential to shaping legislation that genuinely serves passengers.

To ensure a balanced and effective reform, we would like to highlight the following priorities:

➤ Proportionate delay compensation thresholds are in passenger interest

Delay compensation thresholds have become a high-profile feature of European passenger regulation following the *Sturgeon* judgment. However, it is important to recall that delay compensation was not part of the original regulation. For delay compensation thresholds to be fair and sustainable, they must reflect the operational complexities of air transport. Passengers are clear that their priority in the majority of cases is to get to their destination better late than not at all. The Council's current proposal—setting thresholds at four hours for short- and medium-haul flights and six hours for long-haul flights - supports this goal by giving airlines extra time to resolve the causes of disruption as well as a greater incentive to operate delayed flights rather than cancel them to protect the rest of the schedule.

➤ Clear and flexible definition of extraordinary circumstances

EU261 was never designed to address operational disruption, the causes of which are often outside airlines control. A binding but non-exhaustive list of extraordinary circumstances — covering severe weather, ATC strikes, security threats, and undetectable technical issues — provides legal certainty while allowing flexibility to manage situations outside airlines' influence. The exhaustive list proposed by the Parliament would make airlines the *de facto* insurer of last resort and increase costs for passengers.

➤ Safeguards to preserve pricing freedoms

Airline pricing freedoms are a fundamental component of the Single Aviation Market and have brought enormous benefits to consumers, through lower prices and greater choice. They are not simply a matter of legal small print. Pricing freedoms underpin airlines' ability to offer a range of fare products adapted to consumers' needs and, critically, to offer the make affordable fares available to the most price sensitive customers. This includes defining the scope of services such as baggage allowances, in-flight meals, and seat selection. Sequential coupon rules are fundamental to preserving connectivity for smaller and peripheral markets within the EU which depend on indirect connections.

➤ Fairer distribution of responsibilities across the transport chain

Airlines currently carry disproportionate responsibility for delays caused by other stakeholders like airports, air navigation service providers, or ground handlers. A more balanced allocation of obligations is essential to reflect the shared nature of aviation operations and provide fairer outcomes for passengers. We offer our services to lead a dialogue about how to ensure that the European aviation network works more effectively for the benefit of all parties – governments, industry and most importantly passengers.

AIRE and IATA call on EU co-legislators to adopt a clear, balanced and practical regulation that provides passenger protection while supporting a competitive and sustainable European aviation sector.