

POSITION ON THE REVISION OF THE AIR PASSENGER RIGHTS

REGULATION

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Eurochambres calls for a revised EU Air Passenger Rights Regulation that balances passenger care with the operational realities and competitiveness of European airlines, ensuring fair compensation without undermining connectivity, affordability, or market efficiency.

1. Executive summary

The chamber network is committed to a balanced EU Air Passenger Rights Regulation (EC) 261/2004 that considers connectivity, the economic opportunities of companies and the rights of passengers in a balanced manner. The Regulation is criticised for being overly detailed in some areas yet vague in others, leading to inconsistent court rulings across the EU and uncertainty for carriers and other related businesses.

Carriers, especially European airlines, have been looking forward for this revision, hoping that it will bring an essential more balanced approach, one that protects passenger rights while also ensuring the continued viability and competitiveness of the aviation industry.

Excessive regulations on passenger rights jeopardise the competitiveness of EU airlines visà-vis airlines from third countries, as well as the economically important connectivity within and outside the EU – and also jobs in the aviation industry. This is because the threat of costs due to overly strict requirements must be reflected in ticket prices, which in turn causes them to rise.

As a 2020 study by the European Commission (<u>Study on the protection of EU air passenger rights</u>) shows, it is particularly important for passengers to be looked after and rebooked in the event of travel disruptions so that they can reach their destination. Financial compensation is of tertiary importance to passengers.

Eurochambres considers this revision as highly relevant because overly prescriptive or unclear rules directly impact airline operations, ticket pricing, and EU competitiveness overall. Chambers welcome clear rules on extraordinary circumstances, limits on accommodation, and flexibility on personal items and instruments.

Overregulation could result in burdensome compensation schemes and restrictions on noshow policies. The latter risk reducing competitiveness, raising fares, and further straining airlines already facing high costs from the European Green Deal. It could also discourage intermediaries from developing multimodal services, thereby curbing the range of travel solutions available to consumers. In the end, such measures may unintentionally reduce choice and flexibility, leaving both passengers and businesses worse off.

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2. Eurochambres' main messages/recommendations

Eurochambres would like to highlight a few points from the draft amendment to the EU Air Passenger Rights Regulation adopted by the European Council on 5 June 2025:

List of extraordinary circumstances

The chamber network very much welcomes the planned new annex to the EU Air Passenger Rights Regulation, as it now provides clarity on what constitutes extraordinary circumstances. It is important to note that the list is not exhaustive and that, above all, technical incidents whose cause was unknown to both the manufacturer, and the airline will continue to be considered extraordinary circumstances.

Furthermore, the annex provides courts with clear guidelines from the legislator, filling a gap that has so far been addressed mainly through case law.

The principle of 'safety first' must always be the basis for considerations when assessing technical incidents. The definition must remain open to new circumstances that are not yet known or foreseeable today.

Threshold values: Council decision

The threshold values proposed in the draft Council decision enable airlines to manage delays in a more realistic time frame in the interests of passengers. However, they remain below the higher thresholds (5–9–12 hours) recommended in the European Commission's 2013 impact assessment.

Lower thresholds carry the risk that some airlines will no longer operate flights but cancel them instead, which would increase the likelihood of delays and inconvenience for passengers due to the organisation of alternative transport. This would thwart passengers' desire to reach their destination as quickly as possible and remove an important incentive for some airlines to operate delayed flights.

Delay thresholds of 5/9/12 hours better reflect operational realities and encourage airlines to reduce delays by using spare capacity rather than cancelling flights. As highlighted in recital 11, many delays cannot realistically be resolved within the three hours limit established by the Sturgeon judgement. Setting a too short threshold may therefore lead airlines to cancel flights to minimise the knock-on effects on subsequent services, for example, by repositioning aircrafts for a next flight. Longer delay brackets would provide airlines with a reasonable timeframe to address technical issues, secure replacement aircraft and crew, or rebook passengers on alternative flights if needed.

In most circumstances, the passenger would still prefer a delay over a cancellation because the passenger has more certainty to arrive at destination at the earliest opportunity.

Compensation

The proposed revision to Article 7 sets an upward adjustment for short flights that currently are under the €250 threshold and for long flights is reduced to €500, the overall effect of the proposal is not cost-neutral for air lines in EU. The proposal will increase the overall

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compensation amount for airlines, especially on frequent flights inside the EU.

According to the European Commission, existing obligations under Regulation 261/2004 are expected to cost airlines €8.1 billion in 2025. Any further increase is not bearable and, in the end, will likely be passed on to passengers through higher fares. This would disproportionately affect price-sensitive consumers and reduce the accessibility of air travel across the EU.

Intermediaries

The involvement of intermediaries, foreseen in Article 15a, ("complaint to the air carriers or the intermediary" risks complicating the processing of complaints without delivering benefits to passengers or airlines.

Eurochambres agrees that intermediaries should be clearly accountable for informing passengers. However, complaint handling and compensation procedures are best managed by airlines in order to avoid extra costs that would ultimately increase fares. We therefore recommend removing this provision from the revised EU Air Passenger Rights Regulation.

This approach would also reflect the role of travel agencies and operators, whose responsibility is limited to arranging the booking, not to executing the flight itself. Requiring their involvement in complaint handling adds little value and creates inefficiencies. Airlines are best placed to resolve claims if they can access passenger contact details directly, enabling quicker complaint processing, fewer delays, and less unnecessary involvement of third parties.

Intermediaries should be responsible for timely refund of flight documents which they issued, and which are subject to refunds (so far OTA have ignored or have refunded tickets with a delay of several months or by applying their penalties or have not responded to passengers' requests, which would now be regulated and subject to penalties).

Complaint period: 6 months

The chamber network welcomes this period, as it gives passengers sufficient time to complain to the airline about incidents within the meaning of the EU Air Passenger Rights Regulation, while also providing legal certainty for the latter. This means that fewer provisions for contingent expenses need to be made in the balance sheets. This provision is an example of how the interests of several parties can be taken into account.

Other deadlines: no further reduction

All the deadlines specified in the amendment to the EU Air Passenger Rights Regulation are already very challenging and difficult for airlines to administer. Therefore, a further reduction is not expedient and would be detrimental to both sides in terms of the proper review and handling of complaints.

Cost limit

Eurochambres welcomes the introduction of a cost limit. This is necessary to protect airlines from excessive self-organised replacement transport by passengers. But 400% of the ticket

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price is neither fair nor reasonable. Additionally, it is difficult for the airlines to prove or demonstrate that the purchased ticket was within the limits when it was bought.

Accommodation costs: coverage for three nights

We welcome the limitation of an airline's coverage of accommodation costs to a maximum of three nights. Normally, an airline is able to organise alternative transport within this time limit. If unintentionally longer stays occur, the reasons for this are external in nature (e.g. volcanic eruptions, earthquakes, other natural disasters, armed conflicts, unrest or strikes) and therefore constitute exceptional circumstances. An airline cannot be held responsible for these.

Hand luggage and personal items

Chambers acknowledge that imposing uniform baggage requirements would undermine the freedom of pricing principle for cabin luggage. Such a measure could undermine fare fairness, as all passengers would have to bear the cost of a service that many do not use, while also penalising a system that has helped make air travel more affordable and accessible than ever.

We therefore support the Council text on the personal item, which preserves airlines' pricing flexibility. Mandating an additional cabin bag allowance would push up costs across the board, penalising those passengers who choose to travel light with only a backpack in the cabin.

Practical considerations also make such a mandate unworkable. Modern aircraft are not designed to accommodate a full piece of hand baggage for every passenger. For sustainability reasons, overhead compartments are smaller to reduce aircraft weight and, consequently, cut emissions. This is why passengers are often offered the option to check luggage into the hold, a pragmatic solution that ensures safety, efficiency, and environmental responsibility. Impose uniform baggage requirements would therefore reduce choice, increase prices, and run counter to both consumer interests and Europe's sustainability goals.

Cancellation / Prohibition of no-show policies

Eurochambres does not support a partial prohibition on no-show policies such that a passenger not showing up on a previous flight should not be denied boarding on the return flight. Any limitations on airline no-show policies introduces a regulatory constraint that undermines the commercial freedom of air carriers and global competitiveness. For example, Article 13 of the EU–US Open Skies Agreement gives carriers the right to freely set prices, thereby supporting a competitive, market-driven environment.

The ticket validity must be interpreted in a way whereas all coupons are used in the sequence. Such proposal would have had impact on networking and booking planning, as well as would allow unfair business practice (each return ticket which is generally cheaper than a one-way ticket could be used for only one-return segment with a possibility to claim taxes refund for unused segment). Ultimately, this change would decrease competition among carriers, leaving customers with fewer options and likely higher prices.



Eurochambres – the association of European chambers of commerce and industry – represents more than 20 million businesses through its members and a network of 1700 regional and local chambers across Europe. Eurochambres is the leading voice for the broad business community at EU level, building on chambers' strong connections with the grass roots economy and their hands-on support to entrepreneurs. Chambers' member businesses – over 93% of which are SMEs – employ over 120 million people.

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Contact:

Senior Policy Advisor for Single Market
Mr Frederico Martins, Tel. +32 2 282 08 54, martinsi@eurochambres.eu

Eurochambres Press and Communication Manager
Mrs Karen Albuquerque, Tel. +32 2 282 08 72, <u>albuquerque@eurochambres.eu</u>

