

Air transport

EP and Commission look into unfair practices

By Isabelle Smets | Friday 11 May 2012

The European Commission may well decide to lay down the law when it comes to unfair practices by airlines, it hinted at the European Parliament's plenary session, in connection with adoption of a resolution on the future of regional airports in the EU. The report, adopted by the EP on 10 May, expresses concerns over the one-bag policy practiced by airlines and extra charges on ticket purchases. The Commission may get involved in both cases.

The EP resolution denounces the practice by certain airlines of charging consumers an extra fee for using a credit or debit card when booking a flight. It notes that the option to pay with cards should be free and asks that, where airlines have a large majority of their passengers paying an extra charge related to this payment option (Ryanair, for example), such a charge should be outlawed and considered part of the initial ticket price. During the debate, Commissioner Karel De Gucht said that the Commission would soon be publishing a study on transparency in airline ticket prices. He added that the executive would have to "discuss with member states" the matter of charges based on payment type, especially when all options are not available to all customers, "to see what can or cannot be allowed under existing legislation".

Parliament also denounces the one-bag policy implemented by certain airlines and other restrictions on cabin baggage. MEPs speak of "abuse of a carrier's position". They ask the Commission to consider airport retail purchases as "essential items" (like coats, for example), which would prevent airlines from charging passengers for embarking with such purchases. They also suggest that the Commission set a ceiling on airline charges for extra baggage.

De Gucht said the Commission plans to review the question of baggage restrictions as part of the planned review of Regulation 261/2004 on air passengers' rights. The review is not likely to include the matter of purchases at airport shops, however. "This is mainly a question of business to business relations between airlines, airports and retailers. If there are competition issues, these should be addressed, but not via legislation designed to protect passengers," declared the commissioner.

STATE AID

De Gucht added that the Commission was working on a revision of its guidelines for state aid to regional airports and airlines based at these airports. He highlighted the role of regional airports in territorial cohesion and in interconnecting EU regions, which "must remain a guiding principle" of the review. "But we cannot ignore the fact that unlawful public subsidies distort competition at several levels between airlines and between airports. We need to agree on common and simple rules." MEPs call for regional airports to be "properly supported" by national and regional authorities "on account of their environmental and economic impact" and recommend the establishment of a sanction scheme for airlines that cease their operations at a subsidised airport. They also note that regional airports should not aggravate public debt and should be economically viable for the medium term.

The Commission will soon publish a study on airline ticket price transparency

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