

## **ERA declares a cry for help to avoid catastrophic repercussions for European airlines and air travel as we know it**

**This is our most critical time. The first time in our history when the current connectivity and healthy competition levels that Europe's citizens benefit from are about to evaporate if we do not act now. European Regions Airline Association (ERA) pleads for urgent and swift help from European institutions to save air transport in Europe and to avoid total collapse. ERA calls EU institutions and member states to ensure that financial support is timely and provided also to smaller and medium sized airlines to ensure these support packages do not distort competition. If this help is not made available immediately, many airlines will disappear creating a huge void in the sector that will ultimately destroy the competition levels we have enjoyed until today. Air travel in Europe as we have known it will cease to exist.**

The ramifications of COVID-19 are not over exaggerated when it comes to the likely outcome it will have on the air transport industry in Europe. It is a myth that airlines are cash happy and wealthy and that most will be able to survive this crisis. The reality is the majority will not, most especially the regional operators. ERA represents more than 60 European airlines, most of which are small to medium-sized enterprises, providing vital connectivity in and around the regions of Europe, including peripheral regions and remote islands. Many European territories and local communities rely heavily on aviation for their tourism and economic well-being as well as essential connectivity for the people living there.

High levels of healthy competition have allowed aviation to provide this with modern, compact and efficient fleets, ensuring the most sustainable model of commercial aviation today. **A truly single European transport model with nearly 30 years of continuous improvement and success (since the EU's Internal Market for Aviation was born in 1992), can be eroded in a matter of months, and now more than ever, needs to be guaranteed and protected.**

**European regional aviation is instrumental to ensure healthy competition in the European aviation market and a key player in the economic recovery. It cannot be allowed to fail** as a result of this silent killer. Europe's travel and tourism industry, as well as business travellers, rely on airlines to provide flights for passengers to keep their local businesses alive. The very consideration that the airline industry and consumer choice will diminish so significantly, to the likes experienced 30 years ago, and which will affect generations to come, is unthinkable and unnecessary.

Failure of this sector would ultimately lead to higher prices which will prevent access to travel to lower income families and smaller businesses, and to less cohesion between regions, therefore increasing the breach between the richer and poorer communities in Europe. There are measures that can be taken now to stop this happening and we urge them to be implemented.

**The help we need is to support small and medium-sized airlines – which are haemorrhaging cash rapidly – most especially with access to state aid and public loans and allowing deferment of other payments including EU261 refunds. Our airlines' creditors need legal certainty to see the viability of the airline business.**

- Liquidity measures, including **state aid and back up loans, are urgently required and it is essential that this financial support reaches also Europe's smaller airlines to avoid distortions in competition.** We welcome the public loans and back up guarantees recently announced by certain member states to their larger national airlines, but only if this help reaches all players equally and especially does not overlook the most vulnerable operators in all member states to avoid competitive disadvantages. Big airlines will indeed survive thanks to state aid that only larger wealthy states will be in a position to offer, and small airlines, in the best-case scenario, will be acquired by them in the medium term. Please support the regions of Europe, and the citizens who live there, by providing support to their



local airlines. Give them the opportunity to rebuild and restructure their businesses in the months and years to come and continue to operate vital connectivity.

- In addition, passenger rights legislation, in its current format, is crippling our airline industry during the COVID-19 crisis. ERA member airlines are aware of their responsibilities towards their customers but the obligation to suspend operations has left them without any source of income. Passenger claims are fully understood but we are sure that consumers also understand that this temporary measure is to ensure they will be able to continue to enjoy vital services provided by their local airline in the future. **We urge a temporary amendment to Regulation EU261, allowing delayed refunds to passengers for up to 12 months or the legal possibility to replace immediate cash refunds with refundable vouchers.** This would provide timely temporary relief for airlines and give them a fighting chance to survive this global crisis. It is clear that no airline can now continue to comply with a regulation that was never designed to satisfy consumers under a total paralysis of air activities. We urge EU institutions to acknowledge this, and to take appropriate action that can ensure current customers will be reimbursed at a later stage and future passengers will continue to benefit from unique services and competition.

**We are asking for the European institutions and member states to take courageous, decisive and immediate action that could indeed save the unique European airline eco system.** Airlines that fail now will be lost forever. In the last two years, 20 European airlines have gone bankrupt and we expect the effect of COVID-19 to be like a tsunami, destroying the air transport community.

**We urge you to support our request to provide relief measures to Europe's regions by ensuring cash and loans reach all airlines equally.** This is the only effective and pragmatic way of giving small and medium-sized airlines a measure of hope to survive this crisis. Please support our industry, businesses and the loyal work forces by securing and protecting the future of aviation in Europe.

Kind and healthy regards

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\* Founded in 1980, ERA is a non-profit trade association representing 64 airlines and 149 companies involved in European air transport and is the only association of the entire spectrum of companies involved in European aviation. The association promotes the interests of European airlines by lobbying European regulatory bodies on policy matters, promoting the social and economic importance of air transport and its environmental commitments.

