

# Common rules for the operation of air services in the Community in view of the COVID-19 pandemic

2020/0069(COD) - 29/04/2020 - Legislative proposal

**PURPOSE:** to temporarily amend several provisions of existing aviation legislation in order to mitigate the impact of the COVID-19 pandemic on the EU aviation sector.

**PROPOSED ACT:** Regulation of the European Parliament and of the Council.

**ROLE OF THE EUROPEAN PARLIAMENT:** the European Parliament decides in accordance with the ordinary legislative procedure on an equal footing with the Council.

**BACKGROUND:** the COVID-19 pandemic led to a sharp fall in air traffic due to a significant drop in demand and the adoption by Member States and third countries of direct measures, such as border closures and flight bans, to curb its spread. Figures published by the EU Network Manager at the European Organisation for the Safety of Air Navigation ('Eurocontrol'), indicate a fall in air traffic of around 90% for the European region at the end of March 2020 as compared to March 2019.

The aviation sector is of strategic importance to the European Union and makes a vital contribution to the EU's overall economy and employment. In 2016, for example, the aviation sector supported 9.4 million jobs in the EU and contributed more than EUR 624 billion to the EU's GDP. It also contributes to the success of SMEs and tourism. The liquidity crisis in the aviation sector may lead to insolvencies within a few months if left unaddressed.

Given the contribution of aviation to the overall performance of the EU economy and the importance of its overall weight, the Commission considers it essential that the EU takes action to support the EU aviation sector.

**CONTENT:** the proposed Regulation aims to temporarily amend several provisions of [Regulation \(EC\) No 1008/2008](#) of the European Parliament and of the Council to allow the Commission and national authorities to more easily address a number of negative consequences of the COVID-19 pandemic, and to mitigate of the impacts on the aviation sector for the duration of the crisis.

These temporary measures include the following:

## ***Modification to air carrier licencing rules in case of financial difficulties due to the COVID-19 outbreak***

Pursuant to Regulation (EC) No 1008/2008, Member States must suspend or revoke the operating licence of any air carrier, which may not to be able to fulfil its actual or potential financial obligations for the next twelve months. Alternatively, the authorities may grant a temporary licence to such airlines.

However, experience has shown that it also sends a very negative signal to the market about the ability of an airline to survive, which in turn aggravates its financial problems, in particular in terms of cash flow.

Accordingly, the proposal proposes that based on assessments, carried out from 1 March 2020 until 31 December 2020, the competent licensing authority may decide before the end of that period not to suspend or revoke the operating license of the Union carrier provided that safety is not at risk, and that there is a realistic prospect of a satisfactory financial reconstruction within the following 12 months.

***Simplification of procedures for the imposition of restrictions on traffic rights***

The proposal provides for a temporary derogation to procedural requirements of Regulation (EC) No 1008 /2008. The derogation clarifies that a Member State may temporarily keep a justified and proportionate emergency measure in place for a period beyond 14 days – but limited to the duration of public health risks clearly linked to the COVID-19 pandemic. Member States should be able to refuse, limit or impose conditions on the exercise of traffic rights to deal with problems resulting from the COVID-19 pandemic which could be of extended duration. Such emergency measures taken in the context of the COVID-19 pandemic should respect the principles of proportionality and transparency and should be based on objective and non-discriminatory criteria.

At the request of any of the Member State(s) involved or on its own initiative, the Commission may suspend this action if it does not meet the requirements of the Regulation or is otherwise contrary to Union law. To this effect, Member States are obliged to inform the Commission about changes in duration and scope of their emergency measures.

***Improving the efficiency of ground handling contracting during the COVID-19 crisis***

The proposal allows the managing bodies of airport to prolong contracts of suppliers of ground handling service until 31 December 2021, in derogation of Directive 96/67/EC. It also allows the managing body of an airport to directly choose a ground handling service for a maximum period of six months.

The amendments also provide for the possibility for the Commission to extend the periods concerned by means of delegated acts.