Air transport: protection of passenger rights, denied boarding compensation system

1998/0022(COD) - 17/07/1998 - Text adopted by Parliament, 1st reading/single reading

In adopting the report by Mr Antonio GONZALEZ TRIVINO (ARE, E) Parliament proposed measures which condemned overbooking, a practice of which the majority of airlines were guilty. It called for measures concerning a better system of compensation for passengers (and the amounts to be paid), cancelled flights, the allocation of seats in a higher or lower class and more comprehensive information which should contain in plain and intelligible language the rules concerning the compensation offered in the event of boarding being denied. In future and under certain conditions the company should pay as soon as it denies boarding, the following minimum sums in compensation: ECU 185 for flights of up to 3 500 km and ECU 370 for flights of more than 3 500 km. This compensation is to be paid in cash, by bank transfer or, with the signed agreement of the passenger, in travel vouchers or other services. These amounts can be adjusted every three years where that is made necessary by economic trends. For some of the most affected companies, because they are based in third countries, Parliament proposed not only that rules on denied boarding should form part of the conditions of transport stipulated by the carrier but that the Member States should also make reference to these rules when issuing permits to third-country air carriers operating on Union territory. The air carrier should not be obliged to pay denied boarding compensation in cases where the passenger is travelling free of charge or at reduced fares not available directly or indirectly to the public. Lastly, in the event of conflict between the provisions of this Regulation and any lawful requirement of a third country on air carriers operating on its territory, air carriers should give passengers the benefit of the most favourable provisions.