



Ms. Cora van Nieuwenhuizen  
Minister for Infrastructure and Water Management  
Ministry of Infrastructure and Water Management  
Rijnstraat 8  
2515 XP The Hague, The Netherlands

*Per email only*

Brussels, 27 April 2020

**Obligation to provide cash refunds in the context of COVID-19 – ahead of the Transport Ministerial Meeting of 29 April 2020**

Dear Minister van Nieuwenhuizen,

European aviation is a strategically important industry, connecting people and businesses. Collectively, our companies support millions of jobs and contribute billions to EU GDP.

Today, the outlook for our industry is dire. The impact of COVID-19 has brought air travel in Europe to a virtual standstill. We have been forced to cancel flights due to health-related travel restrictions and border closures by EU Member States and countries around the world.

The economic impact of COVID-19 for the airline business in Europe is projected to lead to a loss of passenger revenue totalling some €82 billion for 2020. Demand is forecast to drop by 55%. Air traffic is down by more than 90%. Some airlines have suspended operations completely until further notice.

In a worst-case scenario, an estimated 6.7 million jobs and €418.5 billion in GDP supported by our industry are at risk. With no revenue being generated, potentially for several

months, we must focus on preserving liquidity in order to pay our continued high fixed costs – in short, in order to survive.

An important part of our liquidity problem is linked to the obligation to provide immediate cash refunds within 7 days under Regulation (EC) 261/2004 in case of flight cancellations. Potential reimbursement claims for flights booked until the end of May represent approximately €9.2 billion for Europe's airlines. This unprecedented, protracted crisis and its impact on air travel could not have been foreseen when this obligation was introduced into this Regulation.

We recognise the importance of legal protections for consumers, but we strongly believe that delayed reimbursements or refundable vouchers are ultimately in the passenger's interest at this time. Under the current circumstances, the large volume of reimbursement requests risks becoming a lose-lose situation as airlines will be driven into greater financial distress, while our customers' claims may become economically worthless. It is also in the long-term interest of passengers that the current, highly competitive, structure of the European air travel market is preserved, and that connectivity can be restored when the crisis fades.

Vouchers with a validity of up to 18 months represent a pragmatic solution that preserves the value of the passenger's purchase and the right to a refund. If the vouchers are not used by the end of this period, the passenger would be entitled to a full (cash) refund. Authorities in other jurisdictions, such as Canada, have taken the view that vouchers strike an appropriate balance between consumer protection and the industry's financial and operational situation at this time.

We would therefore urge you and your EU Council colleagues to support a targeted and temporary amendment of the Regulation. It would be vital that the European Commission acts as soon as possible to address the liquidity crunch and the requirement for immediate cash refunds.

Facilitating this scheme will help European airlines to weather the storm until operations can be resumed and revenue generated again. It offers flexibility and choice for passengers and sustains their right to a refund – it just delays it. We want to do right by our customers, but we need time.

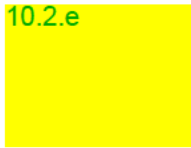
Thank you for your consideration. We remain at your disposal for further discussions on any of these points.

Sincerely,

The CEOs of A4E member airlines



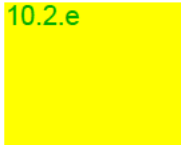
**Dimitris Gerogiannis**  
CEO, Aegean



**Martin Gauss**  
CEO, airBaltic



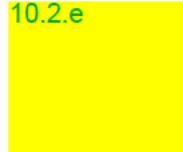
**Benjamin Smith**  
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**Richard Forson**  
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CEO, Finnair



**Willie Walsh**  
CEO, International  
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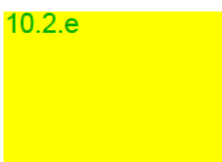
**Steve Heapy,**  
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