



**COUNCIL OF
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INFORMATION NOTE

from: Commission
to: Council

Subject: Aviation Price Transparency
– Information note from the Commission

Delegations will find annexed an information note by the Commission on the above-mentioned subject, which will be circulated during the meeting of the Council (Transport, Telecommunications and Energy) on 10 June 2013.

Aviation Price Transparency

Since 1992, the gradual market opening of the EU air transport market has enabled new airlines and business models to emerge, leading to increased competition to the benefit of passengers. Pricing has been a fundamental element of airline competition. However, practices between airlines vary as to how they inform their customers on prices and sales conditions. In the worst cases, it has been detrimental to consumers who were not in a position to compare offers from different airlines without the necessary full information about conditions.

While Regulation (EC) 1008/2008 on common rules for the operation of air services in the Community provides for pricing freedom within the EU for Community air carriers, this freedom is not absolute: the final price should be indicated in a transparent and non-discriminatory way at the beginning and during the booking process. Other EU legislation, such as the Directives on Unfair Commercial Practices, Unfair Contract Terms, Consumer Protection and E-Commerce also target other practices that can cause detriment to passengers.

Vice-President Kallas has addressed individual letters to Transport Ministers on this very subject on 17 April 2013. He has taken this opportunity to stress the need for better cooperation between enforcement authorities of Member States so that they can better ensure that airlines and other operators concerned respect price transparency rules.

As a follow-up, the Commission's services have written to all Member States in May 2013 and asked the responsible national enforcement authorities to communicate the enforcement actions that have taken place since the Regulation entered into force. A meeting of the Market Access Committee established under Regulation 1008/2008 has been convened for 9 July 2013 to identify further actions.

The Commission's services have published on 6th of June the results of a "fitness check" on the air transport internal market that also touches upon price transparency issues. The conclusion is that the current legal framework is fit for purpose, but in some areas further efforts could deliver better results. Enhanced cooperation in enforcement activities among Member States and an end to unfair commercial practices related to credit card fees have been identified.

A number of Member States¹ have already taken action to ensure transparent pricing in air transport. Airline ticket price must include in the advertised price all the price elements that are unavoidable and foreseeable at the time of the start of the booking. If fees differ for different payment modes, then the lowest or most available fee should always be included in the advertised price. There is a need to pursue and deepen this effort together with the Member States and the airline industry across Europe, in order to secure a better and more uniform level of air passenger protection throughout the European Union to the benefit of the millions of passengers travelling by air in Europe.

¹ Some – not exhaustive – examples are: voluntary agreement on credit card/debit card fees in the UK, fines and court decisions ruling against unfair pricing practices in the Netherlands, Norway, Italy, Spain, Germany, etc.