

Phone call between [REDACTED], IATA DE and CEO, and Commissioner Vălean, 16 March 2020

### Summary report

Participants: [REDACTED] (IATA)

Commissioner Vălean, [REDACTED] (CAB Vălean), [REDACTED] (MOVE.E.1)

Under the circumstances of the Covid-19 crisis, [REDACTED] and Commissioner Vălean agreed that it was better to do a call than a meeting and to postpone discussions on issues other than the Covid-19 response.

[REDACTED] first informed the Commissioner about the situation of IATA members in Asia and Europe:

- Complete unknown situation. Economic and financial consequences for airlines the worst in the last 20 years. Borders being closed everywhere.
- Some Asian members are running out of cash: South Korean, Chinese. However, Japanese and Australian still doing all right.
- Two good points in Asia: (1) Almost every country providing support in the form of cash, credit facilities, credit lines: Korea, China, Indonesia, Singapore, Malaysia, (2) China slight movement in right direction in terms of load factors, but still far from normal.
- In Europe, all carriers are struggling. The Polish, Czech airlines and Air Baltic are all in shut-down and strained for cash. Alitalia likely to be nationalised. Small and medium-sized carriers could die. The 3-4 biggest carriers in Europe have cash reserves.

The Commissioner asked about the US. [REDACTED]: The US carriers are cutting almost all their international operations, but these are comparatively of less importance in the US. However, there are also more and more domestic travel restrictions, e.g. for civil servants.

The Commissioner asked about the consequences of shutdowns and IATA's approach in respect of differences between business models of carriers. [REDACTED]: In IATA we are discussing how to manage cash with them. Important to ensure fair competition. Other carriers would be paying for any defaults. That is why IATA approaches cash measures on a case-by-case basis. Legacy and smaller carriers all need support, while small and medium-sized carriers have more immediate concerns. IATA tries to help all.

The Commissioner referred to EU developments as regards a possible support package and State Aid rules.

[REDACTED] called for a general support plan and made the following remarks in relation to the role of the Commission:

1. Slot revision: This action is very helpful and a model for others. Thanks to the team working on it. However, it should last until the end of the summer period.

The Commissioner explained the reasons for choosing June, recalled that it would be assessed on a monthly basis starting from 15 April and that proceedings for revising were very simple. She invited him to keep in contact.

2. Regulation on passenger rights: Compensation packages are big burden, should not be required in this situation.

The Commissioner explained that the Commission was in the process of publishing guidelines to address the compensation burden.

3. Financial support: Any financial package would be welcome. IATA looking at different models including bailouts but especially credit lines to the banking system and state guarantees repurchased by the European Central Bank.

The Commissioner informed him that her Commission colleagues were working on this, looking at various financial instruments and partners. She assured him that the aviation sector was high on the agenda. She recalled that the crisis would lead to cash flow problems for many. She asked if IATA had any position paper on financial support. [REDACTED] replied that IATA was working on that.

The Commissioner concluded the call by referring to the guidelines on passenger rights– to be published within the coming two days – to the communication by EVP Vestager later in the day and by inviting IATA to let us know if something else arises.