Meeting with TUI – 14 March 2024

Background and purpose: TUI requested the meeting to discuss the role of the travel and tourism sectors in the policy agenda for the upcoming Commission mandate.

Location: Berlaymont, CAB Valean meeting room

Participants:
- Rachel SMIT, CAB Valean
- TUI
- CAB Valean
- TUI

Main points raised by TUI:

- SES 2+: Not very satisfied with the outcome. Wished for PRB to be fully independent but also have a regulatory role. A revision clause should have been included as well.
- Passenger rights / Package travel: Disappointment that revision of EU 261 remains blocked, although the new passenger mobility package tries to address some of the outstanding issues. Some concerns regarding the Package Travel Directive revision, which overshoots a bit in terms of trying to ensure package holidays remain the best deal for consumers, and still leaves room for misunderstandings and loopholes. Revision needs to secure the competitiveness of package deals vs other forms of booking arrangements. General agreement within the TRAN Committee and the industry that the new definitions in the revision are confusing. Also unhappy with limitations on prepayments in the revised text. Business standard is already around 30 percent, no need to regulate to 25 percent. Prepayments keep money in the tourism ecosystem and many players within the sector rely on them. Package deals are already protected, does not need more regulation. Although, COM’s proposal allows for more flexibility, there is no size fits all – the DE system can not necessarily be duplicated in other MS. With current and proposed system, package deals are not competitive for businesses, will result in opposite outcomes of what DG JUST wanted to achieve. TUI is working on proposing solutions on these different aspects, however, is not expecting progress on this file until next mandate.
- Air Services Regulation: TUI believes the issue of ownership of control deserves another look in the next mandate. Referred to a new ICAO protocol offering more flexibility in the context of bilateral aviation agreements that would make things more harmonized and flexible.
- ReFuelEU Aviation: Many practical questions remain for businesses on how to implement key elements. Concern is that MS are still setting higher mandates. There is an urgent need for a Book and Claim system so airlines can meet their targets. Businesses need clarity on how to make it work in practice to also address the lack of SAF.
- ETD / kerosene tax: From a tourism perspective, taxing kerosene is a bad idea. Might move tourism to regions outside of the EU. TUI does not support any tax, but if it is unavoidable the revenues should go to decarbonization of the sector.
- Cabin luggage: TUI has no general opposition to the resolution to standardize dimensions for cabin luggage, however, they want to make sure there is no breach of competition concerns and they still have freedom to pricing. Will be meeting with DG MOVE in March.
- Next College: Hopes for the new Commission to recognize the importance of tourism for prosperity and job creation in the EU.
Main points raised by CAB Valean:

- Regarding issue with regulation of prepayments, COM is aware of this and have already factored in additional flexibility in the revision of the Package Travel Directive. File is now with the co-legislators.

- On Air Services Regulation: the Commission is still working on this at technical level, but the timing and context was not ripe in this mandate to launch a full revision of such a fundamental and complex piece of legislation. On O&C: views are very divided. There is understanding that access to capital is key, but there are also concerns e.g. linked to strategic autonomy that need to be considered.

- On ReFuelEU Aviation: Reminds that airlines are not bound to targets (including penalties) under the Regulation, and that there is a transition period, but understands there is strong demand for Book and Claim mechanism. Study on is ongoing and should be finished by July. Points to openness from MOVE to discuss and where possible resolve implementation issues.

- On ETD, text is with co-legislators. Points to parallel work at international level to try to get other countries on board and level the playing field. Earmarking of revenues typically difficult to implement in light of taxation competences.

- Regarding standardization of dimensions of cabin luggage, this was a strong concern of the EP. COM is aware of the challenges, but asking only for a minimum harmonisation of weights and dimensions – no intention to interfere with airlines’ freedom of pricing.