A4E POSITION ON THE PASSENGER PACKAGE AND MULTIMODAL DIGITAL MOBILITY SERVICES (MDMS)

Overview

Airlines for Europe (A4E) supports the publication of the European Commission's Passenger Mobility Package, which aims to make travel across Europe simpler, more integrated and more passenger friendly.

The package introduces important measures to facilitate multimodal journeys, strengthen passenger rights and improve transparency in ticket distribution.

A4E recognises that the package is primarily aimed at addressing longstanding barriers to rail ticketing and multimodal travel. A4E thus welcomes the Commission's decision not to introduce mandatory content-sharing or resale obligations on airlines. This approach appropriately reflects the competitive nature of the European aviation market while recognising the established different market realities across transport modes.

A4E encourages policymakers to:

- **Ensure that airlines voluntarily offering multimodal products are not unintentionally captured by obligations designed for intermediaries;**
- **Address the challenges arising from the unauthorised resale of airline products;**
- **Revise the Computerised Reservation System (CRS) Code of Conduct to ensure lower costs and more flexibility for airlines;**
- **Prohibit exclusivity, parity and full content clauses unfairly imposed by intermediaries on air carriers; and**
- **Require full and transparent disclosure of intermediary fees throughout the booking process.**

A competitive aviation market does not require additional distribution obligations

The European aviation market remains highly competitive and fragmented, with airlines competing intensely across routes, business models and distribution channels. Consumers can already compare and purchase air transport services through a wide range of direct and indirect channels based on voluntary commercial agreements,as well as through specialized metasearch service providers.

This transparency and comparability for air services is only increasing with the rise of AI tools.

In airline distribution, **competition law and commercial negotiation have delivered better consumer outcomes than ex-ante regulation.** Key developments (from the US Airways v. Sabre case to Lufthansa's DCC, IATA NDC, and the rise of OTAs) were all driven by market forces, not sector-specific rules.

The American Airlines case in 2023 illustrates this: after removing 40% of fares from GDS and facing booking losses, AA reversed course due to pressure from corporate buyers and intermediaries. No regulatory intervention was needed: the market corrected itself.

The policy issue that the package seeks to address lies primarily in rail and multimodal ticketing, where technical and commercial barriers continue to limit consumer access and the development of integrated travel solutions.
The correct lesson to draw from aviation distribution is not that rail should copy aviation's current structure, but that rail's liberalisation journey should broadly follow the same storyline: structural separation of operator and distribution platform, progressive removal of parity-type constraints as genuine competition develops, and reliance on competition law rather than ex ante access obligations as the primary enforcement mechanism.
The Commission's approach rightfully recognises the fundamental differences between rail and aviation distribution and avoids imposing unnecessary regulatory intervention where no market failure exist; we urge policymakers to follow these initial guidelines.

Clarifying the scope of the proposal

The proposal should provide greater legal certainty for airlines which are voluntarily developing the only true multimodal products in cooperation with rail and other transport operators.
Many airlines already invest in air-rail partnerships and integrated mobility solutions. These integrated multimodal offers are the only true multimodal transport offers where operators have knowledge of one another and can follow passengers along their journey and ensure adequate care and, when necessary, prompt rerouting. **The legislation must ensure that such voluntary initiatives do not trigger obligations intended for intermediaries operating multimodal booking platforms.** The operator-driven development of integrated, passenger-centric multimodality must be encouraged, not punished.

At the same time, policymakers should address situations where intermediaries sell and bundle airline products without permission or knowledge of the carrier. Such practices can create difficulties regarding communication with the passenger, disruption management and the provision of accurate travel information. **Intermediaries distributing airline products without authorisation should bear full responsibility for complying with applicable consumer protection and transparency requirements.**

Strengthening competition and transparency among intermediaries

The repeal of the CRS Regulation provides an opportunity to modernise the regulatory framework governing travel intermediaries.

Key safeguards currently contained in the CRS Code of Conduct (CoC thereafter) include neutral display, transparency regarding ranking criteria and fair, reasonable and non-discriminatory treatment of transport operators. These principles aim at ensuring a level playing field in an increasingly digital and multimodal marketplace. These CRS CoC principles remain fully valid in theory, however in today's digital, AI-driven market their relevance has diminished. From the airline perspective, the CoC has not delivered as intended, and market forces increasingly self-regulate, making further liberalization a logical step, despite concerns for smaller carriers.

A4E also supports a full prohibition of parity clauses, full content clauses and exclusivity clauses imposed by intermediaries. Such practices restrict competition, reduce market access and limit the ability of transport operators to develop alternative distribution channels. Greater distribution freedom for airlines has already delivered tangible benefits for end consumers, including more differentiated content and offers, improved price transparency across channels, and increased innovation in ancillary products and dynamic pricing. Removing exclusivity constraints further enhances competition and choice, ultimately enabling consumers to access more relevant, tailored and competitively priced travel options.

Ensuring meaningful price transparency

The proposal expressly imposes Article 23 of Regulation (EC) 1008/2008 obligations on MDMS providers, which is a welcomed import of existing legislation. It is imperative that the legislation expressly confirms that subsection (d) “other charges, surcharges or fees” within Article 23 includes intermediary fees and surcharges, and that it therefore expressly requires systematic and standardised disclosure of all intermediary fees and surcharges throughout the booking process, as well as guarantees that the price initially displayed for comparison purposes is the one available for all customers, and not only for subscribers. **Consumers should be able to identify clearly what portion of the final price relates to the transport service and what portion results from intermediary charges.**