

## THE AIR TRANSPORT AND CONSUMER PROTECTION

### **Madar Anca**

*Universitatea „Transilvania” din Braşov Facultatea de Ştiinţe Economice Loc. Braşov, Str.Moldovei,nr.6, jud. Braşov ancamadara@yahoo.com Telefon: 0745345355*

*The air transport represents an important component and plays a great role in the unfolding of the touristic activity. Through their spectacular developments, the benefits they provide in relation to speed travel and comfort, they simulate travel, contributing also to open new markets, as a rule, far off from the countries generating tourists and inaccessible by other means of transport. Therefore became important the consumer protection of air services.*

*Keywords: consumer, protection, air transport*

*Codul JEL: I (Health, Education, and Welfare)*

### **1. Introduction**

In accordance with the activities list proposed by the European Union, the air transport sector comprises companies operating solely or mainly in the transport of persons and goods by air, racing line or charter, and work performed by helicopters, planes taxi and private planes.

Air shipments became, after a relatively short history, one of the most important and powerful industries in the world, and is also a key element of travel and tourism industry. Globalization and trade led to an increase accessibility to this means of transport, an increase in international tourism development and a strong volume of freight transported by air.

### **2. Advantages and disadvantages of air transport**

The main cause of air transport is represented by the superior aircraft performance compared with other means of transport. Due to the technical characteristics of the means used for the benefit of transport, it is characterized by: speed, stability, comfort, safety, accessibility, giving activity transport an amount of advantages.

Speed - is maybe the most frequent quality of air transport. It is due to the relative independence of air transport over environmental conditions, both natural and institutional (regulations, legislation) and technical parameters of the aircraft.

Flexibility-refers to the ability of aircraft to be converted, through minor changes, to the specifics of transporting passengers, freight and mail, or for the provision of utility services. The versatile body of the aircraft responds to requirements of facilitation and economic efficiency, the design itself being implemented for the first time in converting military aircraft in civilian aircraft. Moreover, in logistics services, their desirability stems from the need to access in real time to an act of consumption, of documentation, of production. Through the rapidity that it's customized by, air transport is the ideal mean to access appropriate persons and goods. The regularity of air transport stems from the way of organizing them. Air travel is made for the most part by flights line on certain fixed routes, frequency conditions, schedules and prices relatively stable. Compliance with these requirements relate to the reputation of the service and their position in the market.

The economy refers to the possibility of air transport beneficiaries to use the economically services under advantageous conditions. Operating costs were reduced substantially in recent years, allowing the practice of prices increasingly attractive, accessible to a increasingly large mass audience. Increase of population income has helped to this also, which potentiate the effects of technical progress over the transport efficiency and liberalization of trade in air services which allows charges to form on the basis of market mechanism.

Convenience refers not only comfortable conditions of carriage on board the aircraft, but also features the premises annexes to the ground (airport), which adds an additional motivation to selecting the plane from other transport means or option for a particular airline operator.

All these are meant to reduce the duration of tourist travel, increasing comfort, shortening the time between the decision to travel and the movement itself of it.

Using air transport for tourism presents some disadvantages also:

-dependence of the natural conditions, which puts under the sign of the uncertainty the rigorous compliance with the timetable or even the achievement of travel itself.

-large investments that are claimed by the construction and operation of some modern airports.

### **3. Air transport market in Romania**

In Romania, low-cost market has seen a remarkable development in recent years, profile companies as Blue Air - local company (3 Boeing 737 planes, 300 and 500 series), the Italian company MyAir, Spanish company Air Madrid (gave to bankruptcy end of 2006), the Slovak company Sky Europe and the Polish-Hungarian company Wizzair. The main destinations served are Italy, Spain and Germany, countries with important Romanian communities. With the implementation of Open Sky agreement, following the accession of our country to the EU

(the EU is implemented in 1996), the access of any foreign companies on the Romanian market is free, including on domestic routes (this market is served only until December 31 2006 by local carriers), which will create major difficulties for the Romanian air transport companies (Tarom, Carpatair and low-cost company Blue Air). To remain competitive, standard airline companies offered passengers tariff reductions and loyalty programmes. An example in this case was that the company TAROM which relating to the cost of sales, decided to reduce the commission assigned for the travel agencies to 1% starting with April 2006.

At present, 27 of airlines are operating on the market in Romania: two from the Republic of Moldova - Air Moldova, Moldavian Airlines, five from Italy - Alitalia, Alpi Eagles, Club Air, My Way Airlines and Wind Jet, two from Germany - Condor Flugdienst, Lufthansa German Airlines, two from Hungary - Wizz Air and Malev Airlines, two from Greece - Olympic Airlines and Aegean Airlines.

Bulgaria is also present on the market in Romania with the airline Hemus Air, Turkey with Turkish Airlines, Air Malta operator from Malta, Syria by Syrian Airlines, Air Madrid in Spain, Slovakia by Sky Europe Airlines, Switzerland by Swiss Air. Also, working in Romania from Austria - Austrian Airlines, Cimber Air of Denmark, El Al Airlines of Israel, CSA of the Czech Republic, LOT of Poland, Air France of France and KLM Dutch company.

Wizz Air is the most important low-cost company authorized to fly in Romania. Hungarian company began to operate starting with the date July 14 on route Tirgu Mures. Wizz-Air representatives expanded their business in 2007, operating on the Bucharest Airports - Baneasa, Arad and Tirgu Mures, offering direct flights to Barcelona, Rome, Milan, London, Dortmund and Budapest.

Market leader in Europe is EasyJet, from the UK and also the last low-cost company that entered the market in Romania, reached the third place in the world, with 35 million passengers per year on 318 routes, starting initial at two years ago.

#### **4. Protection and rights of passengers**

Air transport has increased and raises some problems concerning the safety of each carrying out movements in complete security. It is precisely because of particularities of air transport needed to see the development of rules as more complete, able to guarantee not only its effectiveness but also a degree of security for passengers and cargo.

In line with the Chicago Convention of 1944 which regulates international air transport, each state has control of European airspace above its national territory. Thus, the right to fly through the air spaces, and especially to land on foreign airports require a proper permission.

The rules cover air transport in three major categories of issues:

- regular international routes, which are established on the basis of governmental agreements between the countries participating in traffic regulations concerning the routes itself, frequency, flights, transport capacities

- tariffs to regular flights, which are established upon governmental agreements between countries participant to air traffic, to avoid unjustified increase, and to ensure a match between price and quality of services

- on national ground, governments licence carriers which can operate on regular internal routes; those may be domestic or international companies

The EU has been and still is, other than net the U.S. market, both through the organization, the role of the state, technical and financial performance, as well as the intensity of integration, which implies a higher degree of regulatory type of protectionist market and a slower process of liberalisation.

The need for regulations is determined primarily by ensuring passenger safety and airline companies are licensed and supervised. For reasons of protection of the population, regulations are necessary in areas such as noise and pollution.

Passengers travelling on routes with the origin of an airport situated on the territory of a Member State of the Union, and passengers travelling by air carriers on routes community point of origin with an airport located in a non-EU state and point of destination on an airport situated on the territory of an EU Member State are entitled to compensation and assistance for free wrongly denied boarding, cancellation or delay of a long flight.

Community Regulation provides that passengers who are wrongly refuse boarding and those which have been canceled flights can benefit both the compensation money (whose value depends on the length of the route) and free assistance under the provisions of Articles 8 and 9 of the Regulation.

In case of cancellation of flights, carriers are not required to pay financial compensation to passengers if they can demonstrate that the cancellation was due to extraordinary circumstances which could not be avoided even if they taken all reasonable measures.

For delays of more than two hours for flights of up to 1,500 km, those larger than three hours for flights taking between 1,500 and length of 3,500 km, and those larger than four hours for flights longer than 3,500 km, passengers are entitled to free assistance from the carriers consisting, as appropriate, providing food, providing hotel accommodation and transport between the airport and hotel, offering the possibility of free communication by telephone, fax, telex or e-mail.

Meanwhile, carriers are required to provide in all of the check-in booths in the airport written informations regarding passenger rights concerning the events of denied boarding, cancellation or a delayed flight.

In Romania, unoffering by air carriers of financial compensation and assistance provided by Regulation (EC) no. 261/2004 and uninforming passengers regarding the rights they have in the event of denied boarding, cancellation or delay of flights is considered infringement.

Member states of the European Union are required to designate a national authority to oversee how the passengers rights are respected and that they may address the proper authorities if those rights are violated. In Romania, this authority is represented by the National Authority for Consumer Protection.

Also, in the event of denied boarding or cancellation of a flight, passengers will be informed and regarding the contact of the national authority to oversee compliance with the provisions of Regulation (EC) no. 261/2004.

**Air passengers' rights:**

**The refusal of boarding** - Passengers have a right to claim compensation worth up to EUR 125 EUR 600, depending on flight distance and the delay caused after redirect the race.

**Delays extended** - If the delay is more than five hours, passengers are entitled to claim reimbursement of their ticket but only on condition waived travel.

**Cancellation** - Passengers have the right to receive monetary damages, except in the following situations: if they were informed regarding the cancellation of the race with 14 days before or redirected race schedule is very close to the original schedule or air company can demonstrate that the cancellation of the flight has been driven by particular reasons.

**Assistance provided** - by air transport companies in light of the events, where boarding passengers is refused or if the race with which they travel is cancelled or delay in doing so, passengers are entitled to assistance (providing meals, a means of communication, the overnight accommodation if necessary). If the board is refused or if the race that travel is cancelled, passengers may choose between continuing their journey or be reimbursed the cost of the ticket.

**The identity of air transport companies** - Passengers must know the identity of the operator of the time travelling with the race. The air carrier does not provide safe conditions for flight are prohibited or subject to restrictions within the European Union.

**Liability** - air transport companies responsible for the damage produced by the delay flights (up to ± 4,800 euros) for damage and loss of luggage (up to ± 1,200 euros) and for involving personal injuries or deaths from accidents products. They do not bear this responsibility but if they took all possible steps to avoid damage or if the products were unable to take such measures.

**Packages travel** - Operators of tour packages are required to submit information regarding holiday tickets reserved, to meet contractual obligations and ensure the protection of passengers in case of insolvency organizer.

## **5. Conclusions:**

Because of the particulars of air transport, it is necessary to devise rules as more complete, able to guarantee not only its effectiveness but also a degree of security as high both for passengers and cargo. Air transport is a complex industry, which has undergone major changes without transitional period, from a strict regulations based on bilateral agreements towards a single market. Nowadays, the European industry is liberalised air transport and governed by a European framework to continue evolving.

## **Bibliografie:**

1. Minciu Rodica, "Economia Turismului", editura URANUS, BUCUREȘTI, 2004
2. CODUL AERIAN AL ROMANIEI - Publicat in Monitorul Oficial, Partea I nr. 45 din 26 ianuarie 2001
3. <http://air-ban.europa.eu>.
4. <http://apr.europa.eu>