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Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

**amending Regulation (EC) N° 1008/2008 of the European Parliament and of the Council
on common rules for the operation of air services in the Community in view of the
COVID-19 pandemic**

(Text with EEA relevance)

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

The COVID-19 pandemic is causing, due a sharp fall in demand and public measures that were taken to confine its spread, a major economic downturn. Its severe negative impacts are being felt in the European Union and across the globe. The severity of the consequences will depend both on the duration of the COVID-19 pandemic and on the relief and recovery measures being taken at European and national level. More specifically, it is having an unprecedented impact on the aviation sector. The liquidity crisis in the aviation sector may lead to insolvencies within a few months if left unaddressed.

The aviation sector is of strategic importance to the European Union, and makes a vital contribution to the EU's overall economy and employment. In 2016 for example, aviation supported 9.4 million jobs in the EU, and contributed over €624 billion to EU GDP. However, aviation is also important for the success of SMEs and tourism¹. Every €1 spent in the aviation sector generates €3 for the overall economy; and for every new job in aviation three more are created elsewhere².

Given the important contribution of the aviation sector to economic growth and employment, the impact of the COVID-19 pandemic on this sector can have wider consequences of the EU economy, as well as for connectivity, trade, affordability and choice of travel, the effect of which will be felt for an extensive period.

Lower demand, border closure and temporary restrictions on air travel connections inside the EU and between the EU and large international markets mean that passenger air travel is likely to further decline significantly. In early April, there were over 90% fewer flights across the European network compared to the same period in 2019³. In March there were around 4.5 million more air ticket cancellations than new bookings for intra-EU flights alone⁴. Passenger demand for the whole of 2020 is projected to be 35 to 46% below 2019 level.⁵

In order to ease the impact of this pandemic, an ambitious and coordinated policy response is necessary. As aviation's contribution to the overall performance of the EU economy and its global presence is so significant, it is critical that the EU takes action to support the EU aviation sector. This Regulation intends to modify temporarily a number of provisions of existing aviation-related laws to allow the Commission and national authorities to more easily address a number of negative consequences of the COVID-19 pandemic, and to mitigate of the impacts on the aviation sector for the duration of the crisis. These temporary measures comprise the following: (1) an amendment to the air carrier licencing rules in case of financial problems caused by the COVID-19 pandemic, (2) simplifying the procedures applying to the imposition of traffic rights restrictions, (3) allowing more efficient awarding of groundhandling contracts and (4) allowing a prolongation until 31 December 2021 of groundhandling contracts.

¹ Source: ATAG – Aviation benefits beyond borders 2018

² Source: ACI

³ Source: Eurocontrol

⁴ Source: Global Distribution Systems

⁵ Source: ACI/IATA

1.1. Modification to air carrier licencing rules under Regulation (EC) N°1008/2008⁶

Pursuant to Regulation (EC) No 1008/2008, Member States must suspend or revoke the operating licence of any air carrier, which may not be able to fulfil its actual or potential financial obligations for the next twelve months. Alternatively, the authorities may grant a temporary licence to such airlines. A temporary licence is intended to allow the airline to restructure and pursue its activity, provided safety is not compromised. However, experience has shown that it also sends a very negative signal to the market about the ability of an airline to survive, which in turn aggravates its financial problems, in particular in terms of cash flow. It is likely that many airlines, which were financially healthy before the crisis, will end up in a situation whereby their liquidity problems lead to the legal need for their operating licence to be suspended, revoked or replaced by a temporary licence. In the context of the current crisis, this may create unnecessary administrative burden without a clear economic or safety benefit.

It is therefore proposed to suspend temporarily this formal obligation for Member States, provided that safety is not at risk, while maintaining their obligation to monitor the financial fitness of their carriers to protect passengers from undue safety risks and be able to provide relevant information to safety authorities.

1.2. Modification to rules on emergency measures under Regulation (EC) N°1008/2008

Pursuant to Article 21 of Regulation (EC) No 1008/2008, a Member State may refuse, limit or impose conditions on the exercise of traffic rights to deal with sudden problems of short duration resulting from unforeseeable and unavoidable circumstances. In order to make sure that such action respects the principles of proportionality, transparency and objective and non-discriminatory criteria, the Commission and the other Member States should be informed without delay of such action with an adequate justification. Moreover, if the problems necessitating such action continue to exist for more than 14 days, the Member State must inform the Commission and the other Member States accordingly and may, with the agreement of the Commission, prolong the action for further periods of up to 14 days.

The agreement of the Commission for the second period of 14 days and in principle for every subsequent period of 14 days is granted through a Commission decision. This provision was designed to address situations of short duration, and experience is already showing that it is not adapted to the COVID-19 pandemic that is expected to last several months, placing an unnecessary administrative burden on the Commission and Member States. Article 21, which applies to “problems of short duration”, is manifestly not adapted to the present crisis.

A temporary derogation to procedural requirements of Article 21 is therefore necessary. The derogation clarifies that a Member State may temporarily keep a justified and proportionate emergency measure in place for a period beyond 14 days – but limited to the duration of public health risks clearly linked to the COVID-19 pandemic. At the request of any of the Member State(s) involved or on its own initiative, the Commission may suspend this action if it does not meet the requirements of paragraph 1 of Article 21 or is otherwise contrary to Union law. To this effect, Member States are obliged to inform the Commission about changes in duration and scope of their emergency measures.

⁶ Regulation (EC) N°1008/2008 of the European Parliament and of the Council of 24 September 2008 on common rules for the operation of air services in the Community (Recast), OJ L 293, 31.10.2008, p. 3.

1.3. Prolongation of the period during which suppliers of groundhandling services may operate at Union airports under Directive 96/67/EC⁷

To cope with this sudden reduction in activity on an unprecedented scale, and to help groundhandling companies access the resources necessary to cover their fixed costs in the short term, which, as of March 2020, are proving to be considerably higher than their revenues, some Member States guarantee the loans that companies can request from banking organizations in order to restore a minimum base of liquidity.

However, bank loan guarantees granted to companies involve examining a number of criteria aimed at assessing the sustainability of the company applying for the loan. However, companies active in the groundhandling market are, for a certain number of them, or for part of their activity, by nature subject to an operating regime which does not provide a guarantee of sustainability since they are selected for a maximum period of seven years in application of Article 11(1)(d) of Directive 96/67/EC.

Bankruptcies would be detrimental to the entire sector (airports and airlines) in that they would restrict competition in the short and medium term and lead to a disruption of groundhandling services, which could also affect the recovery. Therefore, in order to give the required security to the creditors of the groundhandlers for them to grant the loans allowing them to avoid possible bankruptcy, the proposed regulation provides that in derogation to Article 11(1)(d) of Directive 96/67/EC, contracts of suppliers selected on the basis of the procedure laid down in Article 11(1) of Directive 96/67/EC that expire between the date of entry into force of this Regulation and 31 December 2020 may be prolonged until 31 December 2021. This prolongation should give enough security to the creditors of the groundhandlers. In addition, as a result of the crisis, groundhandling services may no longer be profitable and some managing bodies may need to procure such services. It is necessary to recall that in such circumstances, Directive 2014/25/EU applies.⁸

1.4. Introduction of an urgent procedure for the selection of suppliers of groundhandling service during the COVID 19 crisis.

Article 11(1) (e) of Directive 96/67/EC provides that, in case a supplier of groundhandling services ceases its activity before the end of the period for which it was selected by a tender carried out in accordance with that Article, it shall be replaced on the basis of the procedure laid down in Article 11(1).

Under circumstances such as the COVID-19 pandemic, it is possible that one of the providers goes bankrupt at airports where the number of groundhandling service providers is limited in application of Articles 6(2) and 9 of Directive 96/67/EC, with a need to quickly replace this failing provider. Article 11(2) provides that the managing body of the airport could provide groundhandling services itself without participating in a tender. However, this can cover only the time lapse needed for the organisation of a new tender, and it is unlikely that airports that do not already provide groundhandling services could provide for those services so quickly. The same limitation applies for self-handling by airlines that do not have significant presence at the airport concerned.

⁷ Council Directive 96/67/EC of 15 October 1996 on access to the groundhandling market at Community airports, OJ L 272, 15.10.1996, p. 36.

⁸ Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC, OJ L 94, 28.3.2014, p. 243.

Therefore, in the context of the COVID-19 pandemic, and in derogation to Directive 96/67/EC, if one or several groundhandling providers fail at an airport during the period of the COVID-19 pandemic and for reasons directly attributed to its impacts, the proposed temporary provisions allow an airport managing body to directly choose a groundhandling service provider without having to organize a selection procedure in conformity with Article 11(1), for a maximum period of six months.

The modifications also provide for the possibility for the Commission to prolong the relevant periods affected by delegated act, which can be adopted under an emergency procedure.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

2.1. Legal basis

This initiative is based on Article 100(2) of the Treaty on the Functioning of the European Union. That provision permits the adoption of all appropriate provisions for air transport and already served as a basis for the adoption of Regulation (EC) N°1008/2008 and Directive 96/67/EC.

2.2. Subsidiarity (for non-exclusive competence)

The objectives of the proposal cannot be sufficiently achieved by the Member States for the following reasons. Where the conditions of the second sentence of Article 9(1) of Regulation (EC) N°1008/2008 are fulfilled, that Regulation does not allow Member States to maintain the operating licence, without suspension, revocation or issuance of temporary licences. This applies regardless of contexts such as the COVID-19 pandemic and even where liquidity problems are only temporary in nature. As regards traffic restrictions, the Regulation allows measures of a duration beyond 14 days only under a Commission authorisation, for each relevant period. Directive 96/67/EC does not allow for the replacement of failed groundhandling providers under an urgent procedure or the prolongation of the period during which suppliers of groundhandling service providers may operate. These objectives may be achieved only through the introduction into Regulation (EC) N°1008/2008 of new temporary provisions providing for a derogation to article 11 of Directive 96/67/EC.

2.3. Proportionality

The proposal does not go beyond what is necessary to achieve the objective of alleviating the impact of the current COVID-19 pandemic for the purposes of the operation of Regulation (EC) N°1008/2008 and Directive 96/67/EC. The proposed measure is therefore proportionate including with regard to the limited duration of the temporary measures proposed.

2.4. Choice of the instrument

In order to achieve its objective, the legal instrument must be of direct and general application. Therefore, the appropriate legal instrument is a Regulation.

3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

3.1. Ex-post evaluations/fitness checks of existing legislation

This is an urgent measure which is triggered by the spread of COVID-19 pandemic.

3.2. Stakeholder consultations

Given the urgency of the matter, formal stakeholder consultation has not been carried out. However, both Member States authorities and stakeholders have called upon the Commission to adopt a proposal for appropriate measures in the context of Regulation (EC) N° 1008/2008 and the supply of groundhandling services at Union airports within the meaning of Directive 93/67/EC.

3.3. Collection and use of expertise

As explained, the proper collection of expertise was not possible given the urgency of the situation. However, the Commission has drawn on experience gained through its contacts with Member States and aviation stakeholders that also included consultations with experts.

3.4. Impact assessment

Given the urgency of the situation, an impact assessment has not been carried out.

3.5. Fundamental rights

Not applicable.

4. BUDGETARY IMPLICATIONS

Not applicable.

5. OTHER ELEMENTS

5.1. Implementation plans and monitoring, evaluation and reporting arrangements

The measure does not include any specific monitoring or reporting arrangements, however the Commission should be obliged to follow the development of the COVID-19 pandemic and its impact on air transport and if necessary be empowered to adopt a delegated act extending the time periods concerned by the measure.

5.2. Detailed explanation of the specific provisions of the proposal

The Proposal consists of four elements:

- (1) Through the insertion of the new paragraphs 1a, 1b and 1c in Article 9 of Regulation (EC) N°1008/2008, it will be possible for a Member State, for an assessment conducted in the period from 1 March 2020 until 31 December 2020, not to suspend or revoke an operating license to an air carrier even if it is no longer satisfied that a Community air carrier can meet its actual and potential obligations for a 12-month period, provided that safety is not at risk and that there is a realistic prospect of a satisfactory financial reconstruction within 12 months. When duly justified, the Commission may prolong the period by delegated act, which can be adopted under an urgency procedure.
- (2) Through the insertion of a new Article 21a in Regulation (EC) N° 1008/2008 Member States may, under specific conditions, refuse, limit or impose conditions on the exercise of traffic rights if this action is necessary in order to contain the COVID-19 pandemic for a period from 1 March 2020 until 31 December 2020. When duly justified, the Commission may prolong this period by delegated act, which can be adopted under an urgency procedure.

- (3) The new Article 24a, constituting a new Chapter IVa in Regulation (EC) N° 1008/2008 allows the managing bodies of airport to prolong contracts of suppliers of groundhandling service until 31 December 2021, in derogation of Directive 96/67/EC. It also allows the managing body of an airport to directly choose a groundhandling service for a maximum period of six months. When duly justified, the Commission may prolong this period by delegated act, which can be adopted under an urgency procedure. This change in the scope of Regulation (EC) N°1008/2008 is reflected in the amendment of Article 1(1).
- (4) The new Article 25a and a new Article 25b in Regulation (EC) N°1008/2008 lay down the procedure for the adoption of the delegated acts referred to in the proposed Article 9(1b), Article 21a(4) and Article 24a(3) of Regulation (EC) N°1008/2008.

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(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,
Having regard to the Treaty on the Functioning of the European Union, and in particular Article 100(2) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee⁹,

Having regard to the opinion of the Committee of the Regions¹⁰,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) The COVID-19 pandemic has led to a sharp drop in air traffic as a result of a significant reduction in demand and in the adoption of direct measures such as border closing and air traffic bans taken by the Member States as well as third countries to contain the pandemic.
- (2) Figures published by the EU Network Manager at the European Organisation for the Safety of Air Navigation ('Eurocontrol'), indicate a fall in air traffic of around 90% for the European region at the end of March 2020 as compared to March 2019. Air carriers are reporting large reductions in forward bookings and are cancelling flights in the winter 2019-2020 and summer 2020 scheduling periods as a result of the pandemic. This sudden drop in demand and unprecedented rate of cancellations has resulted in severe liquidity problem for air carriers that are directly linked to the COVID-19 pandemic.
- (3) Union air carriers, which were financially healthy before the COVID-19 pandemic, face liquidity problems that could trigger their operating licence to be suspended, revoked or replaced by a temporary licence without structural economic need. The granting of a temporary licence pursuant to Article 9(1) of Regulation (EC) N°1008/2008 of the European Parliament and the Council¹¹ could send a negative signal to the market about the ability of an airline to survive, which in turn would

⁹ OJ C , , p. .

¹⁰ OJ C , , p. .

¹¹ Regulation (EC) N°1008/2008 of the European Parliament and of the Council of 24 September 2008 on common rules for the operation of air services in the Community (OJ L 293, 31.10.2008, p. 3).

aggravate its conjectural financial problems. On the basis of the assessment carried out over the period from March 2020 to 31 December 2020, it is appropriate therefore that the operating license of such operators is not suspended or revoked provided that safety is not at risk, and that there is a realistic prospect of a satisfactory financial reconstruction within 12 months. At the end of this 12 month period, the Union air carrier should be subject to the procedure laid down in Article 9(1) of Regulation (EC) N°1008/2008. The obligation provided in article 9(2) of Regulation (EC) N°1008/2008 to inform the Commission should be understood as also applying to the decisions not to suspended or revoke the operating license.

- (4) In addition to emergency measures that could be applied in case of sudden problems of short duration resulting from unforeseeable and unavoidable circumstances pursuant to Article 21 of Regulation (EC) N°1008/2008, Member States should be able to refuse, limit or impose conditions on the exercise of traffic rights to deal with problems resulting from the COVID-19 pandemic which could be of extended duration. Such emergency measures taken in the context of the COVID-19 pandemic should respect the principles of proportionality and transparency and should be based on objective and non-discriminatory criteria applicable in accordance with Article 21 of Regulation (EC) N°1008/2008.
- (5) In airports where the number of suppliers of groundhandling services is limited pursuant to Article 6(2) and Article 9 of Council Directive 96/67/EC¹², suppliers may be selected for a maximum period of seven years. Suppliers for which this period is coming to an end may, for this reason, have difficulties in having access to financing. This period should therefore be extended.
- (6) As a result of the COVID-19 pandemic, in airports where the number of suppliers of groundhandling services is limited, one or several suppliers may cease to provide their services at a given airport before a new supplier can be selected on the basis of the procedure laid down in Article 11(1) of Directive 96/67/EC. In such circumstances, it is appropriate that the managing body of the airport may decide to choose a groundhandling service provider directly to provide the services for a maximum period of six months. Where the managing body of the airport needs to procure groundhandling services as a result of the COVID-19 pandemic and is a contracting entity within the meaning of Article 4 of Directive 2014/25/EU of the European Parliament and of the Council¹³, it is to comply with that Directive 2014/25/EU.
- (7) The further development of COVID-19 pandemic and its impact on the air transport sector are difficult to predict. The Commission should continuously analyse the impact of the COVID-19 pandemic on the air transport sector and the Union should be in a position to prolong without undue delay the period during which the measures envisaged by this Regulation apply should the adverse conditions persist.
- (8) In order to extend, where necessary and justified, the period during which the competent licensing authorities may decide not to suspend or revoke the operating licenses, the period during which Member States may refuse, limit or impose conditions on the exercise of traffic rights, and the period during which contracts of suppliers of groundhandling services may be prolonged and during which the

¹² Council Directive 96/67/EC of 15 October 1996 on access to the groundhandling market at Community airports (OJ L 272, 15.10.1996, p. 36).

¹³ Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC (OJ L 94, 28.3.2014, p. 243).

managing body of an airport may choose a supplier groundhandling service directly, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission to amend Regulation (EC) N°1008/2008. It is of particular importance that the Commission carries out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

- (9) In view of the urgency entailed by the exceptional circumstances justifying the proposed measures, and more particularly to adopt the necessary measures quickly so as to address the severe and immediate problems faced by the sector, it is appropriate to provide for an exception to the eight-week period referred to in Article 4 of Protocol No 1 on the role of national Parliaments in the Union, annexed to the Treaty on European Union, to the Treaty on the Functioning of the European Union and the Treaty establishing the European Atomic Energy Community.
- (10) The unforeseeable and sudden outbreak of the COVID-19 pandemic and the relevant legislative procedures required for adoption of relevant measures made it impossible to adopt such measures in time. For that reason, the provisions of this Regulation should also cover the period before its entry into force. Given the nature of these provisions, such an approach should not result in violation of the legitimate expectations of the persons concerned.
- (11) Regulation (EC) N°1008/2008 should therefore be amended accordingly.
- (12) In view of the urgency entailed by the exceptional circumstances justifying the measures established, it is appropriate to provide for an immediate entry into force of this Regulation,

HAVE ADOPTED THIS REGULATION:

Article 1

Regulation (EC) N°1008/2008 is amended as follows:

- (1) in Article 1, paragraph 1 is replaced by the following:

‘1. This Regulation regulates the licensing of Community air carriers, the right of Community air carriers to operate intra-Community air services and the pricing of intra-Community air services. It also lays down temporary rules on supply of groundhandling services at Union airports.’

- (2) in Article 9 the following paragraphs 1a, 1b and 1c are inserted :

‘1a. Based on assessments referred to in the paragraph 1, carried out from 1 March 2020 until 31 December 2020, the competent licensing authority may decide before the end of that period not to suspend or revoke the operating license of the Union carrier provided that safety is not at risk, and that there is a realistic prospect of a satisfactory financial reconstruction within the following 12 months. It shall review the performance of this Union air carrier at the end of the 12-month period and decide whether the operating license shall be suspended or revoked and a temporary license shall be granted on the basis of paragraph 1.

1b. Where the Commission finds, on the basis of data published by Eurocontrol, that the reduction in the level of air traffic as compared to the level in the corresponding period in the previous year is persisting and is likely to persist, and also finds, on the basis of the best available scientific data, that this situation is the result of the impact of the COVID-19 pandemic, the Commission shall adopt delegated acts in accordance with Article 25a to amend the period of 1 March 2020 to 31 December 2020 referred to in paragraph 1a accordingly.

1c. The Commission shall continuously monitor the situation using the criteria set out in paragraph 1b. Based on the information available to it, the Commission shall present a summary report on this matter to the European Parliament and to the Council by 15 November 2020. When criteria mentioned in paragraph 1b are fulfilled, the Commission shall adopt the delegated act provided for in paragraph 1b as soon as possible.

1d. Where, in the case of a prolonged impact of the COVID-19 pandemic on the air transport sector in the Union, imperative grounds of urgency so require, the procedure provided for in Article 25b shall apply to delegated acts adopted pursuant to this Article.’

(3) The following Article 21a is inserted:

“Article 21a

Emergency measures linked to the Covid-19 pandemic

1. Notwithstanding Article 21, for the period from 1 March 2020 until 31 December 2020, the Member States may, without an agreement of the Commission referred to in Article 21(1), refuse, limit or impose conditions on the exercise of traffic rights if this action is necessary in order to address the COVID-19 pandemic. Such action shall respect the principles of proportionality and transparency and shall be based on objective and non-discriminatory criteria.
2. The Member State shall inform the Commission and other Member States without delay of such action and its duration and provide them with an adequate justification. If the Member State modifies, suspends or withdraws such action after this Regulation has entered into force, it shall inform the Commission and the other Member States accordingly.
3. At the request of any of the other Member State(s) involved or on its own initiative, the Commission may suspend the action referred to in paragraph 2 if it does not meet the requirements referred to in paragraph 1 or is otherwise contrary to the Union law.
4. Where the Commission finds, on the basis of the best scientific knowledge, evidence and data confirming the persistence of the pandemic of COVID-19 that restrictions, limitations or impositions of conditions on the exercise of traffic rights by the Member States are likely to be necessary beyond the period referred to in paragraph 1, the Commission shall adopt delegated acts in accordance with Article 25a to amend that period accordingly.
5. The Commission shall continuously monitor the situation using the criteria referred to in paragraph 4. Based on the information available, the Commission shall present a summary report on this matter to the European Parliament and to the Council by 15 November 2020. Where necessary, the Commission shall adopt the delegated act referred to in paragraph 4 as soon as possible.
6. Where, in the case of a prolonged impact of the COVID-19 pandemic on the air transport sector in the Union, imperative grounds of urgency so require, the

procedure provided for in Article 25b shall apply to delegated acts adopted pursuant to this Article.’;

- (4) the following Chapter IVa and Article 24a are inserted:

‘CHAPTER IVa
TEMPORARY RULES ON GROUNDHANDLING SERVICES

Article 24 a

1. By way of derogation from point (d) of Article 11 of Directive 96/67/EC, the managing body of an airport may prolong until 31 December 2021 contracts of suppliers of groundhandling services selected on the basis of the procedure laid down in Article 11(1) of that Directive that expire from [insert the date of entry into force of this Regulation] until 31 December 2020.
2. By way of derogation from point (e) of Article 11 of Directive 96/67/EC, and without prejudice to Directive 2014/25/EU, for the period from 1 March 2020 until 31 December 2020, where a supplier of groundhandling services ceases his activity before the end of the period for which he was selected, the managing body of the airport may choose a groundhandling service provider directly to provide the services for a maximum period of six months or until 31 December 2020, whichever is the longer.
3. Where the Commission finds, on the basis of data published by Eurocontrol, that the reduction in the level of air traffic as compared to the level in the corresponding period in the previous year is persisting and is likely to persist, that this situation is the result of the impact of the COVID-19 pandemic, and that it results in interruption of supply of groundhandling services or difficulties in access to financing for suppliers of groundhandling services at Union airports, the Commission shall adopt delegated acts in accordance with Article 25a to amend the periods referred to in paragraphs 1 and 2 accordingly.
4. The Commission shall continuously monitor the situation using the criteria set out in paragraph 3. Based on the information available to it, the Commission shall present a summary report on this matter to the European Parliament and to the Council by 15 November 2020. If necessary, the Commission shall adopt the delegated act provided for in paragraph 3 as soon as possible.
5. Where, in the case of a prolonged impact of the COVID-19 pandemic on the air transport sector in the Union, imperative grounds of urgency so require, the procedure provided for in Article 25b shall apply to delegated acts adopted pursuant to this Article.
6. The Commission shall continuously monitor the situation using the criteria set out in paragraph 3. Based on the information available to it, the Commission shall present a summary report on this matter to the European Parliament and to the Council by 15 November 2020. If necessary, the Commission shall adopt the delegated act provided for in paragraph 3.
7. Where, in the case of a prolonged impact of the COVID-19 pandemic on the air transport sector in the Union, imperative grounds of urgency so require, the procedure provided for in Article 4 shall apply to delegated acts adopted pursuant to this Article.’

- (5) the following Articles 25a and 25b are inserted:

Article 25a

Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
2. The power to adopt delegated acts referred to in this Article shall be conferred on the Commission for a period of one year from the entry into force of this Regulation.
3. The delegation of power referred to in Article 9(1b), Article 21a(4) and Article 24a(3) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016.
5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.
6. A delegated act adopted pursuant to this Article shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

Article 25b

Urgency procedure

1. Delegated acts adopted under this Article shall enter into force without delay and shall apply as long as no objection is expressed in accordance with paragraph 2. The notification of a delegated act to the European Parliament and to the Council shall state the reasons for the use of the urgency procedure.
2. Either the European Parliament or the Council may object to a delegated act in accordance with the procedure referred to in Article 25a. In such a case, the Commission shall repeal the act immediately following the notification of the decision to object by the European Parliament or by the Council.’

Article 2

Entry into force

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament
The President

For the Council
The President