

# Procedure file

Basic information		
CNS - Consultation procedure Regulation	<a href="#">1997/0137(CNS)</a>	Procedure lapsed or withdrawn
Air transport: rules of competition to undertakings on the lines Community - Third countries		
Subject 3.20.01 Air transport and air freight		

Key players		
European Parliament		
Council of the European Union European Commission	Commission DG <a href="#">Competition</a>	Commissioner

Key events			
15/05/1997	Legislative proposal published	COM(1997)0218	Summary
13/06/1997	Committee referral announced in Parliament		
21/04/1998	Vote in committee		Summary
20/04/1998	Committee report tabled for plenary, 1st reading/single reading	<a href="#">A4-0141/1998</a>	
14/05/1998	Debate in Parliament		
15/05/1998	Decision by Parliament	T4-0300/1998	Summary
17/03/2006	Additional information		Summary

Technical information	
Procedure reference	1997/0137(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Regulation
Legal basis	Rules of Procedure EP 050; EC Treaty (after Amsterdam) EC 083
Stage reached in procedure	Procedure lapsed or withdrawn
Committee dossier	TRAN/4/09022

Documentation gateway
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Legislative proposal		COM(1997)0218	16/05/1997	EC	Summary
Economic and Social Committee: opinion, report		<a href="#">CES0113/1998</a> <a href="#">OJ C 095 30.03.1998, p. 0059</a>	28/01/1998	ESC	Summary
Committee report tabled for plenary, 1st reading/single reading		<a href="#">A4-0141/1998</a> <a href="#">OJ C 152 18.05.1998, p. 0005</a>	21/04/1998	EP	
Text adopted by Parliament, 1st reading/single reading		T4-0300/1998 <a href="#">OJ C 167 01.06.1998, p. 0289-0300</a>	15/05/1998	EP	Summary

#### Additional information

European Commission

[EUR-Lex](#)

## Air transport: rules of competition to undertakings on the lines Community - Third countries

OBJECTIVE: the application of Community competition rules to air transport between the Community and third countries. SUBSTANCE: the Commission proposes the adoption of two regulations (see also CNS97138) which will allow Community competition rules to be applied to air transport on routes between the Community and third countries. This proposal seeks to amend Regulation 3975/87/EEC on the application of competition rules to air transport undertakings in two ways: - deletion of Article 1(2) which limits the scope to air transport between Community airports. The Commission stresses that Community competition law would apply only if there is an effect on trade between Member States. Such an effect would have to be determined on a case-by-case basis; - addition of an article providing for consultations and, where necessary, negotiations under Council directives in the event of a conflict between Community competition law and the laws, regulations or administrative provisions of third countries or the provisions of air service agreements between Member States and third countries. ?

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The Committee welcomes this initiative by the Commission to provide itself with the means necessary to fulfil its task of supervising the rules of competition in the same way as it does in other sectors. The Committee considers the capacity to carry out effective and uniform European-level checks on infringements of competition to be most important as it is only at this level that any influence can be brought to bear in the context of expanding world trade. In line with its earlier opinions, the Committee repeats its call for the application of the rules of competition to be accompanied by social demands. The Committee emphasizes the need to look into questions such as restricting flying time and taking account of safety and quality criteria in air transport, with particular reference to applying minimum training and qualification standards. The Committee reiterates its various proposals on making provision for consultation on socio-economic repercussions, so that the social implications of commercial agreements are taken into account. In order to encourage development in the regions and remote islands, and although reference is made to this in the Amsterdam Treaty, the Committee would welcome the Commission building upon the concept of public interest service in the air transport sector, in accordance with the third package rules, if appropriate under the new Article 7d of the Amsterdam Treaty and its interaction with the existing regulations. Lastly, the Committee favours extending the scope of Directive 3975/87 to all links with third countries as proposed and accompanying this extension of the remit to apply competition rules by correspondingly authorizing the Commission to grant block exemptions for these links, as part of a coherent European Union external policy in this field. Consequently, in the context of future developments, the Commission could receive from the Council a mandate to negotiate on these same links with third countries, in accordance with terms duly defined on the basis of consultations between the Commission, the Member States and the air transport industry. ?

## Air transport: rules of competition to undertakings on the lines Community - Third countries

The Committee has adopted the report by Michel SCARBONCHI (ERA, F) on the Commission proposal concerning stricter competition rules for undertakings in the air transport sector. The proposal is intended to empower the Commission to grant block exemptions to airline agreements, decisions and concerted practices in respect of international transport between the Community and third countries. The Commission's powers under Articles 83 and 86 of the Treaty should be extended to routes between the EU and non-EU countries. The main aim of the proposal was to give the Commission sole power to uniformly apply, the Community's competition rules to air transport at international level as it already did within the Union, and as it did in the domestic and international sea transport sector. Appearing before the Committee, commissioner Karel VAN MIERT expressed his deep concern on the so-called "alliances" between air carriers such as British Airways/American Airlines, These "near mergers" were only distorting competition in the sector and were against EU competition rules. So far, the Commission could not do much against these "alliances". Mr VAN MIERT told MEPs that, in order to protect consumers' interests, as well as small and medium-sized carriers and to ensure balanced competition between the various European and non-European operators, the Commission needed to act now. He emphasized that the Commission's proposals did not seek to ban alliances between airlines but simply to guarantee fair competition in air transport. Rapporteur SCARBONCHI felt that it was unlikely that the new measures would have much impact on the current round of negotiations for agreements between various US airlines and a number of European carriers, but they would probably apply in future when European carriers were seeking a modus vivendi with other destinations such as South-East Asia, China, South-Africa or Latin America. ?

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In adopting the report by Mr Michel SCARBONCHI (ARE, F) Parliament approved the Commission proposal seeking to extend its powers allowing it to apply the rules on competition between the Community and third countries. Parliament called for the regulation to apply to air transport from or to one or more Community airports. It asked to be consulted on any agreement between the Union and a third country before it was presented to the Council for approval. It proposed that where agreements with third countries needed to be negotiated, the Commission should make recommendations to the Council which would authorize the Commission to open the necessary negotiations. The Commission would conduct these negotiations within the framework of such directives as the Council might issue to it. Parliament also stressed the need: - to give priority to a high level of safety when Community rules on competition were applied to this sector; - to consider air transport services as services of general interest especially in the outermost regions where they were vital to guarantee the linkage with the rest of the Community; - not to underestimate, in the light of the changes under way and still to come, the importance of the commercial activities and services offered on board and at airports. ?

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?Following the screening exercise of proposals pending undertaken as part of its effort for better regulation in the framework of the Partnership for Growth and Jobs in the European Union, the Commission has decided to withdraw certain proposals on which the Legislator has not yet reached a decision and which were found not to be consistent with the Lisbon and Better Regulation criteria, unlikely to make further progress in the legislative process or found to be no longer topical for objective reasons?. (OJ C64 of 17.03.2006, pages 3-10).