EC/Armenia agreement: air services

2007/0251(CNS) - 20/11/2007 - Legislative proposal

PURPOSE: i) to sign a provisional application of an Agreement between the Community and the **Republic of Armenia** on certain aspects of air services and ii) to conclude the Agreement.

PROPOSED ACT: Council Decision.

BACKGROUND: since 2003, when the European Court of Justice delivered the “Open Skies” cases, the Commission had been negotiating with third countries the replacement of certain provisions in existing bi-lateral agreements; the latter being contrary to basic EU law. The objective of the new agreements is to give all EU air carriers non-discriminatory access to routes between the Community and third countries and to bring bilateral air service agreements between Member States and third countries in line with Community law.

CONTENT: the purpose of this proposal is to sign and conclude an agreement on certain aspects of air services between the Community and the **Republic of Armenia**. In summary, the Agreement negotiated by the Commission:

- replaces the traditional designation clauses with a Community designation clause. This permits all Community carriers to benefit from the right of establishment;
- addresses two types of clauses concerning matters of Community competence;
- addresses the matter of aviation fuel taxation (a matter which has been harmonised by Council Directive 2003/96/EC);
- resolves conflicts between the existing bilateral air services agreements and Council Regulation (EC) No 2409/92 on fares and rates for air services which prohibits third country carriers from being price leaders on air services for carriage wholly within the Community; and
- resolves potential conflicts with EC competition rules.

In accordance with the standard procedure for the signature and conclusion of international agreements, therefore, the Council is asked to approve the proposed Decision.