

EC/Panama agreement: air services

2007/0057(CNS) - 18/02/2008 - Final act

PURPOSE: to conclude the Agreement between the European Community and the Republic of Panama on certain aspects of air services.

LEGISLATIVE ACT: Council Decision 2008/305/EC on the conclusion of the Agreement between the European Community and the Republic of Panama on certain aspects of air services.

CONTENT: on 5 June 2003, the Council authorised the Commission to open negotiations with third countries on the replacement of certain provisions in existing bilateral agreements with a Community agreement. The Commission has negotiated, on behalf of the Community, an Agreement with Panama on certain aspects of air services in accordance with the mechanisms and directives in the Annex to the Council Decision authorising the Commission to open negotiations with third countries on the replacement of certain provisions in existing bilateral agreements with a Community agreement.

The Agreement was signed on 1 October 2007 subject to its possible conclusion at a later date.

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.

In summary, the Agreement:

- replaces the traditional designation clauses with a Community designation clause (Article 2). This permits all Community carriers to benefit from the right of establishment;
- addresses the issue of safety, within the context of Community designations (Articles 4 and 5);
- addresses the matter of aviation fuel taxation (Article 4) (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 (Article 5);
- resolves potential conflicts with EC competition rules (Article 6).