EU/Mexico agreement: air services

2008/0161(NLE) - 15/02/2011 - Legislative proposal

PURPOSE: to conclude the Agreement on certain aspects of air services between the European Union and the United Mexican States.

PROPOSED ACT: Council Decision.

IMPACT ASSESSMENT: no impact assessment was carried out.

LEGAL BASIS: 100(2) in conjunction with Article 218(6)(a) and the first subparagraph of Article 218 (8) of the Treaty on the Functioning of the European Union.

BACKGROUND: following the judgements of the Court of Justice in the so-called “Open Skies” cases, on 5 June 2003 the Council granted the Commission a mandate to open negotiations with third countries on the replacement of certain provisions in existing agreements with a Community agreement (the “horizontal mandate”). The objectives of such agreements are 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: in accordance with the mechanisms and directives in the Annex to the ”horizontal mandate”, the Commission has negotiated an agreement with Mexico that replaces certain provisions in the existing bilateral air services agreements between Member States and the United Mexican States.

- Article 2 of the Agreement replaces the traditional designation clauses with a Community designation clause, permitting all Community carriers to benefit from the right of establishment.
- Article 4 deals with the taxation of aviation fuel, a matter which has been harmonised by Council Directive 2003/96/EC restructuring the Community framework for the taxation of energy products and electricity, and in particular Article 14 (2) thereof.
- Article 5 (Pricing) resolves conflicts between the existing bilateral air services agreements and Council Regulation 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 6 resolves potential conflicts with the EC competition rules.

The Agreement was signed on behalf of the Union on 15 December 2010, pending its conclusion at a later date. It is now appropriate to approve the Agreement on behalf of the Union.

BUDGETARY IMPLICATION: this proposal has no implications for the EU budget.