EU/Jordan agreement: Euro-Mediterranean Aviation Agreement

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PURPOSE: to conclude the Euro Mediterranean Aviation Agreement between the EU and its Member States, and Jordan.

PROPOSED ACT: Decision of the Council and the representatives of the Governments of the Member States of the EU, meeting within the Council.

BACKGROUND: air services between the European Union and Jordan presently operate on the basis of bilateral agreements between individual Member States and Jordan. The conclusion of a Euro Mediterranean Aviation Agreement with Jordan has been a priority for the EU and is an important element in the development of the European Neighbourhood Policy. The negotiating mandate received from the Council in June 2007 set the objective of establishing a Euro Mediterranean Aviation Agreement between the EU and Jordan. This would extend the rules and provisions of the single market for air transport in the EU to a large extent to Jordan in which European and Jordanian air carriers would be able to provide air services without any restriction.

Based on the negotiating directives of the mandate, a draft Agreement with Jordan was initialled by the two sides on 17 March 2010.

LEGAL BASE: Article 207 (5), in conjunction with Article 218 paragraphs (2), (5), (6) and (7) of the Treaty on the Functioning of the European Union.

IMPACT ASSESSMENT: a report prepared for the Commission in 2008 by consultants, estimated that an Euro Mediterranean Aviation Agreement with Jordan would generate 54,000 extra passengers and consumer benefits of up to EUR 30 million in the first effective year of market opening.

CONTENT: the Euro Mediterranean Aviation Agreement between the EU and its Member States, and Jordan has been negotiated under a mandate. By establishing a Euro Mediterranean Aviation Area, the Agreement will extend EU legislation in the field of aviation to Jordan. In particular, Jordan will take over EU

legislation in important fields such as safety, security and air traffic management. The Agreement will replace the existing arrangements made by individual Member States. It creates simultaneously for all Union air carriers uniform conditions for market access, and establishes new arrangements for regulatory co-operation between the EU and Jordan in fields essential for the safe, secure, and efficient operation of air services. These arrangements can only be achieved at Union level because they involve a number of areas of exclusive Union competence.

The Agreement allows for the simultaneous extension of its terms to the 27 Member States, applying the same rules without discrimination and benefiting all Union air carriers regardless of their nationality. These carriers can now operate freely from any point in the EU to any point in Jordan which is currently not the case.

Removal of all market access restrictions between the EU and Jordan will not only attract new entrants to the market and create opportunities to operate to underserved airports, but will also facilitate consolidation between EU air carriers.

The Agreement secures for all EU air carriers access to commercial opportunities, such as the possibility of freely establishing prices. One further objective of the mandate is to create a level playing field between all EU and Jordanian air carriers, and this requires strong regulatory co-operation which can only be delivered at Union level. The Agreement aims at:

- gradual market opening in terms of access to routes and capacity on a reciprocal basis;
- non-discrimination and level playing field for economic operators based on the principles of the EU Treaties;
- alignment of the Jordanian aviation legislation with EU legislation on issues such as safety, security and air traffic management;
- the possibility of extending the Agreement in order to create with all the other Mediterranean Partners a Common Euro Mediterranean Aviation Area.

The Agreement consists of the main body including the main principles, and three annexes: Annex 1 on traffic rights, Annex 2 on transitional provisions and Annex 3 including the EU aviation legislation to be taken over by Jordan.

Lastly, it establishes a Joint Committee which will be responsible for reviewing the implementation of the Agreement and its effects.

BUDGETARY IMPLICATION: the proposal has no implication for the Union budget.