EC/Uruguay agreement: air services, replacing the bilateral agreements by a Community agreement

2006/0016(CNS) - 17/02/2006 - Legislative proposal

PURPOSE: the signature and conclusion of an Agreement between the EU and the Oriental Republic of Uruguay on certain aspects of air services.

PROPOSED ACT: Council Decision.

CONTENT: following a number of ECJ rulings in which the Court found in favour of the Commission regarding the EU's exclusive competence with respect to external aviation, the Council instructed the Commission to open negotiations with third countries on the replacement of certain provisions in existing bi-lateral agreements. This forms the basis of the present proposal. Since June 2003, the Commission has been negotiating an agreement with the Oriental Republic of Uruguay in order to replace certain provisions in existing bilateral air services agreements between the Member States and Uruguay.

Article 2 of the proposed Agreement replaces the traditional designation clauses with a Community designation clause thereby allowing all Community carriers to benefit from the right of establishment. Articles 4 and 5 of the Agreement address two types of clauses relating to matters of Community responsibility such as aviation fuel taxation and pricing. Article 5 on pricing resolves conflicts between existing bilateral air services agreement and Council Regulation 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.

To conclude, the Council is asked to approve the decisions on the signature and provisional application and on the conclusion of the Agreement between the European Community and the Oriental Republic of Uruguay on certain aspects of air services and to designate the persons authorised to sign the Agreement on behalf of the Community.