

Maritime transport: cabotage and international tramp services

2005/0264(CNS) - 25/09/2006 - Final act

PURPOSE: to repeal Regulation 4056/86/EEC concerning the application of Article 85 and 86 of the Treaty to maritime transport. To amend Regulation 1/2003 on cabotage and international tramp services.

LEGISLATIVE ACT: Council Regulation 1419/2006/EC repealing Regulation 4056/86/EEC laying down detailed rules for the application of Article 85 and 86 of the Treaty to maritime transport and amending Regulation 1/2003/EC as regards the extension of its scope to include cabotage and international tramp services.

CONTENT: in agreeing to this Act, the EU is repealing Regulation 4056/86/EEC which laid down detailed rules for the application of Article 85 and 86 of the Treaty to maritime transport. The 1986 Regulation served two purposes. Firstly, it contained procedural provisions for the enforcement of Community competition rules in the maritime transport sector. Secondly, it laid down certain specific substantive competition provisions for the maritime sector. Notably, it exempted liner shipping conferences from competition rules and allowed them to fix prices and regulate capacity subject to certain conditions.

Justification for the block exemption was based on the assumption that conferences brought stability and ensured exporters reliable services. A thorough review of the industry, however, has demonstrated that liner shipping is not unique. Its cost structures do not differ substantially from that of other industries and there is, therefore, no evidence that the industry needs to be protected from competition. Given that liner shipping conferences no longer fulfil the four cumulative conditions for exemption under Article 81(3) of the Treaty the block exemption in respect of such conferences has been abolished. Similarly, exclusion from the prohibition requirements of Article 81(1) of the Treaty on purely technical agreements as well as the procedure for dealing with conflicts of law which may arise are also redundant and consequently deleted.

A second aspect of this Regulation concerns cabotage and international tramp vessel services. Until now, these too have been excluded from the rules implementing Article 81 and 82 of the Treaty. Firstly through Regulation 4056/86/EEC and later through Regulation 1/2003/EC. They were the only remaining sectors to be excluded from the Community's competition implementing rules, which was deemed an anomaly by the Commission. To redress this anomaly this Regulation amends the scope of Regulation 2003/1/EC so as to include cabotage and tramp vessel services.

The Regulation provides for a transposition of two years concerning the liner conference block exemption.

ENTRY INTO FORCE: 18 October 2006.

TRANSPOSITION: 18 October 2008.