Basic information

2006/0130(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	Procedure completed
Common rules for the operation of air services in the Community. Recast See also 2000/0145(COD) See also 2004/0049(COD) See also 2005/0241(COD) See also 2008/0237(COD) See also 2008/0246(COD) Amended by 2015/0277(COD) Amended by 2016/0411(COD) Amended by 2020/0069(COD) See also 2001/0305(COD) See also 2005/0007(COD) **Subject** 3.20.01 Air transport and air freight	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
TRAN Transport and Tourism	DEGUTIS Arūnas (ALDE)	05/05/2008

Former committee responsible	Former rapporteur	Appointed
TRAN Transport and Tourism	DEGUTIS Arūnas (ALDE)	13/09/2006

Former committee for opinion	Former rapporteur for opinion	Appointed
EMPL Employment and Social Affairs	The committee decided not to give an opinion.	
ENVI Environment, Public Health and Food Safety	The committee decided not to give an opinion.	
IMCO Internal Market and Consumer Protection	The committee decided not to give an opinion.	

Council of the European Union

Council configuration	Meetings	Date
Justice and Home Affairs (JHA)	2863	2008-04-18
Transport, Telecommunications and Energy	2835	2007-11-29

	Transport, Telecommunications and Energy	2805	2007-06-06

European Commission	Commission DG	Commissioner
	Energy and Transport	TAJANI Antonio

Key events

Date	Event	Reference	Summary
18/07/2006	Legislative proposal published	COM(2006)0396	Summary
05/09/2006	Committee referral announced in Parliament, 1st reading		
08/05/2007	Vote in committee, 1st reading		Summary
11/05/2007	Committee report tabled for plenary, 1st reading	A6-0178/2007	
06/06/2007	Debate in Council		Summary
10/07/2007	Debate in Parliament		
11/07/2007	Decision by Parliament, 1st reading	T6-0337/2007	Summary
11/07/2007	Results of vote in Parliament		
18/04/2008	Council position published	16160/4/2007	Summary
24/04/2008	Committee referral announced in Parliament, 2nd reading		
24/06/2008	Vote in committee, 2nd reading		Summary
25/06/2008	Committee recommendation tabled for plenary, 2nd reading	A6-0264/2008	
08/07/2008	Debate in Parliament		
09/07/2008	Decision by Parliament, 2nd reading	T6-0342/2008	Summary
24/09/2008	Final act signed		
24/09/2008	End of procedure in Parliament		
31/10/2008	Final act published in Official Journal		

Technical information

Procedure reference	2006/0130(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Recast
Legislative instrument	Regulation
Amendments and repeals	See also 2000/0145(COD) See also 2004/0049(COD) See also 2005/0241(COD) See also 2008/0237(COD) See also 2008/0246(COD) Amended by 2015/0277(COD)

	Amended by 2016/0411(COD) Amended by 2020/0069(COD) See also 2001/0305(COD) See also 2005/0007(COD)
Legal basis	EC Treaty (after Amsterdam) EC 080-p2
Stage reached in procedure	Procedure completed
Committee dossier	TRAN/6/61955

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE384.261	07/02/2007	
Amendments tabled in committee		PE386.505	20/03/2007	
Committee report tabled for plenary, 1st reading/single reading		A6-0178/2007	11/05/2007	
Text adopted by Parliament, 1st reading/single reading		T6-0337/2007	11/07/2007	Summary
Committee draft report		PE405.839	06/05/2008	
Committee recommendation tabled for plenary, 2nd reading		A6-0264/2008	25/06/2008	
Text adopted by Parliament, 2nd reading		T6-0342/2008	09/07/2008	Summary

Council of the EU

Document type	Reference	Date	Summary
Council statement on its position	07627/2008	31/03/2008	
Council position	16160/4/2007	18/04/2008	Summary
Draft final act	03670/2008/LEX	24/09/2008	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2006)0396	18/07/2006	Summary
Document attached to the procedure	SEC(2006)0943	18/07/2006	
Document attached to the procedure	SEC(2006)0976	18/07/2006	
Commission response to text adopted in plenary	SP(2007)4170	29/08/2007	
Commission communication on Council's position	COM(2008)0175	21/04/2008	Summary
Follow-up document	COM(2020)0714	13/11/2020	

Additional information		
Source	**Document**	**Date**
National parliaments	IPEX	
European Commission	EUR-Lex	

Final act	
Regulation 2008/1008 OJ L 293 31.10.2008, p. 0003	Summary

Delegated acts	
Reference	**Subject**
2020/2931(DEA)	Examination of delegated act
2020/2932(DEA)	Examination of delegated act

Common rules for the operation of air services in the Community. Recast

2006/0130(COD) - 29/11/2007

The Council reached a political agreement on a proposal for a Regulation on common rules for the operation of air transport services in the Community.

The Council will adopt its common position at one of its forthcoming meetings after finalisation of the text and will forward it to the European Parliament for a second reading in the framework of the co-decision procedure.

The text agreed contains several amendments to the Commission proposal, which concern in particular the following issues: definitions, in particular adding definition of principal place of business; requirements for leasing by Community carriers, financial requirements for the granting and continuing validity of an operating licence; provision of intra-Community air services; provisions on pricing and the rules on price transparency.

It is a compromise text that takes into account the European Parliament first-reading amendments, adopted in July 2007, which will facilitate a second reading agreement.

Common rules for the operation of air services in the Community. Recast

2006/0130(COD) - 09/07/2008 - Text adopted by Parliament, 2nd reading

The European Parliament adopted, under the 2nd reading of the codecision procedure, a legislative resolution approving the Council's common position for adopting a regulation of the European Parliament and of the Council on common rules for the operation of air services in the Community (recast). The recommendation for second reading (under the codecision procedure) had been tabled for consideration in plenary by Arūnas **DEGUTIS** (ALDE, LT), on behalf of the Committee on Transport and Tourism.

Common rules for the operation of air services in the Community. Recast

2006/0130(COD) - 18/07/2006 - Legislative proposal

PURPOSE : to establish common rules for the operation of air transport services in the Community.

PROPOSED ACT : Regulation of the European Parliament and of the Council.

CONTENT : the draft regulation will ensure an efficient and homogeneous application of Community legislation for the internal aviation market via stricter and more precise application criteria (e.g. for operating licences, leasing of aircraft, public service obligations and traffic distribution rules). It

also reinforces the internal market by lifting still existing restrictions on the provision of air services stemming from old bilateral agreements between Member States and by conferring to the Community the right to negotiate intra-Community traffic rights with third countries. It enhances consumer rights by promoting price transparency and non-discrimination.

The proposal simplifies and consolidates the legislation as it removes obsolescent parts of the third package and clarifies the text where needed. The three existing regulations of the third package will be consolidated into a single text.

More specifically, the proposal aims to :

1. reinforce the requirements for the granting and revoking of an operating Licence : the financial health of the airlines is being checked with different degrees of severity depending on the Member State that issued the licence. Therefore, a real level-playing field between airlines from different Member States is not always assured and consolidation of the market is slowed down. Furthermore, the continued operation of financially fragile air companies involves safety risks, in addition to the financial risks incurred by customers in the case of bankruptcy of an air carrier.

The proposal requires Member States to reinforce the supervision of the operating licences and to suspend or revoke it when the requirements of the regulation are no longer met. In order to avoid inaction of a Member State , the proposal confers the right to the Commission to revoke the operating licence. The proposal has been drafted such as to take allow for the possibility of a future extension of the competencies of the European Aviation Safety Agency (EASA) for safety oversight and/or licensing such as to ensure the most efficient and consistent supervision of the air carriers;

2.strengthen the requirements for the leasing of aircraft : wet-leasing of aircraft from third countries provides EU airlines with important flexibility which thereby enhances the economic efficiency of the EU airline industry to the benefit of consumers. However, the application of the present provisions of regulation 2407/92/EEC raise social and safety concerns. Rules and practice with regard to leasing (especially wet-leasing i.e. leasing of aircraft with crew) differ between Member States. The safety assessment of leased aircraft from third countries is not pursued with the same rigour in all Member States, creating concerns about safety levels. The sometimes regular recourse to wet-leasing from third countries spurs concern about potentially adverse social consequences. The proposal introduces stricter requirements in order to minimize the risk of adverse social consequences and to enhance safety. The proposal emphasizes that, in order to agree with leasing agreements, the competent licensing authority must confirm that safety standards equivalent to the Community safety requirements are met. Concerning the leasing of aircraft registered in third countries, they will only be allowed in exceptional circumstances for a maximum duration of six months and renewable only once in a second non-consecutive period of up to six months;

3. clarify the rules applicable to public service obligations (PSO) : the rules applicable to public service obligations have been revised in order to lighten the administrative burden, to avoid excessive recourse to PSO and to attract more competitors in the tender procedures. The publication obligations have been modified by limiting the publication in the Official Journal of the European Union to a shortened notice. To avoid excessive recourse to PSO, the Commission may require in individual cases the production of an economic report explaining the context of the PSO and the assessment of their adequacy should be performed with particular care when they are intended to be imposed on routes that are already been served by rail services with a travel time of less than three hours. The tender procedures have been modified by extending the maximum concession period from three to four years (and five years in the case of ultra-peripheral regions).The tender procedure for the renewal of a concession must be launched at least six months in advance in order to allow a careful assessment of the continued necessity of the restricted access to the route.

Furthermore, an urgency procedure has been introduced to cope with sudden interruptions of service on routes with a PSO. If the proposed regulation, once adopted, retains guarantees of transparency, non-discrimination and proportionality equivalent to those proposed by the Commission in its proposal concerning the determination and award of public service compensations, and in order to give operators legal certainty regarding compensation paid for the execution of PSOs awarded in accordance with this regulation, the Commission intends to adopt, at the latest at the time of the entry into force of the regulation, a binding act based on art. 86(3) declaring compatible and exempting of notification compensation granted in conformity with the regulation insofar as this may constitute State aid. This act could take the form of an update of Commission decision of 28 November 2005 inserting a reference to this new regulation and extending its scope to any PSO compensation granted to airlines in conformity with this regulation;

4.remove inconsistencies between the internal aviation market and services to third countries : taking account of the opinions expressed during the consultation process, the proposal addresses relations with third countries only insofar as there is a direct link with provisions contained in the third package. To ensure coherence between the internal market and its external aspects, including those of the Single European Sky, access by airlines of third countries to the intra-Community market should be managed in a coherent manner through negotiations at Community level. Therefore, the European Communities will be responsible for negotiating intra-Community traffic rights with third countries. Remaining restrictions from existing bilateral agreements between Member States will be lifted, ensuring non-discrimination in respect of code sharing and pricing by Community air carriers on routes to third countries involving points in Member States other than their own;

5. clarify the rules applicable to traffic distribution between airports : the present two-step procedure - first establishment of an airport system and then definition of the traffic distribution rules - is replaced by a one-step procedure where the concept of an "airport system" is abandoned: Member States may introduce traffic distribution rules on airports serving the same city or conurbation, but the prior approval of the Commission is required (after consultation of the appropriate committee). It adds that the airports in question should be served by an adequate transport infrastructure and the airports and the city or conurbation they shall serve should be linked by frequent, reliable and efficient public transport services. The proposal states that the traffic distribution rules shall respect the principles of proportionality and transparency, and shall be based on objective criteria. This rule confirms that traffic distribution rules may not be abused in order to discriminate between air carriers;

6. promote price transparency for passengers and fair price behaviour : the publication of fares that exclude taxes, charges and even fuel surcharges has become a widespread practice that hampers price transparency. Insufficient price transparency leads to distortions of competition and therefore consumers face on average higher fares. The Commission also still observes cases of discrimination on the basis of the place of residence of the passenger. In the proposal, air fares have to include all applicable taxes, charges and fees and air carriers shall provide the general public with

comprehensive information on their air fares and rates and the conditions attached. Air fares shall be set without discrimination on the basis of place of residence or the nationality of the passenger within the Community. Furthermore, for the access to a carrier's air fares, they may be no discrimination on the basis of the place of establishment of the travel agent.

The experience with the application of the third package on air transport liberalisation has shown that there has not been any market failure that would justify maintaining in force specific provisions regulating air fares such as the safeguard measures provided in article 6 of regulation 2409/92/EEC. In this context, and in the light of the general competition rules, these sector-specific measures are removed from the regulation.

Common rules for the operation of air services in the Community. Recast

2006/0130(COD) - 18/04/2008 - Council position

The Council was able to agree with the main elements of the Commission proposal. It has, however, decided to modify the text on certain important points. Most of these modifications seek to ensure complete clarity regarding the licensing authorities; the respective responsibility of the Community and the Member States with regard to third countries; and balancing regulatory oversight with administrative requirements. The impact study carried out by the Commission was considered in detail.

The Council accepted twenty of the amendments proposed by Parliament. Amendments relating to traffic distribution rules and compliance with social legislation were the subject of lengthy and difficult negotiations in the Council and were finally agreed upon as part of a compromise package with the Parliament. The Council hopes that this will form the basis of an overall agreement at second reading. The Council decided to reject amendments on: broadening the scope of the Regulation and the imposition of an unfair burden on operators, which would detract from the fairness of the licensing regime.

In summary, the main modifications made by the common position are as follows:

Definitions: the Council modified Articles 2 and 3 on definitions in order to clarify, unambiguously, that the Member State authority will be responsible for the safety oversight of any given operator as well as being responsible for issuing operating licences.

Wet-leasing aircraft: the Council has sought to find the correct balance between regulatory oversight, on the one hand, and the simplification of administrative requirements on the other. As such the Council has modified the text to allow operators to wet lease aircraft. Strict conditions, however, have been set out regarding the wet leasing of non-Community aircraft (aircraft whose safety control is not subject to Community standards).

The international dimension: the Council has removed certain paragraphs, which in its view, were not in accordance with the various competencies of the Member States and the Community. As such the modified text clarifies that the Member States will retain the right to impose restrictions on code share arrangements between Community and non-Community carriers if the country of the foreign carrier restricts the commercial opportunities available to Community carriers.

Public service obligations: on the matter of public service obligations the Council has simplified some of the rules and procedures and made other changes in order to ensure that they are consistent with the aims and objectives of public service obligations.

Restrictions on traffic rights: the Council has introduced a new Article imposing traffic rights restrictions in case of serious environmental concerns. This will align the Regulation with related existing Regulations. A safeguard clause has been incorporated to ensure that such measures are non-discriminatory and fully justified.

Distribution of traffic within airport systems: taking passengers' interests into account, the Council has modified the text in order to reinforce the principle that airports, in cases where there are rules on the distribution of traffic, are served by an adequate transport infrastructure.

Pricing transparency: the Council has broadened the scope of pricing transparency to include all flights departing from Community airports (regardless of destination). The common position requires that all fees must be published – including fees, taxes and charges.

Common rules for the operation of air services in the Community. Recast

2006/0130(COD) - 06/06/2007

The Council reached a general approach on a proposal for a Regulation on common rules for the operation of air transport services in the Community, pending the adoption of the opinion of the European Parliament at first reading.

The text agreed includes several modifications to the Commission proposal, which concern in particular the following issues: definitions, in particular adding a definition of "principal place of business"; requirements for leasing by Community carriers, financial requirements for the granting and continuing validity of an operating licence; provision of intra-Community air services; provisions on pricing and the rules on prices transparency.

Common rules for the operation of air services in the Community. Recast

2006/0130(COD) - 24/09/2008 - Final act

PURPOSE: to modernise the single market legislation for aviation with the aim of guaranteeing the uniform application of Community law in all of the Member States and of creating equal conditions for all airlines.

LEGISLATIVE ACT: Regulation (EC) No 1008/2008 of the European Parliament and of the Council on common rules for the operation of air services in the Community (recast).

CONTENT: the Regulation regulates the licensing of Community air carriers, the right of Community air carriers to operate intra-Community air services and the pricing of intra-Community air services. It simplifies into one single regulation three existing regulations on operating licences, the rights to provide air services within the EU, and pricing in air transport – the so-called “third aviation package” adopted in 1992.

The main elements of the recast are as follows:

Reinforcement of the requirements for the granting and revoking of an operating licence: the Regulation clarifies that the Member State authority will be responsible for the safety oversight of any given operator as well as being responsible for issuing operating licences. It requires Member States to reinforce the supervision of the operating licences and to suspend or revoke it when the requirements of the regulation are no longer met. An operating licence shall be valid as long as the Community air carrier meets the obligations of the Regulation. In any event, the competent authority shall check compliance with these requirements in the following cases: (a) two years after a new operating licence has been granted; (b) when a potential problem has been suspected; or (c) at the request of the Commission. The competent licensing authority shall ensure that, when adopting a decision to suspend or revoke the operating licence of a Community air carrier, the Community air carrier concerned is given the opportunity of being heard.

Stricter requirements on the financial strength of air carriers: each applicant shall submit a business plan for at least the first three years of operation. The competent licensing authority shall closely assess whether an undertaking applying for the first time for an operating licence can demonstrate that: (a) it can meet at any time its obligations established under realistic assumptions, for a period of 24 months from the start of operations; (b) it can meet its fixed and operational costs incurred from operations according to its business plan and established under realistic assumptions, for a period of three months from the start of operations, without taking into account any income from its operations.

Strengthen the requirements for the leasing of aircraft: the Regulation eases the leasing of aircraft registered in the Union but introduces stricter requirements for the leasing of third country aircraft – especially when leased with crew - to ensure safety standards and minimize adverse social consequences. In order to agree with leasing agreements, the competent licensing authority must confirm that safety standards equivalent to the Community safety requirements are met. Concerning the leasing of aircraft registered in third countries, they will only be allowed in exceptional circumstances for a maximum duration of seven months and renewable only once for a period of up to seven months.

Clarify the rules applicable to public service obligations (PSO): a Member State, following consultations with the other Member States concerned and after having informed the Commission, the airports concerned and air carriers operating on the route, may impose a public service obligation in respect of scheduled air services between an airport in the Community and an airport serving a peripheral or development region in its territory or on a thin route to any airport on its territory any such route being considered vital for the economic and social development of the region which the airport serves. The tender procedures have been modified by extending the maximum concession period from three to four years (and five years in the case of ultra-peripheral regions).The tender procedure for the renewal of a concession must be launched at least six months in advance in order to allow a careful assessment of the continued necessity of the restricted access to the route. Furthermore, an urgency procedure has been introduced to cope with sudden interruptions of service on routes with a PSO.

Social dimension of the internal market: a recital reiterates the Member States' obligation to apply the relevant national and European social legislation with respect to employees of a Community air carrier operating air services from an operational base outside the territory of the Member State where that Community air carrier has its principal place of business.

Clarification of the rules applicable to traffic distribution between airports: the Regulation provides that traffic may be distributed between airports provided that the airports: (a) serve the same city or conurbation; (b) are served by an adequate transport infrastructure with, as far as possible, a direct connection making it possible to arrive at the airport in less than 90 minutes including, where necessary, on a cross-border basis; (c) are linked with each other and the city or conurbation they serve by frequent, reliable and efficient public transport services; (d) provide the services needed by air carriers and do not unduly prejudice their commercial opportunities.

Better protection of EU consumers (price transparency): the scope of the obligation for transparent information and non-discrimination has been extended to all flights leaving the Community, including flights operated by third country air carriers. From now on, the final prices announced for these flights must include the applicable air fare or air rate as well as all applicable taxes, and charges, surcharges and fees which are unavoidable and foreseeable at the time of publication. Member States shall lay down penalties for infringements of the provisions on fares.

Environmental measures: Member States may impose traffic rights restrictions in case of serious environmental concerns. These measures must be non-discriminatory and must not unduly distort competition between air carriers.

ENTRY INTO FORCE: 01/11/2008.

Common rules for the operation of air services in the Community. Recast

2006/0130(COD) - 11/07/2007 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted the report by Arūnas **DEGUTIS** (ALDE, LT) on the proposal for a regulation on common rules for the operation of air transport services in the Community (recast).

The report deals with the Commission proposal on the revision the 1992 "third liberalisation package" of the internal aviation market that aims to increase market efficiency, to enhance the safety of air services and to improve passenger protection. The regulation lays down rules for, inter alia, operating licences, leasing of aircraft, public service obligations, traffic distribution rule and price transparency.

The main amendments are as follows:

Scope: the regulation regulates the licensing of Community air carriers, the right of Community air carriers to operate air services within the Community, and the pricing of air services operated within the

Community. Parliament wishes to extend the scope of the regulation by including provisions on information and non-discrimination in pricing shall apply to flights departing from an airport situated in the territory of a Member State and to flights contracted by a Community carrier departing from an airport located in a third country to an airport situated in the territory of a Member State, unless air carriers are subject to the same obligations in that third country.

Definitions: the definition of "regional airport" has been deleted. A new article defining a 'dry lease agreement' has been introduced. It shall mean an agreement between air carriers where the aircraft is operated under the AOC of the lessee. A 'wet lease agreement' shall mean an agreement between air carriers where the aircraft is operated under the AOC of the lessor. The 'Principal place of business' shall mean the place of the head office and, if any, the registered office of a Community air carrier in a Member State within, to or from which the Community air carrier carries out a significant part of its operational activities.

Insurance: the airline should provide evidence that it has sufficient insurance cover to be able to refund sums paid and to cover the costs of repatriating passengers in the event of it being unable to operate booked flights because of insolvency or revocation of its operating licence. The amount of net capital is an important indicator of the financial situation of the companies. Therefore every air carrier shall satisfy a minimum criterion in this regard. Parliament calls for a minimum of EUR 100 000.

Validity of operating licences: the competent licensing authority in any case review compliance with these requirements in the following cases: (a) two years after a new operating licence has been granted, or (b) when a potential problem has been suspected, or (c) at the request of the Commission.

The time limit of 6 months from cessation of operations is established practice and should be retained (as opposed to 3 months). In advance of any plans to operate new scheduled services or non-scheduled services to a continent or a world region not previously served, change the type or number of aircraft used or to substantially change the scale of its activities.

Suspension and withdrawal of operating licences: the competent licensing authority shall suspend or revoke the operating licence if there are reasonable grounds for suspecting that the Community air carrier cannot meet its actual and potential obligations for a 12-month period.

Registering aircraft: the Member State whose competent licensing authority is responsible for granting the operating licence of the Community air carrier may require such aircraft to be registered in its national register.

Short-term wet leasing: in the case of short-term wet lease agreements to meet temporary needs of a Community air carrier, or otherwise in exceptional circumstances the competent licensing authority may grant waivers to the requirement of registration provided that: (a) the Community air carrier can justify such leasing on the basis of an exceptional need, in which case a waiver may be granted for a period of up to 7 months, that may, in exceptional circumstances, be renewed once only for a second period of up to 7 months; or (b) the Community air carrier demonstrates that leasing is necessary to satisfy seasonal capacity needs, which cannot reasonably be satisfied through leasing aircraft in which case the waiver may be granted for a period of up to 7 months, that may be renewed; or (c) the Community air carrier demonstrates that leasing is necessary to overcome unforeseen operational difficulties, such as technical problems (in which case the waiver shall be of a limited duration which is strictly necessary for overcoming the difficulties).

Rights of defence: a new article stipulates that the competent licensing authority and the Commission shall ensure that, when adopting a decision to suspend or revoke the operating licence of a Community air carrier, the Community air carrier concerned is given the opportunity of being heard, taking into account the need, in some cases, for an urgency procedure.

Social legislation: with respect to employees of a Community air carrier operating air services from an operational base outside the territory of the Member State where that Community air carrier has its principal place of business, Member States shall ensure the proper application of Community and national social legislation.

Provision of intracommunity air services: an amendment aims at specifying that the liberalization will be applied exclusively within EU and to Community carriers without modifying the existing bilateral agreement with third countries. The carriers of third countries will be authorized only if they have the underlying rights in the air services agreements in order to respect the reciprocity principle.

Access to airports: the report calls for airports to be served by an adequate transport infrastructure making it possible to arrive at the airport, using public transport, within an hour.

General principle of the public service obligations: when a Member State wishes to impose a public service obligation, it shall communicate the complete text of the envisaged imposition of the public service obligation to the Commission, to the other Member States concerned, to the airports concerned and to the air carriers operating the route in question. Parliament believes that any definition of 'regional airport' for the purpose of public service obligations will include some airports in economically viable regions and exclude some airports in regions needing economic or social support. PSOs are justified only to airports which serve regions with economic or social needs. Therefore this definition should be deleted.

Passenger information: air carriers operating within the Community shall provide the general public with comprehensive information on their air fares and rates and on all applicable taxes, non-avoidable charges, surcharges and fees levied by them for the benefit of third parties. Air fares published in any form, including on the Internet, which are addressed directly or indirectly to the travelling public shall include all applicable taxes, non avoidable charges, surcharges and fees known at the time of publication. Air fares shall not incorporate costs not actually incurred by air carriers.

Optional price supplements: shall be communicated in a clear, transparent and unambiguous way at the start of any booking process and their acceptance by the passenger should be on an "opt-in" basis. Implied agreements to accept such supplements shall be null and void. All costs which are not part of the air fare and which are not levied by air carriers operating within the Community must be comprehensively advertised by the "ticket seller". An air carrier may not impose rules on passengers and travel agencies serving, in practice, to restrict their free and equal access to air fares.

Transparency in charging: air carriers shall advertise their air fares and rates and the conditions attached, and all applicable taxes, charges and fees levied by them for the benefit of third parties, using the following categories: (i) taxes and other state charges and duties; (ii) air traffic control charges; (iii) charges, duties, fees and other costs for the benefit of the airlines; (iv) fees, levies, charges and other costs for the benefit of the airport operators.

Where airport or on-board security costs are included in the price of an air ticket, those costs shall be shown separately on the ticket or otherwise indicated to the passenger. Security taxes and charges, whether levied by Member States or by air carriers or entities, shall be transparent and shall be used exclusively to meet airport or onboard aircraft security costs.

Sanctions: as the Commission does not provide any sanction if the rules on pricing are not applied, the resolution states that Member States shall lay down sanctions for infringements thereof.

It should be noted that Annex II was deleted by the MEPs.

Common rules for the operation of air services in the Community. Recast

2006/0130(COD) - 21/04/2008 - Commission communication on Council's position

The Council’s common position not only represents the Council’s position but also reflects the compromise reached between the three institutions following negotiations that took place in the autumn of 2007. The Chairman of the European Parliament’s Committee on Transport and Tourism, accordingly, informed the Council Presidency that he would recommend the TRAN Committee to approve the common position at second reading – on condition that the terminology on the wet-leasing of aircraft (as proposed by Parliament) is incorporated into the revised text. Both the compromise – and Parliament’s request on wet-leasing – were endorsed by the Council. To recall, the specific items under discussion between the three institutions, concern:

- **The social dimension of the internal market**: both the Council and Parliament are satisfied that Recital 8a reiterates Member States’ obligation to apply the relevant national and European social legislation. For its part, the Commission has made a commitment to inform both institutions of the findings of the study it is carrying out regarding the impact of the internal aviation market on employment and working conditions.
- **Reimbursements and repatriation of passengers in the event of bankruptcy:** the text no longer refers to this provision. The Commission will, however, study the feasibility and implications of any measure involving an obligation to take out an insurance for the reimbursement of tickets and to cover repatriation fees.
- **External relations:** this aspect of the proposal was categorically rejected by the Council. As a compromise, and in a bid to secure a comprehensive agreement between all institutions, the Commission accepted that proposed provisions on external relations be removed. The Commission did, however, make a joint declaration with the Member States concerning access of third countries to the internal market in air transport. Further, it made a unilateral declaration on the restrictions to code sharing arrangements between Community and third country air carriers.
- **Traffic distribution between airports:** under a new Article 19, traffic may be distributed between the airports on condition that the airports: serve the same city or conurbation; are served by an adequate transport infrastructure; are linked with each other and the city or conurbation they serve by frequently public transport services; and that they provide the services needed by air carriers and do not unduly prejudice their commercial opportunities.
- **Price information:** the scope for information and non-discrimination has been extended to all flights leaving the Community – including flights operated by third country carriers. From now on the final prices for these flights must include fares, taxes, airport charges and other charges, surcharges and fees. A recital encourages Community airlines to demonstrate the same level of transparency for flights to Community airports.

To conclude, the Commission is of the view that the Council’s common position helps maintain the main elements and spirit of its initial proposal and is therefore able to support it.