

## Safeguarding competition in air transport

Within the context of its 2015 aviation strategy, the Commission adopted, in June 2017, a proposal for a regulation on safeguarding competition in air transport, and repealing Regulation 868/2004. Following the completion of interinstitutional negotiations, which resulted in a provisional agreement on 20 November 2018, Parliament is expected to vote on formal adoption of the text during its March I plenary session.

### Background

Announced in the 2015 Commission [communication](#) 'An Aviation Strategy for Europe', the revision of Regulation 868/2004 fits within the context of the liberalisation and deregulation of international air transport, that has led to unprecedented competition on the global aviation market. The issue of fair competition between EU and third-country airlines, and the importance of guaranteeing a level playing field, has been recognised for some years as key to the future of European aviation. The Commission underlined in its 2015 aviation strategy the importance and legitimacy for the EU to deal with possible unfair commercial practices in international aviation and mentioned, among other measures, a legislative proposal to address the issue.

### European Commission proposal

The existing legislation ([Regulation \(EC\) No 868/2004](#)) was to provide protection against subsidisation and unfair pricing practices in the supply of air services by countries not members of the European Union. This regulation has never been applied, and is considered as inadequate, ineffective, and too restrictive. Besides, as the 2015 aviation strategy pointed out, unfair practices and discrimination are not covered by any binding multilateral rules, and not properly covered by the vast majority of bilateral [air services agreements](#) (ASAs). This situation implied a risk that continuing unfair practices would hamper the European Union's connectivity and competition, and lead in the long term to dominant or even monopolistic situations in the aviation market. Consequently, in June 2017, the Commission adopted a proposal for a regulation on safeguarding competition in air transport, repealing Regulation 868/2004, as part of the '[Aviation: Open and Connected Europe](#)' package delivering part of the aviation strategy. The [proposal](#) aims to provide effective legislation in order 'to maintain conditions conducive to a high level of Union connectivity and to ensure fair competition with third countries' air carriers'.

### European Parliament position

On 20 March 2018, Parliament's Committee on Transport and Tourism (TRAN) adopted its [report](#) on the proposal. It supported the Commission's proposal, highlighting the importance of connectivity, and adding the obligation for the Commission to report to the European Parliament regularly. On 18 April 2018, Parliament [confirmed](#) the TRAN committee's decision to enter into interinstitutional (trilogue) negotiations, which resulted in a provisional agreement on 20 November 2018. The agreement gives to the Commission the power to launch investigations and take measures of redress if a practice that distorts competition has caused injury or poses a clear threat of injury to an EU air carrier. The Permanent Representatives Committee (Coreper) endorsed it on [12 December 2018](#), and the TRAN committee approved it on [10 January 2019](#). The agreed text is now to be formally voted by Parliament during the March I plenary session.

First-reading report: [2017/0116\(COD\)](#); Committee responsible: TRAN; Rapporteur: Markus Pieper (EPP, Germany). For further information see our 'EU Legislation in progress' [briefing](#).

