



2009/0018(NLE)

15.5.2018

DRAFT RECOMMENDATION

on the draft Council decision on the conclusion, on behalf of the Union, of the Air Transport Agreement between the European Community and its Member States, of the one part, and Canada, of the other part
(06730/2018 – C8-0160/2018 – 2009/0018(NLE))

Committee on Transport and Tourism

Rapporteur: Francisco Assis

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

CONTENTS

	Page
DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION.....	5
EXPLANATORY STATEMENT.....	6

DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the draft Council decision on the conclusion, on behalf of the Union, of the Air Transport Agreement between the European Community and its Member States, of the one part, and Canada, of the other part
(06730/2018 – C8-0160/2018 – 2009/0018(NLE))**

(Consent)

The European Parliament,

- having regard to the draft Council decision (06730/2018),
 - having regard to the Agreement on Air Transport between Canada and the European Community and its Member States¹,
 - having regard to the request for consent submitted by the Council in accordance with Articles 100(2) and Article 218(6), second subparagraph, point (a), of the Treaty on the Functioning of the European Union (C8-0160/2018),
 - having regard to Rule 99(1) and (4), and Rule 108(7) of its Rules of Procedure,
 - having regard to the recommendation of the Committee on Transport and Tourism (A8-0000/2018),
1. Gives its consent to conclusion of the agreement;
 2. Instructs its President to forward its position to the Council, the Commission and the governments and parliaments of the Member States and of Canada.

¹ OJ L 207, 6.8.2010, p. 32

EXPLANATORY STATEMENT

Background

In October 2007, the Council gave the Commission a mandate to negotiate a comprehensive aviation agreement with Canada (the "Agreement").

The negotiating mandate set the objective of establishing an Open Aviation Area between the EU and Canada, to create a single market for air transport in which investment could flow freely and where European and Canadian airlines would be able to provide air services without any restriction, including in the domestic markets of both parties.

Content of the agreement

The Agreement includes a gradual phasing-in of traffic rights and investment opportunities, as well as far reaching cooperation on a number of issues including safety, security, social matters, consumer interests, environment, air traffic management, state aids and competition.

All EU airlines will be able to operate direct flights to Canada from anywhere in Europe. The Agreement removes all restrictions on routes, prices, or the number of weekly flights between Canada and the EU. Airlines will be free to enter into commercial arrangements such as code-share agreements, which are important for airlines serving a large number of destinations, and to establish their tariffs in line with competition law. The Agreement contains provisions for the phased market opening linked to the granting of greater investment freedoms by both sides:

Phase one applies where the foreign ownership of airlines is limited to 25 per cent, as was the case when the negotiations on the agreement were completed. Airlines have unlimited freedom to operate direct services between any point in Europe and any point in Canada. There will no longer be limitations on the number of airlines flying between the EU and Canada nor on the number of services operated by any airline. Cargo airlines will have the right to fly onward to third countries.

Phase two starts as soon as Canada has taken the steps necessary to enable European investors to own up to 49% of a Canadian carriers' voting equity. This means certain additional rights, including the right for cargo operators to provide services to third countries from the other party without connection to their point of origin (so called "7th freedom" rights) will be available. In fact, Canada introduced this possibility in March 2009.

Phase three begins once both sides enable investors to set up and control new airlines in each others' markets. Then passenger airlines will be able to fly onward to third countries.

Phase four is the final step with full rights to operate between, within and beyond both markets, including between points in the territory of the other party (cabotage). It will be granted once both sides complete steps to allow the full ownership and control of their carriers by nationals of the other party.

Both sides agreed to cooperate closely in order to mitigate the effects of aviation on climate change. In the field of safety and security, the Agreement envisages mutual recognition of standards and "one-stop security" (i.e. transfer passengers, luggage and cargo would be exempted from any additional security measures). There are also specific provisions to improve consumer interests including a commitment to consult, with a view to achieving compatible approaches so far as this is possible, on issues such as compensation for denied boarding, accessibility measures and passenger refunds. The text provides for a strong mechanism to ensure that airlines cannot face discrimination in terms of access to infrastructure or state subsidies.

Finally, according to a study launched by the Commission, an open agreement with Canada would generate an additional half million passengers in its first year and, within a few years, 3.5 million extra passengers might be expected to take advantage of the opportunities such an agreement could offer. The Agreement could generate consumer benefits of at least €72 million through lower fares and would also create new jobs.

Procedure

The Commission has negotiated on behalf of the European Community and its Member States, the Air Transport Agreement between the European Community and its Member States, of the one part, and Canada, of the other part (the "Agreement") in accordance with the Decision of the Council of 1st and 2nd October 2007, authorising the Commission to open negotiations.

The Agreement was initialled on 30 November 2008, endorsed by the EU-Canada summit on 6 May 2009 and signed on 17 and 18 December 2009; subject to its conclusion at a later date, in accordance with Decision 2010/417/EC¹ of the Council and the Representatives of the Governments of the Member States of the European Union meeting within the Council.

It has been provisionally applied since its signature, in accordance with Decision 2010/417/EC.

On 24 March 2011, following the Recommendation of the TRAN Committee, the Parliament gave its consent² to the conclusion of the Agreement.

On October 2016, the Agreement has been ratified by all Member States, except for the Republic of Croatia. It is intended that the Republic of Croatia will accede to the Agreement in accordance with Article 6(2) of the 2011 Act of Accession.

On 10 January 2018, the Commission presented an Amended proposal for a Council decision on the conclusion of the Agreement, to take into account the entry into force of the Treaty of Lisbon and the legal modifications required by the European Court of Justice in its judgment of 28 April 2015³ in the case C-28/12.

¹ OJ L207, 6.8.2010, p.30.

² A7-0045/2011 and P7_TA(2011)0107.

³ Case C-28/12, Commission v Council, Judgment of the Court (Grand Chamber) of 28 April 2015, OJ C213/3 of

In order to conclude the Air Transport Agreement between the European Community and its Member States, of the one part, and Canada, of the other part, the Council needs the consent of the European Parliament as required by Article 218 TFEU.

In accordance with Rules 99 and 108(7) of Parliament's rules of procedure, the committee responsible shall submit a recommendation for the approval or rejection of the proposed act. Parliament shall then take a decision by means of a single vote, and no amendments to the agreement may be tabled. Amendments in committee shall be admissible only if their aim is to reverse the recommendation proposed by the rapporteur.

Rapporteur's position

Canada is a key partner of the European Union. As it was first stated in the 2007 Recommendation of the TRAN Committee, this Agreement is very ambitious and fully in line with the European policy consisting in improving both the connections between respective markets and people-to-people links, as well as creating new opportunities for airlines sector.

It forms part of the Union's external aviation policy framework established by the Commission's various communications and Parliament's positions (e.g. the Report on "An aviation strategy for Europe" voted in February 2017¹).

In the light of the above, your Rapporteur suggests that the TRAN Committee should give a favourable recommendation on the conclusion of this agreement.

29 June 2015.

¹ A8-0021/2017.