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RECOMMENDATION FOR **SECOND READING**

on the Council 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) (16160/4/2007 - C6-0176/2008 - 2006/0130(COD))

Committee on Transport and Tourism

Rapporteur: Arūnas Degutis

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Symbols for procedures

- * Consultation procedure *majority of the votes cast*
- **I Cooperation procedure (first reading)

 majority of the votes cast
- **II Cooperation procedure (second reading)

 majority of the votes cast, to approve the common position

 majority of Parliament's component Members, to reject or amend
 the common position
- *** Assent procedure
 majority of Parliament's component Members except in cases
 covered by Articles 105, 107, 161 and 300 of the EC Treaty and
 Article 7 of the EU Treaty
- ***I Codecision procedure (first reading)

 majority of the votes cast
- ***II Codecision procedure (second reading)

 majority of the votes cast, to approve the common position

 majority of Parliament's component Members, to reject or amend
 the common position
- ***III Codecision procedure (third reading)

 majority of the votes cast, to approve the joint text

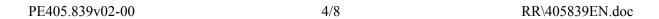
(The type of procedure depends on the legal basis proposed by the Commission.)

Amendments to a legislative text

In amendments by Parliament, amended text is highlighted in *bold italics*. In the case of amending acts, passages in an existing provision that the Commission has left unchanged, but that Parliament wishes to amend, are highlighted in **bold**. Any deletions that Parliament wishes to make in passages of this kind are indicated thus: [...]. Highlighting in *normal italics* is an indication for the relevant departments showing parts of the legislative text for which a correction is proposed, to assist preparation of the final text (for instance, obvious errors or omissions in a given language version). Suggested corrections of this kind are subject to the agreement of the departments concerned.

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the Council 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)

(16160/4/2007 - C6-0176/2008 - 2006/0130(COD))

(Codecision procedure: second reading)

The European Parliament,

- having regard to the Council common position (16160/4/2007 C6-0176/2008),
- having regard to its position at first reading¹ on the Commission proposal to Parliament and the Council (COM(2006)0396)²,
- having regard to Article 251(2) of the EC Treaty,
- having regard to Rule 67 of its Rules of Procedure,
- having regard to the recommendation for second reading of the Committee on Transport and Tourism (A6-0264/2008),
- 1. Approves the common position;
- 2. Notes that the act is adopted in accordance with the common position;
- 3. Instructs its President to sign the act with the President of the Council pursuant to Article 254(1) of the EC Treaty;
- 4. Instructs its Secretary-General to sign the act, once it has been verified that all the procedures have been duly completed, and, in agreement with the Secretary-General of the Council, to have it published in the Official Journal of the European Union;
- 5. Instructs its President to forward its position to the Council and Commission.

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¹ Texts adopted, 11.7.2007, P6 TA(2007)0337.

² Not yet published in OJ.

EXPLANATORY STATEMENT

Introduction and Background

The Regulation is a recast of legislation governing the operation of air services in the Community. Its purpose is to address and update the third aviation package which constituted the final stage in the liberalisation of air transport in the Community and dates back to 1992.

That package had three elements: Regulation No. 2407/92 which dealt with the licensing of carriers and the leasing of aircraft; Regulation No.2408/92 which established the principle of free access for Community air carriers to intra-community air routes and lays down certain derogations, particularly for public service obligations; and Regulation No. 2409/92 which liberalised air fares.

The purpose of the present Regulation is to update and modify, in some instances tighten the provisions of this package on the basis of experience acquired and the current circumstances of the aviation sector.

Content of the Draft Regulation

The present proposal aims to establish a level playing field in the granting and revoking of operating licences. It requires Member States to reinforce the supervision of operating licences. It seeks better to align and strengthen rules governing the leasing of aircraft; both "dry" (without crew) and "wet" (with crew) the better to ensure safety and the proper application of social provisions. It clarifies the rules on traffic distribution between airports by removing the "airport system" concept and addressing the reality of cities and conurbations served by the same airport(s) while disqualifying discrimination between carriers. Finally it promotes price transparency for the passenger and fair price behaviour.

Parliament's First Reading.

Parliament completed its First Reading of this proposal on 9 May 2007. A total of 53 amendments were adopted, all of which reflected issues raised in the Transport and Tourism committee. In summary Parliament's amendments addressed:

- reinforcement of financial oversight;
- the proper application of social legislation;
- price transparency and optional price supplements to be on an "opt-in" basis only, clarity in the definition of "wet "and "dry" lease agreements;
- reinforcement of financial fitness requirements;
- clear administrative responsibility for revoking or suspending operating licences;
- arrangements for reviewing compliance;
- conditions to be fulfilled before aircraft can be "wet leased" from a third country;
- the right of carriers to be heard before a decision is taken to suspend or revoke an operating licence:
- the inclusion social development criteria in respect of Public Service Obligations;

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- consultation of airports on traffic distribution and
- penalties for infringements of the Regulation.

After Parliament's First Reading

The Council Presidency indicated a willingness to accept wholly, partially or in principle Parliament's amendments in these areas.

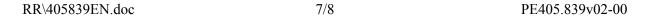
By letter dated 29 November 2009 the chairman of the Transport and Tourism committee confirmed with the agreement of the rapporteur and shadow rapporteurs, that he would be prepared to recommend the proposed common position with these amendments included.

Council's Common Position

After careful examination of Council's common position, communicated to Parliament on 17 April 2008, it can be stated that Council respected this engagement. Council accepted 20 of Parliaments amendments in their entirety. A further 12 amendments were accepted in principle but incorporated elsewhere in the Regulation or redrafted. Council rejected 13 amendments on the grounds of lack of clarity, for technical reasons or because they were rendered redundant by other amendments. Only eight amendments, dealing with the scope of the Regulation and aspects of the licensing regime were rejected on grounds of principle.

Recommendation

Your rapporteur recommends acceptance of the Council's common position without further amendment. This is for two reasons. Firstly the proposed Regulation reinforces and improves the provisions of the existing legislation in the areas it addresses, that is on the supervision of operating licences; the leasing of aircraft; traffic distribution and transparent pricing. Secondly taken together the amendments of both arms of the legislative authority improve the Commission's original draft. Thirdly the substance of Parliament's amendments have been accepted.



PROCEDURE

Title	Common rules for the operation of air services in the Community (recast)
References	16160/4/2007 - C6-0176/2008 - 2006/0130(COD)
Date of Parliament's first reading – P number	11.7.2007 T6-0337/2007
Commission proposal	COM(2006)0396 - C6-0248/2006
Date receipt of common position announced in plenary	24.4.2008
Committee responsible Date announced in plenary	TRAN 24.4.2008
Rapporteur(s) Date appointed	Arūnas Degutis 5.5.2008
Discussed in committee	28.5.2008
Date adopted	24.6.2008
Result of final vote	+: 39 -: 0 0: 2
Members present for the final vote	Gabriele Albertini, Inés Ayala Sender, Michael Cramer, Luis de Grandes Pascual, Arūnas Degutis, Christine De Veyrac, Petr Duchoň, Saïd El Khadraoui, Robert Evans, Francesco Ferrari, Brigitte Fouré, Mathieu Grosch, Georg Jarzembowski, Timothy Kirkhope, Dieter-Lebrecht Koch, Jaromír Kohlíček, Bogusław Liberadzki, Eva Lichtenberger, Seán Ó Neachtain, Josu Ortuondo Larrea, Paweł Bartłomiej Piskorski, Reinhard Rack, Brian Simpson, Renate Sommer, Dirk Sterckx, Silvia-Adriana Ţicău, Yannick Vaugrenard
Substitute(s) present for the final vote	Margrete Auken, Philip Bradbourn, Jeanine Hennis-Plasschaert, Lily Jacobs, Elisabeth Jeggle, Maria Eleni Koppa, Helmuth Markov, Rosa Miguélez Ramos, Vural Öger, Marie Panayotopoulos-Cassiotou, Corien Wortmann-Kool
Substitute(s) under Rule 178(2) present for the final vote	Ioannis Gklavakis, Helmut Kuhne, Maria Petre