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AVIATION 180 RELEX 774

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Draft Decision by the Council and the Representatives of the Governments of the Member States of the European Union, meeting within the Council, authorising the Commission to open negotiations with the Kingdom of Jordan for establishing an Euro-Mediterranean Aviation Agreement

Delegations will find attached the declassified version of the above document.

The text of this document is identical to the previous version.

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COUNCIL OF THE EUROPEAN UNION

Brussels, 30 October 2007

14481/07

RESTREINT UE

AVIATION 180 RELEX 774

REPORT

14481/07

From: Council Secretariat

To: Delegations

No. Cion prop.: 6258/04 AVIATION 39 RELEX 66 No. prev. doc.: 13981/07 AVIATION 172 RELEX 730

Subject: AVIATION

Draft Decision by the Council and the Representatives of the Governments of the Member States of the European Union, meeting within the Council, authorising the Commission to open negotiations with the Kingdom of Jordan for establishing

an Euro-Mediterranean Aviation Agreement

In view of the Aviation Working Party on 7 November 2007, delegations will find attached a revised version of the draft Decision on the above subject. The changes with regard to the previous version are indicated in **bold** and strikethrough.

ANNEX

DRAFT DECISION BY THE COUNCIL AND THE REPRESENTATIVES OF THE GOVERNMENTS OF THE MEMBER STATES OF THE EUROPEAN UNION, MEETING WITHIN THE COUNCIL,

authorising the Commission to open negotiations with the Kingdom of Jordan for establishing an Euro-Mediterranean Aviation Agreement

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 80(2), in conjunction with Article 300(1) thereof,

HAS DECIDED AS FOLLOWS:

Sole article

<u>The Commission</u> is hereby authorised to open negotiations on behalf of the European Community and its Member States, within the limits of their respective competencies, with the Kingdom of Jordan with a view to establish an Euro-Mediterranean Aviation Agreement.

<u>The Commission</u> shall conduct the negotiations in accordance with the directives set out in Annex I and the ad hoc procedure set out in Annex II of this Decision.¹

This Decision is without prejudice to arrangements, in accordance with Community law and in particular Regulation (EC) N° 847/2004 on the negotiation and implementation of air service agreements between Member States and third countries, for ongoing bilateral agreements between Member States and Jordan, pending the conclusion of a Community agreement.

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The negotiations shall be conducted in a way that will ensure full and timely consultation of all relevant stakeholders, including the European airline industry, throughout the negotiations.

Application of this agreement to Gibraltar airport is understood to be without prejudice to the respective legal positions of the Kingdom of Spain and the United Kingdom with regard to the dispute over sovereignty over the territory in which the airport is situated and to the continuing suspension of Gibraltar Airport from European Community Aviation measures existing as of 18th September 2006 as between Member States in accordance with the terms of the Ministerial Statement on Gibraltar Airport agreed in Cordoba on the 18th September 2006.

Done at Brussels,



ANNEX I TO ANNEX

NEGOTIATING DIRECTIVES

(Community and its Member States-Jordan, Euro-Mediterranean Aviation Agreement)

1. Negotiating objectives

Based on the close political and economic relations between the European Community and its Member States, on the one hand, and Jordan, on the other hand, and on the specific aviation-related objectives in the EU-Jordan Action plan, the aim of the negotiations with Jordan shall be to establish an Common Aviation Area the agreement will need to cover a range of issues which aim essentially at market opening between the European Community and its Member States and Jordan where carriers of both sides can freely provide their services on the basis of commercial principles and be able to compete on a fair and equal basis and subject to equivalent or harmonised regulatory conditions based on the European legislation in the field of aviation.

The agreement shall not reduce the level of market access created by existing bilateral agreements.



2. Scope of the Agreement

A comprehensive Euro-Mediterranean Aviation Agreement would allow the Parties to establish a clear and coherent framework in which to constructively develop their aviation relations in the coming years. The framework would be based on a global package of rights and obligations to ensure and promote, *inter alia*, the approximation of aviation laws to avoid conflicts of rules, establish joint mechanisms for co-operation on security, safety and environmental standards. The agreement would cover a number of issues, with the aim of ensuring a **phased**, reciprocal and sustainable opening of markets with a view to establishing a fully open Common Aviation Area accompanied by a process of regulatory co-operation towards convergence, while providing for an appropriate level of flexibility (e.g. in relation to transitional periods). The agreement shall not reduce the level of market access created by existing bilateral agreements. The Community will not grant any additional traffic rights between a point in the European Union and a point in a third country, without further reference to the Council.²

- (1) The Commission shall ensure that the agreement is consistent with the EC Treaty and relevant Community legislation.
- (2) The agreement should provide for adequate mechanisms for verification and information exchange, with the aim of ensuring mutual confidence in the fulfilment of obligations entered into, in order to ensure a level playing field.
- (3) The agreement should provide for stringent air safety and security provisions, taking into account the procedures, standards and developments applicable on or taking place in the territory of the Community.
- (4) The agreement should include provisions on competition and state aids to ensure a level playing field for all market operators.

² <u>UK</u> has a scrutiny reservation on the last sentence.

- (5) The agreement should aim at associating Jordan in the implementation of the Single European Sky.
- (6) The agreement should cover intermodality aspects between different modes of transport.
- (7) The agreement should allow for safeguarding the flexibility to take action within the EU with respect to environmental issues, in particular in respect of measures to mitigate the impact of aviation on climate change, air quality and noise levels around airports.
- (8) The agreement should not prohibit taxation of aircraft fuel supplied to aircraft. It should make clear that rules relating to the taxation of fuel for aircrafts of one Party shall be complied with by the other Party's air carriers when operating to, from or within the territory of the first Party.
- (9) The agreement should aim at exploring the liberalisation of the investment regime fostering cross-border investment opportunities subject to appropriate safeguards.³
- (10) A particular chapter can be included regarding aviation development and/or (technical) assistance, for which reference could be made to existing funds (MEDA,...), as well as the overall framework of relations between the EU and its Mediterranean Partners.
- (11) In implementing these objectives, the agreement should provide for the necessary flexibility, in particular with regard to transition periods taking into account the need for Jordan to implement certain minimum standards notably in the field of safety and security.

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^{3 &}lt;u>UK</u> has a scrutiny reservation on this paragraph.

- (12) The inclusion of a "most favoured nation extension-clause" should be advocated. Via such a clause, the Community and a Mediterranean Partner endeavour to offer the liberalising measures they agree between each other to any other Mediterranean Partner with which a similar Euro-Mediterranean Agreement already exists. If the latter country wants to accept this offer, it is self-evidently obliged to offer the same to the Community and the former country. If it refuses the offer, there will be no reciprocity and the "extension" dies. ⁴
- (13) The Agreement should not affect the field of VAT, with the exception of turnover tax on imports. Furthermore, the agreement should not affect the provisions of the respective agreements in force between a Member State of the European Union and Jordan for the avoidance of double taxation with respect to taxes on income and on capital.
- (14) Particular emphasis should be put on solving important "doing business" issues.

3. Structure of the agreement

Upon its entry into force, the final agreement will replace the relevant provisions of the existing bilateral air services agreements between EU Member States and Jordan.

It shall be proposed to implement certain elements of a final agreement earlier than others in a phased approach.

The Commission should negotiate appropriate clauses in order to apply provisionally the agreement between its signature and its conclusion by the Parties, in accordance with the application of national law.

⁴ <u>PL</u> has a scrutiny reservation on this paragraph.

4. Management of the agreement

Each Party will be responsible for enforcement on its territory and with regard to its nationals and air carriers.

The agreement should provide for an appropriate dispute settlement mechanism **and** safeguard measures and a Joint Committee of representatives of the Parties shall be established, which shall be responsible for the administration of the agreement and for its proper implementation.

5. Conduct of the Negotiations

The Commission shall conduct the negotiations in accordance with these directives and the ad hoc procedure set out in Annex II of this Decision.

For areas of Member States' competencies, the Commission shall ensure during the negotiations that Member States' concerns are reflected adequately. The agreement, which shall be equally authentic in all official EU languages, shall include a language clause to this effect.

The Commission shall recommend the modification or the termination of the mandate, if no progress over a longer period of time is made and no progress can be expected in the near future.



ANNEX II TO ANNEX

AD HOC PROCEDURE FOR NEGOTIATIONS CONCERNING AN AGREEMENT BETWEEN THE EUROPEAN COMMUNITY AND ITS MEMBER STATES AND JORDAN IN THE FIELD OF AIR TRANSPORT

I. Procedure

- The Commission shall conduct the negotiations on behalf of the Community and its
 Member States, in consultation with a Special Committee appointed by the Council to
 assist it in this task.
- 2. The Commission shall report back regularly to the Council on the progress of the negotiations and on the outcome of these negotiations.

II. Rules of conduct to be observed

1. The authorisation to open negotiations automatically entails the establishment of a Special Committee for the negotiations in question. ⁵

To this end, Member States shall notify the Council General Secretariat as soon as possible, in whatever manner they choose, of the names of their representatives on this Committee.

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For reasons of confidentiality it seems appropriate to lay down that Member States' representatives are appointed by name and are the sole addressees of the documents relating to the negotiations. This does not mean that they cannot be replaced or accompanied by experts.

2. The negotiations must be prepared for in good time.

To this end, the Commission departments shall inform the Council General Secretariat of the schedule anticipated and forward the relevant documents as soon as possible.

- Close coordination shall be maintained between the Commission and the Member States.
 - (a) Each negotiating session shall be preceded by a meeting within the Special Committee in order to identify the key problems for the Community and its Member States and to define, if possible, a common position or establish guidelines.

The Presidency shall make the arrangements for this meeting in good time, in consultation with the Commission.

(b) Coordinating meetings shall be held on the spot throughout the negotiations at the initiative of the Commission, the Presidency or a Member State.

The Presidency shall make arrangements for such meetings and, if necessary, shall draw up documents on the outcome of the discussions held.

(c) Members of the Special Committee shall be invited to attend all of the negotiating sessions.

Talks at which the members of the Special Committee are not present should be exceptional and must not take the place of the normal procedure. In any event the Special Committee must be adequately briefed on any such talks.

During such talks the Commission may be accompanied by a limited number of members of the Special Committee acting as experts. In any event, the Chair of the Special Committee may attend these talks at his/hers request.

(d) For areas of Community competence the Commission shall be the spokesman for the Community during the negotiations, and the representatives of the Member States shall speak only if requested to do so by the Commission. Furthermore, the representatives of the Member States must take no action which is likely to handicap the Commission in its work.

