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Brussels, 21 November 1986

TIME TO RECONSIDER EEC/US LINKS ON AVIATION

Extracts from a speech given by Mr. Stanley Clinton Davis,
Member of the European Commission responsible for
transport policy, to the
American Law Institute/American Bar Association
in Washington, November 21 1986

"The EEC is already a recognised trading partner of the USA and agreements are signed between the EEC and the USA. The application of this principle to aviation would create at least one interesting effect. US airlines are enjoying what are now termed fifth freedom rights between several EEC Member States. From the point of view of the EEC seen as a whole, this is in fact cabotage. To the best of my knowledge, no EEC airline enjoys cabotage rights in the USA. There is an asymetry exists in shipping because of your Jones Act - I, for one, would like to change that."

["An air carrier which has third-freedom rights is allowed to unload passengers in another State; if it has fourth-freedom rights it has the right to pick up passengers in that Member State. Fifth freedom is the right to pick up passengers in another State and transport them to a third State. For example, an American carrier flying to and from the United Kingdom has third and fourth freedom rights. If it is allowed to pick up passengers in the United Kingdom and carry them to Germany, then it would have fifth freedom rights."]

"We do not seek to duplicate the U.S. system in the European Community. We do not seek to do it because we do not want your system. We think we already have one that is better suited to our conditions and we want to improve it, not destroy it."

"We are building on what we have. We are creating an aviation system that takes account of our difference. The challenge we are meeting is to open the door to competition but not to allow the house to blow down. Put another way, we are opting for evolution, not revolution."

However, this should not detract from the fact of the matter which is that the EEC is in the process of creating a multilateral market for itself."

"It is in this way to some extent going back on the bilateralism of the Chicago Convention and recreating the multilateralism which unfortunately was lost in 1944. I believe that what we are doing will provide us with a very effective aviation system that will last well into the 21st Century."