

Competition: Commission revises Block Exemption for IATA passenger tariff conferences

The European Commission has adopted a Block Exemption Regulation revising the exemption IATA passenger tariff conferences have enjoyed from the EC Treaty's ban on restrictive business practices (Article 81). For routes within the EU, tariff conferences will no longer be exempted as of 1 January 2007. The Regulation exempts tariff conferences on routes between the EU and the US or Australia until 30 June 2007 and routes between the EU and other non-EU countries until 31 October 2007. However airlines benefiting from the block exemption on routes between EU and non-EU countries must provide the Commission with data on interlining to allow the Commission to consider whether the exemption for those routes should be extended beyond those dates. The new Regulation will also end the block exemption for IATA slots and scheduling conferences.

Competition Commissioner Neelie Kroes said "IATA passenger tariff conferences appear to facilitate interlining on routes to third countries, but I do not have sufficient assurances that they continue to benefit passengers on journeys within the EU. The possible prolongation beyond 2007 of the exemption for tariff conferences on routes to non-EU countries depends on the provision of data showing that IATA interlining continues to benefit consumers."

A block exemption Regulation defines types of agreements which are compatible with EU competition rules provided that the agreements meet the conditions laid down in the Regulation. In the absence of a block exemption, individual companies are responsible for ensuring that their agreements are compatible with the competition rules. Since 1993, the Commission has granted a block exemption from the competition rules for tariff conferences and slots and scheduling conferences organised under the auspices of the International Air Transport Association (IATA), the trade association representing some 260 airlines worldwide.

Interlining occurs when a passenger flies with the same ticket with two or more carriers. Interlining allows consumers to combine the services of different airlines and makes multi-carrier journeys seamless: at a transit airport, passengers do not have to collect their luggage and check in again and their baggage will automatically follow through to their final destination. The IATA interlining system is one of four types of interlining systems that exist, the others being global airline alliances, code-share agreements and bilateral interlining agreements. IATA interlining operates at prices agreed by all airlines together in the IATA tariff conferences.

The new Block Exemption Regulation was adopted after extensive consultations with industry, trade and consumer organisations, and national authorities. These consultations showed that interlining benefits consumers, but that the importance of IATA interlining as part of overall interlining in the EU is relatively small, and several alternative forms of interlining are possible. As a result, for routes within the EU there is insufficient assurance that the benefits for consumers will continue to outweigh the risks of the restriction of competition arising from the price agreements reached within the IATA conferences. A continuation of the block exemption is therefore not justified. However, the consultations showed that on routes between the EU and third countries interlining is more important and so are the potential benefits of IATA interlining for consumers.

The American and Australian authorities are reviewing IATA's exemptions for tariff conferences under their respective competition rules and should have taken first decisions by June 2007. It is therefore appropriate that the Commission reviews the situation within the same timeframe. On routes to other non-EU countries a 12 months transition (until October 2007) is appropriate for passenger tariff conferences.

IATA and its member airlines appear to be actively working towards the development of an alternative system to replace tariff conferences. The Commission welcomes this initiative provided that it helps preserve the benefits of IATA interlining for consumers whilst addressing the Commission's competition concerns.

Slots and scheduling

The new Regulation also covers IATA slots and scheduling conferences. The consultations revealed that in their present form these conferences are clearly compatible with the competition rules. The legal certainty provided by a block exemption is therefore no longer needed and the Commission will not prolong the block exemption for slots and scheduling beyond 31st December 2006.

For further information on the revision of the Block Exemption, see [MEMO/06/359](#). The new Block Exemption Regulation will be published in the EU's Official Journal L272 on 3rd October 2006 available at: <http://eur-lex.europa.eu/JOIndex.do>

It will also be available at:

http://ec.europa.eu/comm/competition/antitrust/others/air_transport.html

Revision of Block Exemption from Competition Rules for IATA Conferences – Frequently Asked Questions

(see also [IP/06/1294](#))

What is a Block Exemption Regulation?

Article 81(1) of the EC Treaty prohibits agreements between firms which affect trade between Member States and which have as their object or effect the prevention, restriction or distortion of competition within the common market. Under Article 81(3) a restrictive agreement may be exempted from the prohibition of Article 81(1) if the positive effects brought about by the agreement outweigh its negative effects and a fair share of these benefits is passed on to consumers.

The Commission can “block exempt” categories of agreements by adopting Regulations and thus provide safe harbours for all agreements which fulfil the conditions laid down in the Regulations. For firms, this provides legal certainty and reduces costs of complying with the competition rules. In order to grant a block exemption, the Commission needs to be absolutely certain that the agreements covered are compatible with the competition rules.

Why is the Commission proposing to withdraw the IATA passenger tariff conferences block exemption for routes within the EU?

Use of the IATA system for interlining within the EU is declining. More than 97% of all passenger air journeys within Europe are either journeys which are not interlined, or are interlined through a system which does not depend on IATA Tariff Conferences (e.g. global airline alliances, code-share agreements and bilateral interlining agreements). The benefits for consumers of the IATA system have therefore considerably diminished, whereas the risks for competition remain high. These risks result from the regular meetings of competitors to exchange commercially sensitive information with a view to agreeing prices for interlined tickets.

The Commission believes that the benefits brought about by the tariff conferences no longer sufficiently outweigh these risks to competition to justify a Block Exemption Regulation.

Does this withdrawal of the block exemption mean that interlining on routes within the EU has to stop?

Not necessarily. Discontinuing a Block Exemption is not the same as prohibiting interlining. Rather, it is about withdrawing the legal assurance that the organisation of the tariff conferences is compatible with the competition rules.

Any agreement which meets the conditions of Article 81(3) (see above) is legal and enforceable without the need for a prior decision from the Commission, or any other authority, to that effect. In the air transport sector, as in any other sector, it is therefore for the industry to ensure that its agreements and concerted practices are compliant with the competition rules. In other words, in the first place, it is for the airlines to decide whether they wish to continue with the conferences and in which form.

What is likely to be the impact on consumers and air travel in Europe?

Positive. The Commission has consulted widely before making the current proposal and in general consumer organisations, including representatives of corporate consumer groups, asked for the block exemption for passenger tariff conferences on intra EU routes to be withdrawn because they considered that this would be in the best interests of consumers.

The view taken by consumer organisations reflects the changing reality of air transport in Europe. IATA passenger tariff conferences have previously been important to allow consumers to interline. Their importance is steadily decreasing as other forms of cooperation between airlines which also allow for interlining have overtaken the IATA system in the European Union. These other forms of cooperation include in particular global airline alliances and code share agreements that have proliferated over the past years.

In any event, and as indicated above, the Commission is not prohibiting the IATA passenger tariff conferences, but is merely withdrawing the legal assurance that the agreements are compatible with the competition rules.

Were IATA to decide to discontinue its passenger tariff conferences, and therefore its interlining system in its current form, the short term impact on consumers would be limited. More than 97% of all passenger air journeys within Europe are either journeys which are not interlined, or are interlined through a system which does not depend on IATA Tariff Conferences.

The remaining 3% of journeys are done on the basis of bilateral agreements or through the IATA interlining system.

Moreover, evidence submitted to the Commission suggests that alternative forms of interlining are substantially less expensive than prices for IATA interlinable tickets: on average the price per flown mile for IATA fully flexible tickets is around 7 times the cost per mile of the airlines.

Will the proposed Regulation be bad for remote and peripheral regions?

Smaller and/or regional carriers in the EU are increasingly part of the general industry-wide trend towards airline alliances and code-share agreements. As such, these carriers and the remote/peripheral points they serve, increasingly enjoy the benefits of being connected to wider airline networks through forms of cooperation between airlines which are distinct from the IATA system for interlining.

Although IATA tariff conferences do not deal with traffic within the United States, Canada or Australia, it is not particularly difficult to interline to/from remote/peripheral destinations in the United States, Canada or Australia. Based on this experience, there is no reason to believe that interlining to/from remote/peripheral destinations in the EU should become particularly difficult if IATA tariff conferences were to cease for traffic within the EU. Moreover, a Block Exemption Regulation covering all routes within the EU indistinctly is not the appropriate instrument to address potential regional issues.

Will the ending of the Block Exemption Regulation for IATA slots and scheduling conferences require them to be terminated?

No. Discontinuing a Block Exemption is not the same as prohibiting the agreements concerned. Rather, it is about withdrawing the legal assurance that the agreements concerned are compatible with the competition rules, and putting the responsibility on IATA and its members to ensure that their agreements are compliant with the competition rules. However, the reason why the Commission is withdrawing the Block Exemption Regulation for IATA slots and scheduling conferences is that they are already considered to be compliant in their current form because the benefits to consumers in terms of well-coordinated journeys clearly outweigh any possible negative effects on competition. Therefore IATA slots and scheduling conferences do not need a Block Exemption Regulation.

COMMISSION REGULATION (EC) No 1459/2006

of 28 September 2006

on the application of Article 81(3) of the Treaty to certain categories of agreements and concerted practices concerning consultations on passenger tariffs on scheduled air services and slot allocation at airports

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 3976/87 of 14 December 1987 on the application of Article 85(3) of the Treaty to certain categories of agreements and concerted practices in the air transport sector⁽¹⁾, and in particular Article 2 thereof,

Having published a draft of this Regulation⁽²⁾,

After consulting the Advisory Committee on Restrictive Practices and Dominant Positions,

Whereas:

- (1) Since 1 May 2004, the air transport sector has been subject to the generally applicable provisions of Council Regulation (EC) No 1/2003 of 16 December 2002 on the implementation of the rules on competition laid down in Articles 81 and 82 of the Treaty⁽³⁾.
- (2) Regulation (EC) No 1/2003 provides that agreements which fall under Article 81(1) of the Treaty which satisfy the conditions of Article 81(3) are not prohibited, no prior decision to that effect being required. In principle, undertakings and associations must now assess for themselves whether their agreements, concerted practices and decisions are compatible with Article 81 of the Treaty.
- (3) Regulation (EEC) No 3976/87 empowers the Commission to apply Article 81(3) of the Treaty by Regulation to certain categories of agreements, decisions or concerted practices relating directly or indirectly to the provision of air transport services on routes between Community airports and on routes between the Community and third countries.
- (4) Agreements, decisions or concerted practices concerning consultations on passenger tariffs on scheduled air

services and slot allocation and airport scheduling are liable to restrict competition and affect trade between Member States.

- (5) However, since such agreements, decisions or concerted practices may benefit air transport users and/or air carriers, Commission Regulation (EEC) No 1617/93 of 25 June 1993 on the application of Article 85(3) of the Treaty to certain categories of agreements and concerted practices concerning joint planning and coordination of schedules, joint operations, consultations on passenger and cargo tariffs on scheduled air services and slot allocation at airports⁽⁴⁾ declared that Article 81(1) of the Treaty did not apply, *inter alia*, to certain agreements, decisions or concerted practices concerning consultations on tariffs and slot allocation at airports for air services between Community airports. Regulation (EEC) No 1617/93 expired on 30 June 2005.
- (6) In June 2004 the Commission initiated a consultation on the revision of Regulation (EEC) No 1617/93 to determine whether the block exemption should be discontinued, maintained in its original form or extended in scope. The Commission received responses from Member States, airlines, travel agents and consumer groups.
- (7) In view of the results of the consultation and the directly applicable exception system introduced by Regulation (EC) No 1/2003, there are not sufficient grounds to continue to declare by Regulation Article 81(1) inapplicable to consultations on slot allocation and airport scheduling agreements or to consultations on tariffs for the carriage of passengers, with their baggage, on scheduled air services between Community airports. However, the airline industry should be allowed sufficient time to adapt to the new situation and to assess for themselves whether their agreements and practices are compatible with Article 81 of the Treaty and, if necessary, to amend them. Since Regulation (EEC) No 1617/93 has already expired, it is necessary to adopt a new block exemption regulation for a transitional period.

⁽¹⁾ OJ L 374, 31.12.1987, p. 9. Regulation as last amended by Regulation (EC) No 411/2004 (OJ L 68, 6.3.2004, p. 1).

⁽²⁾ OJ C 42, 18.2.2006, p. 15.

⁽³⁾ OJ L 1, 4.1.2003, p. 1. Regulation as amended by Regulation (EC) No 411/2004 (OJ L 68, 6.3.2004, p. 1).

⁽⁴⁾ OJ L 155, 26.6.1993, p. 18. Regulation as last amended by the 2003 Act of Accession.

- (8) Arrangements on slot allocation at airports and airport scheduling can improve the efficient utilization of airport capacity and airspace, facilitate air-traffic control and help to spread the supply of air transport services from the airport. Entry to congested airports must remain possible if competition is not to be eliminated. In order to provide a satisfactory degree of security and transparency, arrangements in this respect can only be accepted if all air carriers concerned can participate in the negotiations, and if the allocation is made on a non-discriminatory and transparent basis.
- (9) A block exemption should be granted until 31 December 2006 in respect of consultations on slot allocation and airport scheduling in so far as they concern air services the point of origin and/or point of destination of which is located in the Community. After 31 December 2006, the airline industry should assess for itself whether agreements and concerted practices between undertakings and decisions of associations of undertakings caught by Article 81(1) of the Treaty satisfy the conditions of Article 81(3). The assessment should, *inter alia*, consider whether all carriers concerned can participate in the consultations on slot allocation and airport scheduling, and whether these consultations are conducted in a non-discriminatory and transparent manner. This Regulation is without prejudice to Council Regulation (EEC) No 95/93 of 18 January 1993 on common rules for the allocation of slots at Community airports ⁽¹⁾.
- (10) Consultations on passenger tariffs may contribute to the generalised acceptance of interlinable passenger tariffs to the benefit of air carriers as well as air transport users. However, consultations must not exceed the aim of facilitating interlining.
- (11) The results of the consultation initiated by the Commission in June 2004 for the review of Regulation (EEC) No 1617/93 indicate that the intra-Community air transport market has evolved in such a way that the degree of assurance that consultations on tariffs will continue to meet all the criteria of Article 81(3) of the Treaty is declining.
- (12) A block exemption should therefore be granted until 31 December 2006 in respect of consultations on tariffs for the carriage of passengers, with their baggage, on scheduled air services between Community airports.
- After that date, the airline industry should assess for itself whether agreements and concerted practices between undertakings and decisions of associations of undertakings caught by Article 81(1) of the Treaty satisfy the conditions of Article 81(3) of the Treaty.
- (13) Since 1 May 2004, the Commission has been empowered to apply Article 81(3) of the Treaty by Regulation in respect of air services on routes between the Community and third countries, as well as on routes between Community airports.
- (14) In contrast to intra-Community air-traffic, air services between Member States and third countries are, in general, governed by bilateral air services agreements. The nature and level of detail of regulatory requirements set out in these agreements vary widely. Without prejudice to Community law, including Regulation (EC) No 847/2004 of the European Parliament and of the Council of 29 April 2004 on the negotiation and implementation of air service agreements between Member States and third countries ⁽²⁾, it is common for air services agreements to restrict and/or regulate market access and/or pricing, which may impede competition between air carriers on routes between the Community and third countries. Moreover, it is common for air services agreements to restrict the ability of carriers to enter into the kind of bilateral cooperation agreements which provide consumers with alternatives to the International Air Transport Association (IATA) interlining system.
- (15) On routes between the Community and third countries, the proportion of passenger journeys involving a connection is appreciably higher than on intra-Community international flights. Therefore, the benefits of interlining for consumers obtained through tariff consultations should be greater on routes between the Community and third countries.
- (16) It can be assumed with sufficient certainty that consultations on tariffs for the carriage of passengers, with their baggage, on scheduled air services between points in the Community and points in third countries currently satisfy the conditions of Article 81(3) of the Treaty. However, markets for air transport are undergoing rapid developments. A short block exemption should therefore be granted in respect of such consultations until 31 October 2007.

⁽¹⁾ OJ L 14, 22.1.1993, p. 1. Regulation as last amended by Regulation (EC) No 793/2004 of the European Parliament and of the Council (OJ L 138, 30.4.2004, p. 50).

⁽²⁾ OJ L 157, 30.4.2004, p. 7, as corrected by OJ L 195, 2.6.2004, p. 3.

(17) The competent authorities in the United States of America and Australia are reviewing their respective antitrust policies in respect of IATA tariff conferences. These reviews are likely to be completed by June 2007. It is, therefore, appropriate that the Commission should review the block exemption for passenger tariff conferences with respect to routes between the Community and these countries by that time.

(18) Data should be collected to enhance the Commission's knowledge on the relative use of the passenger tariffs set in the consultations and their relative importance for actual interlining on scheduled services between the Community and third countries. The data should also enable the Commission to better assess the effects of regulatory restrictions flowing from bilateral air services agreements. Air carriers participating in consultations should therefore be required to collect data for all fare classes in which interlinable fares are agreed, for each IATA season starting from 1 May 2004.

(19) In accordance with Article 4 of Regulation (EEC) No 3976/87, this Regulation should apply with retroactive effect to agreements, decisions and concerted practices in existence on the date of entry into force of this Regulation, provided that they meet the conditions for exemption set out in this Regulation.

(20) Community law in the field of civil aviation that is relevant for the internal market was extended to the area comprising the Community and Norway, Iceland and Liechtenstein through the Agreement on the European Economic Area. Therefore, flights between the Community and Norway, Iceland and Liechtenstein should be treated in the same manner as intra-Community flights. Community legislation is extended to the territory covered by the EEA Agreement through decisions by the EEA Joint Committee. For the purposes of this Regulation, however, it is necessary to stipulate that the block exemption provided for in respect of extra-Community flights does not apply to flights between points in the Community and points in Norway, Iceland and Liechtenstein.

(21) Community law in the field of civil aviation that is relevant for the internal market was extended to the area comprising the Community and Switzerland through the Agreement between the European Community and the Swiss Confederation on Air Transport⁽¹⁾. As long as that agreement remains in force, therefore, flights between the Community and

Switzerland should be treated in the same manner as intra-Community flights. Community legislation is extended to the territory covered by the Agreement through decisions by the Joint Committee set up under the Agreement. For the purposes of this Regulation, however, it is necessary to stipulate that the block exemption provided for in respect of routes between the Community and third countries does not apply to flights between points in the Community and points in Switzerland.

(22) This Regulation is without prejudice to the application of Article 82 of the Treaty,

HAS ADOPTED THIS REGULATION:

Article 1

Exemptions

Pursuant to Article 81(3) of the Treaty and subject to the provisions of this Regulation, it is hereby declared that Article 81(1) of the Treaty shall not apply to agreements between undertakings in the air transport sector, decisions by associations of such undertakings and concerted practices between such undertakings which have as their purpose one or more of the following:

- (a) the holding of consultations on slot allocation and airport scheduling in so far as they concern air services the point of origin and/or point of destination of which is located in the Community;
- (b) the holding of consultations on tariffs for the carriage of passengers, with their baggage, on scheduled air services between points in the Community or between points in the Community, on the one hand, and points in Switzerland, Norway, Iceland or Liechtenstein, on the other;
- (c) the holding of consultations on tariffs for the carriage of passengers, with their baggage, on scheduled air services between points in the Community, on the one hand, and points in Australia or the United States of America, on the other;
- (d) the holding of consultations on tariffs for the carriage of passengers, with their baggage, on scheduled air services between points in the Community, on the one hand, and points in third countries other than those referred to in points (b) and (c), on the other.

⁽¹⁾ Agreement between the European Community and the Swiss Confederation on Air Transport (OJ L 114, 30.4.2002, p. 73).

Article 2

Slot allocation and airport scheduling

1. Article 1(a) shall apply only if the following conditions are fulfilled:

- (a) the consultations are open to all air carriers having expressed an interest in the slots which are the subject of the consultations;
- (b) rules of priority are established and applied without discrimination, whether direct or indirect, on the grounds of carrier identity, nationality or category of service, which take into account constraints or air traffic distribution rules laid down by competent national or international authorities and give due consideration to the needs of the travelling publics and of the airport concerned; subject to point (c), such rules of priority may take account of rights acquired by air carriers through the use of particular slots in the previous corresponding season;
- (c) slots are allocated to new entrants, as defined in Article 2(b) of Regulation (EEC) No 95/93 as follows:
 - (i) at Community airports, a 50 % share of newly created or unused slots and slots which have been given up by a carrier during or by the end of the season or which otherwise become available to enable new entrants to be able to compete effectively with established carriers on routes to/from the airport in question; the share allocated to new entrants may be less than 50 % if requests by new entrants represent less than 50 % of all applications for such new slots;
 - (ii) at third country airports, a sufficient share of such available slots for entry at congested airports to remain possible on routes between such airports and points located in the Community;
- (d) the rules of priority, once established, are made available on request to any interested party;
- (e) air carriers participating in the consultations have access, at the time of the consultations at the latest, to information relating to:
 - (i) historical slots by air carrier, in chronological order, for all air carriers at the airport;

- (ii) requested slots (initial submissions) by air carrier, in chronological order, for all air carriers;
- (iii) allocated slots, and outstanding slot requests listed individually in chronological order, by air carrier, for all air carriers;
- (iv) remaining slots available;
- (v) full details of the criteria used in the allocation;
- (f) if a request for slots is not accepted, the air carrier concerned is entitled to a statement of the reasons therefor.

2. The Commission and the Member States concerned shall be entitled to send observers to consultations on slot allocation and airport scheduling held in the context of a multilateral meeting in advance of each season. For this purpose, air carriers shall give the Member States concerned and the Commission the same notice as is given to participants of the date, venue and subject matter of the consultations. The notice given to the Member States concerned and to the Commission shall not be less than 10 days.

Such notice shall be given:

- (a) to the Member States concerned according to procedures to be established by the competent authorities of those Member States;
- (b) to the Commission according to procedures to be published in the *Official Journal of the European Union*.

Article 3

Consultations on passenger tariffs

1. Article 1(b), (c) and (d) shall apply only if the following conditions are fulfilled:

- (a) the participants in the consultations only discuss air fares to be paid by air transport users directly to a participating air carrier or to its authorised agents, for carriage as passengers on a scheduled service, and the conditions relating to those passenger tariffs; the consultations do not extend to the capacity for which such tariffs are to be available;

(b) the consultations give rise to interlining, that is to say, air transport users are able, in respect of the types of passenger tariffs and of the seasons which were the subject of the consultations:

(i) to combine on a single ticket the service which was the subject of the consultations, with services on the same or on connecting routes operated by other air carriers, whereby the applicable passenger tariffs and conditions are set by the airline or airlines effecting carriage; and

(ii) in so far as is permitted by the conditions governing the initial reservation, to change a reservation on a service which was the subject of the consultations onto a service on the same route operated by another air carrier at the passenger tariffs and conditions applied by that other carrier;

(c) an air carrier is entitled to refuse to allow combinations and changes of reservation for objective and non-discriminatory reasons of a technical or commercial nature, in particular where the air carrier effecting carriage is concerned about the credit worthiness of the air carrier who would be collecting payment for this carriage, in which case the latter air carrier must be notified thereof in writing;

(d) the passenger tariffs which are the subject of the consultations are applied by participating air carriers without discrimination on grounds of passenger nationality or place of residence;

(e) participation in the consultations is voluntary and open to any air carrier who operates or intends to operate direct or indirect services on the route concerned;

(f) the consultations are not binding on participants, that is to say, following the consultations the participants retain the right to act independently in respect of passenger tariffs;

(g) the consultations do not entail agreement on agents' remuneration or other elements of the tariffs discussed.

2. Air carriers participating in consultations on passenger tariffs for scheduled air services between points in the Community and points in third countries other than those referred to in Article 1(b) shall collect data with regard to:

(a) the number of tickets issued at tariffs set in the consultations in the total number of tickets issued for travel between the Community and third countries other than those referred to in Article 1(b);

(b) the extent to which tickets at tariffs set in the consultations are issued for travel on a journey where the passenger interlines;

(c) the extent to which tickets which are not at tariffs set in the consultations are issued for travel on a journey where the passenger interlines.

That data shall be collected for all types of ticket and fare which are the subject of the consultations. The data shall make it possible to distinguish between the various forms of cooperation between air carriers that enable passengers to combine services operated by more than one carrier onto a single ticket. The data collected shall be provided to the Commission by or on behalf of the air carriers involved for each IATA season, starting from 1 May 2004. The data may be made available to the competent authorities of the Member States.

3. The Commission and the Member States concerned shall be entitled to send observers to consultations on passenger tariffs. For this purpose, air carriers shall give the Member States concerned and the Commission the same notice as is given to participants of the date, venue and subject matter of the consultations. The notice given to the Member States concerned and to the Commission shall not be less than 10 days.

Such notice shall be given:

(a) to the Member States concerned according to procedures to be established by the competent authorities of those Member States;

(b) to the Commission according to procedures to be published in the *Official Journal of the European Union*.

A full report on the consultations shall be submitted to the Commission by or on behalf of the air carriers involved at the same time as it is submitted to participants, but not later than six weeks after the consultations were held.

Article 4

Entry into force

This Regulation shall enter into force on the 20th day following its publication in the *Official Journal of the European Union*.

Exemptions granted pursuant to Article 1(a) and (b) shall apply until 31 December 2006.

Exemptions granted pursuant to Article 1(c) shall apply until 30 June 2007.

Exemptions granted pursuant to Article 1(d) shall apply until 31 October 2007.

This Regulation shall apply with retroactive effect to agreements, decisions and concerted practices in existence on the day on which it enters into force, with effect from the time when the conditions set out in this Regulation were fulfilled.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 28 September 2006.

For the Commission
Neelie KROES
Member of the Commission
