

agreement between Commissioner Brittan, the French government and Air France to open a number of French air routes to new competition. In an earlier case, EC competition authorities obtained amendments to a proposed merger between British Airways and British Caledonian to prevent the possible erosion of competition on routes between the U.K. and other countries.⁹⁹ These concessions were obtained in addition to ones that had already been demanded by U.K. competition authorities.¹⁰⁰

The development of regulations dealing with the application of the EC competition rules in the air travel sector has also been an important area of activity for EC competition authorities. Such regulations were an important part of the first package of air travel reforms adopted during 1987.¹⁰¹ In order to place EC competition authorities in a better position to obtain information and conduct investigations in the air travel sector, these regulations established formal procedures for the notification of related restrictive agreements or practices. In addition, to promote greater legal certainty concerning the application of competition policy in the air travel sector and facilitate the transition to more competitive markets, the regulations outline a number of types of agreements that are considered not to infringe the EC competition rules. In order for these arrangements to qualify for an exemption, however, they must meet conditions that are designed to limit their potential anti-competitive effects.

EC competition authorities have also been highly active in the European telecommunications sector. An important step toward the extension of Community competition policy in this sector took place during 1989 with an intervention by EC competition authorities into the operations of the European Conference of Postal and Telecommunications Administrations (CEPT).¹⁰² CEPT is an organization representing the telecommunications administrations of 26 European countries including the EC Member States. The Commission found that a recommendation made by the organization for the fixing of leasing terms for international telecommunications circuits constituted a violation of Article 85 of the EEC Treaty. This finding represented the first time that the EC competition rules have been applied to CEPT activities. EC competition authorities, as indicated by a recent investigation into arrangements relating to international telephone charges in the