

and Default provisions of Articles 84 and 85 of the Convention, perhaps a case could be made that cabotage within the Community would not contravene the Convention, again on the grounds that the Rome treaty does not necessarily exclude a priori membership to European states and accession to others. Membership or association would seem open to those countries who are prepared to qualify, pay the admission fee and are accepted by the Council. As the Commission has argued in its proposals, cabotage could be made available subject to reciprocity and, therefore, would not be exclusive. It will be interesting to see what, if any, cabotage provisions are included in the proposed arrangements with the EFTA countries. If and when, as the Commission contemplates, the Community as a whole becomes "a cabotage area" for air services both intra-Community and originating in third countries, Article 7 may no longer be relevant. For all practical purposes, the Community would then have one common air space. Rather, the issue will be whether the Community as a supra-national political entity becomes a Contracting State of the Convention, and assume the rights and obligations of its Member States.

Bilateral Air Services Agreements with Third Countries

Let us now turn to the possible implications for bilateral air services agreements between Member States and third countries. First, until the end of 1992, the regulations covering air fares, market access and capacity-sharing and the block exemption from the application of competition rules on