

the sharing of passenger capacity between air carriers operating between Member States and access to routes between Member States.⁶ The Council also adopted directives regarding the application of rules of competition — Articles 85 and 86 of the Treaty — to undertakings in air transport services⁷ and to the application of Article 85(3)), which allows the exemption of certain categories of agreements and concerted practices⁸ such as fare setting, market/capacity sharing, exchange, leasing or pooling of aircraft which may be authorized under bilateral air agreements between Member States. The application of the Treaty's competition provisions to air transport was already foreshadowed in the European Court of Justice (ECJ) decision of 30 April 1986 in the *Nouvelles Frontières* Case. The Court's subsequent decision of 11 April 1986 on the *Ahmed Saeed* Case allowed for the possible application of these provisions to concerted practices authorized under bilateral air services agreements between Member States and third countries, but only with respect to air services between Member States. However, given the network of international and bilateral agreements between Member States and between their carriers, these directives relating to Article 85(3), authorized block exemptions from the application of competition rules to concerted practices in order to allow time for adjustment. These block exemptions were to be reviewed by the Council by 30 June 1990 and in any event to expire on 31 January 1991. By extension, block exemptions would also apply to concerted practices authorized under bilateral agreements between Member States and third countries.