

31 December 1992" in accordance with the provisions of Article 84 relating to air transport. This was underlined in an appended Declaration, which expressed the political will of the Member States to take the necessary decisions to complete the internal market by then. However, this was followed in a subsequent paragraph by an intriguing sentence to the effect that 31 December 1992 was not automatically binding.⁴

The new Article 8a defines the internal market as "comprising an area without internal frontiers in which the free movement of goods, persons, services and capital is ensured in accordance with the provisions of this Treaty". A new paragraph was also added on the application of procedures⁵ for the establishment of common rules on air transport. The Declaration on the new Article 8a of the Treaty, was further endorsed by the European Council of Heads of State and Government by its agreement on 26-27 June 1986 in Madrid that the internal market for air transport should be completed by the end of 1992 in the context of measures "to strengthen the economic and social cohesion" of the EC.

First Phase—1988-1990

This laid the basis for the formulation of Commission proposals and adoption by the Council on 14-15 December 1987 of a series of directives comprising the First Phase of the liberalization of scheduled air services, which came into effect on 1 January 1988. These directives covered fares,