

bilaterally or multilaterally or in multilateral organizations, on matters subject to Community jurisprudence or negotiation. In such cases the Commission also has the competence to negotiate on behalf of the Community. Even in areas where the competence of Member States is retained, the Council may decide on Community action if the common air transport policy is affected. When a situation of mixed or joint competence arises, negotiations are conducted and agreements concluded by the Commission on behalf of the Community and the individual Member States. For all these reasons, the Community has and should exercise its competence. The Commission's first priority is the negotiation of arrangements with the Scandinavian and other EFTA countries. Next the Community needs to address the reconciliation of the common air transport policy requirements with the provisions of the 609 individual bilateral air services agreements between Member States and third countries. The Commission considers that the internal market of the Community for air transport constitutes a single collective entity without internal borders and therefore, a cabotage area: i.e. flights from Dublin to Athens would have the same domestic service character as from Halifax to Vancouver or Anchorage to Miami. This is the cornerstone of the Community's air transport policy. The Community, therefore, would need to address fifth-freedom operations of third country activities within the Community, which the Commission, in light of cabotage, would regard as a Community asset; such fifth-freedom operations are now outside Community legislation. In view of difficulties experienced by certain Member States in securing comparable fifth-freedom rights in the markets of "some very large