



Brussels, 3 April 2008

## **BACKGROUND <sup>1</sup>**

### **TRANSPORT, TELECOMMUNICATIONS and ENERGY COUNCIL**

**Monday 7 April 2008, Luxembourg**

**(Transport items only)**

*The meeting will start at 10.00 on Monday 7 April under the presidency of Mr Radovan ŽERJAV, Slovenian Minister of Transport.*

*The Council is expected to reach a general approach on a proposal on the further implementation of the EGNOSS and **Galileo** programmes and on a proposal on a code of conduct for **computerised reservation systems**. It will also attempt to reach a political agreement on a proposal on **airport charges**.*

*The Council is expected to adopt conclusions on Commission's communications "Towards a **rail network giving priority to freight**", and on "An agenda for sustainable future in **general and business aviation**".*

*Furthermore, the Council will hold a public policy debate on:*

- *three **road transport** proposals, namely the access to the international **road haulage market**, the occupation of **road transport operator** and the international market for **coach and bus** services;*
- *two **third maritime package** proposals - **flag state requirements** and **civil liability** and financial guarantees of **shipowners**.*

*In addition, the Council will adopt without debate a decision on a negotiating mandate for an **aviation agreement with Israel** and conclusions on a first report on the implementation of the **European single sky legislation**.*

*Over lunch, Ministers will discuss the transport community with the Western Balkans countries.*

**Press conference:** *at the end of the Council (as from 18.00).*

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<sup>1</sup> This note has been drawn up under the responsibility of the press office.

## LAND TRANSPORT

### **Road transport** - *public deliberation*

The Council will hold a **public policy debate** on three legislative proposals<sup>1</sup> that seek to modernise, replace and merge provisions governing road transport operators and access to the road transport markets.

Ministers will be invited to agree in principle to the outline of the presidency compromise package ([7852/08](#)) on the key elements of two of the three proposals with the objective of reaching a political agreement on all these proposals at June TTE Council. The presidency compromise focuses in particular on two main issues: cabotage and national electronic registers.

The Commission submitted these proposals in May 2007 with the aim of reducing distortions of competition and improving transport operators' compliance with the provisions of social legislation on road safety rules.

#### ***- access to the international road haulage market***

The proposal for a regulation on common rules for access to the international road haulage market seeks to simplify and harmonise further the current rules by consolidating and merging regulations 881/92 and 3118/93 on access to the road transport market.

All member states expressed their support in principle for the Commission proposal. Following discussions in the working party, certain provisions of the Commission's proposal were adapted in order to reach an consensus on most parts of the draft regulation. These modifications concern in particular: scope and definitions, format for the Community licence, certified copies and the driver attestation; mutual assistance and penalties and a list of security features to avoid manipulation and forgery of the Community licence and driver attestation documents.

The main issues to be addressed at ministers level and which will be part of the presidency compromise package are the cabotage and the validity of the Community licence.

#### ***- road transport operator***

The draft regulation establishing common rules concerning access to the occupation of road transport operator aims to rectify certain shortcomings identified in the Commission's impact assessment and public consultation and replaces the existing directive 96/26/EC.

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<sup>1</sup> - Proposal for a regulation on common rules for access to the international road haulage market (recast) ([10092/2/07](#));

- Proposal for a regulation establishing common rules concerning the conditions to be complied with to pursue the occupation of road transport operator ([10114/1/07](#));

- Proposal for a regulation on common rules for access to the market of coach and bus services ([10102/2/07](#)).

All delegations support in principle the Commission's proposal agreeing to revise the current rules on market access in road transport to enhance the clarity and enforceability of these rules and to better regulate the existing regime. However, all member states have general reservation due to the technical complexity and political importance of the proposal. Some delegations favour the highest degree of harmonisation in order to consolidate internal market, others prefer high degree of flexibility to take account of specific national circumstances.

The presidency compromise to be presented to ministers includes *inter alia* the following issues: subject matter and scope, transport manager, examination and registration of applications, checks and national electronic registers.

### ***- access to the international market for coach and bus services***

A draft regulation on common rules for access to the international market for coach and bus services is aimed at revising and consolidating the current legislative framework (regulations 684/92 and 12/98) by clarifying the scope, simplifying procedures and establishing a uniform format for the Community license and the certified copies.

All member states welcomed this Commission's proposal and agreed on the need to simplify and further harmonise the current rules by eliminating legal uncertainty, reducing administrative burden and improving the exchange of information.

The technical examination of this proposal will have to continue in the working party. However, as delegations identified in this proposal similar issues as in the two previous proposals, they agreed to apply accordingly the solutions found for the relevant articles of the market access proposal and the transport operator proposal to the coach and bus services proposal.

The modified texts of all three proposals could be found in the addenda to the presidency report [7852/08 ADD 1](#), [7852/08 ADD 2](#) and [7852/08 ADD 3](#). The European Parliament will deliver its first reading opinion on these proposals at its April session.

*Legal basis for the three proposals: Article 71 of the EC Treaty, vote by qualified majority under the Parliament/Council co-decision procedure.*

### **Rail network giving priority to freight - Council conclusions**

The Council is expected to **adopt conclusions** on the Commission's communication "Towards a rail network giving priority to freight", issued in October 2007 ([14165/07](#)).

The communication is a part of the EU policy to revitalise the rail sector. In order to increase the attractiveness of the freight transport by rail, its quality needs to be improved, in particular at trans-national level. The communication is aimed at promoting the creation of a strong European rail network which will offer a better quality of service in freight transport than today in terms of journey times, reliability and capacity. Such a network would consist of corridors which ensure good conditions for the movement of freight and/or further develop coordination among infrastructure managers in investment planning and traffic management.

In the draft conclusions the Council welcomes the Commission communication and supports its intention to determine the measures required to promote the development of a rail network that facilitates efficient flows of international freight. In addition, the Council invites the Commission to work on measures for achieving the efficient operation of international rail freight services.

## INTERMODAL QUESTIONS

### **European satellite radio navigation programmes** - *public deliberation*

The Council is expected to **reach a general approach** on an amended proposal for a regulation on the further implementation of the European satellite radio navigation programmes (EGNOS and Galileo).

This amended proposal was adopted by the Commission in September 2007 ([13113/07](#)) and it constitutes the legal basis for the budgetary implementation of the programmes during the current financial period 2007-2013. It defines the general principles of public sector governance and public procurement of the programmes. The proposal therefore needs to be finalised as quickly as possible and adopted by the Council and the European Parliament in the framework of the codecision procedure.

The draft regulation includes the principles defined in the Council conclusions adopted at the TTE Council of 30 November 2007 on launching the European global navigation satellite system programmes (*see press release [15891/07](#), p. 22*).

In the conclusions, the Council reaffirmed the importance of these programmes as a key project for the European Union and supported the deployment by 2013 of Galileo satellite navigation system providing five navigation services: open service, safety of life service, commercial service, public regulated service and search and rescue service. It also confirmed that budgetary resources required for funding EGNOS and Galileo are set at EUR 3.4 billion for the period from 1 January 2007 to 31 December 2013.

The ITRE Committee of the European Parliament will vote on this proposal on 8 April and the first-reading opinion of the European Parliament is expected to be adopted in April or May.

*Legal basis: Article 156 of the Treaty, vote by qualified majority under the Parliament/Council codecision procedure.*

## AVIATION

### **Airport charges** - *public deliberation*

The Council is expected to **reach a political agreement** on a proposal for a directive on airport charges.

The Council will consequently adopt its common position at one of its forthcoming meetings after finalisation of the text and will forward it to the European Parliament for a second reading in the framework of the codecision procedure.

The purpose of the Commission's proposal ([5887/07](#)), submitted in January 2007, is to set common principles for the levying of airport charges at Community airports. It aims to re-define the relationship between airport operators and airport users by requiring total transparency, user-consultation and application of the principle of non-discrimination when calculating charges levied on users. In addition, it aims to create a strong, independent national authority to arbitrate and settle disputes in order to achieve their speedy resolution.

The Council's bodies worked on the basis of the general approach agreed at the TTE Council of 29-30 November 2007 and the amendments adopted by the European Parliament at first reading in January ([5260/08](#)). In order to facilitate a second reading agreement with the European Parliament the text of the political agreement includes its amendments acceptable to all delegations.

The Council agreed already in the general approach on several changes to the text of the Commission's proposal in order to enhance its clarity but also to accommodate concerns expressed by member states. These modifications concern in particular the following issues:

- *the scope of the directive* - the Commission initially proposed to include in the scope all airports with an annual traffic of more than 1 million passengers. In the text agreed by the Council this threshold is increased to 5 million and the directive will also apply to the largest airport in each member state;
- *modulation of charges for environmental and other purposes of public interest* - this possibility is included in the article on non-discrimination, in order to enable member states to promote environmentally-friendly aircrafts at the expense of polluting aircrafts;
- *cost-relatedness* - addition of a recital referring to the ICAO Council policies on airport charges that include, *inter alia*, the principles of cost-relatedness of charges, non-discrimination and an independent mechanism for economic regulation of airports;
- *extension of the implementation* - the period for the transposition of the directive into national law is extended from 18 to 36 months.

The European Parliament adopted its first-reading opinion in January 2008 ([5260/08](#)).

*Legal basis: Article 80(2) of the Treaty: vote by qualified majority under the Parliament/Council co-decision procedure.*

### **Computerised reservation systems** - public deliberation

The Council is expected to **reach a general approach** on a proposal for a regulation on a code of conduct for computerised reservation systems ([7047/08](#)).

The code of conduct for computerised reservation systems was established in 1989 (regulation 2299/89) when the majority of airline bookings were made through computerised reservation systems and most of the computerised reservation systems were owned and controlled by airlines. Given the significant market developments, such as the rise of alternative booking channels, the code of conduct needs to be updated to the current market conditions in order to avoid impeding competition and to contribute to fair distribution costs.

The draft regulation, presented by the Commission in November 2007 ([14526/07](#)), is aimed at simplifying the code of conduct and reinforcing competition between the computerised reservation systems providers while maintaining basic safeguards against potential competitive abuses and ensuring the provision of neutral information to consumers. In addition, it ensures that rail services, which are integrated into air transport computerised reservation systems, are given a non-discriminatory treatment in the computerised reservation systems.

The proposal will replace regulation 2299/89 as modified by regulations 3089/93 and 323/99.

The European Parliament is expected to adopt its first-reading opinion in July or September 2008. *Legal basis: Article 71(1) and Article 80(2) of the EC Treaty: vote by qualified majority under the Parliament/Council codecision procedure.*

### **Sustainable future in general and business aviation** - *Council conclusions*

The Council is expected to **adopt conclusions** on the Commission's communication "Agenda for sustainable future in general and business aviation", adopted in January 2008 ([5334/08](#)).

The communication provides a clear overview of the sector and presents a coherent position as regards its future development.

The sector deserves special consideration for different reasons. It is diverse, in terms of activities (ranging from aviation services involving high performance business jets to sports aviation) and economic profile (aero clubs, small and medium-sized enterprises to large manufacturing companies). In addition it makes an important contribution to the wider aviation sector, for example in terms of pilot training, as well as an important contribution to society as a whole (e.g. emergency services, patrolling and conversation).

The Commission's agenda includes the following issues:

- clarification of certain definitions of relevance to general business aviation used in Community legislation;
- the need to ensure that regulations are proportionate to the sector;
- the question of airspace and airport capacity and its availability to general and business aviation;
- access to world markets (manufacturing and commercial business aviation);
- environmental challenges; and
- enhancing research and development.

In the draft conclusions the Council welcomes the Commission's communication and it recognises the specific social and economic benefits provided by European general and business aviation. Among other things, the Council welcomes the Commission's intention to facilitate access for European manufacturers and operators to the world markets; it highlights that this sector needs to ensure environmental sustainability and reduce the impact of noise and emissions and it welcomes already existing actions to develop more environmentally friendly equipments.

## SHIPPING

In the field of shipping, ministers will hold **a public policy debate** on the last two and the most difficult proposals from the third maritime safety package: draft directive on compliance with flag State requirements and draft directive on the civil liability and financial guarantees of shipowners.

### **Compliance with flag State requirements** - *public deliberation*

Despite the efforts made by the Presidency to ensure the adoption of this draft directive, the majority of delegations asked for a coherent implementation of the existing international instruments in this field on the international level rather than adopt this directive. The work carried out on this proposal within the Council bodies is summarised in a progress report prepared by the Presidency ([7630/08](#)).

In order to decide on a follow-up to this proposal, ministers will be invited to focus on the following set of questions prepared by the presidency:

- 1. Do you consider that there is a need to strengthen the measures ensuring the implementation of international flag States obligations?*
- 2. Which specific measures should be adopted, at Community level, with a view to ensuring that all member states will be included in the white list of flag States set up in the framework of the Paris Memorandum of Understanding? Do you consider the proposal for a directive on flag State compliance as the most effective way to achieve this objective?*

The draft directive is aimed at ensuring that member states discharge their obligations as flag States in accordance with the International Maritime Organisation (IMO) conventions on maritime safety and prevention of pollution caused by ships. To this end the Commission's proposal seeks to make compulsory parts of the IMO Code for the implementation of the IMO mandatory instruments (Flag State code) and the Voluntary IMO member state audit scheme.

The European Parliament adopted its first-reading opinion on 29 March 2007 ([7805/07](#), p. 5).

The Commission transmitted its proposal ([6843/06](#)) to the Council in February 2006 as part of its third maritime package of seven legislative proposals, which aim to reinforce the safety of maritime transport in Europe by means of better accident prevention and investigation and increased controls on vessel quality<sup>1</sup>. The Council already adopted six political agreements on the basis of five Commission's proposals. The respective common positions are currently being prepared by the legal-linguist experts and will be transmitted shortly to the European Parliament to reach a quick second reading agreement.

*Legal basis: Article 80(2) of the EC Treaty: vote by qualified majority under the Parliament/Council codecision procedure.*

### **Civil liability and financial guarantees of shipowners** - public deliberation

Despite the efforts made by Presidency to adopt this proposal, the majority of member states are not in favour of adopting it. The presidency will therefore present to ministers a progress report ([7632/08](#)) on the state of play of the discussions at the working party and Coreper level. In order to streamline the debate, ministers will be invited to focus their intervention on the following questions drafted by the presidency:

*1. Do you consider that there is a need for the improvement of existing schemes for civil liability of shipowners in order to cover more effectively the damages of accident victims?*

*2. Which, in your opinion, would be the best means to guarantee a full coverage in the event of damage caused to a third party considering also the difficulties with the implementation of international conventions? Do you consider the proposal for a directive on the civil liability and financial guarantees of shipowners as the most effective way to achieve this objective?*

The Commission transmitted its proposal ([5907/06](#)) to the Council in February 2006 (see above).

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<sup>1</sup> The seven proposals of the package are the following:

- a proposal for a directive on compliance with flag state requirements ([6843/06](#));
- a proposal for a directive on common rules and standards for ship inspection and survey organisations and for the relevant activities of maritime administrations (recasting) ([5912/06](#));
- a proposal for a directive amending Directive 2002/59/EC establishing a Community vessel traffic monitoring and information system ([5171/06](#));
- a proposal for a directive establishing the fundamental principles governing the investigation of accidents in the maritime transport sector and amending Directives 1999/35/EC and 2002/59/EC ([6436/06](#));
- a proposal for a directive on the civil liability and financial guarantees of ship-owners ([5907/06](#));
- a proposal for a directive on port state control ([5632/06](#));
- a proposal for a regulation on the liability of carriers of passengers by sea and inland waterways in the event of accidents ([6827/06](#)).



The aim of the draft directive is to establish, at the EU level, a civil liability scheme for shipowners in the event of damage to a third party, based principally on the 1996 Convention on the limitation of liability for maritime claims (LLMC 1996). To this end the Commission firstly proposed that all member states become contracting parties to that convention and as a second step, the Commission proposed to negotiate at the International Maritime Organisation level the revision of the convention in order to review the level at which shipowners lose their right to limit their liability. According to the Commission, the proposal includes a minimum set of rules on liability and a complementary system of mandatory insurance, currently lacking at global level.

The European Parliament adopted its first-reading opinion on 29 March 2007 ([7805/07](#), p. 23).

*Legal basis: Article 80(2) of the EC Treaty: vote by qualified majority under the Parliament/Council codecision procedure.*

### ***OTHER BUSINESS***

#### **- Negotiating directives for a treaty establishing a transport community with the Western Balkans**

- presentation by the Commission

#### **- Preparation of the informal transport Council on 1 - 2 September 2008**

- information from the French delegation

**- Report on the results of the Environment Council on 3 March 2008** regarding transport related issues, in particular on climate - energy legislative package, integrated approach to reduce CO2 emissions from light-duty vehicles, Euro VI and emissions from shipping

- information from the presidency

#### **- Scanning of containers**

- information from the Commission
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