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THE EUROPEAN UNION**



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2721st Council Meeting

Transport, Telecommunications and Energy

Brussels, 27 March 2006

President **Hubert GORBACH**
Vice Chancellor and Federal Minister for Transport,
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P R E S S

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Main Results of the Council

*The Council adopted a decision authorising the Commission to start negotiations with the Russian Federation in order to solve the issue of **the Siberian overflight payments**. It also adopted conclusions on the same issue.*

*The Council reached a political agreement on **driving licences** directive and adopted a directive on the charging of heavy good vehicles for the use of certain infrastructures (**Eurovignette**).*

*In addition, the Council agreed a general approach, pending the European Parliament's opinion in the first reading, on a proposal for a regulation on **common rules in the field of aviation security**.*

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- Where declarations, conclusions or resolutions have been formally adopted by the Council, this is indicated in the heading for the item concerned and the text is placed between quotation marks.
- The documents whose references are given in the text are available on the Council's Internet site <http://ue.eu.int>.
- Acts adopted with statements for the Council minutes which may be released to the public are indicated by an asterisk; these statements are available on the abovementioned Council Internet site or may be obtained from the Press Office.

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PARTICIPANTS

The Governments of the Member States and the European Commission were represented as follows:

Belgium:

Mr Renaat LANDUYT

Minister for Mobility

Czech Republic:

Mr Milan ŠIMONOVSKÝ

Minister for Transport

Denmark:

Mr Flemming HANSEN

Minister for Transport and Energy

Germany:

Mr Wolfgang TIEFENSEE

Federal Minister for Transport, Building and Housing

Estonia:

Mr Edgar SAVISAAR

Minister for Economic Affairs and Communications

Greece:

Mr Mihail-Georgios LIAPIS

Minister for Transport and Communications

Spain:

Mr Don Fernando PALAO

General Secretary for Transport of the Ministry of Internal Development

France:

Mr Christian MASSET

Deputy Permanent Representative

Ireland:

Mr Pat the Cope GALLAGHER

Minister of State at the Department of Communications, Marine and Natural Resources with special responsibility for the Marine

Italy:

Mr Pietro LUNARDI

Minister for Infrastructure and Transport

Cyprus:

Mr Haris THRASSOU

Minister for Communications and Works

Latvia:

Ms Lelde LICE-LICITE

Deputy Permanent Representative

Lithuania:

Mr Petras Povilas ČESNA

Minister of Transport and Communications

Luxembourg:

Mr Lucien LUX

Minister for Environment, Minister for Transport

Hungary:

Mr Egon DIENES-OEHM

Deputy Permanent Representative

Malta:

Mr Jesmond MUGLIETT

Mr Censu GALEA

Minister for Urban Development and Roads

Minister for Competitiveness and Communications

Netherlands:

Mr Henne SCHUWER

Deputy Permanent Representative

Austria:

Mr Hubert GORBACH

Mr Helmut KUKACKA

Mr Eduard MAINONI

Vice Chancellor and Federal Minister for Transport, Innovation and Technology

State Secretary, Federal Ministry of Transport, Innovation and Technology

State Secretary, Federal Ministry of Transport, Innovation and Technology

Poland:

Mr Jerzy POLACZEK

Minister for Transport and Construction

Portugal:

Ms Ana Paula VITORINO

State Secretary for Transport

Slovenia:

Mr Janez BOŽIČ

Minister for Transport

Slovakia:

Mr Pavol PROKOPOVIČ

Minister for Transport, Posts and Telecommunications

Finland:

Ms Susanna HUOVINEN

Minister for Transport and Communications

Sweden:

Ms Ulrica MESSING

Minister for Communications and Regional Policy

United Kingdom:

Mr Stephen LADYMAN

Minister of State for Transport

.....

Commission:

Mr Jacques BARROT

Vice-President

.....

The Governments of the Acceding States were represented as follows:

Bulgaria:

Mr Peter MUTAFCHIEV

Minister for Transport

Romania:

Mr Septimiu BUZASU

State Secretary, Ministry of Transport, Constructions and Tourism

ITEMS DEBATED

LAND TRANSPORT

– ***Public passenger transport services by rail and by road (public service obligations)***

The Council held a policy debate on a revised proposal for a regulation of the European Parliament and of the Council on public passenger transport services by rail and by road and took note of the progress report presented by the Presidency.

The proposed regulation is aimed at establishing a new legislative framework for the increasingly open and competitive market for public passenger transport services by rail and by road. It lays down the conditions under which competent authorities compensate transport operators for the costs incurred in meeting public service obligations and/or grant exclusive rights in return for the operation of public passenger transport services. If accepted, it would replace the framework currently in place from 1969, last amended in 1991¹.

The Council instructed the Committee of Permanent Representatives to further examine the proposal in the light of Council's policy debate with a view to reaching a political agreement at the Transport, Telecommunications and Energy (TTE) Council of 8-9 June.

In order to structure a policy debate, the Presidency has prepared a questionnaire focusing on the following issues:

- 1) *sort of transport services for which competent authorities could be allowed to grant direct awards*

In the light of the statement entered into the minutes of the Council of 5 December last year, delegations agreed with the possibility to allow direct award for regional and long-distance rail transport as proposed in the draft regulation.

A significant number of delegations, supported by the Commission, agreed to extend direct awards to all heavy rail services, thus including suburban rail and integrated rail networks.

Although some delegations were in favour, other delegations, including the Commission, rejected the possibility of extension of direct award to all public passenger transport contracts arguing that it would seriously undermine the objective of the proposed regulation.

¹ Regulation 1191/69 on action by member states concerning the obligations inherent in the concept of a public service in transport by rail, road and inland waterway (OJ L 156, 28.6.1969, p.1), as last amended by regulation 1893/91 (OJ L 169, 29.6.1991, p.1)

A limited number of delegations could support the idea to allow Member States to take measures against transport operators that have been granted a direct award elsewhere and that want to participate in a tendering procedure.

- 2) *the need to allow existing contracts to continue until their expiry date, in particular as regards the manner in which these contracts have been allocated and their duration.*

Many delegations agreed to allow public service contracts which have been awarded after a fair competitive tendering procedure, to continue until their date of expiry.

In addition, several delegations suggested to allow continuation until expiry of contracts that are not tendered some of them mentioning that special attention must be given to the need for solution of long term contracts.

– ***Road Safety***

a) *Mid Term Review of the European Road Safety Action Programme (Public debate)*

The Commission presented the results of the Mid-Term Review of the European Road Safety Action Programme "Halving the number of road accidents victims in the European Union by 2010"(6793/06), which was presented in 2003. The Council held an exchange of views on this issue and intends to adopt Conclusions on Road Safety at its meeting on 8-9 June 2006.

Since 2001 the European Union has succeeded in putting road safety at the top of the agenda of the Member States' political concerns, with the joint target (proposed in 2001 and updated after enlargement in 2004) to halve the number of road accident fatalities by 2010.

The Commission's figures show that in 2001, 50 000 people were killed on the roads in the countries which today make up the European Union. The figures for 2005 show there were 41 600 road deaths, a fall of 17.5% over four years. At the present rate, there are likely to be 32 500 road deaths in the European Union in 2010, which is still above the maximum target of 25 000.

To achieve the objective, the Commission considers that more effort will be needed at national and European level. The Commission plans to propose new legislative measures in the course of the Mid Term Review of its White Paper on Transport Policy (expected in April 2006) which will in particular concern cross border prosecution of traffic offenders, fitting lorries with "blind spot" rear-view mirrors, and daytime running lights.

The Council took note of suggestion of the Italian delegation to create a European Agency for Road Safety.

b) *Informal ministerial meeting on road safety*

The Presidency briefed the Council on the Informal Ministerial Meeting on Road Safety, which took place in Bregenz on 2-3 March 2006.

The informal meeting of transport ministers focussed on following topics:

- safe roads and related infrastructure measures;
- safe vehicles, with reference to modern vehicle technology and e-safety (with training at a road safety training centre);
- awareness campaigns in the EU.

The Presidency, Member States and the Commission agreed to launch a uniform road safety campaign in 2007 with billboards along major highways and motorway service stations, having as a potential topic alcohol and fatigue at the wheel. The Commission informed that it considered the introduction of a European Road Safety Day.

– ***Inland waterways***

a) *Communication from the Commission on the promotion of inland waterway transport*

The Council took note of an integrated European action programme for inland waterway transport called "Naiades", presented by the Commission (5583/06).

In its communication, the Commission sets out an action programme focusing on five strategic areas which includes recommendations for concrete measures in the period 2006-2013 that it considers fundamental for the further development of the inland waterway transport sector:

- markets (attracting new markets, encouraging entrepreneurship and improve administrative and regulatory framework);
- fleet (improving logistic effectiveness and inland navigation performance when it comes to the environment and security);
- jobs and skills (attracting qualified labour and investing in human capital);
- image (promoting a better image of the sector); and
- infrastructure (improving the multimodal network by launching a European development plan).

The Commission communication also contains considerations on the modernisation of the institutional structure of inland navigation in Europe. As several institutions (European Community, Danube Commission, Rhine Commission, United Nations Economic Commission for Europe) have competences on those matters, this structure is rather fragmented.

The Council invited the Committee of Permanent Representatives to initiate the examination of the action programme without delay with a view to adopting conclusions on the promotion of transport by inland waterways at the Council's meeting of 8-9 June. The findings of the Vienna high-level meeting will also be an important input for these conclusions (*see below*).

b) High-level meeting on inland navigation

The Presidency briefed the Council on the high-level meeting on inland navigation, which took place in Vienna on 14-15 February, with the participation of Member States, non-EU members, the Commission and industry. The promotion of transport by inland waterways is a priority for the Austrian Presidency, shared by several Member States. The meeting resulted in a "findings document" which underlined the importance of inland navigation as a commercially attractive and environmentally compatible mode of transport.

AVIATION

– *Common rules in the field of aviation security*

The Council unanimously agreed a general approach, pending the European Parliament's opinion in the first reading, on a proposal for a regulation of the European Parliament and of the Council on common rules in the field of aviation security.

The proposal seeks to replace regulation 2320/2002 on common rules in civil aviation security (*OJ L 355, 30.12.2002, p. 1*), adopted in the wake of the terrorist attacks of 11 September 2001 and in force since January 2003. The Commission submitted a proposal for its revision in September 2005 (*12588/05*).

The new regulation is aimed at clarifying, simplifying and harmonising further the legal requirements with the objective of enhancing the overall security in civil aviation. It lays down common rules for safeguarding civil aviation against acts of unlawful interference. It also provides the basis for a common interpretation of Annex 17 to the 1944 Chicago Convention on International Civil Aviation.

The new regulation will in particular extend Community competence to cover in-flight security measures. In addition, it addresses situations whereby a third country requires to apply on flights from Community airports different security measures than those laid down by Community legislation.

– ***European air traffic management system (SESAR)***

The Council took note of a progress report presented by the Presidency on a regulation on the establishment of a joint undertaking to develop a new generation European air traffic management system (SESAR = single European sky air traffic management and research). It invited the Committee of Permanent Representatives to prepare the dossier with a view to reaching a general approach at its June session.

The aim of the proposed regulation is to create a joint undertaking to ensure the coherence and consistency of the programme, whilst promoting partnership between the Community and the other public and private bodies involved.

SESAR is the technological part of the “single European sky” initiative, launched in 2004 to reform the organisation of air traffic control. It will introduce new communication, control and computing technologies between ground and aircraft which will optimise the work of air-traffic controllers and pilots. SESAR is aimed at boosting the safety and environmental performance of air transport and at ensuring that Europe remains at the forefront of the world aviation market.

The Commission adopted its communication and a proposal for the regulation in November 2005 (15143/05).

– *External relations*

a) *EU-US negotiations for an air transport agreement*

The Council took note of information provided by the Commission about the latest state of play of the EU-US negotiations for an air transport agreement.

The Council welcomed in December 2005 (14636/1/05, p.42) the significant progress made in negotiations for an EU-US aviation agreement. It is still awaiting the outcome of the US administration's internal procedures which should lead to the finalisation of a "rule change" on foreign control of US airlines, seen by the EU as an essential element of the draft agreement negotiated with the US in November 2005.

The Commission confirmed that the US Administration was still intent on respecting its own timetable, which would result in the finalisation of the rule before the end of April. This would permit the Council to take its key political decision on whether to accept the draft agreement at the TTE Council in June.

b) *EU-Russia - Siberian overflights - Council conclusions*

The Council adopted a decision authorising the Commission to start negotiations with the Russian Federation in order to solve the issue of the Siberian overflight payments. It also adopted the following conclusions to be submitted by the President of the Council to his Russian counterpart:

"The Council of the European Union

- underlines the importance of developing a constructive and mutually beneficial relationship between the EU and Russia in the field of transport;
- regrets that the issue of Siberian overflight payments continues to be an obstacle to the development of such a relationship;
- reiterates its strong concerns with regard to the system of Siberian overflight payments made by EC carriers for the right to overfly Russian territory; considers that this practice is not in line with Russia's obligations under the Chicago Convention, and in particular Article 15 thereof;
- reaffirms inter alia its conclusions of 27/28 June 2005 in which it stressed the priority importance of reaching a satisfactory solution to the phasing out of these payments;
- considers reaching such a solution to be a prerequisite for Russia's accession to WTO;

- recalls the commitment of the Russian government of May 2004 in this regard;
- mandates the Commission to negotiate an agreement with the Russian government assuring
 - the complete abolition of payments at the latest by 31 December 2013;
 - progressive reduction of payments during the transition period from 2006 onwards;
 - the end of mandatory commercial agreements related to the overflight of the territory of the Russian Federation by 2013 at the latest;
 - gradual removal of restrictions on overflights over Russian territory between Europe and Asia and complete elimination of all non-technical restrictions by 2013 at the latest.
- considers that such an agreement will supersede the relevant provisions in bilateral aviation agreements, including any related documents, between Member States and the Russian Federation;
- expresses the wish, on the basis of a successful resolution of the overflight issue, to examine with the Russian Federation the possibilities for further developing cooperation in the field of transport."

EU carriers are required to pay significant sums of money to the Russian side for the right to overfly Siberia. These overflight charges are anchored in "commercial agreements" between EU carriers and Russian side, but these agreements are effectively rendered obligatory by the bilateral services agreements between Member States and the Russian Federation.

HORIZONTAL QUESTIONS

– *Global Navigation Satellite System (GNSS)*

The Commission briefed the Council on negotiations with the concession holder for the global navigation satellite system, led by the Galileo Joint Undertaking (GJU).

A first round of negotiations between the GJU and merged consortium ended on 17 February with the signature of an agreement of principles. A second round of negotiations started on 20 February and is ongoing.

The negotiations are focused on nine key issues: design risk, performance risk, completion risk, cost overrun risk, revenue risk, deployment risk, project risk coverage, compensation on termination and replenishment.

The Council underlined the necessity of a balanced risk sharing between the private and the public sector. It asked the Commission to submit information on the way forward for the third countries participation to Galileo in order to have an in-depth discussion at the TTE Council in June.

In addition, the Council invited the Commission to assess the outcome of the negotiations with the concession holder and to submit proposals for the financial instrument needed for the development of Galileo.

– ***Review of the EU Sustainable development strategy (EU SDS) (Public debate)***

The Council held a policy debate on the challenges of sustainable development in the field of transport on the basis of questions suggested by the Presidency to be addressed by all Council formations concerned.

In June 2005 the European Council adopted a declaration on guiding principles for sustainable development. In December 2005, the European Council noted the presentation of the Commission's communication on a renewed EU SDS for the next 5 years.

The Commission's "SDS Review Package" consists of:

- the communication itself proposing six priority issues, the integration of the external dimension into internal policy making of the EU and an effective monitoring procedure and follow-up process;
- guiding principles for sustainable development as adopted in June 2005 by the European Council;
- objectives, targets, policies and actions;
- a Commission communication adopted in February 2005, taking stock of progress made and proposing future orientations.

In their interventions and in the written contributions delivered beforehand, Ministers underlined the importance of a coherent EU SDS and in that respect, considered the Commission package a useful basis for Council's work on a sustainable transport policy. The aim of this work should ensure that the European transport systems are able to meet society's economic and social needs, whilst minimising their undesirable impacts on the economy, society and the environment. Further discussions on the future orientations of a European transport policy and its contribution to the EU SDS will take place in the context of the mid-term review of the 2001 White paper "European transport policy for 2010:time to decide", which the Commission is expected to adopt soon.

Furthermore, with a view to achieving an effective policy on sustainable development, the Council stressed the need for a horizontal approach and for further strengthening synergies and coherence across Community policies and processes. In this context, the inextricable link between the SDS and the Lisbon strategy was highlighted, as both strategies address the key long term challenges facing the EU.

Finally, in view of the global character of transport, the Council acknowledged the importance of a close interlinkage between the Union's internal policies and its international commitments. The EU transport policy must incorporate the environmental and social objectives agreed internationally. Moreover, the Community and Member States should ensure that sustainable development is duly taken into account in international transport bodies such as International Maritime Organisation and International Civil Aviation Organisation.

The outcome of this debate and of the policy debates that will take place in the different Council configurations directly concerned by the SDS will be used as an input for the draft of a reviewed sustainable development strategy to be adopted by the European Council at its June 2006 meeting.

The Environment Council held a policy debate on this issue on 9 March (6762/06) and the Agriculture Council on 20 March (7049/06).

OTHER BUSINESS

– *Civil aviation*

The Council took note of information provided by the Presidency on the conference of directors general of civil aviation on a global strategy for aviation safety, which took place in Montréal, on 20-22 March (7639/06).

– *Proposal for a directive on market access to port services*

The Council took note of the withdrawal of the Commission's legislative proposal on market access to port services (13681/04, 7565/06). The Commission announced its intention to launch a debate with all stakeholders after the adoption of the mid-term review of the white paper on transport policy which is due to be adopted in April.

– *Enhancing supply chain security*

The Council took note of information provided by the Commission on its communication on enhancing supply chain security as well as on the accompanying proposal for a regulation (6935/06). The proposed regulation is aimed at enhancing supply chain security in order to provide greater protection for all European freight transport against possible terrorist attacks.

– *Promotion of clean road transport vehicles*

The Council took note of information on the Commission's proposal for a directive of the European Parliament and of the Council on the promotion of clean road transport vehicles (5130/06). The proposal is aimed at reducing pollutant emissions by the transport sector and contributing to the establishment of a market for clean vehicles. It is currently being examined by the Environment working party and will be eventually adopted by Environment Council.

– *Black list of air carriers*

The Council took note of information provided by the Commission on the establishment of a "black list" of air carriers which are subject to an operating ban within the Community (JO L 84, 23.03.2006, p. 14), following adoption of regulation 2111/2005 last December (see press release 15360/05).

– *Motorways of the sea*

The Council took note of information from Slovenian delegation on the follow-up to a ministerial conference on motorways of the sea, which took place in Ljubljana, on 24 January (7668/06).

– *Aviation war risk insurance*

The Council took note of information provided by Luxembourg on its specific situation concerning aviation war risk insurance.

– *Russian Federation's tariff policy on international railway cargo transportation*

The Council took note of information from Latvian delegation on Russian Federation's tariff policy on international railway cargo transportation.

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The Commission informed about the state of play of Member States' preparations concerning the introduction of the **digital tachograph** which will become mandatory for use in new vehicles in May 2006. The Commission called on the Member States to ensure the timely availability of driver cards in order to avoid any possible distortions for the road haulage industry.

OTHER ITEMS APPROVED

TRANSPORT

Driving licences

The Council reached political agreement on a draft directive on driving licences, aimed at improving the free movement of citizens by ensuring mutual recognition of licences by the Member States.

Following agreement reached with the European Parliament, the directive is expected to be adopted in second reading without further amendments.

The draft directive is aimed at increasing road safety by setting minimum standards for medical checks on professional drivers and for qualifications and continuous training for driving examiners.

It is also aimed at reducing the risks of fraud by use of a plastic card model, with optional use of a microchip provided that this does not interfere with commonly accessible data.

The issuing of new licences will be obligatory as from 2012, since the new directive will apply two years after entry into force and after that period Member States will have four years in which to comply with its provisions. The draft directive also requires that at the latest 20 years after the date of application (i.e. in 2032), all driving licences issued or in circulation must fulfil all its requirements.

See press release 7794/06.

Eurovignette*

The Council adopted by qualified majority a directive amending directive 1999/62/EC on the charging of heavy goods vehicles for the use of certain infrastructures (Eurovignette), approving all of the amendments voted by the European Parliament at second reading (*PE-CONS 3682/05, 6992/06 ADD1 REVI*).

The Portuguese and Maltese delegations voted against and the Estonian, Finnish and Greek delegations abstained from voting.

The directive lays down rules for calculating tolls and user charges for the use of roads on the trans-European road network.

See press release 7793/06.

Agreements on air services with third countries

The Council adopted decisions approving the signature and provisional application of agreements on air services between the EU and Albania, the former Yugoslav Republic of Macedonia, Morocco, Australia, Romania, Moldova and Serbia and Montenegro.

The seven agreements are the result of negotiation under a mandate by which the Commission can negotiate with any third country with a view to bringing Member States' existing bilateral aviation agreements into line with Community law.

TRADE POLICY

Anti-dumping - China - Colour television receivers

The Council adopted a regulation amending regulation 1531/2002 imposing a definitive anti-dumping duty on imports of colour television receivers originating, inter alia, in China (7129/06).
