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## **PRESS RELEASE**

3098th Council meeting

**Transport, Telecommunications and Energy**

## **TRANSPORT**

Luxembourg, 16 June 2011

President

**Mr Pál Völner**

Minister of State for Infrastructure of Hungary

# **P R E S S**

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**EN**

## **Main results of the Council**

*The Council reached agreement on a general approach on a draft directive establishing a **single European railway area**, which is a recast of the regulatory framework for Europe's railway sector laid down in the so-called "first railway package" adopted in 2001. The aim of the recast is to simplify, clarify and modernise the regulatory framework for Europe's railway sector so as to improve conditions for investment, increase competition and strengthen market supervision in that sector.*

*The Council also agreed on a general approach on modification of the current regulation on the **European Maritime Safety Agency (EMSA)**, slightly extending EMSA's tasks, in particular to include response to oil pollution from offshore installations, and clarifying some governance issues.*

*Further, ministers expressed their views on the **White Paper on transport** in which the Commission outlines its vision of European transport policy up to 2050. The debate focused on the overall target, the benchmark goals and the implementing strategy set out in the White Paper.*

*Moreover, the Council adopted conclusions on **inland waterway** transport, calling in particular for the preparation for a follow-up to the current inland waterway promotion programme NAIADES, which will end in 2013.*

*In the field of aviation, the Council authorised the signing of an **air transport agreement** with **Brazil**. It also gave the Commission a mandate to open negotiations with the Republic of **Moldova** on an air transport agreement.*

*In addition, the Council authorised the signing and conclusion of an agreement between the EU and the Intergovernmental Organisation for International Carriage by Rail (OTIF) on the accession by the EU to the **Convention concerning International Carriage by Rail (COTIF)**, which aims at promoting, improving and facilitating international rail traffic.*

**CONTENTS**<sup>1</sup>

<b>PARTICIPANTS</b> .....	<b>5</b>
---------------------------	----------

**ITEMS DEBATED**

LAND TRANSPORT .....	7
----------------------	---

Establishment of a single European railway area .....	7
---	---

Accession to the Convention concerning International Carriage by Rail (COTIF).....	9
--	---

Promotion of inland waterway transport.....	9
---	---

INTERMODAL QUESTIONS .....	10
----------------------------	----

White Paper on future transport policy .....	10
--	----

SHIPPING.....	11
---------------	----

Modification of the regulation on the European Maritime Safety Agency.....	11
--	----

AVIATION .....	13
----------------	----

Air transport agreement with Brazil.....	13
--	----

Air transport agreement with the Republic of Moldova .....	13
--	----

OTHER BUSINESS .....	14
----------------------	----

**OTHER ITEMS APPROVED***TRANSPORT*

– Air services agreement with Indonesia* .....	16
--	----

– Extension of the EU-US Open Skies Agreement to Iceland and Norway* .....	16
--	----

– Cooperation on satellite navigation with Chile and Brazil .....	16
---	----

– Cooperation with the International Civil Aviation Organisation on aviation safety .....	17
---	----

- <sup>1</sup>
- 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.
  - Documents for which references are given in the text are available on the Council's Internet site (<http://www.consilium.europa.eu>).
  - 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 Council's Internet site or may be obtained from the Press Office.

*AGRICULTURE*

- Conclusions - system of veterinary checks for meat imports ..... 17
- G20 agriculture ministerial meeting - EU guidelines ..... 18

*ENVIRONMENT*

- EU emissions trading scheme ..... 19
- Import and export of dangerous chemicals ..... 19

*BUDGETS*

- Surplus of the budget year 2010 ..... 19

*FOREIGN AFFAIRS*

- EU-Montenegro Stabilisation and Association Council ..... 19

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## **ITEMS DEBATED**

### **LAND TRANSPORT**

#### **Establishment of a single European railway area**

The Council reached agreement on a general approach on a draft directive establishing a single European railway area ([11784/11](#)), which is a recast of the so-called "first railway package" consisting of three directives on the development of European railways, licensing of railway undertakings and management of railway infrastructure (directives Nos 12, 13 and 14 of 2001). The purpose of the recast is to simplify, clarify and modernise the regulatory framework for Europe's railway sector so as to improve conditions for investment, increase competition and strengthen market supervision in that sector.

The European Parliament, whose approval is also required for the adoption of the directive, has not yet established its position at first reading and is expected to deal with this issue in July and September.

A qualified majority of member states were able to accept the compromise proposal presented by the presidency, subject to a few amendments. This text includes the following solutions as regards the key issue of the rules on the access by railway undertakings to service facilities and the services supplied in these facilities:

- Where an operator of service facilities belongs to a body or firm that holds a dominant position in one or more railway service markets for which the facility is used, the operator must be independent from that body to a certain extent in order to guarantee non-discriminatory access by railway undertakings to service facilities and the services supplied in these facilities. Such independence will imply separation of accounts as well as independence in organisational and decision-making terms, but does not require the establishment of a separate legal body and may be fulfilled with the organisation of distinct divisions within a single undertaking.
- A facility that has been unused for three years and for the access to which there is a justified demand by railway undertakings must be publicised for lease, unless the facility is undergoing a conversion process.

The main amendment introduced during the meeting concerns the rules on charges for use of infrastructure and services. The infrastructure manager or service facility operator, which has to set the charge for the minimum access package in line with the cost directly incurred as a result of operating the service, will have the possibility to gradually adapt to the methodology for calculating direct costs during a period of five years after the deadline for the transposition of the directive in national law. This provision responds to fears of some member states that insufficient cost recovery might lead to the need for the state to strongly subsidise infrastructure managers or operators.

Some delegations, however, were not in a position to agree to the compromise. One of the reasons was the requirement of independence in organisational and decision-making terms. Further, one country considers the rules on market liberalisation inappropriate for its small railway network. Another member state still has concerns that due to its specific conditions, the charging principles will not allow sufficient cost recovery by the infrastructure manager.

The recast is designed to enhance competition between railway undertakings through increased transparency as regards rail market access conditions and better access for operators to rail-related services such as railway stations, freight terminals and maintenance facilities. To ensure non-discriminatory access to rail services and their proper functioning, the independence of national regulatory bodies and their powers, for instance to impose sanctions or audits, will be strengthened, as will cooperation between regulators on cross-border issues. Financing of rail infrastructure will be improved by longer-term planning, offering more certainty to investors, and by adapting charging rules so as to give incentives to modernise infrastructure.

These measures are intended to boost the competitiveness of the European railway sector, for freight as well as for passenger services, in order to increase its share of the transport market and contribute to a shift to means of transport which are more respectful of the environment.

The proposal was presented by the Commission in September 2010 ([13789/10](#)).



## **Accession to the Convention concerning International Carriage by Rail (COTIF)**

The Council authorised the signing and conclusion of an agreement between the EU and the Intergovernmental Organisation for International Carriage by Rail (OTIF) on the accession by the EU to the Convention concerning International Carriage by Rail (COTIF), which aims at promoting, improving and facilitating international rail traffic ([10762/2/10](#)). By acceding to the convention, the Union wants to contribute to this objective and further develop rail interoperability between the EU and its neighbouring countries.

The agreement, initialled in April this year, is the result of negotiations launched in 2003 between the Commission and OTIF on various political, legal and technical issues. The signing of the convention is to take place on the sidelines of an extraordinary meeting of the OTIF general assembly in Berne on 23 June 2011.

OTIF has 43 member states, 25 of which are also EU member states.

## **Promotion of inland waterway transport**

The Council adopted conclusions ([10284/11](#)) inviting the Commission to present, by the end of 2011, a proposal for a follow-up to the NAIADES<sup>1</sup> programme for the promotion of inland waterway transport, adopted in 2006 and ending in 2013. As the PLATINA platform, which provides technical and organisational assistance for the implementation of NAIDADES, will end in 2012, the Commission is also invited to launch an intermediate project to bridge the gap between the end of PLATINA and the start of a possible NAIADES II programme, so that continuation of the initiatives running under the programme is ensured. The Council underscores the need to provide appropriate funding for the implementation of the programme.

Key issues highlighted by the Council include removing bottlenecks, establishing intermodal connections from sea and inland ports to the hinterland, modernising the fleet, and further developing the River Information Services for traffic and transport management in inland navigation.

The Council emphasises the potential of inland waterways as an environmentally friendly transport mode with available capacity and which can be further developed with relatively low infrastructure costs.

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<sup>1</sup> Navigation and inland waterway action and development in Europe.

## **INTERMODAL QUESTIONS**

### **White Paper on future transport policy**

The Council held a debate on the White Paper on transport issued by the Commission in March, which outlines a roadmap for a resource-efficient and competitive transport system ensuring mobility across the EU, removing obstacles to the internal transport market, reducing Europe's dependence on oil and promoting more environmentally friendly transport patterns, so as to allow carbon emissions from the transport sector to be cut by 60 % by 2050 with respect to 1990 ([8333/11](#) + [ADD 1, 2 and 3](#)).

Ministers were invited to respond to a questionnaire drawn up by the presidency, focusing on the overall target, the benchmark goals and the initiatives for implementing them, set out in the White Paper ([10531/11](#)).

Member states generally welcomed the White Paper as a very comprehensive document which contributes to achieving the Union's environmental goals, completing the internal market and tackling dependence on oil. However, in the opinion of many delegations, the 60 % reduction objective is highly ambitious and should be considered an indicative target, not a binding one; in addition, in order to maintain the Union's competitiveness, similar commitments should be sought at international level. Moreover, several delegations underscored the need to adjust policy measures to the specific situations in different parts of the Union or, more particularly, the need to tackle the infrastructure development disparities between different member states.

Key priorities highlighted by delegations in their oral and written contributions include support to research, innovation and new technologies, the interconnection of transport networks across the Union and the creation of a homogeneous multimodal trans-European transport network, the completion of the single European market in the field of transport, the internalisation of external costs in all modes of transport, the development of new financing mechanisms, road safety, and the promotion of multimodal freight corridors and of full modal integration.

Some member states also stressed that the economic impact and the financial consequences of the proposed initiatives needed to be carefully assessed.

The presidency summarised the member states' views in a synthesis paper ([11255/11](#)).

The Commission is invited to take the results of these discussions into account when further elaborating the initiatives to create a sustainable transport system.

## **SHIPPING**

### **Modification of the regulation on the European Maritime Safety Agency**

The Council agreed on a general approach on modification of the current regulation on the European Maritime Safety Agency (EMSA), slightly extending EMSA's tasks and clarifying some governance issues ([11769/11](#)).

The compromise proposal tabled by the presidency was accepted by all delegations, after the text had been amended to take account of budgetary concerns by clarifying that it is up to the Council and the European Parliament to decide on the agency's resources.

EMSA, set up in response to the oil spill caused by the accident involving the oil tanker "Erika" in 1999 and operational since 2003, provides assistance to the member states and the Commission to help ensure maritime safety and security and prevent marine pollution from ships, including by monitoring and assessing implementation of relevant EU law.

Under the new draft regulation, EMSA's competence will be extended, in particular to enable the agency also to intervene, upon request from the member states concerned, in the event of pollution from oil and gas installations, and not only from ships, as under the current regulation. EMSA will also be asked to contribute to other EU policies and projects related to its field of expertise, such as "motorways of the sea" or the European maritime transport space without barriers. In addition, the agency will provide assistance for technical work in international and regional organisations, and cooperation with neighbouring countries will be enhanced.

There will be a clear distinction between the agency's core and ancillary tasks. The core tasks are strictly linked to the agency's core business, that is, maritime safety and security and prevention of, and response to, marine oil pollution. The ancillary tasks will be entrusted to the agency only on condition that they provide real added value, without duplicating work undertaken elsewhere, and do not infringe on member states' rights and obligations; these tasks include environmental issues such as greenhouse gas emissions from shipping and the environmental status of marine waters, the development of an information sharing system, specific tasks related to inland waterway transport, namely inspecting classification societies for inland waterway vessels and exploring the possibility of interlinking maritime and inland waterway information systems, or contributions to other EU policies.

With respect to the governance of EMSA, the revised text clarifies the role of the administrative board on which member states are represented, in particular as regards the procedure for the appointment of the agency's executive director. The text also provides for multiannual planning concerning the agency's strategy and staff policy, and for an independent external evaluation of the implementation of the regulation at regular intervals, at least every five years.

The draft regulation is the result of the work undertaken by the Council's preparatory bodies on a proposal presented by the Commission in November 2010 ([15717/10](#)). The European Parliament, whose approval is also required for the adoption of the regulation, has not yet established its position at first reading.

## **AVIATION**

### **Air transport agreement with Brazil**

The Council authorised the signing of a comprehensive air transport agreement with Brazil, which provides for increased traffic rights, better investment opportunities and enhanced regulatory cooperation ([10175/1/11](#) and [10177/2/11](#)).

The new agreement, which will replace the fifteen existing bilateral agreements between EU member states and Brazil, includes the right to carry passengers and cargo between any point in the EU and in Brazil ("third and fourth freedoms of the air") and the right to carry cargo between the EU and Brazil with unlimited traffic rights through intermediate points and/or to beyond points in other countries ("fifth freedom"). Further, investors from the EU and Brazil will be allowed to own and control up to 49 % of the other side's air carriers (instead of the current 20 %). The agreement also addresses the issue of tackling the environmental impact of aviation and provides for regulatory cooperation in the areas of safety, security, air traffic management, consumer protection, labour issues, competition and state aid. In addition, the parties agreed to remove obstacles to doing business by simplifying or eliminating administrative burdens imposed on air carriers.

Brazil is by far the largest air transport market in Latin America, with more than four million air passengers travelling annually between the EU and Brazil. The agreement is expected to generate substantial benefits for the air transport and tourism industry and the wider economy in both the EU and Brazil.

### **Air transport agreement with the Republic of Moldova**

The Council authorised the Commission to open negotiations with the Republic of Moldova on a comprehensive aviation agreement creating a Common Aviation Area.

The agreement to be negotiated will aim at gradual market opening combined with regulatory cooperation and gradual harmonisation. Such an agreement is expected to bring economic benefits for both sides and would also be in line with the further development of relations between Moldova and the EU under the European Neighbourhood Policy.

## **OTHER BUSINESS**

### **Single European Sky**

The Commission informed the Council on the steps undertaken by member states to establish Functional Airspace Blocks (FABs), grouping together two or more member states in order to achieve better air traffic management. Since at present only two FABs have been formally established, the Commission pointed out that work still needed to be done to meet the deadline for the implementation of the FABs, set at December 2012 ([11576/11](#)).

The Council also took note of information provided by the Commission on major flight delays expected for the summer 2011 season, in particular owing to capacity shortages. The Commission pointed out that the further implementation of the Single European Sky scheme, including the establishment of the FABs, should help ease the situation as from summer 2012 ([11577/11](#)).

### **Volcanic ash crisis management**

The Commission briefed the Council on the lessons learnt following the two Icelandic volcano eruptions in April 2010 and in May this year as well as from an exercise organised by the International Civil Aviation Organisation (ICAO) in April 2011 in order to test tools and procedures for volcanic ash crisis management. According to the Commission, further improvements are needed, in particular as regards the determination of the location and dispersion of volcanic ash, and the elaboration of guidance material for risk assessment and related training measures ([11573/11](#)).

Some delegations took the floor to underline the importance of achieving further improvements so as to be better prepared in the event of future crises.

### **Air cargo security**

The Commission briefed the Council on progress made in implementing the EU action plan on air cargo security, endorsed by the Council last December ([11250/11](#)). The Commission also stressed the importance of its proposals aimed at reinforcing security of cargo entering the EU from third countries.

### **High-level agreement with Eurocontrol**

The Commission informed the Council about its intention to open negotiations with the European Organisation for the Safety of Air Navigation (Eurocontrol) with a view to concluding a high-level agreement that would confirm Eurocontrol's role in air traffic management within the Single European Sky scheme, provide a framework for enhanced coordination and enable the EU to contribute to Eurocontrol's institutional reform process.

## **Combating piracy**

The Danish delegation presented Denmark's strategy, covering the years 2011 to 2014, for combating piracy, focused on the waters off the Horn of Africa and in the Indian Ocean and including bilateral and multilateral political, military, legal and capacity-building measures ([10735/11](#)). Several other member states also stressed the importance of this issue.

## **Clean air at sea**

The Commission briefed the Council on a meeting of private and public stakeholders in the shipping sector, held in Brussels on 1 June 2011, under the title "Clean air at sea - promoting solutions for sustainable and competitive shipping". The purpose of the meeting was to discuss strategies for complying with the new international standard for the sulphur content of ship fuel oil. The Commission, which is preparing a revision of the EU sulphur content directive, gave ministers an update on this work.

Several members voiced concerns about adverse effects of the new sulphur reduction rules in economic and transport policy terms and asked for initiatives to address this issue.

## **Forthcoming second ASEM transport ministers' meeting**

The Lithuanian delegation provided the Council with information on the second Asia-Europe meeting (ASEM) of transport ministers, which will take place in Chengdu, capital of Sichuan province in Southwest China, on 24-26 October 2011 ([11329/11](#)). Under the title "Asia-Europe connect: green, safe and efficient transport", the meeting will address issues such as management of transport crises, safety and security of transport, new technologies, climate change and transport corridors between Asia and Europe.

## **Work programme of the incoming presidency**

The Polish delegation presented the incoming presidency's work programme in the transport sector. The revision of the guidelines on the trans-European transport network will be the main priority. Other key issues include the transport links with neighbouring countries, social legislation in the maritime sector, airport legislation and the continuation of the work on the recast of the "first railway package", on which a general approach was reached at this Council meeting.

## **OTHER ITEMS APPROVED**

### **TRANSPORT**

#### **Air services agreement with Indonesia\***

The Council authorised the signing and provisional application of an agreement on certain aspects of air services between the EU and Indonesia ([10843/3/10](#) and [11330/11](#)).

The agreement supersedes or complements the existing bilateral agreements between individual member states and Indonesia, bringing their provisions into line with EU law, in particular as regards non-discriminatory access of all EU air carriers to routes between the EU and Indonesia, the taxation of aviation fuel and competition rules.

#### **Extension of the EU-US Open Skies Agreement to Iceland and Norway\***

The Council approved the signing and provisional application of an agreement extending the EU-US air transport agreement signed in 2007 ("EU-US Open Skies Agreement") to include Iceland and Norway ([10258/11](#), [11118/11 COR 1](#) + [ADD 1 - 3](#) and [10261/11](#)). The agreement is accompanied by an ancillary agreement with procedural provisions, which at the same time preserves the bilateral character of the EU-US air transport agreement.

The new agreement will give EU air carriers the right to operate flights between Iceland and Norway and the United States; reciprocally Icelandic and Norwegian carriers will be allowed to operate between the EU and the USA.

The EU-US Open Skies Agreement explicitly provides for the accession of third countries to that agreement. Iceland and Norway, which are members of the European Common Aviation Area (ECAA) and have adopted the entire Community legislation on aviation policy, applied for accession in 2007.

#### **Cooperation on satellite navigation with Chile and Brazil**

The Council authorised the Commission to open negotiations with Chile and Brazil for establishing cooperation agreements on satellite navigation, with the aim to promote the uptake of the European global navigation satellite systems (GNSS) programmes (Galileo and EGNOS) worldwide.



## **Cooperation with the International Civil Aviation Organisation on aviation safety**

The Council established the position to be taken by the EU as regards detailed rules for cooperation on aviation safety to be added as an annex to the memorandum of cooperation with the International Civil Aviation Organisation (ICAO) ([9156/11](#)). The adoption of the annex will be decided by the EU-ICAO Joint Committee that will be set up under the memorandum of cooperation.

The memorandum of cooperation provides a framework for enhanced cooperation in the areas of aviation safety and security, air traffic management and environmental protection (see press release [8395/11](#), p. 13).

## **AGRICULTURE**

### **Conclusions - system of veterinary checks for meat imports**

The Council adopted conclusions on the special report No 14/2010 from the European Court of Auditors entitled "The Commission's management of the system of veterinary checks for meat imports following the 2004 hygiene legislation reforms" ([9557/11](#) ADD 1).

The current system of veterinary checks for meat imports has contributed to the absence over the past 15 years of any major health crisis in the EU. The obligation to conduct these controls is enshrined in EU legislation, while the Rapid Alert System for Food and Feed (RASFF), the Trade Control and Expert System (Traces), the Food and Veterinary Office (FVO) inspection mission reports and other information from third countries serve as essential tools for ensuring an effective assessment of risks. Traces is a relatively new tool which should be used in every member state in a uniform manner: the implementation of the system is now almost complete within the EU.

The Council encourages the Commission to continue the development of Traces and RASFF and their utilities in order to provide appropriate responses to threats to food safety and to enhance the degree of coherence of import control legislation.

These conclusions are consistent with the Council conclusions of December 2008 on the safety of imported agricultural and agri-food products and compliance with community rules (17169/08 ADD1), and the Council conclusions on the international competitiveness of the European agri-food model adopted in June 2010 ([11409/10](#) ADD 1).

## **G20 agriculture ministerial meeting - EU guidelines**

The Council endorsed draft EU guidelines for the G20 agriculture ministerial meeting of 23 June 2011.

These guidelines set out the priorities for the EU as a whole and its members at the G 20 agricultural ministerial meeting which will take place on 23 June in Paris and will decide, on the basis of proposals in a report prepared by 10 international organisations, on an action plan to be endorsed by the heads of state.

It recalls that food security is a critical issue for the international community. The food crisis of 2008, with its sharp increase in food prices, as well as the recent developments, showed the negative impact of excessive price volatility on food security. In order to tackle the food security challenge, countries have stressed the need for enhanced agricultural policies, better donor coordination and political commitment at a global and national level. Furthermore, it is necessary to avoid wide fluctuations in the supply of agricultural commodities and extreme food price volatility, which harm confidence in world markets.

The objectives of the EU with a view to this ministerial meeting are framed so as to provide that the discussions identify measures based, as far as possible, on existing structures that could:

- increase agricultural production in the long run in order to match increased demand;
- improve market information and transparency in order to increase predictability for governments and economic operators;
- improve international coordination (for instance on trade, crisis prevention and management or other policies) in order to enhance confidence in international markets;
- help develop innovative risk management tools in order to cope with price crises if they occur;
- improve the functioning of agricultural commodities derivatives markets for consideration by G20 finance ministers.

The work will focus mainly on grain markets (wheat, rice, corn and soya beans) because these are key commodities for food security.

At the Council sessions on agriculture on 29 November 2010 and 17 May 2011, the French presidency of the G20 took the opportunity to inform the Council of the European Union about the presidency agenda and the state of play of preparatory work for the G20 meeting of agriculture ministers.

## **ENVIRONMENT**

### **EU emissions trading scheme**

The Council did not oppose a draft Commission decision on monitoring and reporting guidelines for emissions from activities and gases that will be included in the EU emissions trading system as of January 2013 ([9233/11](#)).

The draft Commission act is subject to the so-called regulatory procedure with scrutiny. This means that now that the Council has given its consent, the Commission may adopt them, unless the European Parliament objects.

### **Import and export of dangerous chemicals**

The Council did not oppose a draft Commission regulation amending the list of dangerous chemicals subject to notification requirements for export in regulation 2008/689 ([9357/11](#)). As a result, five additional chemicals are subject to notification procedures while one substance, which has recently been authorised for use in pesticides, has been removed from the list.

## **BUDGETS**

### **Surplus of the budget year 2010**

The Council adopted its position on the draft amending budget No 3 to the EU budget for 2011, accepting the budgeting of a surplus from 2010 of EUR 4.54 billion. This surplus results from an over-registering in revenue (EUR 1.80 billion), an under-spending of payments (EUR 2.72 billion) and a positive balance of monetary exchange (EUR 22.3 million). The member states' contributions to the EU budget will diminish accordingly.

## **FOREIGN AFFAIRS**

### **EU-Montenegro Stabilisation and Association Council**

The Council finalised the position of the EU for the second meeting of the Stabilisation and Association Council between the EU and Montenegro, to be held in Luxembourg on 21 June 2011.