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Transport, Telecommunications and Energy

TRANSPORT

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President

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Main results of the Council

The Council agreed on a general approach on new guidelines defining a long-term strategy for the development of the **trans-European transport network** (TEN-T). The guidelines lay down requirements for the management of the TEN-T infrastructure and priorities for the development of the network, and also provide for implementation tools.

The Council also agreed a general approach on a draft regulation on a revision of the 1996 directive on **groundhandling** services at airports. The objective is to enhance competition among service providers by increasing their number at large airports and to ensure a high quality of service by providing for common minimum standards to be complied with by groundhandling suppliers.

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¹ • 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.

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The Governments of the Acceding States were represented as follows:

<u>Croatia:</u> Mr. Zdenko ANTEŠIĆ State Secretary, Ministry of Transport and Infrastructure

State Secretary, Ministry of Infrastructure and Spatial Planning

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Deputy Permanent Representative

State Secretary to the Minister for Infrastructure

Minister of State for Transport

Vice-President

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ITEMS DEBATED

INTERMODAL QUESTIONS

Guidelines for the development of the trans-European transport network

The Council agreed on a general approach on new guidelines defining a long-term strategy for the development of a complete trans-European transport network (TEN-T), consisting of infrastructure for railways, maritime and air transport, roads and inland waterways. The general approach ($\underline{8047/12}$) will form a basis for discussions between the Council and the European Parliament, whose approval is also required for the adoption of the guidelines and which has not yet determined its position at first reading.

Following discussion of the outstanding issues, the majority of delegations, in a spirit of compromise, accepted the draft general approach as set out in the presidency's proposal (<u>7537/12</u>), subject to the following changes:

A recital will be added to stress that the Commission must take into account national implementation plans and future enlargement when reviewing implementation of the core network in 2023.

The definition of "projects of common interest" has been slightly modified so as to cover any project complying with the requirements for the comprehensive or the core network.

The maps indicating the layout of the comprehensive and core networks, annexed to the draft regulation, have been modified as concerns Italy, Poland and Romania. The modifications are listed in a *separate press release* and have been incorporated into the maps in the *addenda to 8047/12*.

However, some member states, while not opposing the text, would have wished further sections of their national infrastructure to be included in the maps or still have some concerns, in particular regarding financial issues. Another delegation stressed that its requests for additions to be made to the maps had not been sufficiently taken into account. That delegation and some other delegations expressed their hope that their concerns would be addressed in forthcoming negotiations with the European Parliament on the guidelines proposal.

The general approach adopted by the Council amends the Commission's initial proposal (<u>15629/11</u>) in order to accommodate member states' concerns, in particular as regards the budgetary consequences of the proposal and the safeguarding of member states' right to decide on projects to be carried out on their territory.

The text agreed upon **allows member states not to implement** certain projects if the financial resources required are not available or if the projects are not mature enough. Moreover, an amended review clause stipulates that the Commission will take into account the economic and budgetary situation in the EU and in individual member states when evaluating progress made in the implementation of the guidelines by the end of 2023.

While the proposed new double-layer structure distinguishing between a core network to be put into place as a priority and a comprehensive network to be completed later on has been accepted by member states, the **core network corridor** concept, intended to facilitate implementation of the core network, has been reviewed in order to cut the administrative burden and guarantee national sovereignty rights. Governance of the corridors will be ensured by European Coordinators for each corridor, who will be responsible for assisting member states and drawing up a single work plan, instead of the more complex planning and management provisions proposed by the Commission. In addition, the notion of corridors has been defined more loosely, dropping the precise numbers of member states and transport modes to be covered by a corridor, and a stronger focus has been put on interoperability and cross-border links.

The Council introduced a number of **exemptions** from the requirements for core network infrastructure. Isolated rail networks will be exempted. Exemptions can also be granted for road infrastructure and - in respect of specific technical details - for railway infrastructure in duly justified cases, including where infrastructure investment cannot be justified in economic costbenefit terms. Exemptions also apply where physical constraints prevent rail and road connections to airports and maritime ports.

The new regulation is to replace the current guidelines adopted in 1996, amended in 2004 and updated in 2010 to cover the 10 new member states that joined the EU in 2004. The revision under way intends to tackle the main problems encountered: missing links, in particular at cross-border sections, infrastructure disparities between and within member states, insufficient multi-modal connections, greenhouse gas emissions from transport and inadequate interoperability.

The guidelines lay down the requirements for the management of the infrastructure and the priorities for the development of the TEN-T network and also provide for implementation tools. They set out the framework for identifying projects of common interest contributing to the development of the network; such projects may relate to the creation, rehabilitation and upgrading of infrastructure for all modes of transport as well as measures promoting its resource-efficient use.

The TEN-T is designed to cover all member states and regions and provide the basis for the balanced development of all transport modes. This will help to ensure the smooth functioning of the internal market and strengthen economic and social cohesion in the Union.

While the maps indicating the layout of the comprehensive and core networks will be included in the annexes to the guidelines regulation, the list of core network projects will be attached to the Connecting Europe Facility regulation (Commission proposal: <u>16176/11</u>), the future funding instrument for the trans-European energy, telecommunications and transport networks, which is still being discussed by budgetary experts with the assistance of experts from the sectors concerned.

AVIATION

Revision of the rules on groundhandling services

The Council agreed a general approach on a draft regulation reviewing the 1996 directive on groundhandling services at airports, such as aircraft servicing or the handling of passengers, baggage or freight ($\underline{8050/12}$). The main objective is to enhance competition among service providers by increasing their number at large airports and to ensure a high quality of service by providing for common minimum standards to be complied with by groundhandling suppliers. The need for revision arises in particular because of growing air traffic and capacity constraints, which have led to a situation where 70 % of delays are generated by turnarounds at airports.

While the majority of delegations accepted the presidency's compromise text, three delegations decided to abstain for the following reasons. Concerning the threshold above which airports must have at least three groundhandling suppliers, one member state considered the figure of 5 million passenger movements per year to be too low. Another delegation was against the interference of public authorities in relations between market operators as regards price regulation in the event of a temporary monopoly for groundhandling services; it had similar misgivings about the possibility of appealing to a national authority to settle disputes between airport users and the airport management body about that body's decisions on centralising airport infrastructure and on fees charged for the use of infrastructure. Finally, a third delegation considered the regulatory framework for further liberalisation in this text insufficient, in particular with respect to the approval of groundhandling suppliers staff in the event of transfer of staff between undertakings.

The draft regulation agreed upon contains the following key elements:

The **groundhandling market** will be **further opened**: firstly, air carriers will be free to self-handle those services, while under the current rules member states may apply restrictions for four categories of services; secondly, at large airports, the minimum number of groundhandling service providers other than air carriers will be increased from two to three. However, exemptions are possible where required by constraints of available space or capacity.

At large airports, **minimum standards** for the provision of groundhandling services are to be set by the member states, the airport managing body or the body controlling the airport. Under the initial Commission proposal, these standards would have been set by the Commission itself. The standards will cover operational performance, training, information and assistance to passengers, safety, security, contingency measures and environmental issues, and - at very large airports - collaborative decision making (CDM). Service providers may also be required to establish an adequate safety management system. In addition, member states, the airport managing body or the body controlling the airport will, if need be, define minimum **training** requirements for groundhandling staff at any airport.

As regards the **use of airport infrastructure** and in particular centralised infrastructure (i.e. infrastructure that cannot be divided or duplicated) by groundhandling suppliers, a new legal framework is set up in order to ensure that decisions on centralising infrastructure and charging fees for the use of infrastructure are taken in an objective, non-discriminatory and transparent manner.

In the same spirit of ensuring fair competition, the new text maintains the provision of the current directive that airports which themselves provide groundhandling services for air carriers and at the same time manage infrastructure must keep **separate accounts** for their groundhandling activities. However, the Council did not accept the obligation of legal separation, proposed by the Commission.

The **tender** procedure will be improved (for instance by extending the maximum duration of supply contracts to up to 10 years instead of seven under the current directive), and the rules on **subcontracting** will be clarified.

The airport management body will be responsible for the proper **coordination** of groundhandling activities. This should help airports to be more resilient in crisis situations.

The Council did not accept the Commission's proposal to introduce a mandatory **approval** system for **service providers**, including harmonised requirements and mutual recognition of national approvals. It reintroduced a voluntary scheme, similar to the current system, under which member states may require the approval of service providers by an independent authority; if they choose to do so, they must comply with the conditions for approval defined in the regulation.

The proposal, presented by the Commission in December 2011 (*18008/11*), is part of an "airport package" also including legislative proposals on noise reduction and slot allocation.

The European Parliament, whose approval is also required for the adoption of the regulation, has not yet examined the Commission's proposal.

Other business

Costa Concordia accident and review of ship passenger safety

The Council took note of information provided by the Italian delegation on the ongoing investigation into the Costa Concordia accident off the Italian island of Giglio on 13 January. In this connection, ministers were informed by the Commission about its plans for a comprehensive review of ship passenger safety (7710/12). The Commission intends to review existing EU legislation and will in particular propose new rules and safety standards for passenger ships by the end of this year. Other actions planned include strengthening the enforcement of current rules, working on international standards at the International Maritime Organisation (IMO) and fostering voluntary measures by the shipping industry.

Some delegations stressed that the results of the ongoing investigation into the causes of the accident should be awaited before deciding on new measures.

Emissions trading in the aviation sector

The Commission briefed ministers on the results of the recent meeting of the Council of the International Civil Aviation Organisation (ICAO), at which it was decided to examine more closely four options for global market-based measures to address aviation emission. The Commission also informed the Council of recent developments as regards potential retaliatory measures by non-EU countries against the application of the EU's greenhouse gas emissions trading scheme (ETS) to aviation.

A number of member states took the floor to express their concerns over retaliatory measures that could affect EU companies or airlines. It was stressed that the EU should stay united on this issue and continue to seek a global agreement through the ICAO.

OTHER ITEMS APPROVED

<u>FISHERIES</u>

Financial measures of rural development for Member States with economic difficulties

The Council adopted an amendment to regulation 1198/2006 on the European fisheries fund (EFF), as regards certain provisions relating to financial management for certain Member States experiencing or threatened with serious difficulties with respect to their financial stability, following a first reading agreement with the European Parliament (1/12).

The regulation will allow the Commission to approve higher contribution rates from the EU through the EFF for Member States facing serious difficulties with respect to the financial stability, for as long as they are under financial support mechanisms. These measures should facilitate the implementation of cohesion programmes (such as those financed by the EFF), which is of particular importance as a tool for injecting funds to the economy.

The global financial and economic crisis is creating or threatening to create in certain Member States serious difficulties in particular as regards their economic growth and financial stability and the deterioration in their deficit and debt position. These provisions cover five Member States which have been most affected by the crisis and have received financial assistance under a programme from the balance of payments mechanism for non-euro countries (Romania and Latvia) or from the European financial stabilisation mechanism (EFSM) for the euro countries (Portugal, Greece and Ireland).

This regulation belongs to a package of three regulations covering the same five Member States and concerning, in addition to the EFF, the European agriculture fund for rural development (EAFRD) and the structural and cohesion funds.

The regulation will not have financial impact since, as regards commitment appropriations, the global envelope for rural development remains unchanged, as does its annual breakdown.

INTERNAL MARKET

Enforcement of intellectual property rights - Office for harmonisation in the internal market

The Council adopted a regulation entrusting the EU's office for harmonisation in the internal market (OHIM) with new tasks related to the enforcement of intellectual property rights ($\underline{80/11}$ and $\underline{7644/12 \text{ ADD } 1}$).

The adoption follows an agreement with the European Parliament at first reading.

The OHIM, which is the EU's trade marks and designs office, will carry out new tasks aimed at facilitating and supporting the activities of national authorities, the private sector and the EU institutions in the fight against infringements of intellectual property rights.

In carrying out these tasks the OHIM will organise, administer and support the gathering of experts, authorities and stakeholders assembled under the "European observatory on infringements of intellectual property rights"¹.

The new tasks of the OHIM do not extend to participation in individual operations or investigations carried out by national authorities.

The registrations of trade marks and designs in the OHIM provide intellectual property protection throughout the EU. The OHIM works in close cooperation with national intellectual property offices in the member states.

Website of the OHIM: <u>http://oami.europa.eu/ows/rw/pages/index.en.do</u>

¹ The observatory was previously called "European observatory on counterfeiting and piracy". It was set up in April 2009: http://ec.europa.eu/internal_market/iprenforcement/observatory/index_en.htm.

Accounting standards - Technical update

The Council decided not to oppose the adoption by the Commission of a regulation aimed at incorporating recent amendments adopted by the International Accounting Standards Board (IASB) into EU law.

The new regulation will bring regulation 1126/2008 on the application of international accounting standards in line with the IASB amendments published on 16 June 2011. The amendments are related to the "IAS 1" (Presentation of financial statements - Presentation of items of other comprehensive income) and to the "IAS 19" (Employee benefits).

Regulation 1126/2008 has as its objective the adoption and use of international accounting standards in the EU with a view to harmonising the financial information presented by publicly traded companies, in order to ensure a high degree of transparency and comparability of financial statements and hence an efficient functioning of the internal market.

The draft Commission regulation is subject to the regulatory procedure with scrutiny. Now that the Council has given its consent, the Commission may adopt it, unless the European Parliament objects.

FOOD LAW

Health claims and food additives

The Council decided not to oppose the adoption of the following four Commission regulations, three concerning health claims and one concerning food additives:

- regulation establishing a list of permitted health claims made on foods, other than those referring to the reduction of disease risk and to children's development and health $(\underline{5984/12} + \underline{ADD 1} + \underline{6749/12})$;
- regulation refusing to authorise certain health claims made on foods and referring to the reduction of disease risk and to children's development of health (<u>5672/12</u>);
- regulation refusing to authorise certain health claims made on foods, other than those referring to the reduction of disease risk and to children's development and health (<u>5674/12</u>);
- regulation amending annex II to regulation 1333/2008 as regards the conditions of use and the use levels for aluminium-containing food additives (<u>5726/12</u> + <u>ADD 1</u>).

The Commission regulations are subject to the regulatory procedure with scrutiny. Now that the Council has given its consent, the Commission may adopt them, unless the European Parliament objects.

ENVIRONMENT

Persistent organic pollutants

The Council decided not to oppose the adoption by the Commission of the following legislative act:

regulation amending regulation EC/850/2004 on persistent organic pollutants as regards Annex I (<u>6782/12</u>), in order to include the three new substances listed in the Protocol to the 1979 Convention on Long Range Transboundary Air Pollution on Persistent Organic Pollutants ¹.

This Commission regulation is subject to the regulatory procedure with scrutiny. Now that the Council has given its consent, the Commission may adopt it, unless the European Parliament objects.

¹ OJ L 81, 19.02.2004.