

12328/02 (Presse 285)

2452nd Council meeting

- TRANSPORT, TELECOMMUNICATIONS and ENERGY -

Luxembourg, 3-4 October 2002

Presidents : **Mr Flemming HANSEN**
Minister for Transport

Mr Bendt BENDTSEN
Minister for Economic Affairs, Trade and
Industry and Minister for Nordic Cooperation

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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 above mentioned 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 Olivier DELEUZE

State Secretary for Energy and Sustainable Development, attached to the Minister for Mobility and Transport
Deputy Permanent Representative

Mr François ROUX

Denmark :

Mr Flemming HANSEN

Mr Bendt BENDTSEN

Minister for Transport

Minister for Economic Affairs, Trade and Industry and Minister for Nordic Cooperation

Mr Thomas EGEBO

State Secretary for Transport

Mr Michael DITHMER

State Secretary, Ministry of Economic Affairs, Trade and Industry

Germany :

Mr Kurt BODEWIG

Mr Ralf NAGEL

Federal Minister for Transport, Building and Housing

State Secretary, Federal Ministry of Transport, Building and Housing

Mr Peter WITT

Deputy Permanent Representative

Greece :

Mr Christos VERELIS

Mr Georgios ANOMERITIS

Mr Apostolos-Athanasios TSOCHATZOPOULOS

Mr Manolis STRATAKIS

Minister for Transport and Communication

Minister for Merchant Shipping

Minister for Development

State Secretary for Transport and Communication

Spain :

Mr Francisco ALVAREZ-CASCOS FERNANDEZ

Mr José FOLGADO BLANCO

Minister for Internal Development

State Secretary for Energy, Industrial Development and Small and Medium-Sized Enterprises

Mr Adolfo MENENDEZ MENENDEZ

Under-Secretary of State for Internal Development

France :

Mr Gilles de ROBIEN

Minister for Infrastructure, Transport, Housing, Tourism and the Sea

Ms Nicole FONTAINE

Minister attached to the Minister for Economic Affairs, Finance and Industry, with responsibility for Industry

Ireland :

Mr Jim McDAID

Minister of State at the Department of Transport (with special responsibility for Road Traffic including Road Haulage)

Mr John BROWNE

Minister of State at the Department of Communication, Marine and Natural Resources

Italy :

Mr Pietro LUNARDI

Mr Alessandro PIGNATTI

Minister for Infrastructure and Transport

Deputy Permanent Representative

Luxembourg :

Mr Henri GRETHEN

Minister for Transport

Netherlands :

Mr Roelf de BOER

Ms Melanie SCHULTZ van HAEGEN-MAAS GEESTERANUS

Mr Henne J.J. SCHUWER

Minister for Transport, Communications and Public Works

State Secretary for Transport, Communications and Public Works

Deputy Permanent Representative

Austria :

Mr Mathias REICHHOLD
Ms Judith GEBETSROITHNER

Federal Minister for Transport, Innovation and Technology
Deputy Permanent Representative

Portugal :

Mr Luis VALENTE de OLIVEIRA
Ms Dulce FRANCO

Minister for Public Works, Transport and Housing
State Secretary attached to the Minister for Economic Affairs

Finland :

Mr Kimmo SASI
Ms Sinikka MÔNKÂRE

Minister for Transport and Communications
Minister for Trade and Industry

Sweden :

Mr Björn ROSENGREN
Ms Gun ERIKSSON

Minister for Industry, Employment and Communications
State Secretary for Industry, Employment and Communications

United Kingdom :

Mr John SPELLAR
Mr Brian WILSON

Minister of State for Transport
Minister of State for Industry and Construction

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Commission :

Ms Loyola DE PALACIO

Vice-President

ITEMS DEBATED

TRANSPORT

AVIATION

AIR TRAFFIC CONTROL - SINGLE EUROPEAN SKY

The Council took note of a progress report from the Presidency on the proposals providing for the creation of a "Single European Sky". It invited the Permanent Representatives Committee to carry work forward on this dossier with a view to enabling a political agreement to be reached at the Council's session on 5 and 6 December, in line with the conclusions of the European Council at Barcelona (March 2002).

The proposals are aimed at applying common rules and principles on the use of airspace in order to reduce air traffic delays and airspace congestion which result from differing rules and procedures in the Member States. They raise however a number of sensitive issues, such as the involvement of the military, the relationship with Eurocontrol (the European air navigation organisation), and the legal basis to be used, which are currently subject to detailed and thorough examination.

Concerning the Community's relations with Eurocontrol, the President indicated that the diplomatic conference for the signature by the Community of the protocol of accession to Eurocontrol has been scheduled for 8 October.

The four draft regulations are being examined as a package with a view to being adopted as such. They include a framework regulation and three implementing regulations covering the provision of air navigation services, organisation and use of airspace and interoperability in the European air transport management network.

The Barcelona European Council called for work on this dossier to be pursued actively before the end of 2002 so that the decisions could be taken to bring about a Single Sky in 2004.

ALLOCATION OF SLOTS AT COMMUNITY AIRPORTS

The Council took note of a progress report from the Presidency on the proposed modification of regulation 95/93/EC on the allocation of airport slots, and of the Commission's intention to soon come forward with an amended proposal on this subject. It requested the Permanent Representatives Committee to carry work forward with the aim of enabling rapid adoption of the regulation.

The proposal is aimed at making technical adjustments to regulation 95/93/EC, pending a more comprehensive overhaul of the Community system for allocating slots. This two-stage approach is supported by a majority of delegations, although some consider that certain elements go beyond what can be termed as technical amendments.

The Commission's intended more comprehensive proposal will be aimed at introducing market mechanisms in the slot allocation system in order to better match supply and demand. It will draw on the results of a comprehensive study of possible market-based approaches, the results of which are expected to be available by mid-2003.

COMPENSATION TO PASSENGERS IN THE EVENT OF DENIED BOARDING AND CANCELLATION OR LONG DELAY OF FLIGHTS

The Council held a policy debate on the proposal for a regulation aimed at increasing the amount of compensation paid in the event of air passengers being denied boarding, and of cancellation or long delay of flights.

The debate enabled guidance to be provided on three outstanding issues, so as to facilitate future work on this proposal. These three issues are:

- the scope of the text in relation with the existing directive on package tours;
- the levels of compensation to be paid to passengers;
- the rules to be applied in cases of flight cancellation.

Concluding the debate, the President indicated that:

- work will be pursued on the assumption that there is a majority in favour of including package tours within the scope of the regulation;
- on the levels of compensation, work will be pursued in the Permanent Representatives Committee in the light of the positions expressed by delegations;
- one week before the scheduled time of departure appears to be acceptable to all delegations as the limit within which rules should apply to protect passengers in cases of cancellation.

The proposal is aimed at updating regulation 295/91 which was adopted more than ten years ago, and takes account of work carried out on a previous proposal in 1998.

AVIATION INSURANCE

The Council held an exchange of views on the situation in the insurance market in the field of civil aviation following the terrorist attacks of 11 September last year, and took note of the presentation by the Commission of the proposal for a regulation on minimum insurance requirements. It requested the Permanent Representatives Committee to start examination of this proposal as soon as possible.

At the end of the discussion, the President drew the following conclusions:

"On the basis of the Council's debate, the Presidency draws the following conclusions, while noting that the ECOFIN Council will examine the same item on 8 October 2002:

1. The Council takes note of the Commission's position that the present state of the air transport market in Europe no longer justifies any further extension of the national guarantee schemes. The Commission will continue to apply the Treaty rules on state aid on a case-by-case basis, taking account of specific situations. The Council invites the ECOFIN Council to consider an extension of the national schemes for a limited period of time.
2. The Council takes note of the Commission's analysis of the mutualisation funds proposed by the European industry (Eurotime) and the ICAO, especially regarding the conditions that the Commission has proposed should be complied with before a fund can be established.
3. The Council invites the Permanent Representatives Committee to continue, without delay, the examination of the ICAO proposal on "Global time" and the Commission's proposal on insurance requirements for air carriers and aircraft operators."

LAND TRANSPORT

RAIL TRANSPORT

The Council took note of a progress report from the Presidency on the second package of proposals aimed at revitalising Europe's railways.

The Presidency confirmed this dossier to be a top priority and emphasised its intention to treat the proposals as a package, with a view to enabling a political agreement to be reached at the Council's session on 5 and 6 December.

The second rail package contains three draft directives, on rail safety, interoperability and the liberalisation of railway freight services, a draft regulation aimed at establishing a European Railway Agency, and a draft Council decision authorising the Commission to negotiate the Community's accession to the Convention on international carriage by rail (COTIF).

Considerable progress has been made on the dossier at a technical level. While agreement on provisions related to safety, interoperability and COTIF seems within reach, the proposals on freight liberalisation and the creation of a rail agency are giving rise however to some difficult outstanding issues.

ALPINE TRANSIT

- *General questions*
- *Ecopoint system in Austria*

The Council examined the general problem of the transit of heavy goods vehicles over the Alps, and took stock of the situation concerning two proposed regulations on the ecopoint system applicable to heavy goods vehicles travelling through Austria.

The Council took note of the intention expressed by the Member States most concerned, namely Germany, Greece, Italy and Austria, to continue negotiations on the ecopoints issues so as to facilitate further discussions on the matter. The President emphasised the need to resolve the outstanding issues rapidly. He added that the Presidency was willing to lend its full support in order to advance this matter, in the hope that a global solution could be reached at the Council meeting on 5 and 6 December.

The ecopoints system in force, which is designed to minimise the environmental damage resulting from heavy goods traffic through Austria, was introduced by Austria's Act of Accession to the Union as a temporary measure and is due to expire on 31 December 2003.

In 2000, the Commission presented a proposal to amend the system. It is aimed at eliminating the quantitative limit to the number of heavy goods journeys across Austria, which the accession protocol set at 108% of the total number of journeys that had been made in 1991.

The second proposal was presented at the request of the Laeken European Council in December 2001. It proposes an ecopoint system for 2004 which is similar to the one currently in force, with the possibility of a further one or two-year extension being made possible if a Community pricing system for infrastructure use is not yet in place.

HORIZONTAL ISSUES

FREIGHT TRANSPORT - MARCO POLO PROGRAMME

Public deliberation

The Council examined the draft regulation establishing the "Marco Polo programme", a financial instrument aimed at encouraging the shift in freight from road transport to other modes of transport less harmful for the environment, such as short-sea shipping, rail and inland waterways. Discussion focussed on the overall budget of the programme and minimum subsidy thresholds for the various categories of action. Given the absence of an agreement on the programme's budget, the Council requested the Permanent Representatives Committee to continue examining the proposal so that it can take a position at a forthcoming meeting.

The proposed Marco Polo programme is based on the experience gained under the PACT initiative (Pilot Actions for Combined Transport) from 1997 to 2001. It consists of three types of actions - modal shift actions, catalyst actions and common learning actions - aimed at transferring the expected growth in road freight between now and 2010 (12 billion tonne-kilometres per year) to other modes of transport.

TRANS-EUROPEAN TRANSPORT NETWORKS***Public deliberation***

The Council examined the draft modification of decision 1692/96/EC on Community guidelines for the development of trans-European transport networks (TENs). Discussion focused on the measures necessary for the development of the rail network and on the list of specific projects which benefit from Community financial assistance. Given the absence of agreement on the list of specific projects, the Council requested the Permanent Representatives Committee to continue examining the proposal so that it can take a position on it at its meeting on 5 and 6 December.

The current guidelines for the development of transport TENs provide a list of specific projects, drawn up by the European Council at Essen in 1996, and the plans and criteria for identifying projects of common interest up to 2010. The European Council at Barcelona in March 2002 called for decisions to be taken by December 2002 on the revision of the guidelines and the accompanying financial rules on TENs.

The proposal provides for an initial revision of the current guidelines, which date back to 1996, pending a further Commission proposal for a more comprehensive revision in 2004. This more comprehensive proposal will enable new guidelines to be adopted for the 2020-2025 period, taking into account the Union's enlargement.

SATELLITE NAVIGATION - GALILEO

The Council took note of the presentation by the Commission of a communication on the state of progress of the Galileo satellite programme, which is aimed at providing navigation services from 2008 onwards by means of satellites in medium orbit. It requested the Permanent Representatives Committee to examine this document so as to enable it to come to the appropriate conclusions at a future meeting.

The programme is organised in four distinct phases: the design phase, completed at the end of 2000; the development phase, which will continue until 2005; the deployment phase until 2007; and the operational phase beginning in 2008. The Council agreed on the development phase on 26 April 2002 with the release of a 450 million-euro Community budgetary allocation and the establishment of a Galileo joint undertaking.

OTHER BUSINESS**– *Rear-view mirrors on lorries and vans***

The Council took note of the concerns expressed by the Belgian delegation concerning the blind spot on rear-views devices used on lorries and vans.

The Belgian delegation requested the Commission to present a proposal requiring specific rear-view mirrors which reduce the blind spot to be fitted on lorries and vans already in use. It was supported in this by the Netherlands delegation.

The request follows on from the presentation by the Commission in January 2002 of a proposal regarding the fitting of such mirrors on new lorries and vans.

ENERGY

ELECTRICITY AND GAS LIBERALISATION

- *Rules for the internal markets in electricity and natural gas*
- *Access to the network for cross-border exchanges in electricity*

The Council held a policy debate on the draft directive aimed at accelerating the liberalisation of the electricity and gas sectors, and took note of a progress report on the draft regulation on conditions of access to the network for cross-border exchanges on electricity.

Vice-President Loyola DE PALACIO also presented the Commission's second report on benchmarking with regard to the implementation of the internal electricity and gas market, covering 2002.

The debate provided guidance to the Presidency on the main outstanding issues which will enable it to prepare the elements for an overall compromise at the Council's session on 25 November. The Presidency's intention is for the directive (which has been drafted in two separate texts, one for electricity and the other for gas) and the regulation to be decided on as a package.

The European Council has given this dossier a high priority on several occasions, and the Presidency has established a tight schedule so as to meet the deadlines set at Barcelona in March 2002.

At the end of the debate, the President drew the following conclusions:

- "1. The Council aims at reaching an agreement on the energy liberalisation package at the next Energy Council meeting on 25 November 2002, in accordance with the Barcelona conclusions.

2. Considerable progress has already been achieved. There is general support to most elements of the compromise proposal. The number of outstanding issues has been narrowed down to basically four:
 - Protection of final consumers and energy labelling:
The appropriate level of consumer protection and information to consumers.
 - Unbundling:
The option clearly preferred by most delegations is legal unbundling. The issue is the possible differentiation, e.g. in time, between Transmission System Operators and Distribution System Operators.
 - Access to storage:
The appropriate balance between effective access to all components of the system and the right to reserve parts of storage for public service and security of supply reasons.
 - Market opening for households:
The second stage of the market opening should be clarified. In so doing all the elements of the directives will have to be taken into account.
3. Further work has also to be done on the Regulation on cross-border electricity trade as part of an overall solution.
4. The Presidency compromise proposal will serve as a basis for the forthcoming proceedings in order to reach agreement on the whole liberalisation package."

The proposed directive provides for a complete opening of the electricity and gas markets for all consumers by 1 January 2005, whilst amending directives 96/92/EC (electricity) and 98/30/EC (gas) by simplifying certain provisions that have become superfluous.

The proposed regulation provides for the establishment of fair, cost-reflective, transparent and directly applicable rules with regard to pricing and the allocation of available interconnection capacities for cross-border exchanges in electricity. It is intended to replace a provisional mechanism which has been operating since March 2002.

SECURITY OF GAS AND PETROL SUPPLIES

The Council took note of the presentation by the Commission of a communication and two proposals for directives aimed at reducing dependency on third countries for supplies of petroleum products and natural gas. It requested the Permanent Representatives Committee to begin examination of these proposals in due course.

The proposals follow on from the Commission's green paper on security of energy supply. They provide for co-ordinated use of oil stocks - beyond the current requirement of maintaining 90 days of consumption - minimum measures to guarantee gas supplies (no EU framework on natural gas exists at present) and strengthening the dialogue with producer countries. The Commission considers that mechanisms in place such as the International Energy Agency (IEA) have become ineffective in the aftermath of 11 September 2001.

ITEMS APPROVED WITHOUT DEBATE

TRANSPORT

Interbus Agreement

The Council approved the conclusion of the Interbus Agreement, a European agreement on the carriage of passengers by coach and bus. *(13262/1/01 REV 1)*

Signed in June 2001, the Agreement is aimed at achieving a certain degree of legislative harmonisation by establishing uniform rules on buses and coaches carrying out occasional international services. The contracting parties are: the European Community, Bosnia-Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Moldova, Poland, Romania, Slovak Republic, Slovenia and Turkey.

Agreement with China on maritime transport

The Council approved the signing on behalf of the Community of an agreement on maritime transport between the European Community and its Member States, on the one hand, and the People's Republic of China, on the other hand. *(9053/1/02 REV 1, 8388/1/02 REV 1)*

The agreement is aimed at improving the conditions for maritime cargo transport for the benefit of economic operators of both parties. It is based on the principles of freedom to provide maritime transport services, free access to cargoes and cross trades, as well as unrestricted access to and non-discriminatory treatment in the use of ports and auxiliary services.

ENVIRONMENT**Genetically modified organisms**

In the context of directive 2001/18/EC on the deliberate release into the environment of genetically modified organisms (GMOs), the Council adopted the following decisions:

- A decision establishing guidance notes supplementing Annex VII of directive 2001/18/EC. Annex VII describes the objective to be achieved and the general principle to be followed in designing a monitoring plan to trace and identify any effects on human health or the environment resulting from the placing on the market of GMOs. (11979/02)
 - A decision establishing a “Summary Information Format” for the placing on the market of GMOs. Pursuant to the directive, the competent national authority must be notified prior to the placing on the market of GMOs. The notification comprises a summary of the relevant dossier, and the decision sets the format to be used for that summary. (11978/02)
 - A decision establishing a “Summary Notification Information Format”, concerning the release into the environment of GMOs for purposes other than for placing on the market. Pursuant to the directive, the competent national authority must be previously notified of the release, and the decision sets the format to be used by national authorities when sending a summary of the notification to the Commission. (11980/02)
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