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Transport, Telecommunications and Energy

Transport

Brussels, 3 December 2014

President Maurizio Lupi Minister for Infrastructure and Transport of Italy



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Main results of the Council

SES II+: Single European Sky

The Council reached a general approach on the two proposals of the SES II+ package: to speed up the implementation of the Single European Sky (SES proposal) and to amend rules for the European Aviation Safety Agency (EASA proposal). The proposals are intended to make the European air transport system less fragmented and more competitive. <u>Press release</u>

Maurizio Lupi, the Italian Minister for Infrastructure and Transport, who chaired the meeting, said: "Today we gave a concrete response to the EU aviation community and to the EU citizens, who have been waiting for this proposal. We reached an important agreement on a proposal which should settle many issues member states have with the SES legislation and reset the implementation of the Single Sky initiative on a new and positive footing".

Fourth railway package

Ministers took stock of progress on the proposals on market opening and stronger governance. They adopted a general approach on a proposal to repeal the current regulation on normalisation of accounts of railway undertakings, which has become obsolete.

Minister Lupi said: "After three semesters devoted only to the technical pillar of the fourth railway package, the Italian presidency has thoroughly addressed its political pillar. After a first policy debate last October in Luxembourg, we carried out extensive negotiations which allowed us to identify proposals to be made on all the main issues for the way forward. The Latvian presidency will therefore be in a position to finalise negotiations in the Council, paving the way for the final exchange with the European Parliament and, hopefully, the adoption of the whole package, as desired by the Parliament and by EU citizens and businesses".

Investments in transport infrastructure

Ministers adopted a set of conclusions on transport infrastructure and the trans-European network.

Minister Lupi stated: "Investments in transport infrastructures and efficient networks are key to fostering growth and competitiveness, thus creating more and better jobs. With the conclusions adopted today, the Council unanimously sends a clear message on the enormous potential of infrastructure investments, in the context of the review of the Europe 2020 Strategy".

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OTHER ITEMS APPROVED

none

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.

PARTICIPANTS

Belgium: Ms Jacqueline GALANT

<u>Bulgaria:</u> Mr Ivaylo MOSKOVSKI

Czech Republic: Mr Ladislav NĚMEC

Denmark: Mr Magnus HEUNICKE

<u>Germany:</u> Mr Alexander DOBRINDT

Estonia: Mr Clyde KULL

Ireland: Mr Paschal DONOHOE

Greece: Mr Andreas PAPASTAVROU

<u>Spain:</u> Ms Ana María PASTOR JULIÁN

<u>France:</u> Mr Alain VIDALIES

<u>Croatia:</u> Mr Siniša HAJDAŠ DONČIĆ

<u>Italy:</u> Mr Maurizio LUPI

<u>Cyprus:</u> Mr Marios DEMETRIADES

<u>Latvia:</u> Mr Anrijs MATĪSS Mr Kaspars OZOLIŅŠ

<u>Lithuania:</u> Mr Arijandas ŠLIUPAS

<u>Luxembourg:</u> Mr François BAUSCH

Hungary: Mr Olivér VÁRHELYI

<u>Malta:</u> Mr Joe MIZZI Minister for Mobility, with responsibility for Belgocontrol and the Belgian national railway company NMBS/SNCB

Minister for Transport, Information Technology and Communications

Deputy Minister for Transport

Minister for Transport

Federal Minister for Transport and Digital Infrastructure

Deputy Permanent Representative

Minister of State for European Affairs (Departments of the Taoiseach and Foreign Affairs and Trade)

Deputy Permanent Representative

Minister for Public Works

Minister of State with responsibility for Transport, Marine Affairs and Fisheries

Minister for Maritime Affairs, Transport and Infrastructure

Minister for Infrastructure and Transport

Minister for Communications and Works

Minister for Transport State Secretary of the Ministry of Transport

Deputy Minister for Transport and Communications

Minister for Sustainable Development and Infrastructure

Deputy Permanent Representative

Minister for Transport and Infrastructure

<u>Netherlands:</u> Ms Melanie SCHULTZ van HAEGEN-MAAS GEESTERANUS Ms Wilma MANSVELD

<u>Austria:</u> Mr Alois STÖGER

Poland: Mr Zbigniew KLEPACKI

<u>Portugal:</u> Mr Sérgio MONTEIRO

<u>Romania:</u> Mr Iulian MATACHE

<u>Slovenia:</u> Mr Peter GAŠPERŠIČ

<u>Slovakia:</u> Mr František PALKO

<u>Finland:</u> Ms Marianne HUUSKO-LAMPONEN

<u>Sweden:</u> Ms Anna JOHANSSON

United Kingdom: Mr Robert GOODWILL Minister for Infrastructure and the Environment State Secretary for Infrastructure and the Environment

Federal Minister for Transport, Innovation and Technology

Under-Secretary of State for Infrastructure and Development

State Secretary for Infrastructure, Transport and Communications

State Secretary, Ministry of Transport

Minister for Infrastructure

State Secretary at the Ministry of Transport, Construction and Regional Development

Deputy Permanent Representative

Minister for Infrastructure

Parliamentary Under Secretary of State for Transport

<u>Commission:</u> Ms Violeta BULC Ms Elżbieta BIEŃKOWSKA

Member Member

ITEMS DEBATED

INFRASTRUCTURE INVESTMENTS

The Council adopted, in a public session, a set of **conclusions on transport infrastructure and the trans-European network (TEN-T)**. The conclusions will contribute to the **mid-term review of the Europe 2020 growth strategy**, scheduled for 2015.

The key message to be delivered to the December European Council – and in the framework of the Europe 2020 strategy review – is that the EU's economy needs a complete and efficient transport infrastructure network in order to grow and generate jobs.

A large number of ministers took the floor to thank the presidency for these conclusions and for the message they convey. Several ministers welcomed the presentation of the Juncker investment plan on 26 November. They, as well as the presidency and the Commission, considered that investments in transport infrastructure that generate benefits both in the short term and long term will contribute to President Juncker's agenda.

• <u>Council conclusions on transport infrastructure and the trans-European network</u>

Vice-President Henning Christophersen and coordinator Carlo Secchi presented their interim report, drafted together with coordinator Kurt Bodewig. The report identifies examples of TEN-T projects which may be particularly suited for new financial schemes. The authors intend to present a final report in spring 2015. Their aim is to make sure that European transport projects will be in a position to benefit from such schemes. The report was commissioned by the Italian presidency at the informal meeting of transport ministers in September 2014.

- <u>New financial schemes for European transport infrastructure projects interim report</u>
- <u>Trans-European transport network</u>
- <u>Taking stock of the Europe 2020 strategy</u> Commission communication

SES II+: SINGLE EUROPEAN SKY

The Council reached a **general approach** on the two proposals of the SES II+ package: to speed up the **implementation of the Single European Sky** (SES proposal) and to amend rules for the **European Aviation Safety Agency** (EASA proposal).

The Single European Sky initiative aims to reform the organisation and management of European airspace. Its goal is to overcome the current fragmentation of the airspace, make air traffic services more efficient and optimise the use of air traffic management capacity. Straighter flight paths and greater cooperation should make flying even safer, cut costs and reduce greenhouse gas emissions. All this should also make the European air transport sector more competitive in relation to other regions of the world.

• For details, see press release: <u>Single European Sky: Council agrees its position</u>

FISHING VESSEL PERSONNEL

Ministers **agreed in principle** on a decision to **authorise member states to become parties to the International Convention on Standards of Training, Certification and Watchkeeping for Fishing Vessel Personnel** (STCW-F). Now that there is agreement by the Council, the proposal can be sent to the European Parliament for its consent. After that consent has been obtained, the Council will be able to adopt it.

The STCW-F is an International Maritime Organisation convention, which was adopted in 1995 and entered into force in 2012. It is the first attempt to make safety standards for crews of fishing vessels mandatory worldwide.

The objective of the convention is to ensure that staff on board vessels are both qualified and fit enough to do the job. To prove this, they need a certificate and must pass a medical examination. This should minimise potential safety risks to people at sea, and also to property and the marine environment. A further aim is to create a level playing field in the fisheries sector.

The provisions apply to vessels that are at least 24 metres long with a propulsion power of at least 750kw. They concern skippers, officers, engineer officers and radio operators.

The EU cannot become a party to the STCW-F convention, as only states may be parties to it. Four EU countries (Denmark, Spain, Latvia and Lithuania) have already joined it. According to the Commission, some parts of the convention fall within the EU's exclusive competence in respect of mutual recognition of qualifications and affect treaty provisions and secondary EU law. As a result, member states need to be authorised by the Council to become parties to the STCW-F.

The decision text also invites all EU countries with fishing vessels flying their flag or ports receiving seagoing fishing vessels which fall within the scope of the convention, or training institutions for fishing vessel personnel, to become parties to the convention.

- <u>Council decision authorising member states</u>
- International Maritime Organisation: STCW-F

FOURTH RAILWAY PACKAGE

The Council adopted a **general approach** on a proposal to repeal the current regulation on the **normalisation of accounts** of railway undertakings. Ministers also **took stock of progress** on two proposals to improve rail services in the EU by means of **market opening** and stronger **governance**.

Together, these proposals make up the **"political" or "market" pillar of the fourth railway package.** To become law, they will also have to be approved by the European Parliament.

Normalisation of accounts of railway undertakings

The aim of the proposal is to repeal regulation 1192/69, which has become obsolete and incompatible with EU legislation. It was originally adopted to align the costs and benefits of monopolistic national railway companies with those of other transport sectors.

This particular arrangement was necessary in the 1960s, when national railway companies were in many cases performing duties on behalf of public authorities. They paid out family allowances and pensions and covered medical costs. They contributed to general employment policy by hiring people they did not really need. They even repaired war damages under their own budget. These costs, and in some cases also benefits, put railway companies in an unequal position compared to other modes of transport.

Only four member states – Belgium, Germany, Ireland and Poland – are still using the regulation. The categories of compensation that are still being used are: loss or injury at work, pensions and costs for level crossings. The annual total of compensations is slightly over EUR 100 million.

However, payments compatible with EU law can be made under alternative instruments or arrangements. For level crossing costs, which is the biggest category, an alternative instrument will be in place by 16 June 2015, when the transposition of the directive establishing a single European railway area is to be completed.

Ministers agreed that the regulation should enter into force one day after it is published in the EU Official Journal, as suggested by the Commission.

• <u>Normalisation of accounts: report to the Council</u>

Railway market opening and governance

The proposed directive and regulation aim to improve **domestic passenger services** by **opening them to competition**. They also seek to introduce new rules for the **governance of infrastructure managers** to ensure equal access to infrastructure and a better response to market needs.

The objective is to make railway services more dynamic and customer-oriented and to encourage investment and innovation.

Work has progressed in the working party since the Council debate in October. A progress report sums up the work done so far and includes suggestions for further discussion.

Market opening and governance progress report

In order to achieve further progress, **the presidency suggests exploring**, *inter alia*, **the following issues:**

- Safeguards should be created to preserve the "economic equilibrium" or viability of public service contracts, i.e. contracts which entail an obligation to provide services even when they are unprofitable.
- Safeguards should also be introduced to avoid "cherry-picking". This means that commercial companies should not be allowed to choose profitable lines to the detriment of loss-making lines that are in the public interest.
- It should be possible for member states to bundle profitable and unprofitable lines for public service contracts.

- If the principle of competitive award is retained, a number of exceptions should be allowed.
- It would be up to member states to choose their own governance model. There would be common rules to ensure the impartiality of infrastructure managers and the transparency of financial flows regardless of the structure.
- Deadlines should be longer than those suggested by the Commission.

The presidency's suggestions are pointers for further discussion and are not meant to be prescriptive in any way.

Commission proposals on market opening and governance

After the opening up of rail freight services in 2007 and international passenger transport in 2010, the Commission is proposing that domestic rail passenger services be opened up to competition from December 2019. From then on, EU railway undertakings would have equal access in all EU countries to tracks, signals and stations for the purposes of running domestic passenger services.

Also from 2019, public service contracts, which currently account for over 90% of EU rail journeys, would, as a general rule, be subject to mandatory tendering. Existing, directly awarded contracts would be allowed to run until their expiry date but not after the end of 2022.

The Commission is also suggesting strengthening EU rules on the separation between infrastructure managers, which run the network and stations, and railway undertakings, which provide the services. National railway monopolies comprising both functions would be split in two ("institutional separation"). Alternatively, where member states wished to maintain existing holding structures, strict safeguards would be introduced to ensure the infrastructure manager's independence.

• <u>Fourth railway package</u>

OTHER BUSINESS

Unmanned aircraft at the European Aviation Safety Agency's annual safety conference

The presidency briefed ministers on the EASA's annual safety conference, which was held in Rome on 15-16 October 2014. The conference focused on safety in general aviation and remotely piloted aircraft systems (RPAS, civilian drones). The Commission announced the end of the public consultation on RPAS. It is to be followed up by concrete Commission proposals next year.

The topic of remotely piloted aircraft systems was also addressed by ministers at the Transport Council meeting in October.

Galileo

The Commission updated ministers on its position on the EU's global navigation satellite systems, Galileo and EGNOS. The Commission stressed their political and economic potential and pointed out that the goal is to provide initial Galileo services by 2016 and full services by 2020.

Impact of the Russian embargo on the Lithuanian road haulage sector

The Lithuanian delegation informed ministers of the difficulties that Lithuanian lorries and passenger vehicles have recently been encountering at the Russian border. It pointed to the potential serious economic consequences and financial losses for a number of economic operators.

The Commission promised to monitor the situation closely.

• <u>Lithuanian delegation information note</u>

Incoming presidency's work programme in the field of transport

The incoming Latvian presidency presented its transport work programme for the first half of 2015. The legislative proposals it will focus on include, *inter alia*, the fourth railway package, air passengers' rights and technical requirements for inland waterway vessels. Other priority areas include road safety, the international environment of maritime transport, and the trans-European transport network. Transport Council meetings are scheduled for 13 March and 11 June 2015.

• <u>Latvian presidency information note</u>

OTHER ITEMS APPROVED