



**COUNCIL OF
THE EUROPEAN UNION**



15900/06 (Presse 343)

PRESS RELEASE

2772nd Council Meeting

Transport, Telecommunications and Energy

Brussels, 11-12 December 2006

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of Finland

P R E S S

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Main Results of the Council

*The Council agreed on a general approach on a proposal for **port State control** and on the ratification of the International Labour Organisation's 2006 **Maritime Labour Convention**. It also agreed on a general approach on a proposal for the **retrofitting of mirrors** to heavy goods vehicles and on a proposal for extension of the remit of the **European Aviation Safety Agency**.*

*The Council adopted a resolution on a strategy for a **secure information society** in Europe. It adopted conclusions on the promotion of **short sea shipping** and on **freight transport logistics**.*

*In addition, the Council authorised the Commission to open air transport negotiations with **Ukraine**.*

Without debate, the Council adopted:

- a common position with a view to the adoption of a regulation on common rules in the field of **civil aviation security**;*
- a common position with a view to the adoption of a regulation on **public service obligations** for public passenger transport services by rail and by road;*
- a directive on **services in the internal market**;*
- a directive on the **protection of groundwater** against pollution.*

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PARTICIPANTS

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

Belgium:

Mr Renaat LANDUYT

Minister for Mobility

Czech Republic:

Mr Aleš ŘEBÍČEK

Ms Lenka PTÁČKOVÁ

Minister for Transport

Deputy Minister for Information Technology with special responsibilities for external relations

Denmark:

Mr Flemming HANSEN

Mr Helge SANDER

Minister for Transport and Energy

Minister for Science, Technology and Innovation

Germany:

Mr Wolfgang TIEFENSEE

Ms Dagmar WÖHRL

Federal Minister for Transport, Building and Urban Development

Parliamentary State Secretary to the Federal Minister for Economic Affairs and Technology

Estonia:

Mr Edgar SAVISAAR

Minister for Economic Affairs and Communications

Greece:

Mr Mihail-Georgios LIAPIS

Mr Dimitris N. ILIOPOULOS

Minister for Transport and Communications

Deputy Permanent Representative

Spain:

Mr Francisco ROS PERÁN

Mr Fernando PALAO

State Secretary for Telecommunications and the Information Society

Secretary General of Transport, Ministry for Infrastructure and Transport

France:

Mr François LOOS

Minister with responsibility for Industry

Ireland:

Mr Martin CULLEN

Mr Noel DEMPSEY

Minister for Transport

Minister for Communications, Marine and Natural Resources

Italy:

Mr Alessandro BIANCHI

Mr Paolo GENTILONI

Minister for Transport

Minister for Communications

Cyprus:

Mr Haris THRASSOU

Minister for Communications and Works

Latvia:

Ms Ina GUDELE

Mr Jānis MARŠĀNS

Minister with special responsibility for e-Administration

State Secretary, Ministry of Transport

Lithuania:

Mr Alminas MAČIULIS

State Secretary at the Ministry of Transport and Communications

Luxembourg:

Mr Jean-Louis SCHILTZ

Mr Georges FRIDEN

Minister for Cooperation and Humanitarian Action,

Minister for Communications, Minister for Defence

Deputy Permanent Representative

Hungary:

Mr Balázs FELSMANN

State Secretary (with special responsibility), Ministry of Economic Affairs and Transport

Malta:

Mr Censu GALEA

Minister for Competitiveness and Communications

Netherlands:

Ms Karla PEIJS

Minister for Transport, Public Works and Water
Management**Austria:**

Mr Hubert GORBACH

Vice Chancellor and Federal Minister for Transport,
Innovation and Technology**Poland:**Mr Jerzy POLACZEK
Mr Rafał WIECHECKIMinister for Transport
Minister for Maritime Economy**Portugal:**

Mr Mário LINO

Minister for Public Works, Transport and
Communications**Slovenia:**

Mr Janez BOŽIČ

Minister for Transport

Slovakia:

Mr Ľubomír VÁŽNY

Minister of Transport, Posts and Telecommunications

Finland:Ms Susanna HUOVINEN
Mr Perttu PUROMinister for Transport and Communications
State Secretary, Ministry of Transport and
Communications**Sweden:**

Ms Åsa TORSTENSSON

Minister of Industry, Employment and Communication

United Kingdom:Mr Stephen LADYMAN
Ms Margaret HODGEMinister of State for Transport
Minister of State for Industry and the Regions**Commission:**Mr Jacques BARROT
Ms Viviane REDING
Mr Charlie MCCREVYVice-President
Member
Member

.....

The Governments of the Acceding States were represented as follows:

Bulgaria:

Ms Vessela GOSPODINOVA

Deputy Minister of Transport

Romania:

Mr Radu Mircea BERCEANU

Minister for Transport, Construction and Tourism

ITEMS DEBATED

TELECOMMUNICATIONS

– *A Strategy for a Secure information Society Information in Europe*

The Council adopted the following resolution, to be published in the Official Journal of the European Union:

"THE COUNCIL OF THE EUROPEAN UNION,

HEREBY ADOPTS THIS RESOLUTION AND

WELCOMES

The 31 May 2006 Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions - A Strategy for a Secure Information Society - "Dialogue, Partnership and Empowerment"¹

NOTES

The 15 November 2006 Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions on Fighting spam, spyware and malicious software².

RECALLS

1. The 28 January 2002 Council Resolution on a Common Approach and Specific Actions in the area of Network and Information Security³;
2. The 18 February 2003 Council Resolution on a European Approach towards a culture of Network and Information Security⁴;

¹ Doc. 10248/06 [COM(2006) 251 final].

² Doc. 15379/06 [COM(2006) 688 final].

³ OJ C 43, 16.2.2002, p. 2.

⁴ OJ C 48, 28.2.2003, p.1.

3. The 8/9 March 2004 Council Conclusions on Unsolicited communications for direct marketing purposes or "spam" and the 9/10 December 2004 Council Conclusions on Fight against spam;
4. The March 2005 European Council Conclusions re-launching the Lisbon strategy and the European Council March 2006 Conclusions calling on the Commission and the Member States to implement the new i2010 Strategy vigorously;
5. The Community Regulatory Framework for Electronic Communications provisions,¹ and, in particular, those relating to communication security, privacy and confidentiality, which have contributed to ensuring a high level of personal data and privacy protection and the integrity and security of public communications networks;
6. The 10 March 2004 Regulation (EC) No 460/2004 of the European Parliament and of the Council establishing the European Network and Information Security Agency (ENISA)²;
7. The Tunis Agenda and the Tunis Commitment of the World Summit on the Information Society (WSIS) highlighting the need to continue the fight against cyber-crime and spam while ensuring the protection of privacy and freedom of expression, and to further promote, develop and implement, in cooperation with all stakeholders, a global cyber-security culture;
8. The Presidency Conclusions of the Annual European Information Society Conference (27-28 September 2006) "i2010 - Towards a Ubiquitous European Information Society", in Espoo, Finland;

ACCORDINGLY STRESSES THAT:

1. Our societies are rapidly moving into a new phase of development, towards a "ubiquitous information society", where more and more of the everyday activities of the citizens are based on the use of Information and Communications Technologies (ICT) as well as electronic communications networks; network and information security should be considered as a key enabler for this development and for its success;

¹ Directives 2002/58/EC (Directive on privacy and electronic communications), 2002/20/EC (Authorisation Directive), 2002/22/EC (Universal Service Directive).

² OJ L 77, 13.3.2004, p.1.

2. Trust is a vital element in the success of the new Information Society; trust also relates to the experiences of the end-users and to the need to respect their privacy; therefore, network and information security should not be merely considered as a technical issue;
3. Network and information security must be seen as an essential part in the creation of a European Information Space as part of the i2010 Initiative, thus contributing to the success of the renewed Lisbon Strategy; ICT is also a critical component of innovation, economic growth and jobs throughout the economy;
4. New technologies that will lead us to the ubiquitous information society are already under development; the advent of ground-breaking technologies (such as, high-speed wireless networks, Radio Frequency Identification (RFID) Devices, sensor networks) and innovative, content-rich services (such as, Internet Protocol Television (IPTV), Voice over Internet Protocol (VoIP), mobile-TV and other mobile services) require adequate levels of network and information security from the very beginning of the development phase, in order to reach real commercial value; the early adoption of the new promising innovations is very important for the development of the information society and the competitiveness of Europe; governmental bodies and enterprises should adopt as soon as practicable secure, emerging new technologies and services in order to speed up their widespread adoption;
5. It is strategic for the EU that European industry is both a demanding user as well as a competitive supplier of network and of security products and services; diversity, openness and interoperability are integral components of security and should be promoted;
6. Network and information security knowledge and skills must also become integral part of every-day life of each individual and stakeholder in the society; a number of awareness raising campaigns have taken place both at national and EU-level, but there is still work to be done in this field, especially as concerns the end-users and small and medium-sized enterprises (SMEs); particular consideration should be given to users that have special needs or have low awareness of network and information security issues; all stakeholders should be aware that they are part of the global security chain and should be empowered to act as such; network and information security issues should be taken into account in all education and training relating to ICT;

7. The establishment of ENISA has been a major step forward in the EU's efforts to respond to the challenges relating to network and information security; the scope, objectives, tasks and duration of ENISA are defined by Regulation No 460/2004;
8. Resources directed to research and development (R&D) and innovation both at national and EU-level are one of the key elements in strengthening the level of information and network security of new systems, applications and services; efforts at the EU level should be reinforced in the fields of security-related research and innovation, in particular through the 7th Framework Programme (FP7) and the Framework Programme on Competitiveness and Innovation (CIP); efforts should also be directed towards measures to disseminate and encourage the commercial exploitation of the consequential results, including the evaluation of their usefulness for the wider community; this will enhance the ability of European suppliers to provide security solutions that will meet the specific needs of the European market;
9. The ubiquitous information society, while providing great benefits, also poses significant challenges, thus creating a new landscape of potential risks; threats to security and privacy, also through unlawful interception and exploitation of data, are becoming more and more serious, targeted and clearly aimed at economic benefit, new responses for the emerging and already existing threats should be created in an innovative manner and they should also cover issues arising from system complexity, mistakes, accidents or unclear guidelines; the creation and development of national computer emergency response bodies aimed at various actors and the co-operation between these bodies as well as with other relevant stakeholders should be encouraged and further promoted;
10. Standardisation and certification of products, services and management systems, in particular provided by existing institutions, deserve particular attention in the network and information security policy of the EU as a means to spread good practice and professionalism in the network and information security field; especially new emerging technologies like RFID and mobile-TV would benefit from timely adoption of possibly emerging open and interoperable standards; the functioning of the European standardisation bodies in this field should be encouraged;

11. As electronic networks and information systems play an increasingly central role in the overall operation of Critical Infrastructures, their availability and integrity becomes indispensable to administrations', businesses, citizens' safety and quality of life, as well as to overall functioning of societies;
12. Co-operation and practical approaches are needed more than ever; the various stakeholders should identify and recognise their respective roles, responsibilities and rights.

AND THEREFORE INVITES MEMBER STATES TO:

1. Support training programmes and raise general awareness of network and information security issues, by, for example, launching information campaigns about network and information security issues, targeting all citizens/users and sectors of the economy, especially SMEs and end-users with special needs or low awareness; by 2008, a common date could be selected as a European wide awareness raising day (e.g. "Information and Network Security Day") to be conducted on an annual and voluntary basis in each Member State;
2. Strengthen the contribution to security-related R&D and to improve the usability and dissemination of the consequential results; encourage the development of innovative partnerships to boost the European ICT security industry growth and increase the early use of new network and information security technologies and services in order to give them a commercial boost;
3. Give due attention to the need to prevent and fight new and existing security threats on electronic communications networks, which also include unlawful interception and exploitation of data, recognise and deal with associated risks and to encourage, where appropriate in cooperation with ENISA, effective exchanges of information and co-operation between the relevant organisations and agencies at national level; to commit to fighting spam, spyware and malware, in particular through improved cooperation between competent authorities at national and international level;
4. Strengthen their mutual co-operation within the i2010 framework, in order to identify effective and innovative practices to improve network and information security and spread the knowledge of these practices throughout the EU on a voluntary basis;

5. Encourage the continuous improvement of the national computer emergency response bodies;
6. Promote an environment, which encourages service providers and network operators to provide robust services to their customers and to ensure resilience as well as consumer choice in their security services and solutions; encourage or require where appropriate, network operators and service providers to ensure an adequate level of network and information security for their customers;
7. Continue a strategic discussion in the i2010 High Level Group, while taking into account ongoing development in the Information Society, and ensure a consistent approach between the dimensions of regulation, co-regulation, R&D and eGovernment together with communication and education;
8. In line with the i2010 eGovernment Action Plan provide for the roll-out of seamless eGovernment services, promote interoperable identity management solutions and undertake all appropriate changes in the public sector organisation; governments and public administrations should serve as an example of best practice by promoting secure eGovernment services for all citizens.

WELCOMES THE INTENTION OF THE COMMISSION TO:

1. Continue the development of a comprehensive and dynamic EU-wide strategy for Network and Information Security. The holistic approach proposed by the Commission is of special importance;
2. Address network and information security as one of the objectives in the EU Regulatory Framework for Electronic Communications review;
3. Continue to play its role so as to achieve greater awareness about the need for general political commitment to fight spam, spyware and malware; reinforce the dialogue and cooperation with third countries, in particular through agreements with third countries including the issue of the fight against spam, spyware and malware;

4. Strengthen the involvement of ENISA in supporting the Strategy for a Secure Information Society in Europe as set out in this Resolution, in line with the objectives and tasks set out in the Regulation of the Agency as well as in closer cooperation and tighter working relations with Member States and stakeholders;
5. Develop in the context of the i2010 framework, in cooperation with Member States and all stakeholders, especially with statistical and Member States' information security experts, appropriate indicators for Community surveys on aspects related to security and trust;
6. Encourage the Member States to examine, via a multi-stakeholder dialogue, the economic, business and societal drivers with the aim of developing an ICT sector-specific policy to enhance the security and resilience of network and information systems, as a potential contribution to the planned European Programme on Critical Infrastructure Protection;
7. Continue its efforts, in coordination with Member States, to promote dialogue with relevant international partners and organisations to foster global cooperation on Network and Information Security, notably by implementing the WSIS Action lines and reporting to the Council on a regular basis.

AND CALLS UPON:

1. ENISA to continue working in close cooperation with the Member States, the Commission and other relevant stakeholders, in order to fulfil those tasks and objectives that are defined in the Regulation of the Agency and to assist the Commission and the Member States in their efforts to meet the requirements of network and information security, thus contributing to the implementation and further development of the new Strategy for a Secure Information Society in Europe as set out in this Resolution;
2. All stakeholders to improve the security of software and the security and resilience of network and information systems in line with the Strategy for a Secure Information Society in Europe as set out in this Resolution, as well as to engage in a structured multi-stakeholder debate on how best to utilise existing tools and regulatory instruments;
3. Enterprises to take a positive attitude towards information and network security in order to create more advanced and secure products and services, considering investments in such products and services as a competitive advantage;

4. Manufacturers and service providers to build, where appropriate, security, privacy and confidentiality requirements into their product- and service design and deployment of network infrastructure, applications and software, implement and monitor security solutions;
5. Stakeholders to co-operate and to launch experimental environments for testing and piloting new technologies and services in a secure manner; stakeholders to adopt in a timely manner the new secure technologies and services after they have been launched commercially;
6. All stakeholders to engage in further efforts to combat spam and other on-line malpractices and to actively cooperate with competent authorities at national and international level;
7. The service providers and the ICT industry to focus on enhancing security, privacy and usability in products, processes and services in order to have reliability, prevent and fight ID theft and other privacy-intrusive attacks;
8. Network operators, service providers and the private sector to share and implement good security practices and to foster a culture of risk analysis and management in organisations and business by supporting appropriate training programmes and developing contingency planning as well as make security solutions available to their customers as part of their services".

– *Roaming on public mobile networks*

The Council held a policy debate, on the basis of a Presidency questionnaire, on a proposal for a regulation on roaming on public mobile networks within the Community and amending Directive 2002/21/EC on a common regulatory framework for electronic communications networks and services. The Council took note of a progress report on the work carried out at the working party level prepared by the Presidency (15759/06).

The Commission adopted the proposal in July 2006 (11724/06 +ADD1 +ADD2). The objective of the draft regulation is to ensure that users of public mobile telephone networks when travelling within the Community do not pay excessive prices for international roaming services when making calls and receiving calls, thereby achieving a high level of consumer protection while safeguarding competition between mobile operators. Prices paid by users of public phone networks for roaming services when travelling within the Community should not be unjustifiably higher than the charges payable when calling within their home country. The mechanism selected to achieve this objective is the application to terrestrial mobile operators within the Community of safeguard maximum price limits for the provision of roaming services for voice calls between Member States at retail and wholesale level.

The Presidency drew conclusions of the discussion as follows: It is broadly agreed that legal intervention is necessary in order to bring the roaming costs to a moderate level, and the Commission proposal is a step to the right direction. Transparency in prices can for its part help in solving the problem. It would increase customer satisfaction, and thus be also beneficial for the operators. However, transparency alone cannot solve the problem of high roaming costs, regulation of tariffs is also needed. This regulation must be such that all consumers can benefit of speedy and substantial decreases in the prices. It must be assured, however, that competitiveness of the market will not be endangered. The regulation of the tariffs must be clear and simple, and the operators must be left the possibility of flexible pricing. More detailed discussions are still needed. It is hoped that a solution - together with the European Parliament - is found speedily and the Council will support the future German Presidency in its efforts to do this.

The work on the proposal in Council's preparatory bodies will continue under the forthcoming German Presidency. The negotiations with the European Parliament in view of a first reading agreement will also start at the beginning of 2007.

– *Internal market of Community postal services*

Following a presentation by the Commission of its proposal for a Directive amending the current postal Directive 97/67/EC concerning the full accomplishment of the internal market of Community postal services, adopted on 18 October 2006, the Council held a preliminary exchange of views on the basis of the Presidency report (15761/06).

In broad terms, the objectives of the proposal (14357/06+ADD 1, ADD 2) are to achieve an internal market for postal services through the removal of exclusive and special rights in the postal sector and the confirmation of the market opening timetable laid out in the current Directive, safeguard a common level of universal services for all users in all EU countries and set harmonised principles for postal services regulation in an open market environment, with the aim of reducing other obstacles to internal market functioning.

The exchange of views was intended to provide a basis for a swift and constructive legislative process and help to identify those main issues to which the Council preparatory bodies need to pay attention when they will have more substantial deliberations on the proposal.

SHIPPING– *Short sea shipping - Council conclusions*

The Council adopted the following conclusions:

"HAVING REGARD TO

- (1) the Commission's 2003 Programme for the Promotion of Short Sea Shipping and the Commission Communication on the mid-term review of that Programme;
- (2) the Commission Communication on the mid-term review of the Transport White Paper;
- (3) the Commission Communication on Freight Transport Logistics;
- (4) the Presidency Conclusions on Short Sea Shipping of the meeting of the European Union Transport Ministers in Amsterdam on 10 July 2004;
- (5) the conclusions adopted by the Ministerial Conference on Motorways of the Sea held in Ljubljana on 24 January 2006;
- (6) the consultations on Short Sea Shipping in 2005 and 2006,

THE COUNCIL

CONSIDERS that the promotion of Short Sea Shipping contributes to the attainment of the goals of the Lisbon Strategy, contributes to the reduction of harmful effects caused by the rapid growth in heavy goods transport on roads, increases and improves cohesion within the Community, *inter alia*, by enhancing connections with peripheral and insular areas, states dependent on sea transport and neighbouring areas, and between areas divided by natural barriers;

RECOGNIZES the positive development of Short Sea Shipping in the last years;

EMPHASIZES that it is important for the European Union and Member States to continue their work to facilitate and simplify operating conditions for Short Sea Shipping;

ACKNOWLEDGES that the actions proposed in the Commission's Programme for the Promotion of Short Sea Shipping go in the right direction and WELCOMES the significant improvements and growth of Short Sea Shipping;

NOTES that Short Sea Shipping plays an important role in Europe's transport system individually and in combination with other modes of transport;

RECALLS that an emphasis on freight logistics can be beneficial to Short Sea Shipping;

CONSIDERS that most of the actions in the Commission's Programme for the Promotion of Short Sea Shipping should be continued and retargeted as suggested by the mid-term review of the Programme to further improve the conditions for this mode;

WELCOMES the progress of the motorways of the sea projects in the process of being developed between the Member States;

UNDERLINES, however, that there are still a number of factors hindering the further development of Short Sea Shipping, such as: (1) there are still complex administrative procedures, specially applications thereof, for Short Sea Shipping, (2) this mode of transport has not yet been fully integrated into the door-to-door transport logistics chain, including inland destinations, and (3) this mode of transport requires high level of efficiency in ports, and facilitated access thereto, and the development of hinterland transport links;

AGREES, therefore, that the Member States, the Commission and industry should amplify their efforts, in particular in the following areas to improve the operating conditions for and attractiveness of Short Sea Shipping:

1. Regulatory framework

- The existing regulatory framework of Short Sea Shipping could be further streamlined to enhance overall efficiency, taking account of the principle of the Lisbon Strategy and better regulation;

- Given that Short Sea Shipping within the Community is subject to burdensome administrative procedures, the current procedures should be streamlined and simplified;
- In order to create a level playing field, harmonisation and approximation of diverse application of Community customs rules in various Member States should continue;
- Pragmatic solutions should be sought as regards security procedures to minimise their hampering of Short Sea Shipping, such as the alternative or equivalent security arrangements, as provided for in Regulation (EC) No 725/2004, and the measures for roll-on-roll-off vessels, as provided for in Directive 2005/65/EC;
- Short Sea Shipping is energy-efficient and, in general, less harmful to the environment than other modes. Nevertheless, to maintain the environmentally friendly image and performance of Short Sea Shipping, environmental improvements particularly of emissions should be urgently pursued, specially in the areas of SO_x, NO_x and particulates. To this end, work should be intensified at the appropriate fora, in particular in the IMO.

2. Development and Promotion

- The promotion of Short Sea Shipping at Community and Member State level should be continued. The frameworks offered by the Motorways of the Sea concept, national Shortsea Promotion Centres and their European Shortsea Network, and Short Sea Shipping Focal Points should be fully utilised. Promotion should actively target all relevant actors in the door-to-door transport logistics chain, including inland destinations;
- The Shortsea Promotion Centres and their European Shortsea Network have contributed considerably to the promotion of Short Sea Shipping and its growth. Their work should be further encouraged so as to ensure that their efficient operation can continue;
- Community programmes, such as Marco Polo or trans-European transport network, including Motorways of the Sea, should continue to be implemented with increased intensity;

- Promotion should, in particular, continue urging market players to integrate Short Sea Shipping more tightly into the whole transport logistics supply chain, *inter alia* by developing ports, as strategic nodes, and links to the hinterland, and services;
- Ports, as efficient and seamless nodal points for transshipment between the land and the sea, should further enhance and improve their services for Short Sea Shipping; work towards ensuring high-quality services and unrestricted and efficient access to ports from sea and from the hinterland should continue;
- The promotion and the implementation of Short Sea Shipping and Motorways of the Sea should take into account special circumstances and particularities of different maritime areas and the regions in the hinterland;
- Motorways of the Sea should be further developed as integrated short-sea solutions involving the co-ordination and the co-operation between all actors, private and/or public, in the door-to-door transport logistics chain, including inland destinations. The seamless flow of cargo is imperative for these Motorways of the Sea to become a viable choice;
- Work towards making Motorways of the Sea more operational is ongoing and should be intensified. The first Motorways of the Sea under TEN-T financial assistance programme can become operational by 2010. For this, analyses of the projects and the alignment of availability of financial resources should be carried out;
- Research and development in the maritime sector should focus on safer, cleaner and more efficient vessels, cargo handling technology, terminals, port operations, logistics and environmental improvements in shipping.

3. Co-operation between the Member States and the European Commission

- Real time vessel monitoring and positioning systems in relation to maritime traffic in European waters will assist the Short Sea Shipping performance. At the same time, technological development will contribute to improving safety at sea, reducing environmental risks and enhancing the surveillance of environmental incidents at sea. Advanced capabilities provided by GALILEO could contribute to the high performance of this mode;

- A single window for submitting administrative documents and one-stop administrative shops for physical checks would make an important contribution to the efficiency of Short Sea Shipping and to minimising its administrative burden. Electronic clearance, when needed, should be pursued throughout the Community;
- The Commission, in co-operation with the Member States, could examine how to make the information of "Authorised Regular Shipping Services" available in easily accessible form to all concerned and how to further improve the performance of "Authorised Regular Shipping Services" instrument;
- Work on identifying and eliminating bottlenecks hampering Short Sea Shipping and subsequent hinterland connections has been a success and should be continued together with disseminating best practices. All concerned by any new bottlenecks at any level of activity should be encouraged to report them to the bottleneck exercise so that further solutions can be sought between industry, the Member States and Commission;
- To make it easier to monitor the development of Short Sea Shipping, maritime statistical information should be further developed.

PROPOSES that monitoring of the implementation of the Programme for the Promotion of Short Sea Shipping should be continued, and that the Programme should be reviewed at regular intervals; and

UNDERLINES that the monitoring of the Programme and any possible revisions should occur in close interaction between the Commission, Member States, Short Sea Promotion Centres, industry representing transport users and service providers".

– *Port State control*

Taking into account progress made within the framework of the Paris Memorandum of Understanding¹ and pending the European Parliament's first-reading opinion, the Council reached agreement on a general approach on a proposal for a directive on port State control (recast) (5632/06). The Maltese delegation indicated that it would vote against.

The proposal was transmitted to the Council in January 2006. One of seven proposals contained in the Commission's third maritime safety package, it is aimed at recasting successive amendments to Directive 21/95 on port state control in a consolidated text, as well as at simplifying or amending certain provisions in order to reinforce the effectiveness and quality of inspections on ships by the port State in waters under the jurisdiction of Member States.

The directive establishes a new inspection regime with the aim of ensuring that 100 % of ships calling at ports of Member States are inspected. Inspections shall be focused on substandard vessels, which shall be checked more often, while the burden shall be alleviated with regard to quality vessels.

The Ministerial discussion was based on a Presidency compromise proposal concerning in particular the following issues:

- *scope of the directive* - Member States shall perform inspections on any ship and its crew calling at one of their ports or anchoring in areas under the jurisdiction of one of their ports in order to carry out a ship/port interface;

¹ The Paris Memorandum of Understanding (MoU) consists of 25 participating maritime administrations and covers the waters of the European coastal states and the North Atlantic basin from North America to Europe. It is aimed at eliminating the operation of sub-standard ships through a harmonised system of controls carried out by the Port State. Inspections take place on board of foreign ships in Paris MoU ports, ensuring that these ships meet international safety, security and environmental standards, and that crew members have adequate living and working conditions. Canada, Croatia, Iceland, Norway and Russia are members of the Paris MoU while the landlocked Community Members States are not. Cyprus, Lithuania and Malta became full members of the Paris MoU on 9 May 2006.

- *flexibility mechanism for inspections* - Member States are allowed to miss a small percentage of inspections, namely inspections on 5% of ships with a high risk profile and on 10% of other ships. They shall, however, give particular attention to ships that do not call often at ports within the Community. Furthermore, Member States may, in specific circumstances, postpone an inspection for 15 days;
- *access refusal* - ships that at various occasions have proven not to comply with international standards on safety, health and environment, will be refused access to Member States' ports. As criteria for such a measure, the performance of the ship is evaluated in relation to the performance of its flag State, determined on the basis of the "black" and "grey" and "white" lists of flag States established by the Paris MoU. As ultimate measure against substandard ships it can be decided to refuse the access to ports within the Community indefinitely. If the ship concerned however complies with a series of conditions, this measure can be lifted after 36 months. Among the conditions to be fulfilled, the ship is not allowed to fly a flag of a State on the "black" and "grey" Paris MoU list, it has to be classified by an EU recognised organisation and to be managed by a company with a high performance;
- *transposition date* - the complexity of the new inspection system requires an intensive preparation by Member States. The directive will therefore apply in all Member States on the same day after a transposition period of 36 months.

The European Parliament's first-reading opinion is expected for April 2007.

– *Liability of passenger shipping in the event of accidents*

The Council took note of a progress report on a proposal for a regulation on the liability of carriers of passengers by sea and inland waterways in the event of accidents (15894/06).

The Commission transmitted its proposal (6827/06) to the Council in February 2006 as part of its "third maritime package"¹, seen as continuing efforts undertaken under the first and second maritime package in order to improve maritime safety.

The draft regulation is aimed at establishing a Community regime of uniform liability for the carriage of passengers by sea and inland waterways. To this end it incorporates the Athens Convention relating to the carriage of passengers and their luggage by Sea of 1974, as amended in 2002, into Community legislation. In addition, the proposal extends the application of the Athens Convention to the carriage by sea within the Member States and to international and domestic carriage by inland waterways.

The work on the proposal in Council's preparatory bodies will continue under the forthcoming German Presidency.

¹ The other proposals contained in this package are:

- a proposal for a directive on compliance with flag state requirements (6843/06);
- a proposal for a directive on common rules and standards for ship inspection and survey organisations and for the relevant activities of maritime administrations (recasting) (5912/06);
- a proposal for a directive amending Directive 2002/59/EC establishing a Community vessel traffic monitoring and information system (5171/06);
- a proposal for a directive establishing the fundamental principles governing the investigation of accidents in the maritime transport sector and amending Directives 1999/35/EC and 2002/59/EC (6436/06);
- a proposal for a directive on the civil liability and financial guarantees of ship-owners (5907/06);
- a proposal for a directive on port state control (5632/06).

– ***Maritime Labour Convention***

Pending the adoption of the European Parliament's opinion, the Council reached agreement on a general approach on a proposal for a decision authorising Member States to ratify, in the interest of the European Community, the Maritime Labour Convention, 2006 of the International Labour Organisation (ILO).

In February 2006, the 94th (Maritime) Session of the International Labour Conference adopted the Maritime Labour Convention, 2006. The Convention will bring a major input at international level in the shipping sector by promoting decent living and working conditions for seafarers and fairer competition conditions for operators and ship owners.

The Commission submitted the abovementioned proposal in June 2006 (10900/06). The draft decision is aimed at authorising Member States to ratify the Maritime Labour Convention, since some of the issues covered by it fall within the competence of the European Community and others under the competence of the Member States and the European Community as such is not a party to ILO or to the above Convention. In addition, the draft decision lays down the end of 2010 as a possible deadline for ratification by the Member States.

The European Parliament's opinion is expected for March 2007.

INTERMODAL QUESTIONS AND NETWORKS

Galileo

a) Concession contract negotiations

The Council took note of the information provided by the Commission on the progress on the negotiations for the concession contract with the concession holder for the global navigation satellite system (GNSS). The negotiations are led by the Galileo Joint Undertaking, which will be replaced by the GNSS Supervisory Authority from 1 January 2007.

An agreement on the core elements of the contract is scheduled to be reached by the end of this year and the Commission will inform the Council and the European Parliament of the outcome of the negotiations and will provide them with a detailed reasoned analysis, clarifying the sharing of risks and the distribution of the main rights and obligations between the private and public sector.

b) Relations with third countries

The Council took note of the presentation by the Commission of a draft horizontal mandate, suggesting possible modalities for third countries' participation in the Galileo programme and in particular in the European GNSS Supervisory Authority, as well as a list of possible areas of cooperation.

c) Green paper on satellite navigation applications

The Council took note of information provided by the Commission on its green paper on satellite navigation applications, adopted on 8 December 2006 (16540/06).

The aim of the green paper is to launch discussion on what the public sector can do to create an appropriate policy and legal framework for supporting the development of satellite navigation applications, beyond the financial support for research and the creation of infrastructure. It is intended to prompt new ideas from industry, public authorities, consumer groups or consumers themselves in order to define concrete targets and the appropriate public sector actions with regard to GNSS.

In September 2007, the Commission intends to present an analysis of the results of the consultation, accompanied by an action plan containing the practical measures, which will be proposed as from 2008.

Freight transport logistics - Council conclusions

The Council adopted the following conclusions:

"1. Having regard to:

- the renewed Lisbon Strategy for growth and jobs and the reviewed Sustainable development Strategy;
- the Commission Communication: Keep Europe moving- Sustainable mobility for our continent - Mid-term review of the European Commission's 2001 Transport White Paper;
- the consultations on freight transport logistics organised in 2006;

2. Considering

- that globalisation of production and the corresponding supply chains increase the need for advanced logistics, both within Europe and in its international business relations;
- that a well-performing logistics system, which makes efficient use of all modes of transport, both individually and in combination, is important for increasing European competitiveness and prosperity, safety and security and for promoting sustainable development through the reduction of adverse external effects of transport such as pollution, climate change, congestion, accidents, noise and energy dependence;
- that logistics can contribute to enhanced cohesion and improved links to peripheral areas and islands;
- that effective logistics enable a better use of scarce transport infrastructure capacity;
- the lack of reliable statistic data on logistics which precludes monitoring developments in freight transport logistics and assessing the impact of policy measures;

THE COUNCIL OF THE EUROPEAN UNION

3. WELCOMES the Commission Communication on Freight Transport Logistics in Europe - the key to sustainable mobility;
4. EMPHASIZES that the development of freight transport logistics is first and foremost a matter for industry, but authorities have a role to play in creating a positive environment for logistics efficiency, innovation and growth; proposals for action at the Community level should be supported by systematic impact assessments which focus in particular on the effects on international competitiveness;
5. ACKNOWLEDGES that for enhancing the development of freight transport logistics public authorities need to cooperate at all appropriate levels - European, national and local - each according to their respective competencies;
6. RECOGNIZES that a logistics perspective needs to be integrated in the EU Transport Policy, and in other policy areas, and in that context, EMPHASIZES that, across the EU, where appropriate, coherence should be a target in logistics solutions;
7. UNDERLINES the importance of logistics excellence for maintaining and expanding know-how, skills and jobs in Europe;
8. SUPPORTS the intention of the Commission to develop, in consultation with all relevant stakeholders, a framework strategy for freight transport logistics in Europe enabling more competitive logistics services and adequate environmental and social sustainability;
9. CONCURS with a co-modal approach - i.e. the efficient use of different modes of transport on their own and in combination - to optimise Europe's transport system, while acknowledging that more environmentally-friendly transport must continue to be pursued, including, where appropriate, the achievement of shifts to more environmentally-friendly modes;
10. WELCOMES the intention of the Commission to draw up an Action Plan in 2007 on freight transport logistics;

11. INVITES THE COMMISSION to take the following considerations into account in developing the Framework Strategy and the Action Plan:

A comprehensive analysis needs to be undertaken, involving all stakeholders and taking due account of all information gathered previously, inter alia from the Short Sea Shipping bottlenecks exercise, with a view to identifying major obstacles hindering freight transport logistics from developing faster in Europe. In addition to such a freight logistics "bottlenecks exercise", the exchange of best practice and sharing of know-how should be promoted. This work should be carried out by representatives of industry, social partners, other relevant stakeholders and Member States;

The use of Information and Communications Technology (ICT) and intelligent transport systems in the supply chain should be encouraged further as a matter of priority. Possible initiatives should focus on communication technologies between administrations and private parties and amongst administrations themselves and should be geared towards interoperability as well as common messaging, and identification within an open ICT architecture. Furthermore, freight transport logistics must remain a research priority under the 7th Framework Programme;

- a) The advanced positioning capabilities of the global navigation satellite system GALILEO will enable enhanced logistics services and transport management including tracking and tracing, thereby supporting high performance in supply chains for all modes;
- b) A single window for submitting administrative documents and one-stop administrative shops for physical checks can make an important contribution to the efficiency of logistics flows, in particular multimodal flows;
- c) The promotion of training and life-long learning is essential for a high-quality and innovative freight transport logistics sector. With a view to facilitating access to the logistics profession and to enhancing the mobility of logistics workers in Europe, measures aimed at improving the mutual recognition of qualifications, where these could have a clear added value, could be explored, including lower operational job levels;

- d) In order to monitor freight transport logistics in a systematic manner, in particular with regard to the efficient functioning of the market for logistics services in Europe, and to enable informed policy decisions, suitable methodologies and indicators should be developed, as far as possible on the basis of available statistical data. Furthermore, benchmarks for freight transport logistics, involving, if any, minimum administrative procedures, are important for enabling an uniform assessment of logistics performance;
- e) In the coming years, infrastructure needs to absorb increasing volumes of traffic. This not only requires constructing new infrastructure, notably on the TEN-T network, making use of public and private funds, but also optimising the use of current infrastructure, inter alia by improving interoperability. Efficient and sustainable logistics solutions, such as infrastructure traffic management and control systems for all modes of transport and interconnected information systems between them, should be promoted as they can enhance the capacity of networks. Furthermore, in order to distribute the burden on infrastructure more evenly, cooperation between modes of transport would need to be enhanced;
- f) Advanced logistics solutions improve the efficiency of all modes of transport. Up-to-date tracking and tracing and management of maritime traffic in European waters will increase the competitiveness of shipping, inter alia by making it technologically possible to reduce the number of individual controls in the case of purely intra-Community trade. Furthermore, air freight logistics deserves attention in the light of its growing importance;
- i) With a view to enabling further development of logistics services involving several modes of transport, infrastructure connections are of particular importance. In this context, it is of particular importance that transshipment facilities, including intermodal terminals, ports and airports, are encouraged to make use of advanced informatics. Furthermore, with a view to increasing cargo-handling capacity and speed and reducing costs, new loading technologies and cargo-handling automation should be promoted. Finally, it could be further explored how to make use of the existing network of Shortsea Promotion Centres to encourage multimodal logistics solutions also in inland transport chains;
- j) Actions to enhance interoperability, ensure open access on the basis of adopted Community legislation and reduce delays generated by mixed freight/passenger traffic should ensure that the railway network has Europe-wide sufficient capacity to meet the demands of rail freight services; this should be given priority in the important north-south and east-west corridors;

- k) The rules on the dimensions of vehicles and loading units should reflect the needs of advanced logistics, co-modality and sustainable mobility, taking into account road safety, safe and efficient use of road infrastructure, particularly aiming at the reduction of the number of empty lorries, as well as infrastructure constraints of Member States and repercussions on other modes of transport. Consequently, in order to tackle the problems related to rapid growth of national and international goods transport, available and new technical solutions which inter alia allow more freight to be carried - some of which are being explored in ongoing pilot projects - necessitate in-depth studies. Furthermore, with a view to promoting a seamless use of different modes in a single transport chain, the use of compatible loading units that facilitate the efficient carriage of goods could be studied, taking due account of the global context of goods transport.

12. UNDERLINES the importance of close coordination between the drawing up of the Action Plan and the elaboration of the framework strategy for freight transport logistics for a competitive and sustainable European logistics industry;
13. EMPHASISES, both with regard to the framework strategy and with regard to the Action Plan and the individual measures therein, the importance of continuing interaction with the logistics sector and the social partners, and constant cooperation with the Member States; in that context, SUGGESTS the Commission to call on the assistance of a High-Level group;

INVITES THE MEMBER STATES AND THE LOGISTICS INDUSTRY

14. To actively contribute to the development of the logistics Action Plan and the logistics framework strategy;
15. To actively share and disseminate best practice;

INVITES THE LOGISTICS INDUSTRY

16. To step up its efforts to further develop freight transport logistics, including the necessary investments in infrastructure and human resources."

LAND TRANSPORT

– *Retrofitting of mirrors to heavy goods vehicles*

Pending the European Parliament's first-reading opinion, the Council reached agreement on a general approach on a proposal for a Directive on the retrofitting of mirrors to heavy goods vehicles registered in the Community.

The Commission transmitted the abovementioned proposal to the Council in October 2006 (13869/06+ADD1, ADD2). The draft Directive is aimed at improving the safety of vulnerable road users such as pedestrians, cyclists and motorcyclists, who are particularly exposed to dangers arising from the lateral blind spot, which lorries have on the passenger's side.

This proposed Directive is a temporary measure and aimed at improving the field of indirect vision of existing heavy good vehicles. Directive 2003/97/EC¹ stipulates a mandatory improved set of mirrors for new lorries from 2006/2007. According to this Directive, new heavy-duty vehicles of more than 3.5 tons will have to be equipped with blind spot mirrors as from next year. However, existing heavy goods vehicles will not be affected by this legislative measure. This means that Directive 2003/97/EC will not apply to 5 million heavy good vehicles currently in circulation in the EC.

The Commission therefore proposes to extend the requirements for the lateral field of indirect vision to the existing fleet of heavy goods vehicles. In case of technical difficulties to meet these requirements, the proposed Directive allows for some flexibility in so far as inspection authorities can accept exceptional alternative solutions.

The Commission estimates that a retrofitting of existing heavy goods vehicles with "blind spot mirrors" could save more than 1200 lives on European roads between now and 2020. The current cost of retrofitting mirrors should in principle not present a huge financial burden and is estimated at 100/150 EUR.

Contrary to the Commission's proposal, which proposes to make the retrofitting mandatory to all lorries that are not older than 10 years, the Council agreed that a draft Directive will apply to lorries registered after 1 January 2000. The Member States will have 3 years following the entry into force of the Directive (twentieth day following that of its publication in the Official Journal of the EU) in which to comply with its provisions.

The European Parliament's first-reading opinion is expected for April 2007.

¹ OJ L 25, 29.1.2004, p.1, directive as amended by Commission directive 2005/27/EC (OJ L 81, 30.3.2005, p. 44).

AVIATION

External relations

– *a) EU-Ukraine negotiations for an air transport agreement*

The Council authorised the Commission to open negotiations with Ukraine on a comprehensive aviation agreement. The agreement will be aimed at integrating the Ukrainian aviation sector into a wider European aviation area.

– *b) EU-US negotiations for an air transport agreement*

The Commission informed the Council of the latest state of play in relation to the draft EU-US air transport agreement, following the recent decision by the United States Department of Transportation to terminate its rulemaking procedure concerning actual control of US air carriers.

The Council expressed its deep disappointment and regret at this decision, given that a change in the US policy in the area of ownership and control had been considered an essential element before proceeding with the agreement.

The Council reaffirmed its commitment to the goal of securing a historic, first-stage EU-US comprehensive air transport agreement that would increase legal certainty and replace the existing bilateral agreements.

To that end and further to the proposal of the United States, the Council requested the Commission to enter into urgent consultations with the United States as soon as possible in order to seek elements that could be used to restore a proper balance of interests. The Commission should report to the March 2007 Transport Council on the results achieved in this important dossier.

– *c) Siberian overflights*

The Council took note of the information by the Commission regarding the negotiating results reached between the EC and the Russian Federation on 24 November in the margins of the EU-Russia summit in Helsinki.

The Council welcomed the negotiating results and the readiness of the Russian Ministry of Transport to increase overflight frequencies in bilateral negotiations with EU Member States.

The Council also welcomed the fact that the agreement allows for the strengthening of EU-Russia aviation relations, notably in the field of aviation safety and Air Traffic Management.

The Council asked the Commission to submit the proposals for conclusion and adoption of the agreement as soon as possible.

In that context, the Council noted the importance of creating an equalisation mechanism to avoid possible distortion of competition on Transsiberian routes between the Community air carriers during the transition period. It should be ensured that only those Community air carriers that are within such a mechanism can operate on the above routes.

European Aviation Safety Agency

Pending the European Parliament's first-reading opinion, the Council reached agreement on a general approach on a proposal for a regulation amending regulation (EC) No 1592/2002 on common rules in the field of civil aviation and establishing a European Aviation Safety Agency.

The Commission's proposal (14903/05) was presented to the TTE Council on 5 December 2005. It is aimed at bringing new responsibilities within the existing remit of the European Aviation Safety Agency (OJ L 240, 7.9.2002, p.1).

Under the abovementioned regulation, the agency had been given certification and rulemaking responsibilities with respect to airworthiness. The Commission's proposal is intended to give new responsibilities to the agency, in particular: responsibilities for flight crew licensing, air operations and the oversight of third country aircraft in the Community.

The working party agreed on several modifications to the Commission proposal, which concern in particular the following issues:

- *essential requirements for licensing, operations and third country aircraft* - changes have been made to the operative part of the Regulation and to recitals in order to assuage concerns from Member States about the safety impact of the proposed essential requirements with regard in particular to the proposed leisure pilot licence; the content of rules to be applied to non-commercial operations in the Community by third country operators; and the circumstances under which general practitioners may act as aero-medical examiners in accordance with national regulations;
- *assessment bodies* - provision in the Commission proposal granting privileges to assessment bodies for the issuing of various Community-recognised approvals, particularly in the area of licensing has been deleted from the proposal, on the understanding that this deletion does not prevent those Member States who so wish to grant these privileges to bodies based within their jurisdiction;

- *new certification tasks for the agency* - the number of new certification tasks accorded to the Agency has been reduced, compared to the Commission's proposal. The new certification tasks are limited largely to the certification of third country operators flying to and from the Community and to approvals of organisations based outside the territory of the Member States.
- *rulemaking* - with respect to the scope of the rulemaking for third country operators, a new provision clarifies the requirements that shall be imposed upon third country operators using Community airports;
- *governance* - changes proposed by the Commission to the governance arrangements for EASA have been rejected on the grounds that they would interfere with the proper system of accountability in the Community agencies. However, the working party has maintained the Commission's proposal to include interested parties as observers in the Management Board and has provided for special Management Board working bodies to assist the Board proper in carrying out its functions.
- *annexes* - the annexes to the proposal, which set out the essential requirements to be applied in the area of air operations and licensing, have been refined.

The European Parliament's first-reading opinion is expected for February 2007.

OTHER BUSINESS

– *i2010 Annual Conference*

The Presidency briefed the Council on the results of the annual that took place in Espoo, Finland on 28 September (15433/06). The conference was organised by the Presidency in cooperation with the Commission and the European Network and Information Security Agency (ENISA) on the theme of "*Towards a ubiquitous European Information Society*".

– *Internet Governance*

The Presidency briefed the Council on recent developments in the field of Internet Governance (15781/06), notably the EU Troika meeting with the US administration of last July, the renewal of the Joint Agreement between ICANN and the US Department of Commerce as well as the inaugural meeting of the Internet Governance Forum (IGF). The IGF, which is a concrete translation of a commitment undertaken in the Tunis WSIS Summit, took place in Athens from 31 October - 2 November 2006.

– *Communication from the Commission on bringing eCall back on track*

The Commission presented to the Council a communication on bringing eCall back on track adopted on 23 November 2006 (15932/06). In the framework of the Intelligent Car Initiative, the industry and the public sector have worked together on a plan that aims at full deployment of eCall from 2009 onwards. Due to long times in product development and the associated costs, the industry needs certainty on the implementation of necessary infrastructure in the Member States before starting the production phase of eCall equipment in the vehicles.

The Communication proposes two parallel action lines in order to solve the current deadlock: Commitment of Member States by mid-2007 and a negotiated agreement with the industry by the end of 2007. The Commission itself intends to carry out a set of actions to facilitate the eCall deployment.

– *Reserving a national range of freephone numbers starting with 116 for services of social value*

The Council took note of the information provided by Commission on a draft decision on reserving the national numbering range beginning with "116" for harmonised numbers for harmonised services of social value (16510/06).

In its Communication COM (2005) 12 final on the "Strategic Objectives 2005 –2009 - Europe 2010: A Partnership for European Renewal - Prosperity, Solidarity and Security", and subsequently in its Communication COM (2006) 367 "Towards an EU strategy on the Rights of the Child", the Commission made children's rights one of its first priorities. An important, very concrete and urgent implementation of this priority is the identification of a single European telephone number for missing children.

Reserving such number is part of a broader project for Member States to reserve a national range of freephone numbers starting with 116 for services of social value.

A draft Commission Decision is being prepared based on Article 10(4) of the "Framework Directive"¹. It will propose to reserve the numbering range beginning with 116 for harmonised numbers for harmonised services of social value in Europe. The Commission proposes to include a single number for missing children in its draft decision. This draft Decision will soon be submitted to an extraordinary meeting of the Communications Committee for opinion (regulatory committee procedure requiring a qualified majority). Taking into account the EP scrutiny period, this procedure will allow the Decision to be adopted by the Commission early February.

The Presidency concluded that this was an important issue in which cooperation at EU-level could achieve a lot. The Presidency encouraged all Member States to contribute positively when the issue is further discussed in the appropriate instances.

– *EU-Russia transport dialogue*

The Council took note of the information provided by the Commission on the EU-Russia transport dialogue.

– *Ministerial conference "Innovative approaches to road safety"*

The Presidency and the Italian delegation informed the Council on the results of the transport ministers conference on "Innovative Approaches to Road Safety", which took place in Verona on 3-4 November (16091/06).

¹ Directive 2002/21/EC, OJ L108, 24.4.2002, p.33

EVENTS IN THE MARGINS OF THE COUNCIL

In the margins of the Council the following agreements were signed:

- Agreement on certain aspects of air services with Morocco;
- Euro-Mediterranean Aviation Agreement with Morocco;
- Cooperation Agreement with Morocco on a Civil Global Navigation Satellite System,

and the following protocol:

- Protocol on the implementation of the Alpine Convention in the field of Transport.

OTHER ITEMS APPROVED**TRANSPORT****Galileo**

- a) Structures for the management of European satellite radio-navigation programmes

The Council adopted a regulation amending Regulation (EC) No 1321/2004 on the establishment of structures for the management of European satellite radio-navigation programmes (*14033/06*).

The proposal is aimed at enabling the European GNSS Supervisory Authority to complete the development phase of the Galileo programme after the winding-up of the Galileo Joint Undertaking.

- b) Galileo Joint Undertaking

The Council adopted a regulation amending Regulation (EC) No 876/2002 setting up the Galileo Joint Undertaking (*14458/06*).

The regulation is aimed at amending the statutes of the Galileo Joint Undertaking in order to provide that the undertaking will cease to operate on 31 December 2006. It complements a second proposed Regulation amending Council Regulation (EC) No 1321/2004 establishing the European GNSS Supervisory Authority (Supervisory Authority) that ensures the completion of the development phase of the Galileo programme through the Supervisory Authority. By these means, all activities of the Galileo Joint Undertaking will be taken over by the Supervisory Authority by the end of 2006.

Galileo - Cooperation agreement with Morocco

The Council adopted a decision approving the signing of a cooperation agreement on a civil global navigation satellite system (GNSS) between the European Community and Morocco, aimed at encouraging, facilitating and enhancing cooperation between the parties in the context of European and Moroccan contributions to a GNSS.

The sectors for cooperation in satellite navigation and timing are the following: scientific research, industrial manufacturing, training, application, service and market development, trade, radio-spectrum issues, integrity issues, standardisation and certification and security.

Public service obligations *

The Council adopted a common position with a view to the adoption of a Regulation on public service obligations for public passenger transport services by rail and by road (13736/1/06, 15864/06 ADD1). The Czech delegation abstained from voting.

The Council agrees with the Commission that a new legislative framework is needed in view of the increasingly open and competitive European market for public passenger transport services. The current rules on public service obligations date from 1969 (Regulation (EEC) No 1191/69) and were last amended in 1991 (Regulation (EEC) No 1893/91). Today's European market for public transport services, where operators are no longer exclusively national, regional or local, needs a new set of rules. These rules must reduce distortion of competition by enhancing transparency, by establishing non-discriminatory conditions of competition amongst operators and by guaranteeing legal certainty for both operators and authorities involved in public passenger transport.

The key issues of the common position are:

- *scope* - those public passenger transport services by rail and by road are covered for which competent authorities, when imposing or contracting for public service obligations, compensate operators for the costs incurred and/or grant exclusive rights in return for the discharge of public service obligations. In addition, Member States may choose to apply the Regulation to public passenger transport services by inland waterways;
- *transparency* - with a view to enhancing transparency, the Council agrees with the proposal of the Commission that competent authorities must conclude public service contracts where exclusive rights and/or compensation are granted in return for the discharge of public service obligations;

- *award of contracts* - the Council considers a system offering competent authorities the freedom to choose between awarding public service contracts through competitive tender or through direct award the best guarantee for improving public transport quality and efficiency. The common position keeps the four derogations to using competitive tendering as proposed by the Commission, but modifies their exact modalities. The Council allows contracts to be awarded directly in four situations:
 - third parties over which they exercise control similar to that exercised over their own departments - so-called internal operators;
 - minor contracts;
 - emergency situations;
 - heavy rail passenger services, including(sub)urban rail;
- *duration of contracts* - for rail and other track-based modes, the common position follows the Commission proposal to limit the maximum duration to 15 years. However, the duration of directly awarded contracts for heavy rail is not allowed to exceed 10 years. For coach and bus services, a maximum duration of 10 years is provided. Under certain conditions, these durations can be extended by 50%;
- *social standards and quality of service* - the Council supports the Commission approach, that authorities are responsible for setting social and quality criteria;
- *transition* - the Council simplified and extended the transitional arrangements proposed by the Commission with a view to providing authorities and operators with sufficient time to adapt to the new regime. The common position provides for a date of entry into force of the Regulation 3 years after its publication in the Official Journal of the EU and, thereafter, a maximum transition period of 12 years.

Council will transmit its common position to the European Parliament with a view to starting the second reading.

Common rules in the field of civil aviation security *

The Council adopted a common position with a view to the adoption of a regulation on common rules in the field of civil aviation security (14039/1/06, 15865/06 ADD1).

The text will be sent to the European Parliament with a view to the second reading.

The proposal seeks to replace Regulation (EC) No 2320/2002 on common rules in the field of civil aviation security (*OJ L 355, 30.12.2002, p.1*), adopted in the wake of the terrorist attacks of 11 September 2001 and in force since January 2003. The new regulation aims at clarifying, simplifying and further harmonising the legal requirements with the objective of enhancing security in civil aviation. It lays down common rules for safeguarding civil aviation against acts of unlawful interference. It also provides the basis for a common interpretation of Annex 17 to the 1944 Chicago Convention on International Civil Aviation. The regulation addresses the issue of in-flight security measures. In addition, it sets rules for situations where a third country wishes to apply security measures to flights from Community airports different from those laid down by Community legislation.

Comparing to the Commission's proposal the text of the common position takes into account the new rules on comitology (*OJ L 200, 22.7.2006, p.11*). It also allows Member States to apply stricter national measures than those contained in the regulation. Given the gravity of the various security threats and the fast-changing circumstances surrounding these threats, the Council took the view that Member States should have a sufficient margin of manoeuvre to impose any additional or special measures they judge necessary.

In addition, it takes into account the agreement reached between Spain and the United Kingdom on the Gibraltar issue in Cordoba on 18 September 2006.

The Council examined the possibility of reaching a first reading agreement with the European Parliament on the proposal. It appeared however that the issue of financing the security measures would need to be studied more carefully in order to satisfy the concerns of all parties.

The European Parliament adopted its first opinion in June 2006 (10377/06).

JUSTICE AND HOME AFFAIRS**European order for payment procedure**

The Council adopted a Regulation, as amended by the European Parliament in second reading, creating a European order for payment procedure (*PE-CONS 3659/06*).

This Regulation aims at:

- simplifying, speeding up and reducing the costs of litigation in cross-border cases concerning uncontested pecuniary claims by creating a European order for payment procedure, and
- permitting the free circulation of European orders for payment throughout the Member States by laying down minimum standards rendering unnecessary any intermediate proceedings in the Member State of enforcement prior to recognition and enforcement.

The scope of application covers civil and commercial matters in cross-border cases, whatever the nature of the court or tribunal. The Regulation will not apply to revenue, customs or administrative matters or the liability of the State for acts and omissions in the exercise of State authority. They are also excluded from the scope of application litigation concerning right in property arising out of a matrimonial relationship, wills and succession, bankruptcy, social security and in most cases claims arising from non-contractual obligations.

Under provisions of this Regulation and for claims falling in its scope, the need of *exequatur* is abolished meaning that a European order for payment which has become enforceable in the Member State of origin should be recognised and enforced in the other Member State without the need for a declaration of enforceability and without any possibility of opposing its recognition.

The Regulation will be applied in all Member States with the exception of Denmark.

ECONOMIC AND FINANCIAL AFFAIRS

Financial aid in the field of trans-European transport and energy networks

The Council reached a political agreement on a proposal for a regulation laying down general rules for the granting of Community financial aid in the field of trans-European transport and energy networks and amending Council Regulation (EC) no 2236/95.

The text as agreed will be formally adopted as a common position at a forthcoming Council session and sent to the European Parliament in order to reach a swift second reading agreement.

The financial reference amount at current prices for the implementation of the regulation for the period 2007-2013 is EUR 8 168 million of which EUR 8 013 million for transport and EUR 155 million for energy.

INTERNAL MARKET

Approval of motor vehicles

The Council adopted its common position on a draft Directive establishing a framework for the approval of motor vehicles and their trailers, and of systems, components and separate technical units intended for such vehicles ("Framework Directive"). The Council will send its common position to the European Parliament for a second reading under the codecision procedure (9911/06).

This proposal constitutes the second and last stage of the recasting of the framework Directive 70/156/EEC of 6 February 1970 on the approximation of the laws of the Member States relating to the type-approval of motor vehicles and their trailers. The first stage of the recasting, which consisted of the codification of the technical annexes, was achieved by the adoption of Commission Directive 2001/116/EC of 20 December 2001. The second stage consists of the recasting of the enacting part of the Directive.

Use of perfluorooctane sulfonates *

The Council adopted in first reading following negotiations with the European Parliament, a directive establishing restrictions on the marketing and use of perfluorooctane sulfonates (*PE-CONS 3660/06, 15915/06 ADD1*).

The directive aims at protecting health and the environment, by restricting the placing on the market and the use of perfluorooctane sulfonates. It is intended to cover the major part of the exposure risks.

Services in the internal market *

In the framework of the codecision procedure, the Council adopted today by qualified majority¹, the Directive on services in the internal market (*PE-CONS 3667/06, 15183/06, 15950/06 ADD1*).

See press release 16598/06.

FISHERIES**Baltic Sea - Total allowable catches (TACs) and quotas for 2007 ***

The Council adopted a regulation fixing for 2007 the fishing opportunities and associated conditions for certain fish stocks in the Baltic Sea (*14928/06*). The Polish delegation voted against. The adoption follows the political agreement reached by the Council last October (*see press release 13956/1/06 and 14924/1/06 ADD1*).

¹ The Lithuanian delegation abstained and the Belgian delegation declared that it abstained from taking part in the vote.

The main features of the regulation concern:

- The TAC for cod in the Eastern Baltic (40 805 tonnes) will be reduced by 10% compared to its current level in 2006; the cod TAC in the Western Baltic will be 26 696 tonnes, i.e. a reduction of 6% compared to 2006. A 15% reduction in the cod TAC will be applied in 2007 if a regulation on a multi-annual plan for cod stocks in the Baltic Sea is not adopted before 30 June 2007.
- The sprat TAC will be 8% higher in 2007 than in 2006. For Atlantic salmon in the main fishing zone, the TAC for 2007 will be cut by 5%.
- As regards provisions on fishing effort limitation, the regulation ensures that there is a further 10% reduction in days at sea as compared to 2006. This effort limitation will be divided into periods of closure over the year. An additional fishing effort limitation, left to the appreciation of the member states, of 77 days in the Western Baltic and 67 days in subareas 25-27 will be applied. The total fishing day ban amounts to 117 days in the Western Baltic and 138 days in subareas 25-27. Vessels with an overall length of less than 12 metres fishing with specified type of gears can fish up to 12 nautical miles from shore provided that their by-catch of cod does not exceed 20 kg or 10% whichever is the higher.

CULTURE

Culture 2007-2013 programme *

Concerning the proposal for a decision establishing the culture 2007 programme, the Council approved all the amendments passed by the European Parliament at second reading, with the abstention of the Portuguese delegation. The decision is therefore deemed to have been adopted in the form of the common position thus amended (*PE-CONS 3656/06, 15873/06 ADD 1*).

The programme will give priority support to three objectives:

- promoting transnational mobility of people working in the cultural sector in the EU;
- encouraging transnational circulation of works of art and cultural products;
- encouraging intercultural dialogue.

The programme will provide for three strands of intervention:

- direct financial support for cultural actions (multi annual cooperation projects, cooperation measures and special actions);
- support for bodies active at European level in the field of culture;
- support for analyses, for the collection and dissemination of information and for other activities improving the impact of projects in the field of European cultural cooperation.

The decision includes the following changes compared to the Commission's original proposal:

- support for measures for the preservation of memorials was transferred to "Citizens for Europe" programme;
- in order to make it easier for small operators to access the programme, the minimum Community support was lowered from EUR 60 000 to EUR 50 000 and the minimum number of operators was reduced from 4 to 3 for cooperation measures;
- greater flexibility was introduced in the duration of both multi-annual cooperation projects (3 to 5 years) and cooperation measures (1 to 2 years)
- a management committee procedure has been introduced for multi-annual cooperation projects.

The total appropriation allocated to the programme amounts to EUR 400 million.

"Europe for citizens" programme*

Concerning the proposal for a decision establishing the "Europe for citizens" programme, the Council approved all the amendments passed by the European Parliament at second reading, with the abstention of the Portuguese delegation. The decision is therefore deemed to have been adopted in the form of the common position thus amended (*PE-CONS 3657/06, 15914/06 ADD1*).

The programme will ensure continuation of the ongoing programme on civic participation¹ and open the way for new activities with a view to encouraging cooperation among citizens and civil society organisations from the participating countries. The programme shall contribute to the following general objectives:

- giving citizens the opportunity to interact and participate in constructing an ever closer Europe, which is democratic and world-oriented, united in and enriched through its cultural diversity, thus developing citizenship of the European Union;
- developing a sense of European identity, based on common values, history and culture;
- fostering a sense of ownership of the European Union among its citizens;
- enhancing tolerance and mutual understanding between European citizens respecting and promoting cultural and linguistic diversity, while contributing to intercultural dialogue.

It aims specifically to:

- bringing together people from local communities across Europe to share and exchange experiences, opinions and values, to learn from history and to build for the future;
- fostering action, debate and reflection related to European citizenship and democracy, shared values, common history and culture through cooperation within civil society organisations at European level;
- bringing Europe closer to its citizens by promoting Europe's values and achievements, while preserving the memory of its past;
- encouraging interaction between citizens and civil society organisations from all participating countries, contributing to intercultural dialogue and bringing to the fore both Europe's diversity and unity.

The programme comprises, *inter alia*, actions such as town-twinning, support for European public policy research organisations and projects of civil society organisations, support for commemorations, awards and for Europe-wide conferences, and active European remembrance for the preservation of memorials.

The financial envelope for the implementation of the programme amounts to EUR 215 million.

¹ OJ L 30, 2.2.2004, p. 6

ENVIRONMENT

Groundwater against pollution

The Council adopted the directive on the protection of groundwater against pollution and deterioration, in accordance with the joint text agreed by the Council and the European Parliament on 17 October 2006, at the end of the conciliation procedure (*PE-CONS 3658/06*).

The Directive establishes specific measures as provided for in the Water Framework Directive¹ in order to prevent and control groundwater pollution.

These measures include in particular criteria for the assessment of good groundwater chemical status, and criteria for the identification and reversal of significant and sustained upward trends and for the definition of starting points for trend reversals.

The Directive also aims to prevent or limit inputs of pollutants in groundwater bodies and to prevent deterioration of their status.

For further details, please see press release 14275/06.

¹ Article 17 of Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy (OJ L 327, 22.12.2000, p. 1. Directive as amended by Decision No 2455/2001/EC, OJ L 331, 15.12.2001, p.1).