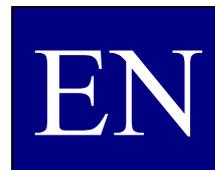




**COUNCIL OF  
THE EUROPEAN UNION**



11554/06 (Presse 215)

**PRESS RELEASE**

2747th Council Meeting

**Competitiveness (Internal Market, Industry and Research)**

Brussels, 24 July 2006

President

**Mr Mauri PEKKARINEN**  
Minister for Trade and Industry of Finland

**P R E S S**

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11554/06 (Presse 215)

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## **Main Results of the Council**

*The Council reached political agreement on the **7th research framework programmes**: European Community (2007-2013) and Euratom (2007-2011).*

*The Council adopted, without discussion, a common position on a draft directive on **services** in the internal market.*

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- Where declarations, conclusions or resolutions have been formally adopted by the Council, this is indicated in the heading for the item concerned and the text is placed between quotation marks.
- The documents whose references are given in the text are available on the Council's Internet site <http://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 abovementioned Council Internet site or may be obtained from the Press Office.

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## PARTICIPANTS

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

**Belgium:**

Mr Benoit CEREXHE

Minister of the Brussels Capital Regional Government, with responsibility for Employment, Economic Affairs, Scientific Research, Fire Prevention and Emergency Medical Aid

**Czech Republic:**

Ms Alena STERBOVA

Deputy Minister for Education, Youth and Sport

**Denmark:**

Mr Jeppe TRANHOLM-MIKKELSEN

Deputy Permanent Representative

**Germany:**

Mrs Annette SCHAVAN

Federal Minister for Education and Research

**Estonia:**

Mr Tiit NABER

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**Greece:**

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Secretary-General

**Spain:**

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**France:**

Mr François GOULARD

Minister with responsibility for Higher Education and Research

**Ireland:**

Mr Micheál MARTIN

Minister for Enterprise, Trade and Employment

**Italy:**

Mr Fabio MUSSI

Minister for Universities and Research

**Cyprus:**

Mr Costas IACOVOU

Director, "Planning Bureau"

**Latvia:**

Ms Baiba RIVŽA

Minister for Education and Science

**Lithuania:**

Mr Romas ŠVEDAS

Deputy Permanent Representative

**Luxembourg:**

Mr François BILTGEN

Minister for Labour and Employment, Minister for Culture, Higher Education and Research, Minister for Religious Affairs

**Hungary:**

Mr Miklós BODA

State Secretary, Ministry of Research and Technology

**Malta:**

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Minister for Competitiveness and Communications

**Netherlands:**

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Deputy Permanent Representative

**Austria:**

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Federal Minister for Education, Science and Culture

**Poland:**

Mr Michal SEWERYNSKI

Minister for Science and Higher Education

**Portugal:**

Mr José Mariano GAGO

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**Slovenia:**

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State Secretary, Ministry of Higher Education, Science  
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State Secretary

**Finland:**

Mr Mauri PEKKARINEN

Minister for Trade and Industry

Mr Erkki VIRTANEN

Permanent Secretary, Ministry of Trade and Industry

**Sweden:**

Mr Leif PAGROTSKY

Minister for Education and Culture

**United Kingdom:**

Lord David SAINSBURY of TURNVILLE

Parliamentary Under Secretary of State for Trade and  
Industry**Commission:**

Mr Janez POTOČNIK

Member

.....

The Governments of the Acceding States were represented as follows:

**Bulgaria:**

Mr Daniel Vassilev VALTCHEV

Deputy Prime Minister and Minister for Education and  
Science**Romania:**

Mr Anton ANTON

State Secretary at the Ministry of Education and Research

**ITEMS DEBATED****7th RESEARCH FRAMEWORK PROGRAMMES: EC AND EURATOM**

The Council reached political agreement by qualified majority, on the 7th framework programme (FP7) of the European Community (EC) for research and technological development for the period 2007 to 2013 (11978/06). On the basis of the agreement, the Council will establish its common position and will forward it to the European Parliament for a second reading, in accordance with the codecision procedure. The Austrian, Lithuanian, Maltese, Polish and Slovak delegations voted against.

The Council also reached unanimous political agreement on the FP7 of the European Atomic Energy Community (Euratom) for nuclear research activities for 2007 to 2011 (11979/06).

***- Community research***

The debate was open to the public and it was conducted on the basis of a compromise text drawn up by the Presidency. It focused on research activities involving human embryonic stem cells under the framework programme.

The text of the agreement clarifies the parameters under which research projects involving human embryos and human embryonic stem cells will be eligible for Community funding. Certain fields of research, such as activities aimed at human cloning for reproductive purposes or intended to modify the genetic heritage of human beings, will not be eligible for Community funding. In addition the Commission confirmed that it will continue with the current practice and will not submit to the Regulatory Committee proposals for projects which include research activities which destroy human embryos, including for the procurement of stem cells. The exclusion from funding of this step of research will not prevent Community funding of subsequent steps involving human embryonic stem cells.

FP7 (EC) will be implemented through specific programmes, corresponding to the main themes of European research policy:

- "Cooperation": on collaborative research;
- "Ideas": which includes the establishment of a European Research Council;
- "People": for human resources; and
- "Capacities": dealing with the potential research capacities of EU small and medium-sized enterprises (SMEs).

The text also contains an indicative breakdown of spending among the programmes:

	<i>in EUR million (current prices)</i>
<b>Cooperation</b>	<b>32365</b>
Health	6050
Food, agriculture and biotechnology	1935
Information and communication technologies	9110
Nano-sciences, nano-technologies, materials and new production technologies	3500
Energy	2300
Environment (including climate change)	1900
Transport (including aeronautics)	4180
Socio-economic sciences and the humanities	610
Space	1430
Security	1350
<b>Ideas</b>	<b>7460</b>
<b>People</b>	<b>4728</b>
<b>Capacities</b>	<b>4217</b>
Research infrastructures	1850
Research for the benefit of SMEs	1336
Regions of knowledge	126
Research potential	370
Science in society	280

Coherent development of research policies	70
Activities of international cooperation	185
<b>Non-nuclear actions of the Joint Research Centre</b>	<b>1751</b>
<b>TOTAL</b>	<b>50521</b>

**- Euratom**

Discussions on FP7 (Euratom) concentrated on the scientific priorities of the EU's Joint Research Centre (JRC) actions, notably as regards nuclear safety. The JRC will contribute and coordinate the European contribution to the Generation IV initiative. It will contribute exclusively to those areas that can improve safety and safeguard aspects of innovative fuel cycles.

The draft Euratom programme is set out in two specific programmes: the first covers fusion energy research and nuclear fission and radiation protection, and the second covers the activities of the JRC in the field of nuclear energy. It will receive an allocation of EUR 2,7 billion for five years. An important part of the budget will contribute to financing the ITER international project on fusion energy.

\* \* \*

The specific programmes and the rules for the participation of undertakings, research centres and universities in actions under FP7 are an integral part of the FP7 legislative package. These will be decided on at a later stage.

## **OTHER ITEMS APPROVED**

### **INTERNAL MARKET**

#### **Services directive**

The Council adopted a common position on a draft directive on services in the internal market (10003/06 + ADD 1). The common position will be sent to the European Parliament for a second reading opinion under the codecision procedure. The Belgian and Lithuanian delegations abstained.

The proposal is aimed at improving the basis for economic growth and employment in the EU, achieving a genuine internal market in services by removing legal and administrative barriers to the development of service activities, strengthening the rights of consumers as users of services and establishing legally-binding obligations for effective administrative co-operation between member states.

*See details in press release 11688/06.*

#### **Company law - Public limited liability companies**

The Council adopted a directive amending directive 77/91/EEC, with the aim of facilitating and simplifying the raising of capital and the restructuring of capital ownership in public limited liability companies (3608/06). Adoption follows an agreement at first reading with the European Parliament under the codecision procedure.

The directive will enable member states, under certain conditions, to discharge companies from specific reporting requirements and to facilitate the restructuring of capital ownership. It also provides for harmonised safeguards for creditors in the context of capital reduction.

Member states will have to incorporate the new provisions into their national legislation within 18 months following the date of entry into force of the directive, which will occur 20 days after its publication in the Official Journal.

Directive 77/91/EEC, adopted in 1976, coordinates national provisions applicable to public limited liability companies in the following areas: formation of companies, minimum share capital requirement, distributions to shareholders, increase and reduction in capital. It provides for safeguards for the protection of the interests of shareholders and third parties.

## **CUSTOMS UNION**

### **Turkey - EU customs legislation - EU enlargement**

The Council adopted a decision approving a draft decision of the EU-Turkey customs cooperation committee with a view to implementing provisions of decision No 1/95 of the EU-Turkey association council, on implementation of the final phase of the customs union.

The draft decision amends decision No 1/2001 of the EC-Turkey customs cooperation committee in order to take account of enlargement and of recent developments in the Community customs legislation, and in order to enable acceptance by Turkey of A.TR movement certificates issued in the Community on the basis of single authorisations of approved exporters issued in a member state other than those of actual export of goods.

## **AGRICULTURE**

### **Classification of carcasses of adult bovine animals**

The Council adopted a regulation (codified version) concerning the Community scale for the classification of carcasses of adult bovine animals (8445/06).

The regulation codifies and repeals regulation 1208/81, substituting the various acts incorporated in it by bringing them together with only such amendments as are required by the codification exercise itself.

## **FISHERIES**

### **EU/Angola agreement**

The Council adopted a regulation denouncing the 1989 agreement with Angola on fishing off Angola since certain legislative conditions laid down on biological aquatic resources adopted by the Angolan government are incompatible with EU's requirements for fishing in Angolan waters (10902/06).

In accordance with the new law on biological aquatic resources adopted by Angola, all fishing activities must be carried out in association with Angolan enterprises and the fish must be of Angolan origin. Furthermore, all Community vessels would have to be fitted with satellite tracking devices directly linked to the Angolan fishing vessel monitoring centre.

EU member states may, under Community law, grant compensation for the temporary cessation of activities to fishermen and owners of vessels affected by the denunciation of the agreement.

The last protocol annexed to the agreement setting out, for the period from August 2002 to August 2004, the fishing opportunities for demersal, pelagic and tuna species and the financial contribution provided for by the agreement, was not renewed.

The Community should give notice of the denouncement to Angola by 31 October 2007 to enable the denunciation to take effect on 1 February 2008.

## **ENERGY**

### **Minimum stocks of crude oil and/or petroleum products**

The Council adopted a directive (codified version) imposing an obligation on member states to maintain minimum stocks of crude oil and/or petroleum products (*PE-CONS 6581/06*).

The directive codifies and repeals directive 68/414/EEC, substituting the various acts incorporated in it by bringing them together with only such amendments as are required by the codification exercise itself.

### **Trans-European energy networks \***

The Council adopted a decision laying down guidelines for trans-European energy networks, approving all of the amendments passed by the European Parliament at second reading (*3612/06, 11306/06 ADD1 ADD2 and 8122/06*). These amendments reflect the compromise reached between the two institutions during the second reading.

The decision adapts the trans-European energy guidelines adopted in June 2003, in particular with respect to new Member States, and allows for funding of projects of common interest to the enlarged Union. The revised guidelines include projects which will facilitate the integration of new Member States into the electricity and gas internal market. It also addresses the need to include projects involving neighbouring countries.

The decision defines the nature and scope of Community action in respect of trans-European energy networks, and establishes a series of guidelines relating to objectives, priorities and broad lines of action. The guidelines identify projects of common interest, priority projects, and projects of European interest.

Projects of European interest are projects which are cross-border in nature or which have a significant impact on cross-border transmission capacity. Where such a project encounters significant delays or implementation difficulties, including in situations where third countries are involved, the Commission may designate a European coordinator. The services of a European coordinator should also be made available to other projects, at the request of the Member States concerned.

This decision repeals decisions 96/391/EC and 1229/2003/EC.

## **AUDIOVISUAL POLICY**

### **Media 2007 programme**

Following the agreement on the EU's financial perspectives for 2007-2013, the Council adopted a common position with a view to the adoption of a programme of support for the European audiovisual sector - *Media 2007 (6233/06)*.

The text will be sent to the European Parliament for its second reading.

The programme, which combines the current Media Plus and Media Training programmes, is intended to support the European audiovisual sector with the following objectives:

- preserving and enhancing European cultural and linguistic diversity and cinematographic and audiovisual heritage, guaranteeing its accessibility to the public and promoting intercultural dialogue;
- increasing the circulation and viewing of European audiovisual works inside and outside the European Union, including through greater cooperation between industry players;
- strengthening the competitiveness of the European audiovisual sector in the framework of an open and competitive European market favourable to employment, including by promoting links between audiovisual professionals.

The overall budget allocated to the programme amounts to EUR 671 million (at 2004 prices).

## **TRANSPORT**

### **International rail passengers' rights and obligations**

The Council adopted a common position with a view to the adoption of a regulation of the European Parliament and of the Council on international rail passengers' rights and obligations (5892/06). The text will be sent to the European Parliament for a second reading under the codecision procedure.

The draft regulation is aimed at improving the effectiveness and attractiveness of international rail passenger transport. It covers international journeys throughout the Community undertaken on domestic and international services which are provided by one or more railway undertakings.

In order to ensure coherence between Community legislation and international provisions, the common position is compatible with COTIF/CIV rules (the Convention concerning international carriage by rail and its annex concerning the uniform rules concerning the contract for international carriage of passengers by rail) as far as transport contracts, liability of railway undertakings in respect of passengers and their luggage, delays, missed connections and cancellations are concerned. It incorporates the relevant CIV chapters into an annex.

The scope of the draft regulation is broader than COTIF/CIV, adding in particular provisions concerning:

- persons with reduced mobility (also applicable to domestic journeys on international services);
- minimum compensation in the event of delay (minimum compensations for delays is set at 25% of the ticket price for a delay of 60 to 119 minutes and 50% of the ticket price for a delay of 120 minutes or more);

and implementing an integrated information and reservation system for international traffic.

The common position as agreed by the Council establishes rules concerning:

- information to be provided by railway undertakings, the conclusion of transport contracts, the issuing of tickets and implementation of a computerised information and reservation system for rail transport;

- liability of railway undertakings and their insurance obligations for passengers and their luggage;
- minimum obligations of railway undertakings to passengers in the event of delay, missed connections and cancellations;
- protection of and assistance to persons with reduced mobility travelling by rail;
- definition and monitoring of service quality standards for international services, the management of risks to the personal security of passengers and the handling of complaints;
- general rules on enforcement.

### **Train drivers' certification**

The Council adopted a common position on a draft directive on the certification of train drivers operating locomotives and trains on the Community's rail network (5893/06). The text will be sent to the European Parliament for second reading under the codecision procedure.

The common position lays down the conditions and procedures for the certification of train drivers operating locomotives and trains on the railway system in the Community. It specifies the tasks for which the competent authorities of the Member States, the train drivers and other stakeholders in the sector, in particular the railway undertakings, infrastructure managers and training centres, are responsible.

Moreover, the proposal sets minimum requirements for physical and mental fitness, obligatory periodic checks and the description of skills a driver must have.

The draft directive will apply to train drivers only. Other train crew on board locomotives and trains who participate directly or indirectly in driving and/or in other safety critical tasks will not be covered by its provisions. The draft directive also contains a specific procedure for temporary exemption of domestic drivers who circulate only within the borders of Member States.

In practice, certification is achieved on the basis of the following documents:

- a general licence pertaining to general skills and knowledge essential to the profession
- a certificate - complementary to the licence - listing the particular infrastructure or rolling stock on which the driver is authorised to drive.

The licence will be issued by a national authority (with possibilities for delegations under certain conditions), the certificate by the railway undertaking or the infrastructure manager which employs the driver.

### **Statistics of goods transport by inland waterways**

The Council adopted a regulation establishing common rules for the production of Community statistics concerning inland waterways transport (*PE-CONS 3603/06*).

The regulation replaces and repeals, with effect from 1 January 2007, Council Directive 80/1119/EEC of 17 November 1980 on statistical returns in respect of carriage of goods by inland waterways, which no longer corresponds to the present needs in this domain.

The collection of good quality statistics on inland waterways transport is important for the following reasons:

- development and monitoring of Community actions also on a quarterly basis to promote inland waterways transport as set out in the White Paper;
- evaluation of the impact of investment in inland waterway infrastructure;
- participation of foreign-owned vessels in national transport matters;
- harmonisation with other international data collection; and
- reducing the workload for the reporting countries and Eurostat.

The effect of this regulation is limited to those Member States where inland waterways transport exists.

### **Rail market access**

The Council adopted a common position on a directive opening the market for international rail passenger services<sup>1</sup> (*5895/06*). The Hungarian and Luxembourg delegation abstained. The text will be sent to the European Parliament for a second reading opinion under codecision procedure.

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<sup>1</sup> Directive of the European Parliament and of the Council amending Council Directive 91/440/EEC on the development of the Community's railways and Directive 2001/14/EC of the European Parliament and of the Council on the allocation of railway infrastructure capacity and the levying of charges for the use of railway infrastructure.

The draft directive is part of the Third Railway Package<sup>1</sup>, presented by the Commission in March 2004 with a view to making rail transport more competitive and more attractive.

The common position provides for the opening of the market for international rail passenger transport services in 2010, including the right for international trains to perform cabotage, that is, picking up and setting down passengers at stations located in the same Member State. In order to avoid the opening of the market for international rail passengers resulting in opening up the domestic market, the common position specifies that the right of access only applies to those international services which have as a "principal purpose" the carriage of passengers between stations located in different Member States.

The Council found a balance between market opening on the one hand, and safeguarding public transport services on the other hand. In finding this balance, it added three new elements to the proposal of the Commission:

- a procedure for determining whether access to an international rail passenger service compromises the so-called economic equilibrium of public transport services;
- a clarification of the modalities related to granting a right of access, an important modality being a levy Member States can charge on international rail passenger services.
- a clause allowing Member States which have opened their market for international rail passenger services, to prohibit access to undertakings from Member States whose markets still are closed.

## **EDUCATION**

### **"Youth in action" programme for 2007-2013 \***

Following the agreement on the EU's financial framework for 2007-2013, the Council adopted a common position with a view to the adoption of a decision establishing the "Youth in action" programme for the period 2007-2013 (6236/06 and 11293/06 ADD1). The text will be sent to the European Parliament for a second reading under codecision procedure.

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<sup>1</sup> This legislative package contains 4 proposals. Apart from the abovementioned proposal (7147/04), the other 3 legislative proposals concern:

- a regulation on rights and obligations for passengers in international rail transport (7149/04);
- a regulation on quality obligations for rail freight services (7150/04);
- a directive on the certification of train crews operating locomotives and trains on the Community's rail network (7148/04).

"Youth in action", successor to the current "Youth" programme, is aimed at providing young people in the 31 participating countries with opportunities for group exchanges and voluntary work, as well as supporting a range of activities and reinforcing cooperation in the youth field.

The main objectives of the programme are the following:

- to promote young people's active citizenship in general and their European citizenship in particular;
- to develop solidarity and promote tolerance among young people, in particular in order to reinforce social cohesion in the EU;
- to foster mutual understanding between young people in different countries;
- to contribute to developing the quality of support systems for youth activities and the capabilities of civil society organisations in the youth field;
- to promote European cooperation in the youth field.

The overall budget allocated to the programme amounts to EUR 785 million (at 2004 prices).

### **Lifelong learning programme for 2007-2013 \***

Following the agreement on the EU's financial framework for 2007-2013, the Council adopted a common position with a view to the adoption of a decision establishing an action programme in the field of lifelong learning, aimed at providing financial support for the European education sector for the period 2007-2013 (*6237/06 and 11295/06 ADDI*).

The text will be sent to the European Parliament for a second reading under codecision procedure.

The new programme is a successor to the existing *Socrates*, *Leonardo da Vinci*, e-learning and related programmes, which are due to expire at the end of 2006. It comprise four sub-programmes already existing within the current Socrates programme: *Comenius* (school education); *Erasmus* (higher education); *Leonardo da Vinci*, (vocational education and training); *Grundtvig* (adult education). It will also include a "transversal" programme incorporating four key activities (policy development, language learning, innovative approaches and dissemination of project results), plus a *Jean Monnet* programme to support action related to European integration and European institutions and associations. A single programme should permit greater synergies between the different fields of action as well as more coherent, streamlined and efficient modes of action.

The aim of the new programme is both to contribute through lifelong learning to the development of the Community as an advanced knowledge society in the context of the strategic Lisbon goals, and to bring European added value directly to individual citizens by fostering interaction, cooperation and mobility between education and training systems within the Community.

The overall budget allocated to the programme is set at EUR 6 200 million (at 2004 prices).

### **APPOINTMENTS**

#### **Community Plant Variety Office - renewal of the term of office of the President**

The Council, on the basis of a proposal from the Commission, decided to renew for another five years the terms of office of the President of the Community Plant Variety Office, Mr Bart KIEWIET, as of 1 August 2006.

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