



**COUNCIL OF
THE EUROPEAN UNION**



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PRESS RELEASE

2735th Council Meeting

Transport, Telecommunications and Energy

Luxembourg, 8 and 9 June 2006

President

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Vice Chancellor and Federal Minister for Transport,
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10042/06 (Presse 167)

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Main Results of the Council

The Council reached:

- *political agreement with a view to a common position on a revised proposal for a Regulation on **public service obligations** for passenger transport services by rail and by road;*
- *a general approach on a proposal for a Directive amending Directive 2002/59/EC on the Community **vessel traffic monitoring** and information system;*
- *a general approach on a proposal for a Regulation on the establishment of a joint undertaking to develop the new generation **European air traffic management system** (SESAR),*

and adopted conclusions on:

- *the **internal energy market**;*
- *the Commission's **Biomass** action plan;*
- ***eGovernment** for all Europeans;*
- ***road safety**; and*
- *the promotion of **inland waterway transport**.*

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- 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:

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Mr Renaat LANDUYT

Minister for Mobility

Czech Republic:

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Minister for Industry, Tourism and Trade

Ms Magdalena ÁLVAREZ ARZA

Minister for Internal Development

France:

Mr François LOOS

Minister with responsibility for Industry

Mr Dominique PERBEN

Minister for Transport, Infrastructure, Tourism and the Sea

Ireland:

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Minister of State at the Department of Agriculture and Food (with special responsibility for Forestry)

Mr Martin CULLEN

Minister for Transport

Italy:

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Minister for Economic Development

Mr Paolo GENTILONI

Minister for Communications

Mr Alessandro BIANCHI

Minister for Transport

Cyprus:

Mr Haris THRASSOU

Minister for Communications and Works

Latvia:

Mr Aigars ŠTOKENBERGS

Minister for Economic Affairs

Ms Ina GUDELE

Minister with special responsibility for e-Administration

Mr Krišjānis PETERS

Minister for Transport and Communications

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Deputy Minister for the Economy

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State Secretary at the Ministry of Transport and Communications

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Mr Lucien LUX

Minister for Economic Affairs and Foreign Trade,
Minister for Sport
Minister for the Environment, Minister for Transport**Hungary:**

Mr György HATVANI

Mr Zsolt Csaba HORVÁTH

Deputy State Secretary, Ministry of Economic Affairs and
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Deputy State Secretary, Ministry of Economic Affairs and
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Minister for Competitiveness and Communications
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Ms Karla PEIJS

Minister for Economic Affairs
Minister for Transport, Public Works and Water
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Mr Martin BARTENSTEIN

Mr Helmut KUKACKA

Vice Chancellor and Federal Minister for Transport,
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Federal Minister for Economic Affairs and Labour
State Secretary, Federal Ministry of Transport, Innovation
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Mr Piotr NAIMSKI

Mr Boguslaw KOWALSKI

Deputy Minister for Economic Affairs, State Secretary,
Ministry of Economic Affairs
State Secretary, Ministry of Transport**Portugal:**

Mr Mário LINO

Mr António CASTRO GUERRA

Minister for Public Works, Transport and
Communications
State Secretary for Industry and Innovation, attached to
the Minister for Economic Affairs and Innovation**Slovenia:**

Mr Janez BOŽIČ

Minister for Transport

Slovakia:

Ms Eva ŠIMKOVÁ

State Secretary at the Ministry of the Economy

Finland:

Mr Mauri PEKKARINEN

Ms Susanna HUOVINEN

Minister for Trade and Industry
Minister for Transport and Communications**Sweden:**

Ms Mona SAHLIN

Ms Ulrica MESSING

Minister for Community Development
Minister for Communications and Regional Policy**United Kingdom:**

Ms Margaret HODGE

Mr Stephen LADYMAN

Minister of State for Industry and the Regions
Minister of State for Transport**Commission:**

Mr Jacques BARROT

Ms Viviane REDING

Mr Andris PIEBALGS

Vice-President

Member

Member

The Governments of the Acceding States were represented as follows:

Bulgaria:

Mr Rumen OVCHAROV
Mr Peter MUTAFCHIEV

Minister for the Economy and Energy
Minister for Transport

Romania:

Mr Zsolt NAGY

Mr Zsolt BOGOS
Mr Septimiu BUZASU

Minister for Communications and Information
Technology
State Secretary, Ministry of Economy and Commerce
State Secretary, Ministry of Transport, Constructions and
Tourism

ITEMS DEBATED**ENERGY****International relations**

The Council took note of the information provided by the Presidency and the Commissioner, Andris Piebalgs, on current developments concerning different external relations topics in the energy field .

Commissioner Andris Piebalgs introduced this part of the agenda by outlining the joint Commission /High Representative paper "An external policy to serve Europe's energy interests" (9971/06), which has been prepared for the June European Council.

The Council was also informed by the Commissioner on the state of ratification by the Contracting Parties and on the likely entry into force on 1 July of the Energy Community Treaty¹. He also gave information on the issues which were to be discussed at a Ministerial Council of the Athens process (predecessor to the Energy Community Treaty) that would take place in the afternoon of 8 June.

The Council took note of the information provided by the Presidency and Commissioner Andris Piebalgs on the third² EU-OPEC ministerial meeting, held in Brussels on 7 June. (See Press Release at http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/misc/89925.pdf)

Regarding EU-Russia relations, the Commissioner informed the Council on:

- key messages on energy matters for the G8 Summit (St Petersburg, 15 to 17 July 2006), and
- the state of play regarding the EU-Russia dialogue, in particular, progress with the four thematic groups (infrastructure, investment, energy efficiency and trade) and current negotiations with the Russian Federation on the Transit Protocol in the context of the Energy Charter Treaty.

1 The Treaty is based on the Athens process and the 2002 and 2003 Athens Memoranda of Understanding and its objective is to create an integrated market in natural gas and electricity in South East Europe between the European Community and the Republic of Albania, the Republic of Bulgaria, Bosnia and Herzegovina, the Republic of Croatia, the former Yugoslav Republic of Macedonia, the Republic of Montenegro, Romania, the Republic of Serbia and the United Nations Interim Administration Mission in Kosovo (pursuant to United Nations Security Council Resolution 1244).

2 The first EU-OPEC ministerial meeting took place on 9 June 2005 in Brussels. The second was held in Vienna on 2 December 2005.

Internal energy market - Council conclusions

On the basis of the questions in 9667/06, the Council held a policy debate on the internal energy market and adopted the following conclusions:

"The Council,

Bearing in mind the conclusions of the 2006 Spring European Council, in particular paragraph 46 (b) and paragraphs 12 to 18 of Annex III,

In the light of the Commission report on progress in creating an internal gas and electricity market (14800/05),

Noting the Commission preliminary report on the energy sector inquiry highlights areas where more needs to be done before we have a fully functioning internal energy market,

Addressing the issues relating to the internal energy market that are raised in the Commission Green Paper on a European Strategy for Sustainable, Competitive and Secure Energy,

STRESSES that

1. Secure supplies of electricity and gas at competitive prices, delivered on open, transparent and competitive interconnected markets, with adequate protection of final consumers, are crucial to Europe's competitiveness, and progress has to be made with the second electricity and gas directives leading to full market opening in July 2007, while accepting the special circumstances of some small and isolated Member States.
2. The right balance should be found among the three objectives of competitive markets, security of supply and sustainability, taking national circumstances into account. An effective and well functioning internal market plays a key role in this respect.
3. Full, effective and transparent implementation and consistent application of existing legislation not just according to its letter, but equally its spirit, has to be ensured. This implementation should be beneficial to both household consumers and businesses and be in line with public service obligations, including any on affordable access to energy for those Member States who choose to implement specific provisions in this respect.

4. A coherent and integrated approach towards a competitive energy policy and competitive energy markets, ensuring the availability of reasonably priced energy, should be created by the regulatory framework as well as oversight by regulatory authorities and competition authorities. In this respect, the exchange of best practice between all market actors, including networks operators, and regulators, should be promoted. The Commission should monitor developments and report on progress made, using its enforcement powers where necessary.
5. Enhanced cooperation and coordination, in particular between regulators, system operators, energy exchanges and governments, have to be ensured; for instance, more use could be made of non-legislative action such as the exchange of best practice. To that effect valuable existing fora such as Madrid and Florence, the Council of European Energy Regulators (CEER), the European Energy Regulators' Group for Gas and Electricity (ERGEG) and the European Transmission System Operators (ETSO, GTE) should continue playing an active role. In this respect, initiatives such as the Electricity Regional Initiative recently launched by the European Energy Regulators' Group for Gas and Electricity should be supported.
6. The national regulatory authorities, relevant state administration bodies and competition authorities have to play an increasingly important role in delivering liberalised energy markets across the EU. In the light of concentration indicators for many gas and electricity markets, a thorough application of competition rules, including merger control, is necessary, at both EU and national level. The relevant authorities should be able to carry out their tasks effectively and in a clearly defined manner, and cooperate and coordinate with each other, particularly on issues such as the regulation and monitoring of cross-border network access and trading in order to achieve adequate regulatory consistency across Member States and to avoid double regulation and the imposition of additional unnecessary costs.
7. Fair and non-discriminatory access to the network for all system users is essential if competition is to develop. This requires effective unbundling of network businesses.
8. Transparency on the energy markets, for both operators and final consumers, has to be ensured. Market players must have equal access to accurate, timely and comprehensive information, especially on price formation and available network capacity, including capacity on cross-border infrastructure. More information could be released to the market under the existing legislation, under the effective monitoring and supervision of regulatory authorities which should consider whether any obstacles to the provision of sufficient information remain.

9. Cross-border exchange of energy should be improved and the coordinated development of regional energy cooperation should be accelerated while facilitating the integration of regional energy markets into, and the further development of, the EU internal market notably through adequate and coherent interconnection and access to interconnection capacity, paying particular attention to countries and regions with energy networks that are largely isolated from the EU energy network. To that effect the Commission is invited to submit by the end of 2006 a Priority Interconnection Plan identifying measures to be taken at Member State level as well as Community level.
10. Regular meetings at regional level, such as in the Nordic and North West European markets, could make a useful contribution by focusing on practical obstacles to cross-border trade and fostering co-operation.
11. Cross border exchanges with third countries should be enhanced, and approaches similar to that of the internal energy market should be promoted to neighbouring countries whenever possible. At the same time, due account should be taken of the risk of abuse of market position resulting from dependency on a single supplier and of the importance of reciprocity to ensure a level playing field in terms of access to markets and infrastructure, and in terms of environmental standards and safety. In this context, a clear framework of trade rules has to be established, and the prompt implementation of the Energy Community Treaty and the EU-Russia energy dialogue have a useful role to play, also with a view to ratification of the Energy Charter Treaty by the Russian Federation.
12. Obstacles to investment in cross-border infrastructure, storage capacity and LNG terminals have to be addressed and steps should be taken to increase the liquidity of wholesale markets (electricity exchanges and gas hubs).
13. Investment should be encouraged within the Community by regulatory frameworks which are stable and transparent and provide clear investment incentives. In the same vein, administrative authorisation procedures should be speeded up substantially while maintaining environmental and health standards, *inter alia* by considering time-limits for the procedures if appropriate.
14. Medium- to long-term investment planning procedures and investment coordination should be improved, including with the private sector and European financial institutions, especially as regards cross-border interconnection, gas infrastructure including underground storage and LNG facilities as well as generation capacities. A business climate more conducive to long-term investment should be ensured through increased transparency and exchange of information based *inter alia* on Member States' own monitoring.

15. A balanced mechanism in regard of long term contracts needs to be provided that will strengthen competition on the internal market, address transparency issues and at the same time safeguard investment incentives and security of supply.
16. TSOs should cooperate with each other to define complete and consistent technical rules required for the facilitation of cross-border trade in energy, especially how congestion is managed on the electricity market, with a view to making networks operate like a single grid from the end-user's point of view. Those rules are essential and must be agreed at an early date. In order to increase the safety of the grid and to optimise cross-border exchanges, TSOs should cooperate and coordinate at regional level and exchange information on a regular basis.
17. In order to help the gas market catch up more rapidly and achieve smooth functioning, a number of specific issues have to be resolved at the technical and regulatory level - having regard to national circumstances - such as interoperability issues relating to gas quality and access to conversion facilities; the functioning of gas market flexibility instruments has to be improved, including access to storage capacities and networks, and competition between external suppliers should be aimed for.
18. Prior to considering further legislation, the impact of existing legislation should be assessed while certain factors may require more investigation such as the role of long term gas contracts and external suppliers, the impact of the Emissions Trading Scheme and primary energy prices - especially for energy-intensive industries - the specific needs of energy-intensive industries, dependence on external suppliers, how to assess market concentration and the need to secure adequate capacity margins and non-discriminatory access to the market. Moreover, the further development of the internal markets in electricity and gas should be discussed again involving all stakeholders.
19. Security of electricity and gas supply has to be enhanced. To that end, diversification of sources and routes for primary energy sources has an essential role to play, and adequate monitoring of the supply and demand adequacy should be put forward at European level. Furthermore, the contribution of renewable energies to diversification of supply should be taken into account.

LOOKS FORWARD to the 2006 Commission report called for by Directives 2003/54 and 2003/55 and the outcome of its investigation of the above factors, as well as to the Commission's final report on the energy sector inquiry."

Sustainability of energy production and consumption– ***Biomass Action Plan - Council conclusions***

Following a brief presentation by Commissioner Andris Piebalgs, the Council adopted the following conclusions on the Commission's Biomass Action Plan:

"The Council,

RESPONDING to the call of the European Council regarding the implementation of the Biomass Action Plan and the development of a long-term strategy for bioenergy beyond 2010,

WELCOMING the Commission Communication on a Biomass Action Plan (15741/05) and the Commission Communication on an EU Strategy for Biofuels (6153/06),

UNDERLINING that the use of biomass as an energy source should be increased,

CONVINCED that an increased use of biomass can contribute to the three main objectives of energy policy by:

- Enhancing security of supply through the diversification of energy supply sources and the reduction of dependence on external energy sources;
- Enhancing competitiveness through the development of new and efficient technologies and providing economic development and employment opportunities in rural areas;
- Promoting environmental sustainability through inter alia the reduction of greenhouse gas emissions and an increase of the share of renewable energy sources, while respecting other environmental policy objectives;

RECALLING:

- The Council conclusions on renewable energy of November 2004, in particular the chapter on a biomass energy action plan (14314/04),

- The importance of the following Directives for the use of biomass as an energy source: Directive 2003/30/EC on the promotion of the use of biofuels or other renewable fuels for transport,
 - Directive 2001/77/EC on the promotion of electricity produced from renewable energy sources in the internal electricity market,
 - Directive 2004/8/EC on the promotion of cogeneration based on a useful heat demand in the internal energy market,
 - Directive 2002/91/EC on the energy performance of buildings,
 - Directive 2003/87/EC on a scheme for greenhouse gas emission allowance trading within the Community;

UNDERLINES the following general principles with respect to the definition of a biomass policy:

1. An integrated approach should be followed which takes account of sustainability, the impact on growth and jobs as well as environmental issues including biodiversity conservation and life cycle analysis as far as possible, in close cooperation with all relevant sectors including agriculture, forestry and waste management and addressing socio-economic, fiscal, trade and industrial policy questions.
2. The principle of subsidiarity should be respected, giving flexibility to Member States to:
 - develop their own specific policy approach and determine individual goals,
 - choose the type(s) of biomass and energy crops and the sectors in which biomass is used,
 - decide on the instruments for the promotion of bioenergy and on the instruments to achieve cost-effectiveness,
 - choose the tools for achieving the objectives of the Directive on electricity from renewable energy sources.
3. Cost-efficiency should be an important guiding principle, at national and at EU level, for an ecologically rational promotion of bioenergy, built upon an economically sustainable, long-term financial basis while maximising environmental benefits.

4. A balance should be sought between energy uses of biomass, non-energy uses of biomass and nature conservation, taking also national economic circumstances into account.
5. A balanced approach regarding domestic production and imports of biomass should be found, taking account of aspects such as competitiveness, security of supply and rural development;
6. The impact of relevant existing legislation in the energy sector should be assessed before revising such legislation; this requirement should not be seen as an obstacle to new legislative proposals.

IS OF THE VIEW THAT THE FOLLOWING ISSUES HAVE TO BE ADDRESSED AS PRIORITY:

7. Research, development and demonstration on biomass, regarding new and efficient technologies for generation and use of renewable fuels, including raw materials. This concerns in particular second-generation biofuels, bio-refineries, efficient boiler technologies, the impact of biomass fuel emissions on air pollution and market introduction aspects;
8. Promoting the creation of well functioning, transparent and open markets for biomass at regional, EU- and global level as appropriate, taking into account environmental sustainability;
9. The removal of technical and non-technical (including administrative) barriers at EU and at national level,
10. Information campaigns targeted at farmers, forest owners, local authorities, the energy sector and consumers,
11. Increasing the use of biomass including waste for heating and cooling purposes, in particular for cogeneration and district heating,
12. Adoption of technical standards for biofuels, as well as a revision of the fuel quality Directive to allow higher blends of biofuels in petrol and diesel.

EMPHASISES:

13. The importance of promoting the cost-efficient and sustainable use of biomass in the three areas of heating and cooling, electricity production and transport and of taking action in this respect,
14. The role that public procurement can play for the promotion of biomass and its increased use, inter alia through the promotion of clean and energy-efficient vehicles and renewable energy generation in buildings,
15. The role of voluntary agreements which are a valuable alternative for the promotion of biomass use,
16. The importance of woody biomass in terms of size of the market and that it would therefore be useful to explore the development of European markets for inter alia pellets and chips, including spot markets, bearing in mind that from a national point of view regarding energy sources diversification the availability of biomass for internal use may be important,
17. In line with commitments made at the World Summit on Sustainable Development, the benefits that sustainable production and use of biomass can have for developing countries, and the importance of transferring energy technologies compatible with sustainable development to these countries.

WELCOMES THE COMMISSION'S INTENTION TO:

18. Bring forward a Forestry Action Plan,
19. Assess the Energy Crops Scheme and the possibility of extending it to those new Member States that are not currently eligible,
20. Examine how the total life cycle of biofuel use can count towards the CO₂ emission reduction targets under a global perspective,
21. Further encourage the development of an industry-led biofuel technology platform,
22. Review the existing standard EN 14214, inter alia with a view to including other forms of biomass, taking the relevance of climate conditions into due account, and to allowing ethanol to replace methanol,

23. Encourage the development of technical standards for solid, liquid and gaseous biofuels and for related equipment.

URGES MEMBER STATES TO:

24. Link support to the achievement of high energy efficiency levels and tangible, cost-effective benefits for the environment and security of supply,
25. Achieve the already established indicative national targets for biofuels,
26. Create a favourable regulatory environment for investments in biomass production and the appropriate equipment and provide medium- to long-term stability and transparency for investors, also with regard to appropriate support schemes if a Member State chooses to have such a scheme.

INVITES THE COMMISSION TO:

27. Take account of the abovementioned priorities,
28. Initiate shortly a discussion about the sustainability of biomass - including by comparing different types of biomass - and to provide information about the compatibility of minimum sustainability standards for bioenergy with the Community acquis in relevant policy areas,
29. Provide information about all costs and benefits of the promotion of biomass production within the EU,
30. Bring forward proposals to encourage the cost-efficient and sustainable use of biomass for heating and cooling,
31. Establish efficiency and emission criteria for biomass installations, using inter alia the Eco-Design Directive, in particular for household biomass boilers,
32. In its ongoing review of the waste framework legislation, facilitate and further encourage the use of biomass and clean waste as fuel; review the animal by-products legislation with a view to encouraging the use of farming and food processing by-products as a renewable energy source. Such encouragement should however take into account other worthwhile uses of waste and animal by-products, including traditional uses,

33. Revise the vehicle emission testing procedure in order to take into account the use of biofuels as reference fuels for testing biofuel-powered vehicles,
34. Simplify administrative procedures for the production and use of bio-energies in the context of the CAP and assess the extension of the application of the Energy Crops Scheme to all Member States,
35. Explore the issue of simple and cost-effective measures to guarantee that biofuels are produced in a sustainable way, inter alia certification, in respect of environmental, social and technical standards, and applying to internal production as well as imported biofuels; in doing so, no technical trade barriers should be created,

INVITES

36. Member States to develop or update National Biomass Action Plans in response to the present conclusions,
37. The Commission to carry out an assessment of the implementation of relevant Community legislation in the Member States and of the actions undertaken as follow-up to these conclusions and in particular points 27 to 35, including in the light of their contribution to the achievement of the three main objectives of European energy policy, and report to the Council by the end of 2008."

– *Energy efficiency*

The Council took note of the information provided by Commissioner Andris Piebalgs on the following two issues:

- the outcome of the consultation launched last year concerning the Commission's Green Paper on energy efficiency¹, and
- the completion of the negotiations between the United States and the European Community on the coordination of energy-efficient labelling programmes for office equipment (Energy Star II). The legal instruments first for the formal conclusion of the Energy Star Agreement, and then for its implementation in the EU will be submitted by the Commission in the coming months.

¹ Commission Staff working document "Report on the analysis of the debate of the Green Paper on energy efficiency" (doc. 10368/05 ADD 1)

TELECOMMUNICATIONS

eGovernment for all Europeans - Council conclusions

The Council listened to a presentation of the Commission's communication "*i2010 eGovernment Action Plan: Accelerating eGovernment in Europe for the Benefit of All* " and held a brief public debate.

The communication (8688/06) (adopted on 25 April, 2006) contains an eGovernment Action Plan which is an integral part of the Commission "i2010 initiative for jobs and growth in the information society" which has the goal of contributing to the Lisbon agenda for Jobs and Growth and other Community policies. The Action Plan draws, in particular, on the Ministerial Declaration approved at the Third Ministerial eGovernment Conference, which took place in Manchester (United Kingdom) in November 2005. The Action Plan maps out the way ahead for eGovernment in Europe by focusing on five major objectives for 2010 and by setting roadmaps for specific actions in the priority areas.

The Council took note of information from the Portuguese delegation that, during their Presidency in the second half of 2007, the Fourth eGovernment Ministerial Conference, which is expected to review the implementation status of the i2010 eGovernment Action Plan. The Council adopted the following conclusions:

"The Council OF THE EUROPEAN UNION,

1. WELCOMES

- the Communication from the Commission on "i2010 eGovernment Action Plan : Accelerating eGovernment in Europe for the Benefit of All"¹
- the Communication from the Commission on "Interoperability for Pan-European eGovernment Services"².

2. RECALLS

- the Conclusions of the European Council in March 2005 relaunching the Lisbon strategy;

¹ COM(2006) 173 final.

² COM(2006) 45 final.

- the Conclusions of the European Council in March 2006 calling on the Commission and the Member States to implement the new i2010 Strategy vigorously;
- the general objectives of the i2010 strategy as endorsed in the Council Conclusions of December 2005;
- the Council Conclusions on eGovernment of November 2003;
- the objectives of the Ministerial Declaration of the European eGovernment Conference of Manchester in November 2005;
- the outcome of the High Level Seminar in Vienna in February 2006 on "eGovernment for all Europeans".

3. RECOGNISES

- the need to join common efforts, in order to achieve wider impact and promote take-up around the policy priorities and the objectives, as set out in the Ministerial Declaration of Manchester and the i2010 eGovernment Action Plan in the areas of:
 - a. Inclusive eGovernment;
 - b. Efficient and effective eGovernment;
 - c. High impact services;
 - d. Key enablers, including management of electronic identifications;
- the growing interest in eParticipation and the impact of ICT on activities in the political sphere and welcomes its inclusion in the i2010 eGovernment Action Plan;
- the importance of innovation as an essential part of eGovernment and the significant contribution of the public sector in achieving the overall Lisbon goals;
- the important role efficient and seamless eGovernment services play in improving the competitiveness of European economies;
- the need to formulate requirements and identify opportunities to stimulate innovation and lead markets through eGovernment solutions;

- the necessity to continuously improve the efficiency and effectiveness of public administrations by promoting innovative services and processes aiming at reducing administrative burden on citizens and businesses;
- that high-impact eGovernment services have the potential to facilitate the exercise of the four internal market freedoms, to ensure better quality of life and inclusion and to enable greater participation of European citizens in the decision-making process at European, national, regional and local levels;
- the need to safeguard through the promotion of open standards, open specifications, open interfaces and interoperable solutions that eGovernment solutions at the national level do not lead to new barriers in the internal market.

4. UNDERLINES

- that the implementation of the i2010 eGovernment Action Plan should be guided by key principles, such as sustainability, interoperability, inclusiveness, transparency, mutual recognition of key enablers, data protection, security based on privacy enhancing technologies and policies and multi-platform service provision;
- the need to establish a culture of active cooperation and coordination between all stakeholders in designing and delivering eGovernment and coherent policy approaches;
- the importance and the potential of “pilot” regional co-operation models in identifying eGovernment solutions, that could be further promoted at European Union level;
- that policy measures should pay attention to the regional and local dimensions in delivering electronic services as well as to national administrative systems and legal cultures;
- the need to make better use of existing eGovernment resources, as currently developed and managed by Member States and the Commission.

5. INVITES THE COMMISSION AND THE MEMBER STATES TO

- undertake all necessary efforts to implement the specific objectives, actions and roadmaps as outlined in the Action Plan, in particular to :
- intensify the collaboration between public administrations at all levels across Member States, in order to ensure the creation, development and implementation of user-centered and inclusive services, in particular cross-border services or common access to appropriate national services for all EU citizens, whilst taking into account the principle of subsidiarity;
- develop and agree an effective and proportionate measurement framework for e-Government services, including reduction on burden on businesses, citizens and public administration and evaluating satisfaction with public services, in order to track progress and provide a basis for an assessment against the Action Plan;
- further support a structured and regular dialogue with all stakeholders contributing in particular to the interchange of eGovernment solutions;
- share eGovernment resources in all relevant projects from 2006 on and explore mechanisms to ensure the long-term financial and operational sustainability, in order to optimize the existing information and best practice exchange mechanisms, including building blocks and technical solutions aiming at interoperability between national information systems and improving administrative cooperation;
- promote the implementation of high-impact eGovernment services for citizens and businesses across the EU, including eProcurement and other services with a direct impact on the internal market through appropriate demand stimulation policies and initiatives;
- put in place, on the basis of existing services and work going on at national and European level, key enablers such as interoperable electronic identification for the secure access to electronic public services based, where appropriate, on recognised international standards, common strategies, guidelines, terminology, and consistent architectures, while fully respecting data protection legislation;

- create appropriate conditions by agreeing during 2006 on a roadmap for the recognition of authenticated electronic documents and strengthening efforts in developing a long-term archiving model within the European Union;
- experiment with innovative eParticipation schemes aiming at increasing participation in democratic processes focusing on tools and addressing citizens' demands.

6. INVITES THE MEMBER STATES TO

- undertake all necessary efforts to promote the policy priorities and the achievement of the objectives related to i2010 eGovernment Action Plan when designing their National Reform Programmes (NRPs);
- ensure an appropriate legal and organisational environment which stimulates the creation of accessible, inclusive, user-centered and seamless electronic services of public administrations across the European Union and wider ICT take-up in the public and private sectors;
- focus on a sustainable approach providing public servants with the necessary skills and competencies to manage change and provide citizens, businesses and administrations with user-centric services leading to tangible benefits and improving quality of life;
- make available secure means of electronic identification, in order to access electronic services, taking into account user convenience and the principle of mutual recognition within the EU;
- encourage the use of commonly developed key enablers within public administrations at all levels, thus promoting interoperability, the use of open standards and interactive and integrated electronic public services;
- further enhance the role of public-private partnerships in promoting the development of eGovernment solutions, thus contributing to the implementation of the eGovernment policy agenda.

7. INVITES THE COMMISSION TO

- monitor the implementation of the objectives of i2010 eGovernment Action Plan in close cooperation with the Member States and strengthen coordination processes;
- accelerate and support the implementation of those objectives, in particular by :
 - promoting interoperability and open standards by ensuring that European standardisation policy addresses, where necessary, the particular needs for effective eGovernment;
 - ensuring coherent and efficient use of the eGovernment-related EU programs, in order to create greater synergies;
 - encouraging investment in ICT Research and Development, supporting, as far as appropriate, the development of synergies between national and Community research and innovation efforts in eGovernment by using existing instruments for Research and Technological Development;
 - encouraging the dissemination of learning and good practice through the i2010 High Level Group, biennial Ministerial conferences and good practice awards;
 - continuing the assessment of economic and social impact of cross-border eGovernment services;
- put in place the necessary mechanisms to stimulate pilot projects and other necessary support activities in line with existing and future Community programmes;
- report annually to the European Parliament and the Council, in the framework of the Annual Report on the European Information Society, on relevant progress in achieving the i2010 policy priorities and to recommend, where appropriate, policy adjustments.

8. INVITES STAKEHOLDERS TO

- participate actively in the process of the implementation of the eGovernment policy agenda by considering public-private partnerships in promoting the development of eGovernment solutions, so that eGovernment solutions should not necessarily be limited to public sector bodies;

- actively contribute to the development of shared roadmaps and put building blocks in place;
- support the delivery of more inclusive services through innovative policy design and more effective delivery across all sectors;
- structure the involvement of SMEs, which are essential partners in the deployment at the local level, and of civil society, particularly concerning eParticipation;
- report on the significant progress made by industry in the realisation of the objectives of the eGovernment i2010 Action Plan."

Future challenges for the electronic communications regulatory framework

The Council held a policy debate, on the basis of a questionnaire¹ prepared by the Presidency, on future challenges to the electronic communications regulatory framework.

The i2010 initiative underlines the key role of information and communication technologies in achieving the growth and jobs objectives of the Lisbon Strategy. These objectives are emphasised by the European electronic communications regulatory framework which has the goals of ensuring competition on the market, creating a favourable environment for investment and innovation and, through these bringing choice, quality and lower prices to the consumer.

Since the adoption of the regulatory framework, the Member States have been making the necessary changes to national legislation and practices and most have now been made. The Commission's 11th implementation report (6700/06) shows that some shortcomings in implementation remain.

The framework is now up for a review and a Commission proposal is expected to be presented at the end of the current year.

The Council highlighted a number of issues that need to be considered as part of the review process:

- the guiding principles of the 2002 regulatory framework for electronic communications should be maintained;
- new revised rules should focus on specific areas that need improvement, be drafted so as to be safe from the requirement for future amendment and aim at enhancing competition, fostering new investments and innovation, while strengthening consumers' interests;
- flexibility of spectrum allocation and the efficient use of spectrum should be further improved, thus ensuring optimum use between competing needs; spectrum regulation should take account of national/local characteristics and facilitate the take-up of innovative and demand-driven services; harmonisation at EU and international level must be further discussed;
- notification and dispute-solving procedures could be simplified, making them more efficient and streamlined as well as less resource-intensive;
- swift implementation of the regulatory framework is a prerequisite for its effectiveness.

¹ 7828/06

Network and information security

The Council held an exchange of views, on the basis of a questionnaire¹ prepared by the Presidency, on the main network and information security policy priorities to be contributed to the ongoing European Union debate.

The Commission presented its future plans on this theme in its communication "*A strategy for a secure information society*" (10248/06 + ADD1), adopted on 31 May. The document identifies security challenges in relation to information systems and networks in the EU as well as outlining a comprehensive and dynamic policy framework based on a holistic and multi-stakeholder approach represented by dialogue, partnership and empowerment.

The Ministers identified the following main policy priorities for network and information security in future years :

- trust through increased awareness among businesses and consumers;
- electronic identification;
- data security and data protection;
- enhanced cooperation, in particular as regards common security standards.

The Ministers acknowledged the important role of the European Network and Information Agency (ENISA) in contributing to an EU culture of network and information security.

The Council welcomed the intention of the incoming Finnish Presidency to organise in September 2006 the Annual European Information Society Conference. This will address trust and security in the fast-changing technical environment.

A Council Resolution on network and information security is to be adopted in December 2006, endorsing the future policy orientations, priorities and tools for tackling security challenges within the information society.

¹ 9713/06

LAND TRANSPORT

Public service obligations

The Council reached a political agreement on the revised proposal for a Regulation on public service obligations for passenger transport services by rail and by road. The Czech, Greek, Luxembourg and Maltese delegations indicated that they would abstain from voting.

The text as agreed will be adopted as a common position at a forthcoming Council session and sent to the European Parliament with a view to the second reading.

The public service obligations proposal aims at establishing a new legislative framework for the increasingly open and competitive European market for public passenger transport services. The current rules date from 1969 (Regulation (EEC) No 1191/69) and were last amended in 1991 (Regulation (EEC) No 1893/91). These rules were sufficient for a public transport sector where the operators are exclusively national, regional or local. However, nowadays, the European market for public transport services necessitates rules enhancing transparency and legal certainty, both for the operators and the authorities. Furthermore, the framework leaves much autonomy to local authorities to organise their public transport.

The political agreement contains arrangements for those interventions of competent authorities that are most likely to affect competition and trade between Member States: compensating costs and granting exclusive rights in return for the discharge of public service obligations. Competent authorities are required to conclude public service contracts with operators performing the public passenger transport services. Only two methods of awarding public service contracts are provided for in the Regulation: invitations to tender and direct award. In the case of maximum tariffs, competent authorities may also choose to establish general rules.

The Council reached the political agreement after a final compromise proposal from the Presidency consisting of the following elements:

- competent authorities may decide to directly award contracts for all heavy rail, including (sub)urban rail; and Member States have a possibility of applying this Regulation to public passenger transport by inland waterways;
- authorities can choose to grant direct awards to small and medium sized enterprises under a threshold, of either an average annual value estimated at less than 1,7 million euro or less than 500000 km of public passenger transport services;

- measures obliging authorities to provide information and the motivation for their decisions to directly award contracts, thereby increasing transparency;
- a contract length in the case of directly awarded contracts for rail of 10 years; and
- the possibility for competent authorities to refuse to allow operators under certain conditions to participate in the tenders they organise, if more than half of the contracts these operators have signed are not granted in accordance with the Regulation;
- a date of entry into force of 3 years after the publication in the Official Journal of the EU and a transition period of 12 years, allowing the public passenger transport sector in total 15 years to adapt to the new regime.

The Commission presented the proposal in July 2005 (*11508/05*). The current proposal is a revision of two earlier Commission proposals on the same subject, an initial proposal from 2000 and an amended proposal from 2002.

Road safety action programme - Council conclusions

In the light of the mid-term review of the Commission's road safety action programme (6793/06), the results of an informal meeting of Ministers of Transport on "Crossing Borders in Road Safety", which took place in Bregenz on 2 and 3 March, 2006 as well as the debate held at the TTE Council of 27 March, 2006 the Council adopted the following conclusions:

"THE COUNCIL OF THE EUROPEAN UNION,

HAVING REGARD to

- the Communication from the European Commission: "European Road Safety Action Programme - Mid-term Review";
- the results of the Informal Meeting of European Ministers of Transport on "Crossing Borders in Road Safety" which took place in Bregenz on 2 and 3 March 2006;
- the debate held on the occasion of the TTE Council on 27 March 2006.

NOTING that

- the mid-term review on the Road Safety Action Programme presents a comprehensive overview and a report on the state of play of the Community's and Member States' activities and programmes in that field;
- the number of fatalities on European roads has fallen by 17,5 % between 2001 and 2005 and especially pointing out that
 - the number of fatalities among motorcyclists, as a proportion of total road deaths, has risen considerably between 2001 and 2003;
 - young people between 18 and 25 years of age are a high-risk group having accounted for 21% of all fatalities in 2003;
- the yearly reduction in the number of fatalities rose from 2% a year between 1994 and 2000 up to 5% from 2001 to 2005;

- the number of accidents which had been on the rise until 2000 fell by an average of 4% a year between 2001 and 2005 and 5% between 2003 and 2004, which shows that additional measures are already beginning to bear fruit;
- this decrease, while significant, is not yet satisfactory as it will not allow the Community to reach its goal of reducing road accident victims by 50 % until 2010;
- these results confirm that Member States are on the right track, but are still moving too slowly.

WELCOMES the various contributions and efforts already made by all the European institutions and national stakeholders involved, providing adequate legislative, technical and political measures.

WELCOMES the positive effects of the Member States' national campaigns on individual aspects of road safety as a possibility to affect changes in road user behaviour.

RECOGNISES the importance of the Community legislation on issues of road safety where harmonised standards are advantageous, such as on tunnel safety, digital tachographs, speed limiters, and seat belts, and WELCOMES especially the recently adopted Community legislation on the driving and resting times for lorry and bus drivers and the progress made concerning the proposal for a Directive on Driving Licences.

AGREES on the need to strengthen road safety measures and initiatives on Community or Member States' level in particular in the following areas:

- 1) Devising practical and concrete measures addressing the accident situation, especially prevalent where the age and experience of drivers are an issue.
- 2) Additional attention and protective measures should be directed towards motorcyclists and extremely vulnerable road users, especially pedestrians and cyclists.
- 3) Measures concerning road infrastructure safety should be further improved taking into account the best practices and the need to meet the specificities of each situation.

Intelligent infrastructure features, such as variable speed signing linked to active traffic monitoring systems, should be used when appropriate.

- 4) Measures concerning cross-border enforcement of offences committed by non-resident drivers should be pursued in the appropriate fora with a view to providing improvement of road safety in an increasingly integrated and enlarged European Union.

Measures to combat drink/drug driving, excessive speeding and the promotion of the use of seat belts are particularly relevant.

- 5) New initiatives on vehicle safety, as set out in the Report "CARS21", such as Electronic Stability Control, Seatbelt Reminders, Brake Assistant Systems, Heavy Duty Vehicles' rear view vision and conspicuity and Daytime Running Lights should be subject to special attention. In addition, advanced technologies such as collision avoidance systems, the introduction of speed limiters and speed management systems together with alcolocks to combat drink driving may warrant further political and scientific evaluation.
- 6) A joint European awareness-raising campaign fighting accident risks, such as drivers' fatigue or drink driving, could acquire synergetic effects and show higher efficiency.
- 7) The positive effect of committing non-governmental stakeholders to additional road safety measures in the sense of a shared responsibility for fighting the suffering on European roads should be further supported, especially via the European Road Safety Charter.
- 8) Raising road users' awareness towards possible risks, through the European Commission's initiative for a road safety day, preferably in cooperation with other such initiatives of the United Nations.

INVITES the European Commission to take the necessary actions, including, where appropriate, legislative proposals, as intensive work on road safety needs to be continued."

The Council took note of information from the Italian delegation on its intention to organise together with the incoming Finnish Presidency the fourth informal ministerial conference on road safety, which will take place in Verona in November 2006.

Inland waterway transport - Council conclusions

In the light of the Commission communication on the promotion of inland waterway transport "Naiades" - (5583/06), and taking into account the results of a high-level meeting on the subject organised by the Presidency in Vienna on 14 and 15 February, 2006 the Council adopted the following conclusions:

"THE COUNCIL OF THE EUROPEAN UNION

1. Having regard to the White Paper "European Transport Policy for 2010: time to decide";
2. Considering the importance of transport for the development of the European economy and the need of raising the sustainability of the European transport system;
3. Recognising the multi-purpose use of waterways and the potential contribution that inland waterway transport can make to diminishing unwanted external effects of transport, for instance through a more efficient use of energy and less emission of pollutants into the atmosphere, as well as through safer freight transport operations and reduced congestion on roads;
4. Recognising the availability of free capacity on inland waterways, the position of inland waterway transport both in its own right and as part of multi-modal chains in the Trans-European Transport Networks and the possibility to increase inland waterway transport with relatively low infrastructure costs;
5. Acknowledging that if inland waterway transport is to thrive, that progress needs to be commercially driven and that apart from infrastructure, industry has the primary responsibility for investment in and development of this sector.
6. WELCOMES the Communication of the Commission on the promotion of inland waterway transport "NAIADES" - "An integrated European Action Programme for Inland Waterway Transport".
7. CONSIDERS that the approach presented in this European Action Programme offers a comprehensive framework for effective inland waterway transport policies both at European and national level.

8. EMPHASISES that for exploiting the full potential of inland waterway transport efforts in concerted action are called for both by private stakeholders - including the inland navigation industry, the social partners and the shippers - and by public stakeholders at all appropriate levels - international, European Community, river commissions, national and regional - each according to its competencies.
9. AGREES to the strategic areas for action distinguished in the Commission's Communication:
- to create favourable conditions for services by fostering entrepreneurship and by improving the administrative and regulatory framework in order to attract new markets;
 - to stimulate fleet modernisation and innovation, thus improving the logistics efficiency as well as the environmental and the safety performance of inland waterway transport;
 - to promote jobs and skills by attracting workforce and by investing in human capital;
 - to improve image and co-operation by promoting inland waterway transport as a successful partner in business by setting up and expanding the European inland waterway transport promotion and development network and by monitoring the trends and developments within the inland waterway transport market;
 - to provide adequate infrastructure by improving the multi-modal network and by implementing River Information Services on those inland waterways within the scope of Directive 2005/44/EC.
10. NOTES the contributions of the Commission to the discussion on the institutional framework for inland waterway transport and STRESSES the importance of the involvement of all stakeholders in future considerations. The guiding principles for such institutional considerations will be to demonstrate the added value of proposed institutional changes, to work on the basis of current competencies of all relevant stakeholders, to make use of the expertise of inter-governmental organisations, to allow the integration of non-EU riparian states of European inland waterways, to ensure utmost efficiency in the use of resources and to avoid additional bureaucracy; UNDERLINES without prejudice to a possible future decision on the institutional framework, the positive effects of enhanced cooperation between the European Commission and the river commissions within the existing institutional framework.

11. INVITES THE COMMISSION to elaborate, on the basis of consultations with all relevant stakeholders and of appropriate impact assessments and taking due account of the principle of subsidiarity, detailed proposals on the recommendations included in the Commission's Communication, in particular:
- to provide a source of funding information such as a funding handbook containing a repertory of European, national and regional aid instruments relevant for inland waterway transport;
 - to submit a proposal for a European Inland Waterway Transport Innovation Fund. This Fund should aim at concepts and technologies to raise logistics efficiency as well as environmental and safety performance and be coordinated with the national programmes of Member States.
 - to develop, in consultation with the Member States and the inland navigation industry, guidelines on State aid to inland waterway transport that would facilitate the adoption of national schemes promoting access to finance for inland waterway transport companies; these national schemes could in particular enable new enterprises, new entrepreneurs and other newcomers to the sector to become active in inland waterways transport and stimulate investments in fleet modernisation and in innovation, in safety and in the opening up of new market segments; if appropriate, the Commission should adopt de minimis rules duly taking into account the necessities of the inland navigation sector;
 - to screen for barriers which hamper the development of European inland navigation, thereby taking into account the experience of the industry and the work already undertaken by the UNECE, in particular with regard to existing and new European and national legislation, as well as administrative formalities and documentation, and to examine potential solutions and best practices;
 - to further pursue appropriate legislative harmonisation as identified in the European Action Programme, in particular in the fields of technical requirements for inland navigation vessels, the transport of dangerous goods, manning requirements, and boat master certificates, while taking account of the different characteristics of the national waterways of Member States and of the fact whether those waterways are linked to waterways of other Member States;
 - to create, in co-operation with national educational institutions, a common framework for education and training standards and to support specific training programmes in the field of inland waterway transport as well as in the field of logistics, with an emphasis on the integration of inland navigation into multimodal supply chains;

- to define strategic inland waterway transport research and development in the Seventh Framework Programme on Research and Development, in particular with a view to addressing information and communication technologies, the vessel design and its environmental performance and equipment, transshipment operations as well as the human factor;
- to facilitate access of the inland navigation industry to Community aid programmes, especially attracting new enterprises, fully taking into account the industry's specific SME character in the application and planning of these programmes;
- to support existing and new promotion centres, where appropriate in cooperation between the public and the private sector, to promote the use of inland waterway transport among potential users;
- to follow developments in inland waterway transport market and to collect and disseminate factual data and information on inland navigation and on its potential;
- to give appropriate weight to inland waterway projects within the framework of TEN-T and, after evaluation of the experience with existing coordinators, to consider the designation of a European coordinator to facilitate the implementation of the inland waterway priority projects No 18 and No 30;
- to insert RIS as part of the Multi-annual Indicative Programme of TEN-T;
- to assure the relative advantage of inland navigation as regards impact on the environment and transport safety also in the future. This can be achieved inter alia through improvements in the environmental and safety legislation, in particular with regard to fuel quality and engine emissions. For inland navigation to keep its relative advantage it is also important to involve all relevant stakeholders in the development of procedures for inland waterway projects, in particular the national waterways administrations, river commissions and inter-governmental organisations for the protection of the rivers.
- to take the needs of inland waterway transport constantly into consideration, both in the application and planning of Community actions and in regional cooperation with relevant third countries.

12. NOTES the intention of the Commission to create, in cooperation with Member States, a non-binding European Development Plan for improvement and maintenance of inland waterway infrastructures, including the access to multi-modal transshipment facilities.
13. INVITES THE COMMISSION to submit progress reports – partly on the basis of data transmitted by the Member States and the industry – at two-yearly intervals, evaluating the results of the actions undertaken in order to promote inland waterway transport.

INVITES THE MEMBER STATES

14. In the light of the European Action Programme and taking due account of the principle of subsidiarity:
 - to further develop national policies to stimulate inland waterway transport, taking into account the European Action Programme, and to encourage regional, local and port authorities and industries to do likewise;
 - to strive for providing sufficient financial resources and incentives for the targeted implementation of the proposed measures, in particular through cost-effective national schemes for the support of inland navigation;
 - to establish promotion centres for inland waterway transport and to provide appropriate political, practical and financial support from administrations and the inland navigation sector to safeguard support services on a continuous basis;
 - to appoint national focal points according to the objectives of the European Action Programme in order to provide advice concerning legal requirements and administrative procedures;
 - to contribute to the creation of a common framework for education and training standards, both regarding personnel on board - in particular focusing on managerial, technological, linguistic and nautical knowledge - as well as regarding the logistic chain through the integration of knowledge on inland navigation in logistics education programmes;
 - to screen national and regional legislation for administrative and procedural requirements, which may constitute an unnecessary and inappropriate burden for the development of inland waterway transport;

- to develop spatial planning and economic policies at federal, regional and local levels to encourage waterside sites for logistics purposes;
- to actively pursue inland waterway transport and infrastructure projects that promote viable inland waterway transport services, including those projects interlinking Member States and supported by Community programmes such as TEN-T;
- to consider how national programmes and projects can contribute to the European Development Plan for improvement and maintenance of inland waterway infrastructure the Commission intends to create;
- to contribute to the development of procedures for a structured dialogue with all involved stakeholders on environmental issues concerning inland waterway infrastructure projects;
- to communicate to the Commission the measures adopted to implement the European Action Programme.

INVITES THE INLAND NAVIGATION INDUSTRY

15. to step up its efforts to further develop inland waterway transport on the basis of the sector's spirit of entrepreneurship;
16. to actively pursue and contribute to the relevant measures of the European Action programme, in particular:
 - by modernising the inland navigation fleet,
 - by investigating new market opportunities,
 - by improving the logistics efficiency, safety and environmental performance of inland waterway transport,
 - by investing in human capital and improving working and social conditions, and
 - by promoting inland navigation as a valuable partner in business.

INVITES ALL OTHER HOLDERS

17. to actively contribute to the measures on promoting inland waterway transport according to their respective competences."

The Council took note of the Commission's statement to examine different means of funding for a European Inland Waterway Transport Innovation Fund.

The Council took note of information from the Dutch and the Romanian delegations on their intention to organise a high-level conference on inland waterways in Bucharest in September 2006.

Transport Protocol to the Alpine Convention

The Council examined the Commission proposal for a decision on the signature, on behalf of the European Community, of the Transport Protocol to the Alpine Convention and decided to postpone its adoption to a later date.

The Alpine Convention¹ is a framework agreement for the protection and sustainable development of the Alpine region and aims at preserving and protecting the Alps by applying the principles of prevention, "polluter-pays" and cooperation among its members. The contracting parties to the Convention are Austria, France, Germany, Italy, Liechtenstein, Monaco, Slovenia, Switzerland and the European Union.

In order to meet these objectives, the parties to the Convention act in the areas of regional planning, the conservation of nature and the countryside, mountain farming, mountain forests, soil conservation, tourism and recreation, energy, transport, prevention of air pollution, water management, population and culture and waste management. The Convention provides for the drawing up and adoption of application protocols for each of these areas as well as for resolving disputes between the parties.

The contracting parties to the Alpine Convention adopted the Transport Protocol by consensus in 2000. Among its objectives are:

- the reduction of the volume and of dangers posed by intra-Alpine and trans-Alpine traffic, in particular by transferring more traffic, especially freight traffic, to the railways, especially by providing appropriate infrastructure and incentives in compliance with market principles;
- ensuring intra-Alpine and trans-Alpine traffic at economically sustainable costs by increasing the effectiveness of the transport systems and promoting the modes of transport which are most environment-friendly and most economic in terms of natural resources, and ensuring fair competition between modes of transport.

¹ OJ L 061, 12.3.1996, p. 32-36.

INTERMODAL QUESTIONS

Global Navigation Satellite System

The Council took note of the information provided by the Commission on the progress on the ongoing negotiations for the Galileo concession contract.

In 2007, the Commission will present a synthesis explaining the risk sharing over the entire concession period of 20 years. The Commission will present a proposal for the financial instruments needed for the development of Galileo.

MARITIME TRANSPORT

Vessels traffic monitoring and information system

The Council reached, pending the European Parliament first-reading opinion, a general approach on a proposal for a Directive amending directive 2002/59/EC¹ on the Community vessel traffic monitoring and information system. However, it has to be noted that one delegation indicated that, waiting for the opinion of the European Parliament, it could not take a position on the general approach.

The Commission presented this proposal in December 2005 within its third maritime safety package².

The draft Directive is aimed in particular at incorporating additional measures for better ship safety and environmental protection and at harmonising implementation of plans of places of refuge to ensure uniform implementation by the Member States.

Directive 2002/59/EC of 27 June 2002, which established a Community vessel traffic monitoring and information system, requires all ship monitoring tools available to be properly organised and coordinated. It also set up a system for deployment of resources and coordination between national authorities to enable Member States to take better preventive action and respond better to dangerous situations. These measures have to be up to date with operational and technical advances in the maritime industry, especially in the area of ship identification and monitoring systems and satellite technology.

The general approach adopted by the Council on the basis of a Presidency compromise proposal concerns in particular the following issues:

- the introduction of automatic identification systems (AIS) in fishing vessels with a length of more than 15 metres overall, ensuring that financial assistance for fitting them on board could be provided in the framework of the European Fisheries Fund;

¹ OJ L 208, 5.8.2002, p. 10.

² On 23 November 2005 the Commission adopted a package of seven legislative proposals, which aim to reinforce the safety of maritime transport in Europe by means of better accident prevention and investigation and increased controls on vessel quality. The Commission's aim is to supplement European rules concerning maritime safety and improve the efficiency of existing measures.

- the following implementation timetable for the different categories of fishing vessels according to their overall length:
 - fishing vessel of overall length 24 metres and upwards but less than 45 metres: not later than 3 years after the entry into force of the Directive;
 - fishing vessel of overall length 18 metres and upwards but less than 24 metres: not later than 4 years after the entry into force of the Directive;
 - fishing vessel of overall length 15 metres and upwards but less than 18 metres: not later than 5 years after the entry into force of the Directive;
 - newly built fishing vessel of more than 15 metres overall: not later than 18 months after the entry into force of the directive;
- the acceptance or refusal of a ship in need of assistance in a place of refuge will depend on the decision of the competent authority.

Port state control

Pending the European Parliament first-reading opinion, the Council took note of a progress report on a proposal for a Directive on port State control. The progress report takes into account progress made within the instances of the Council and the framework of the Paris Memorandum of Understanding¹.

The draft Directive, which is one of seven proposals contained in the Commission's third maritime safety package, is aimed at recasting successive amendments to Directive 21/95 on port State control in a consolidated text, as well as at amending certain provisions with a view to their simplification or reinforcement and adding new provisions in particular in the field of maritime safety. Its purpose is to reinforce and improve the effectiveness of port State control, among other things, through establishing a new inspection regime.

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 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 Russian Federation are members of the Paris MoU while the landlocked Community Member States are not. Cyprus, Lithuania and Malta became full members of the Paris MoU on 9 May 2006.

AVIATION

European air traffic management system (SESAR)

The Council reached a general approach on a proposal for a Regulation on the establishment of a Joint Undertaking to develop the new generation European air traffic management system (SESAR = Single European Sky Air Traffic Management Research).

The SESAR project, which seeks to modernise air traffic management in Europe, is composed of three phases (a definition phase, a development phase and a deployment phase) and constitutes the technological elements of the European "single sky" initiative.

The first phase was launched in October 2005 and is carried out under the responsibility of Eurocontrol by a consortium of undertakings selected after invitation to tender.

The draft Regulation is aimed at overseeing the development phase lasting until 2013. The final deployment phase (2014-2020) will be the responsibility of industry.

The objective of the project is to give the Community a high-performance air traffic control infrastructure by 2020, which will enable the safe and environmentally-friendly development of air transport. The main task of the Joint Undertaking is to manage the research, development and validation activities of the SESAR project by combining public and private sector funding provided by its members and using external technical resources and in particular by using Eurocontrol experience.

The EU and Eurocontrol will be founding members of the Joint Undertaking but membership will also be open to the European Investment Bank and public and private companies, including those of third countries that contribute towards funding the project.

External Relations

– EU-US negotiations on an air transport agreement

The Council took note of the information provided by the Commission and the interventions of some ministers concerning the latest state of play on the EU-US negotiations for an air transport agreement.

It emphasised the importance it attaches to concluding a historic first-stage EU/US air transport agreement that would establish an open market based on principles of fair competition. The Council reaffirmed its unanimous satisfaction with the draft EU/US air transport agreement resulting from the negotiations in November 2005, while noting that it would await the outcome of the US rulemaking process in relation to the control of US air carriers by foreign nationals before deciding whether to proceed with the agreement. It stressed the crucial importance of clear, meaningful and robust policy changes in this area. The Council noted that the US process has been extended and looks forward to reaching a conclusion in the second half of 2006, following its assessment of the US rule.

– *EU-Russia: Siberian overflights*

The Council took note of the information provided by the Commission concerning the latest state of play on the EU-Russia negotiation on Siberian overflight payments. It noted the constructive atmosphere during the ongoing negotiations with the Russian Federation to solve the issue of Siberian overflights. The Council recalled its conclusions from 27 March 2006 and stressed the importance of reaching an agreement as soon as possible and in any case before Russia's accession to the WTO.

OTHER BUSINESS

First Annual Report on the European Information Society

The Commission presented to the Council a communication "i2010- First annual report on **the** European Information Society" (9707/06), which updates the actions under information society and media policies for the period 2006-2007. The communication calls for "policy convergence" in the information and communication technologies sector to combine regulatory instruments and the promotion of EU-wide research in the interests of growth and jobs in Europe.

World Summit on the Information Society

The Commission presented to the Council its communication on the follow-up to the second phase of the World Summit on the Information Society (WSIS), which took place in Tunis on 16 to 18 November 2005 (8841/06). The communication contains an assessment of the principal summit results, indicates the EU priorities and makes proposals as to how the EU can help follow-up the WSIS process.

First railway package

The Commission presented to the Council a report on the implementation of the first railway package adopted on 3 May (8834/06).

This legislative package, which was adopted in 2001, was the first step towards a revitalisation of the European railways by gradually creating a "railway area" and in particular by opening rail freight markets and by specifying the conditions under which railway undertakings can access the railway infrastructure.

The Commission report now presented to the Council is based on discussions held with the Member States, within various specialised committees and working parties and on a number of studies which can be found on the Commission's website. Furthermore, it also draws on comments from stakeholders concerned and their representative organisations.

European Aviation Safety Agency

The Council took note of a progress report submitted by the Presidency 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 (9499/06). The proposal is in particular aimed at extending the competences of the Agency.

European Aviation Summit

The Presidency briefed the Council on the European Aviation Summit, which took place in Salzburg, on 3 to 5 May 2006 (10101/06).

Ratification of international maritime conventions

The Commission informed the Council on the state of play of ratification of international maritime conventions by Member States.

Black list of unsafe air carriers

The Council took note of information provided by the Commission on the issue of the Community list of air carriers that are subject to an operating ban within the EU.

Repeal of Regulation (EEC) No 4056/86 on maritime conferences

The Council took note of the position of the French delegation, shared by several delegations, concerning the Commission's proposal to repeal Council Regulation (EEC) No 4056/86 on maritime conferences (9953/06).

Passenger Name Record

Following the debriefing of the Presidency on the policy dossier status of the Passenger Name Record Agreement between the EU and the US after the European Court of Justice ruling on cases C-317/04 and C-318/04, the Transport Council highlighted the importance of and the urgent need for rapid conclusion of the Agreement, recalling the considerable impact that the legal uncertainty might have on the provision of air services to the US, as well as being a further complication to the protracted efforts to introduce a new open-skies aviation regime between the EU and the US.

Ministers expressed their overall commitment to pursue all possible efforts to achieve the rapid conclusion of the new Agreement, thus ensuring legal certainty for all the air carriers concerned.

OTHER ITEMS APPROVED**TRANSPORT****EU/Switzerland - Joint observatory for traffic in the Alpine region**

The Council adopted a Decision establishing the EU's position on a decision of the EU/Switzerland Inland Transport Committee on the creation of a joint observatory for traffic in the Alpine region (11832/05).

The observatory will centralise statistics from the EU, international and national organisations relating to road and rail traffic and combined transport in the Alpine region. It will gather data on infrastructure congestion and on the environment, as well as any other statistics requested.

Agreements on air services - Ukraine and former Yugoslav Republic of Macedonia

The Council adopted a Decision approving the conclusion of the Agreement on air services between the EU and Ukraine. The Agreement was signed in December 2005.

The Council also adopted a decision approving a signature and provisional application of an agreement on air services between the EU and former Yugoslav Republic of Macedonia.

The Agreements are the result of negotiation under a mandate by which the Commission can negotiate with any third country with a view to bringing Member States' existing bilateral aviation agreements into line with Community law.

European Common Aviation Area

The Council adopted a Decision approving the signature and provisional application of a Multilateral Agreement establishing an European Common Aviation Area between the EU and its Member States, Albania, Bosnia and Herzegovina, Bulgaria, Croatia, the former Yugoslav Republic of Macedonia, Iceland, Norway, Romania, Serbia and Montenegro and the United Nations Interim Administration Mission in Kosovo.

The European Common Aviation Area will be based on free market access, freedom of establishment, equal conditions of competition, and common rules on safety, security, air traffic management, social aspects and environment.

See also press release 10290/06.

Rights of disabled persons and persons with reduced mobility

The Council adopted a Regulation strengthening the rights of disabled persons and persons with reduced mobility when travelling by air (*PE-CONS 3681/05, 8510/06 ADD1*).

The Regulation establishes rules to protect disabled persons and persons with reduced mobility against discrimination and to ensure that they receive appropriate assistance.

For further details see press release 10262/06.
