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THE EUROPEAN UNION**



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Transport, Telecommunications and Energy

Luxembourg, 15 October 2010

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P R E S S

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Main results of the Council

*The Council reached political agreement on a draft directive on road use charges for heavy goods vehicles ("**Eurovignette**" directive), which allows the levying of tolls that factor in the cost of air and noise pollution and take account of road congestion.*

*The Council authorised the Commission to open negotiations with **Brazil** on a comprehensive **air transport agreement**.*

*Ministers also held a debate on transport strategy and the **future of transport** in the coming decade, in preparation for a White Paper on transport policy to be issued by the Commission.*

*The Council adopted without discussion conclusions on an action plan on **global navigation satellite system (GNSS) applications**, which aims at making full use of the possibilities offered by the European EGNOS and Galileo satellite programmes.*

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ITEMS DEBATED

LAND TRANSPORT

"Eurovignette" directive on road use charges for heavy goods vehicles

The Council reached political agreement on a draft directive amending the 1999 directive on the charging of heavy goods vehicles for the use of certain infrastructures ([15147/10](#)).

The draft framework legislation aims at reducing pollution from road freight transport and making traffic more fluent by levying tolls that factor in the cost of air and noise pollution due to traffic (so-called external costs) and help avoid road congestion. To this end, member states may apply a new "external cost charge" on lorries, complementing the already existing infrastructure charge for the recovery of infrastructure costs. They may also modulate the infrastructure charge to take account of road congestion at peak hours (this provision on charge modulation is part of the presidency's compromise text and replaces the controversial congestion charge contained in the initial Commission proposal).

The amount of tolls will vary depending on the type and the emissions of the vehicle, the distance travelled, the location and the time of road use. Such differentiated charging is intended to encourage the move to "greener" transport patterns, contributing thereby to reducing fuel consumption and combating climate change.

Discussing the issues that were still open, the Council decided to introduce the following amendments into the presidency's compromise proposal ([14170/10](#)):

- vehicles complying with the most stringent emission standards will be exempted from the air pollution charge for four years after those standards have become applicable; that means that vehicles of the EURO VI emission class will be exempted until 31 December 2017. In addition EURO V vehicles will be exempted until the date of application of the EURO VI standards, that is, until 31 December 2013;
- the maximum rate for variation of the infrastructure charge in order to tackle road congestion will be 175 %, and the peak periods concerned will be limited to five hours per day;
- the adoption of any modifications to the rules for calculating the infrastructure charge (annex III of the directive) will not be delegated to the Commission, but will require a decision by the Council and the Parliament.

For the rest, the presidency's compromise was accepted. Consequently,

- there will be a recommendation, but not an obligation to earmark revenue generated by the external cost charge for projects in the transport sector;
- member states may exempt vehicles under 12 tonnes from the tolls if they consider this necessary, for example if application of tolls would create significant adverse effects or excessive administrative costs;
- the draft directive will be based on a transport provision of the EU treaty and not on a fiscal provision, as favoured by some member states and which would imply decision-taking by unanimity. Accordingly, the ordinary legislative procedure (co-decision with Parliament and voting by qualified majority) applies.

While the charging rules under the "Eurovignette" directive currently in force are mainly designed to recover the costs for construction, operation, maintenance and development of road infrastructure, the new draft legislation enhances implementation of the "polluter pays" principle in the transport sector. In addition, the scope of the directive, currently limited to the trans-European road network, may be extended to cover all motorways.

Once the text agreed upon by ministers has been checked by the Council's legal and linguistic experts, the Council will adopt its first-reading position on the draft directive and send it to the European Parliament for a second reading.

The initial Commission proposal ([11857/1/08](#)) was presented in July 2008 and discussed by the Council in December 2008 and again in March 2009, after the European Parliament had voted its first-reading opinion. However, a number of issues remained unresolved at that time, in particular compulsory earmarking of external cost charge revenue and the introduction of a specific congestion charge, proposed by the Commission and supported by the European Parliament. In July this year, the Belgian presidency decided to resume work on this file.

AVIATION

Negotiations with Brazil on a comprehensive air transport agreement

The Council authorised the Commission to open negotiations with Brazil on a comprehensive air transport agreement aimed at a gradual opening of market access and enhanced regulatory cooperation, including cooperation in tackling the environmental impact of aviation.

The new agreement will create a legal framework for commercial air transportation between Brazil and the Union as a whole, leading to equal rights and opportunities for all EU carriers. It will replace the existing fifteen bilateral air services agreements between individual EU member states and Brazil, all of which, to different degrees, restrict EU carriers' traffic rights, for instance as regards frequencies, capacities or code-sharing. The agreement to be negotiated is intended to bring economic benefits, in particular to the aviation and tourism industries, and to strengthen the strategic partnership between the EU and Brazil, which is by far the largest air transport market in Latin America.

Recently the EU has successfully negotiated two other aviation agreements with Brazil: one on cooperation in the field of civil aviation safety, which provides in particular for the mutual recognition of certification findings and standards regarding airworthiness, maintenance and environmental requirements; and, secondly, an "agreement on certain aspects of air services", which brings a number of provisions of the bilateral air services agreements between Brazil and EU member states into line with EU legislation so as to ensure non-discriminatory treatment of all EU airlines established in the member states concerned.

INTERMODAL ISSUES

Transport 2010-2020: strategy and future

The Council held an exchange of views on the transport strategy and the future of transport in the years 2010-2020, with the aim of giving guidance for the preparation of a White Paper on the transport policy for the coming decade to be published by the Commission at the end of 2010 or in early 2011.

Based on a questionnaire drawn up by the presidency ([14290/10](#)), ministers pointed out a number of priorities, strategies and measures which should be taken into account in the new White Paper. Acknowledging the need to build a safe, integrated and sustainable transport system, they highlighted in particular issues such as tackling climate change and other environmental problems, enhancing competitiveness and improving accessibility and road security. The priorities mentioned also include internalisation of external costs, innovation, financing and combination of different modes of transport. New technologies should be used to help attain the goals.

Several delegations, in particular from the new EU member states, stressed the importance of reducing disparities in transport infrastructure, in order to strengthen territorial cohesion of the EU and improve the functioning of the internal market.

Already in October and December 2009, the Council had held a debate on a Commission communication on a sustainable future for transport ([11294/09](#)), which identified the main challenges and outlined paths for a future transport policy in preparation for the new White Paper. The results of the debate are summed up in conclusions drawn by the Swedish presidency ([17692/09](#)). The previous White Paper covering the transport policy agenda until 2010 was issued by the Commission in 2001 and reviewed at mid-term in 2006.

OTHER BUSINESS

37th ICAO General Assembly

The Council was briefed by the Commission ([14885/10](#)) and the presidency on the outcome of the latest general assembly of the International Civil Aviation Organisation (ICAO), held in Montreal from 28 September to 8 October 2010.

As regards efforts to reduce the impact of aviation emissions on climate change, the EU considers that the resolution adopted by the assembly on this subject represents progress, but is not fully satisfactory, as the EU had advocated more ambitious global goals and actions in this field. The issue will continue to be examined within the Council's preparatory bodies.

The assembly also addressed other issues such as safety, security, investment in infrastructure, and regional assistance and cooperation in civil aviation. It agreed in particular a global action plan for aviation security.

Furthermore, a number of agreements were signed or initialled, including an agreement intended to improve cooperation between the EU and ICAO in the fields of aviation safety and security, air traffic management and environmental protection, as well as an agreement between the EU, ICAO, the US Federal Aviation Administration (FAA) and the International Air Transport Association (IATI) on global exchange of safety information.

The Turkish authorities' illegal ban on Cypriot airlines using Ankara Flight Information Region (FIR)

The Cypriot delegation informed the Council about the problems caused by Turkey's refusal to allow Cypriot airlines to fly over its territory ([14604/10](#)). Cyprus stressed that this ban, imposed since Turkey's invasion of the northern part of Cyprus in 1974, violated international law and threatened the economic viability of its airlines, which in many cases are obliged to use longer flight routes.

Relations with the Russian Federation in the field of air transport

The Council took note of information provided by the German delegation on legal action the Commission contemplates taking against Germany before the European Court of Justice as regards the bilateral agreement between Germany and Russia in the field of air transport. Germany and other member states pointed out that the Commission's efforts to negotiate an agreement between the EU as a whole and Russia have as yet remained unsuccessful and called upon the Commission to choose dialogue rather than infringement procedures.

Access rules for the public regulated service offered by the Galileo programme

The Council heard a presentation by the Commission of its proposal ([14701/10](#)) for a decision defining the detailed rules for access to the public regulated service (PRS) provided by the European global navigation satellite systems (EGNOS and Galileo programmes). PRS is a secure, encrypted service for sensitive applications, with access restricted to government-authorised users such as police or customs.

Proposal for a directive establishing a single European railway area

The Commission also presented a proposal for a directive intended to simplify, clarify and modernise the regulatory framework for Europe's railway sector so as to increase competition, strengthen market supervision and improve conditions for investments in that sector (information note [14829/10](#)). The proposal ([13789/10](#)) is a recast of the so-called "first railway package" of 2001 consisting of three directives on the development of European railways, licensing of railway undertakings and management of railway infrastructure.

Informal transport ministers meeting in September

The Council was briefed by the presidency on the informal meeting of transport ministers in Antwerp on 15 and 16 September 2010, the results of which are summarised in the presidency conclusions ([13971/10](#)). Full integration of waterborne transport into the EU transport and logistic chains was the main topic on the agenda in Antwerp. Ministers agreed in particular on further refining the concept of a European "Blue Belt" where ships can operate freely within the internal market, with adequate supervision to ensure safety, security and environmental protection. They also emphasised the importance of better combining different modes of transport, including short sea shipping and inland waterway transport, in the logistics chains. The presidency intends to submit draft conclusions on the same issues to the transport Council in December.

TEN-T network review process

The Council took note of information provided by the Italian delegation and the Commission regarding the review of the trans-European transport (TEN-T) network. The Italian delegation set out the steps it considers essential for the development of the network, highlighting in particular the issues of funding, border crossings and new rail links ([14624/10](#)). The Commission briefed the Council on the state of play of the review process. The Commission intends to present a proposal for revised TEN-T guidelines next year, applying a new approach based on a list of criteria for choosing projects that will constitute a "European core network".

Implementation of EURO VI standards: proceedings in the Motor Vehicles Committee

The Council took note of a presentation made by the Dutch delegation ([14623/10](#)), which advocates a rapid move towards widespread use of EURO VI buses and lorries and calls for robust measures for implementation of EURO VI standards in order to ensure that EURO VI heavy motor vehicle engines actually comply with emission limit values during their entire life cycle.

OTHER ITEMS APPROVED

TRANSPORT

Aviation agreements with Georgia and Jordan*

The Council decided on the signature and provisional application of agreements that will gradually establish a "Common Aviation Area" with Georgia (*14031/10, 14370/10, [14105/10](#) + [COR 1 \(en\)](#) + [14105/10 ADD 1, 2](#) + 3*) and a "Euro Mediterranean Aviation Area" with Jordan (*14030/10, 14366/10, [14104/10](#) + [COR 1 \(en\)](#) + [14104/10 ADD 1, 2](#) + 3*), replacing the existing bilateral agreements between individual EU member states and those countries.

The aim of the agreements is to gradually open markets, to establish a level playing field without discrimination for air carriers from the EU and the partner countries, and to align the partners' aviation legislation with EU legislation on issues such as safety, security and air traffic management.

Action plan on GNSS applications - Council conclusions

The Council adopted conclusions welcoming the Commission's action plan ([11137/10](#)) on global navigation satellite system (GNSS) applications, which aims at making full use of the possibilities offered by the European EGNOS and Galileo satellite programmes and enhancing European industry's share in the global market for GNSS applications and services.

The Council emphasises the need to establish confidence in the building up of the EU's satellite navigation systems, so as to encourage use of their services and investment by the industry in applications. This requires adequate research funding, while respecting the existing financial limits, and support should also be given to smaller-sized enterprises working in the GNSS field. International cooperation should be fostered, in particular through an international EGNOS and Galileo application forum. A top priority is to ensure EGNOS coverage of the entire European Union, with extension of coverage to neighbouring regions to be decided as a next step. In addition, the Commission is asked to bring forward specific instruments as regards public regulated services (with access restricted to public authorities such as the police, customs and coastguards) and the Commercial service, which are not covered by the action plan.

Key domains for GNSS applications include mobile phones, road and maritime transport, civil aviation and farming, as well as management of natural resources, for instance in the fields of environmental and civil protection.

For the full text of the conclusions, see document [14146/10](#).

COMMON FOREIGN AND SECURITY POLICY

EU rule of law mission in Kosovo - Budget

The Council adopted a decision amending joint action 2008/124/CFSP on the EU rule of law mission in Kosovo ("EULEX KOSOVO") with a view to providing a new financial reference amount to cover the expenditure of the mission until 14 October 2011 (13122/10).

Last June, the Council extended joint action 2008/124/CFSP for a period of two years (until 14 June 2012) and laid down the financial reference amount until 14 October 2010.

See also: <http://www.eulex-kosovo.eu/>

ECONOMIC AND FINANCIAL AFFAIRS

Derogation from the VAT directive for Italy

The Council adopted a decision authorising Italy to continue to apply a measure derogating from the EU's system of value added tax (VAT) (13929/10).

By way of derogation from article 285 of directive 2006/112/EC (the "VAT directive"), Italy is authorised to exempt from VAT taxable persons whose annual turnover is no higher than EUR 30 000.

The decision will apply until the date of entry into force of a directive amending the amounts of the annual turnover ceilings below which taxable persons may be exempted from VAT, or until 31 December 2013, whichever date is the earlier.

BUDGETS

Financial resources for the European External Action Service in 2011

The Council adopted its position on the letter of amendment 1 to the general EU budget for 2011, accepting the creation of a new section X in the 2011 budget for the European External Action Service (EEAS) with the appropriate budgetary structure and establishment plan ([14595/10](#)). The Polish delegation abstained. According to the Council position, the draft budget of the EEAS amounts to EUR 469.85 million, of which EUR 79.65 million are transferred from the European Council and Council and EUR 356.09 million from the Commission, and EUR 34.11 million constitutes additional expenditure compared to the Council position on the 2011 draft budget. The establishment plan of section X includes the transfer of posts from other institutions (411 from the European Council and Council, 1114 from the Commission), as well as the creation of 118 new posts compared to the 2011 draft budget (100 of these 118 additional posts were already accepted by the Council in its position on draft amending budget 6/2010).

INTERNAL MARKET

Chemicals - Technical update to the "REACH" system on scientific tests

The Council decided not to oppose the adoption by the Commission of a regulation aimed at incorporating two new test methods on ocular irritation recently adopted by the Organisation for Economic Cooperation and Development, into the "REACH" system on Registration, Evaluation, Authorisation and Restriction of Chemicals.

This legal act, which is intended to amend regulation 440/2008, is subject to the regulatory procedure with scrutiny. This means that now that the Council has given its consent, the Commission may adopt it unless the European Parliament objects.

CUSTOMS UNION**Procedures on import control: Court of Auditors' report - Council conclusions**

The Council adopted the following conclusions:

"THE COUNCIL OF THE EUROPEAN UNION:

1. HAVING EXAMINED the Court of Auditors' Special Report No 1/2010 : Are simplified customs procedures for imports effectively controlled?, in particular the recommendations of the Court to the Commission, and the replies of the Commission to the Special Report;
2. RECALLING the key role of simplified customs import procedures with regard to trade facilitations implemented by the EU;
3. STRESSING the keen interest of economic operators for simplified customs import procedures, which, by the Court's account, represent some 70% of all customs import procedures;
4. HAVING REGARD to the Customs Code in force at the time the Court's audit was performed and RECALLING that the Modernised Customs Code¹, the application of which is pending, establishes a new regime for simplifications;
5. CONSIDERS that the assessment of the control of simplified customs procedures should also take into account the opportunity costs, for economic operators and customs administrations, of applying more stringent controls;
6. TAKES NOTE of the conclusions and recommendations of the Court, in particular the recommendation to the Commission to improve the regulatory framework and guidelines for simplified customs procedures;
7. TAKES THE VIEW that in further improving the regulatory framework for simplified customs procedures, a solid environment for companies to apply these procedures should be ensured both by Member States and the Commission, taking into account the practice which has emerged."

¹ OJ L 145, 4.6.2008, p.1

APPOINTMENTS**Court of Auditors**

The Council adopted a decision appointing Mr Lazaros LAZAROU (Cyprus) as member of the Court of Auditors for the period from 2 November 2010 to 1 November 2016 ([14121/10](#)).

European Economic and Social Committee

The Council adopted a decision appointing Mr Eugen LUCAN (Romania) as member of the European Economic and Social Committee for the remainder of the current term of office, which ends on 20 September 2015 ([14502/10](#)).
