

Brussels, 3 June 2014

BACKGROUND¹

TRANSPORT, TELECOMMUNICATIONS AND ENERGY COUNCIL

Thursday 5 and Friday 6 June 2014 in Luxembourg

Transport ministers will meet on Thursday 5 June and telecommunications ministers on Friday 6 June. The transport session will be chaired by Mr **Michalis Chrysochoidis**, the Greek Minister for Infrastructure, Transport and Networks. The telecommunications session will be chaired by Mr **Michalis Papadopoulos**, the Greek Vice-Minister for Infrastructure, Transport and Networks.

Transport (Thursday 5 June)

The meeting will start at 9.30.

First, the Council will be asked to reach political agreement on the draft directives on the **interoperability and safety of European railways** and the draft regulation on the **European Railway Agency**. Together, these three legislative acts make up the technical pillar of the fourth railway package.

Ministers will then seek political agreement on new rules for the **maximum weights and dimensions of heavy-goods vehicles, buses and coaches**, aimed at improving those vehicles' aerodynamics, fuel efficiency and road safety.

The Council is expected to take note of progress made on a proposed update of the EU rules on air passenger rights.

Ministers will also take note of the state of play regarding proposed new rules for **market access** to port services and financial transparency of ports.

Lastly, the Council is due to adopt conclusions on the **mid-term review of the EU's maritime transport policy to 2018 and outlook to 2020**. The conclusions incorporate the Athens Declaration endorsed by maritime transport ministers at their informal meeting on 7 May.

A presidency **press conference** will be held at the end of the meeting (around 14.00).

This note has been drawn up under the responsibility of the press office.

Telecommunications (Friday 6 June)

The meeting will start at 10.00.

The Council will take note of progress made on a draft directive aimed at ensuring a high level of cyber security across the EU.

The Council is also due to take note of the state of play regarding a proposal aimed at amending the **EU telecommunications regulatory framework**, the so-called "telecoms package".

During a working lunch, ministers will discuss internet governance.

A presidency **press conference** will be held at the end of the meeting (around 13.00).

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TRANSPORT

LAND TRANSPORT

Railway interoperability, railway safety and the European Railway Agency

The Council will be called upon to reach **political agreement** on the draft directives on the **interoperability and safety of European railways** and the draft regulation on the **European Railway Agency** (9768/1/14 REV 1, 9766/1/14 REV 1 and 9767/14).

Together, these three legislative acts make up the **technical pillar of the fourth railway package**, published by the Commission in January 2013.

The completion of this technical pillar is expected to increase economies of scale for railway undertakings across the EU, reduce administrative costs and speed up procedures. It should also help to avoid any covert discrimination in the issuing of safety certificates and vehicle authorisations.

The **texts of the political agreement** include the general approach texts agreed by the Council in June 2013 (press release <u>10457/1/13 REV 1</u>, p. 20), October 2013 (press release <u>14602/13</u>) and March this year (<u>7665/14</u>), together with some relevant European Parliament amendments, which were voted at first reading in February.

A new article on revocation of authorisations (article 22b) has been added to the interoperability directive in order to align the text with the other two pieces of legislation. The new text provides for a procedure to be applied in a situation in which the national safety authority or the ERA has issued an authorisation for placing a vehicle on the market but the authorisation needs to be withdrawn when it emerges during operation that there is a major problem with the design of the vehicle (not linked to a misuse of the vehicle). A staged approach is intended to guarantee that the procedure applies only in exceptional cases.

According to this **Council position** on the technical pillar, a dual system of vehicle authorisations and safety certifications will be set up, with the ERA acting as a one-stop-shop for authorising vehicles intended for cross-border operations and issuing safety certificates to railway undertakings involved in cross-border traffic. National safety authorities will still have an important role in carrying out the necessary assessments. The texts agreed by the ministers also stipulate that, for vehicles and railway undertakings involved in national transport only, there will be a choice between submitting a request for authorisation or certification to the Agency or to the national safety authority.

The other measures of the railway package, forming the political pillar, aim to ensure further opening of the market for domestic passenger transport services by rail and lay down new rules on governance structure in relation to infrastructure management and transport operations. These proposals have not yet been discussed in the Council.

The adoption of the various legislative acts that make up the package requires the approval of both the Council and the European Parliament.

Fourth railway package

Lorry sizes

Ministers will try to reach **political agreement** on new rules for the **maximum weights and dimensions of heavy-goods vehicles, buses and coaches.** The proposal (8953/13) aims to amend the <u>current directive</u> from 1996 in order to improve those vehicles' aerodynamics, fuel efficiency and road safety.

In particular, the proposal grants derogations on **vehicle length** so as to allow rear flaps to be attached to the vehicle or the front of the vehicle to be redesigned to create a **more aerodynamic** shape. The new lorry cab design will improve drivers' field of vision and the safety of both drivers and other road users. The new deflecting shape and crumple zone will greatly reduce the impact of frontal collisions, thus helping to save the lives of numerous pedestrians and cyclists.

According to the compromise to be presented by the presidency, the use of clean fuels would be promoted by authorising a **weight** increase of one tonne for **alternatively fuelled vehicles**, to take account of the weight required for the alternative fuel technology.

The maximum weight of **buses** would be increased by **1.5 tonnes** to accommodate various developments such as the increase in the average weight of passengers and their luggage and of new equipment imposed by the safety regulations.

In order to better **detect infringements**, every year each member state must perform an appropriate number of vehicle weight checks. The number of such checks should be proportionate to the total number of vehicles inspected in the member state's territory annually.

As regards **deadlines** for the new maximum lengths retained in the compromise text, the provisions concerning the **rear devices** will start to apply **from the transposition date**, which is **three years** after the directive's entry into force, and the **cab redesign** provisions will apply **five years after transposition**, or when conditions related to type approval and other requirements as specified in the directive have been fulfilled.

At the Council meeting, ministers will seek agreement on the issue of cross-border use of longer vehicles. Member states may currently allow the use of longer vehicles in their territory under certain conditions. The Commission proposal would clarify that the use of such vehicles is lawful for journeys that only cross one border, if the two member states concerned already allow such use and the other conditions under the directive are met.

The Commission sent its proposal in April 2013. The adoption of this directive requires the approval of both the Council and the European Parliament. The Parliament adopted its first reading position in April 2014.

• Road transport - Weights and dimensions

AVIATION

Air passenger rights

The Council is expected to **take note of progress** achieved regarding a proposed **update of the EU rules on air passenger rights** on the basis of a report prepared by the presidency (<u>9820/1/14</u> REV 1 + ADD 1 REV 1).

The draft regulation is mainly aimed at clarifying the rules that apply in the event of delayed or cancelled flights, and at improving other aspects such as handling of complaints and enforcement of passenger rights. At the same time, the proposal intends to take into account the financial implications that passenger rights create for the air transport sector, thus ensuring that European air carriers operate under harmonised conditions in a liberalised market.

Solid progress has been made on the dossier since the policy debate held by the Council in October 2013. In particular, provisions giving rise to the application of air passenger rights in other transport modes have been deleted, and those on tarmac delay have been fine-tuned. The monetary limit on accommodation in the event of major travel disruption has been deleted, and the rules on informing passengers of their rights have been considerably improved.

Much attention has been devoted to the rigorous delimitation of airlines' possibilities to claim exemptions from the requirement to pay compensation. For instance, delegations generally agree that technical defects should not be used by airlines as a pretext for refusing to pay compensation. Efforts have therefore been made to define under what conditions airlines may invoke technical defects to seek exemption from paying compensation.

As regards the need to ensure the effective enforcement of the regulation, important progress has been made towards reaching a compromise on a simple procedure for passengers to submit complaints to airlines and, subsequently, to out-of-court dispute resolution bodies.

However, despite the intense work carried out and the progress achieved, further work is needed on a number of issues. Major **outstanding questions** include thresholds for compensation; compensation for connecting flights; and the status of any list - be it exhaustive or non-exhaustive, binding or non-binding - defining exemptions from the obligation to pay compensation (extraordinary circumstances).

On the air carrier liability regulation, the only major outstanding issue relates to cabin baggage. It still needs to be decided whether clear provisions are needed on the so-called 'one bag rule', which would enable all passengers at Union airports to take items on board under the same conditions, or whether this should be regarded as part of the air carrier's commercial freedom.

The Commission presented its proposal ($\frac{7615/13}{1}$) to transport ministers in June 2013. The adoption of the regulation requires the approval of both the Council and the European Parliament. The Parliament adopted its position at first reading in February 2014.

For current rules on air passenger rights, see the <u>2004 regulation on compensation and assistance</u> to passengers in the event of denied boarding and of cancellation or long delay of flights and the <u>1997 regulation on air carrier liability in respect of the carriage of passengers and their baggage by air.</u>

SHIPPING

Port services

The Council will **take note of the state of play** regarding proposed new rules for **market access to port services and financial transparency of ports**, based on a progress report drawn up by the presidency (9771/14).

The **proposed regulation** (<u>10154/13</u>) sets out to create a framework for access to the port services market in the EU. It also introduces common rules for the financial transparency of ports and for charges to be levied by port management bodies or providers of port services.

It would apply to specific categories of services and would cover all seaports listed in the <u>trans-European Transport Network Guidelines</u>. Member states would be free to decide to apply it to other ports as well.

The new rules should contribute to fairer competition and reduce legal uncertainties, thereby encouraging efficient port services and investments in ports. This could bring down costs for transport users. It could also help create new short sea links and improve the integration of maritime transport with other transport modes.

In the Council, the shipping working party has carried out an article-by-article examination of part of the text and a more general discussion of the remainder. These discussions have shown that although the majority of member states support the proposal's general objectives, they have a number of concerns with regard to both the substance of the proposal and the form of the legal instrument, with most delegations preferring a directive instead of a regulation.

The substantive concerns expressed by delegations relate, inter alia, to the proposal's scope in terms of both the services and the ports covered. Most member states would like to have simpler and more coherent procedures throughout the proposal. Many delegations have requested more flexibility as regards the procedures for ensuring compliance with the minimum requirements for the provision of port services. They have also indicated the need for more flexibility when it comes to limiting the number of providers. For example, delegations have asked to have safety, security and environmental considerations included in the possible reasons for limiting the number of port service providers.

The Commission sent the proposal to the Council in May 2013, together with a communication entitled "Ports: an engine for growth" (10160/13). In order to be adopted, the legal act will also have to be approved by the European Parliament. The Parliament's committee responsible, the Committee on Transport and Tourism (TRAN), has not yet voted on this dossier.

• EU maritime transport: ports

Maritime transport policy

The Council is due to adopt **conclusions on the mid-term review of the EU's maritime transport policy until 2018 and outlook to 2020** (<u>10041/14</u>). The conclusions incorporate the **Athens Declaration** endorsed by maritime transport ministers at their informal meeting on 7 May.

The conclusions are intended to provide input for the Commission's upcoming mid-term review of the EU's maritime transport policy, and they set out what the Council considers should be the **political priorities** of the Commission's forthcoming work programme from 2015 to 2019 (see Commission communication on EU maritime transport policy until 2018 (<u>5779/09</u>) and relevant Council conclusions (<u>7866/09</u>)).

The text covers all aspects of maritime transport, organised under six headings, following the structure of the Commission communication:

European Shipping in globalised markets calls for increased efforts towards ensuring free access to markets and emphasises the role of the EU state aid regime for maritime transport.

Human Resources, Seamanship and Maritime Know-how focuses on increasing employment in the sector, implementing the ILO Maritime Labour Convention and enhancing the know-how and attractiveness of maritime careers, including equal opportunities for men and women.

Quality Shipping as a key competitive advantage calls, inter alia, for safety at sea and the environmental and social performance of shipping to be improved, and for efforts to be made to promote security at sea, in particular by combating piracy.

Working together on the international scene reaffirms the determination to work within IMO and other international bodies.

Exploiting the full potential of short-sea shipping and sea transportation services for business and citizens in Europe focuses on promoting short sea shipping, implementing alternative fuels infrastructure in ports, developing ports, enhancing connectivity and implementing the Blue Belt and e-maritime service.

Lastly, *Europe should be the world leader in maritime research and innovation* stresses the need to reinforce targeted research and development and innovation efforts.

• EU maritime transport

OTHER BUSINESS - transport

- Outcome of the lunch debate at the informal meeting of transport ministers (Athens, 8 May 2014)
 Information from the Presidency (10371/14)
- Shift2Rail
 Information from the Presidency
- Tracking of aeroplanes
 Information from the Commission (10267/14)
- Airport charges
 Information from the Commission (10356/14)
- Cross-border traffic offences
 Information from the Commission
- Preserving and enhancing the European Union influence at the International Civil Aviation Organization (ICAO): Election to the Council of the ICAO
 Information from the Spanish delegation
- Work programme of the incoming Presidency Information from the Italian delegation

TELECOMMUNICATIONS

Cyber security

The Council will take note of the state of play regarding a draft directive aimed at ensuring a high common level of security of electronic communication networks and information systems across the EU.

The **objective** of the proposal (<u>6342/13</u>) is to require all member states, key internet enablers and critical infrastructure operators – such as e-commerce platforms and social networks and operators in energy, transport, banking and healthcare services – to ensure a secure and trustworthy digital environment throughout the EU.

While the Council preparatory bodies have made considerable progress on this dossier, more work is required to amend the text. The **report** drawn up by the presidency (10097/14) sums up the work done so far and sets out **orientations and approaches** for further efforts.

All member states agree on the urgent need to improve cyber security and to take action in this regard at EU level. They share the view that the draft directive would be an essential part of the **EU's overall cyber-security strategy** (communication from the Commission and the High Representative for Foreign Affairs and Security Policy: 6225/13; General Affairs Council conclusions: 12109/13).

They also generally support the principle of minimum harmonisation, whereby member states are free to adopt more stringent provisions on cyber security.

However, the discussions have highlighted the need to strike the right balance between enhancing cyber security, building the necessary trust, and, for the sake of efficiency, making full use of existing arrangements and bodies.

Therefore, rather than creating a new "cooperation mechanism" between member states as proposed, most delegations would prefer to build on existing arrangements and entities.

In the event of an incident, it should be up to the affected member state to decide which information to share, if any.

Delegations broadly support the idea of each member state developing a cyber security strategy, but would prefer "future-proof" principles rather than concrete requirements.

Other questions on which further discussion or clarification is needed include the stakeholders covered by the proposal, the nature of strengthened cooperation between authorities (whether priority should be given to strategic and policy cooperation or whether the text should also contain detailed provisions on operational cooperation), and the cases in which a "coordinated EU response" would be needed: major cross-border cyber crises or also more limited incidents.

A progress report on this proposal was submitted to the Council in December 2013 (<u>16630/13</u>) and in June 2013 (<u>10076/13</u>).

The adoption of the directive requires the approval of both the Council and the European Parliament. The Parliament adopted its position at first reading in March 2014.

Digital Agenda for Europe - Cybersecurity

Telecommunications single market

The Council will **take note of the state of play** regarding a proposal aimed at amending the **EU telecommunications regulatory framework.** The draft regulation is part of the Connected Continent package.

The **objective** of the proposal (<u>13555/13</u>) is to move towards a single market for electronic communications in which:

- citizens and businesses can use electronic communications services across the EU without cross-border restrictions or unjustified additional costs
- companies providing electronic communications networks and services can operate regardless of where they are established or where their customers are located in the EU.

The ultimate goal is to underpin European competitiveness in a world which increasingly depends on the digital sector in order for the economy to function and grow.

The **main elements** of the proposal include a single EU authorisation for electronic communications providers; coordination of use of radio spectrum and provisions on European virtual access products; harmonised rights of end-users, including net neutrality; making it easier to switch provider; and provisions concerning the powers of national regulators, roaming and the Body of European Regulators for Electronic Communications (BEREC).

During the December 2013 **policy debate** (16637/13), ministers generally welcomed the proposal's aims, such as providing incentives for investment, enhancing consumer rights and addressing net neutrality, but expressed concerns and doubts about a large number of issues. These included the approach chosen for the improved spectrum management (harmonisation and strict coordination with a Commission veto right), where national circumstances and competences should always be taken into account; the impact of the proposed roaming provisions on the investment climate and its predictability; and the consequences of the expected market consolidation for small operators and markets. Moreover, many delegations thought that the same objectives could be achieved by making better use of current instruments, for instance in the case of spectrum allocation and roaming. Protecting consumers was felt to be an important issue but several delegations pointed out that the level of consumer protection in their country was higher than that put forward by the Commission.

A **report drawn up by the presidency** (<u>10109/14</u>) sets out the progress made on the proposal since that debate and draws attention to issues that require further work. Many concerns mentioned in the December 2013 report remain valid. From this year's report it appears that:

- Most member states are concerned, inter alia, about the red tape and financial burden that would be created by the proposal, its unclear link to the current telecom framework, and the impact on the national regulatory agencies' powers.
- Many delegations find a number of the new provisions on radio spectrum too prescriptive
 and often overlapping or even conflicting with EU or national legislation. Most member
 states consider that the provisions harmonising deadlines to synchronise the spectrum
 available for wireless broadband and laying down a European coordination mechanism on
 spectrum rights go too far, particularly with regard to the proposed new powers of the
 Commission.

- As regards efforts to enhance consumer protection, member states prefer minimum
 harmonisation to the proposed full-scale harmonisation, as this would allow them to keep or
 adopt more stringent national measures.
- As far as the principle of open internet is concerned, many delegations underlined the
 need for the text to be future-proof and clear. For instance, the definitions of 'internet
 access service' and 'specialised service' should be clarified. While delegations agree on the
 need to get the right balance between net neutrality and reasonable traffic management,
 they have different views on how to achieve it. The common underlying principles relating
 to net neutrality have yet to be agreed on.

The draft articles on **roaming**, which are to be found towards the end of the Commission proposal, have not yet been examined in detail.

Essentially, a large number of questions are still pending with regard to all the draft provisions analysed so far. In addition, many member states do not see why certain topics need to be included at all in the proposal - for example, the provisions on the single EU authorisation and the European virtual access products, and some provisions regarding the use of radio spectrum.

The adoption of the proposal requires the approval of both the Council and the European Parliament. The Parliament adopted its first-reading amendments in April.

Digital Agenda for Europe - Connected Continent

OTHER BUSINESS - telecommunications

Current legislative files (in public session):

Proposal for a regulation on electronic identification and trust services for transactions in the internal market (eIDAS) *Information from the Presidency* (9996/14)

Proposal for a regulation on measures to reduce the costs of deploying high-speed electronic communication networks Information from the Presidency (9993/14)

Proposal for a directive on the accessibility to public sector bodies' websites Information from the Presidency on the state of play (10016/14)

- DAE DA scoreboard
 Presentation by the Commission (10220/14 + 10220/14 ADD 1)
- Work programme of the incoming Presidency Information from the Italian delegation (9994/14)

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