

COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT

PRESS RELEASE

5561/87 (Presse 46)

1152nd meeting of the Council

- Transport -

Brussels, 23 and 24 March 1987

President : Mr Herman DE CROO

Minister of Transport
and Foreign Trade
of the Kingdom of Belgium

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

Belgium:

Mr Herman de CROO Minister for Transport and
Foreign Trade

Denmark:

Mr F. Noel CHRISTENSEN Minister for Transport and
Public Works

Mr Joergen HALCK State Secretary,
Ministry of Public Works

Germany:

Mr Jürgen WARNKE Federal Minister for Transport

Greece:

Mr Costas BADOUVAS Minister for Transport and
Communications

Spain:

Mr Abel CABALLERO Minister for Transport and
Communications

France:

Mr Jacques DOUFFIAGUES Minister attached to the Minister
for Infrastructure, Housing,
Town and Country Planning and
Transport with responsibility
for Transport

Ireland:

Mr John WILSON

Minister for Communications

Italy:

Mr Enrico PIETROMARCHI

Deputy Permanent Representative

Luxembourg:

Mr Marcel SCHLECHTER

Minister for Transport, Public
Works and Energy

Netherlands:

Mr Ch. R. van BEUGE

Deputy Permanent Representative

Portugal:

Mr Oliveira MARTINS

Minister for Public Works,
Transport and Communications

United Kingdom:

Mr John MOORE

Minister for Transport

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For the Commission:

Mr Stanley CLINTON DAVIS

Member

ZEEBRUGGE FERRY DISASTER

The Council observed a minute's silence in memory of the victims of the capsized ferry the "Herald of Free Enterprise". It took note of the tributes paid by the United Kingdom Minister to the Belgian search and rescue operations, police and hospital services, as well as to the help given by other Member States. Gratitude was also expressed to the Commission for its contribution of 250 000 ECU to the Fund set up for the victims of the disaster. Finally, the Council took note of the Presidency's intention to hold a symposium on maritime safety in the coming months.

ELIMINATION OF DISTORTIONS OF COMPETITION OF A FISCAL NATURE IN THE TRANSPORT OF GOODS BY ROAD

The Council held a detailed exchange of views on the Commission's communication on the elimination of distortions of competition of a fiscal nature in the transport of goods by road, on the basis among other things of a questionnaire drawn up by the Permanent Representatives Committee.

Concluding its exchange of views, the Council noted the Commission's intention of submitting proposals in this area as soon as possible, and in any event not later than the autumn.

COMMUNITY QUOTA

Pending the European Parliament's Opinion, the Council examined the proposal for a Regulation on access to the market for the carriage of goods by road between Member States. Under this proposal the Community and bilateral quotas would be abolished as from 1992 and for the transitional stage from 1987 to 1991 there would be a 40% per annum increase in the Community quota as from 1987. The Council also had before it a specific proposal concerning the Community quota for 1987.

The Council's discussion focussed on the automaticity of the annual increase during the transitional stage and the advisability of introducing a Community safeguard mechanism for the transitional stage.

After the discussion the Council agreed to resume its examination of the proposal once the European Parliament's Opinion was available.

TRANSPORT INFRASTRUCTURES

Pending the European Parliament's Opinion, the Council continued examining the proposal for a Regulation on financial support in the framework of a medium-term programme for transport infrastructure. The discussions dealt among other things with the Commission's proposal that a specific instrument be created for financial support in this area, the advisability of including ports and airports in the scope of the provisions and the procedure to be chosen for deciding on the grant of financial support.

The Council asked the Permanent Representatives Committee to continue work on this issue in the light of its discussions.

AIR TRANSPORT

The Council continued its discussions on air transport.

Subject to agreement on the issue as a whole, the Council managed to establish a consensus on the main questions unresolved as regards fares, in particular discount fares and deep-discount fares, and on the distribution of capacity. The Council also held a detailed discussion on the questions concerning access to the market.

In order to reach final agreement on this matter, the Council agreed to hold a special meeting on 9 June 1987.

MISCELLANEOUS DECISIONS

Fisheries policy

The Council adopted in the official languages of the Communities a Decision on the conclusion of the agreement in the form of an exchange of letters concerning the provisional application of the Agreement amending the Agreement between the European Economic Community and the Government of the Democratic Republic of Madagascar on fishing off the coast of Madagascar.

The Council also adopted in the official languages of the Communities a Decision on the conclusion of an agreement in the form of an exchange of letters concerning the provisional application of the Agreement between the European Economic Community and the Government of the People's Republic of Mozambique on fishing off the coast of Mozambique.

In addition, the Council adopted in the official languages of the Communities a Regulation on the conclusion of an agreement between the European Economic Community and the Government of the Republic of the Gambia on fishing off the Gambia and adopting provisions for its application.

Commercial policy

The Council adopted in the official languages of the Communities a Regulation opening, allocating and providing for the administration (in respect of a volume of 2 500 tonnes) of a Community tariff quota for carrots falling within subheading ex 07.01 G II of the Common Customs Tariff and originating in Cyprus (1987).

The Council also adopted in the official languages of the Communities a Regulation imposing a definitive anti-dumping duty on imports of standardized multi-phase electric motors having an output of more than 0,75 kW but not more than 75 kW, originating in Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland or the Soviet Union, and definitively collecting the amounts secured as provisional duties (which will be published in the Official Journal on 27 March 1987).

Customs Union

The Council adopted in the official languages of the Communities a Regulation temporarily suspending the autonomous Common Customs Tariff duties on a number of industrial products (Nos ex 38.19 X; ex 81.04 F I and ex 85.21 D II).

The Council also adopted in the official languages of the Communities a Regulation opening, allocating and providing for the administration of a Community tariff quota for unroasted malt falling within subheading 11.07 A II b) of the Common Customs Tariff originating in and coming from Finland.

Lastly, the Council adopted, in the official languages of the Communities, Regulations:

- opening, allocating and providing for the administration of a Community tariff quota of 12 000 tonnes for dried, dehydrated or evaporated onions falling within subheading 07.04 A of the Common Customs Tariff;
- increasing from 600 000 to 650 000 m³ the volume of the Community tariff quota opened by Regulation (EEC) no 3741/86 for certain plywoods of coniferous species, falling within heading ex 44.15 of the Common Customs Tariff (1987).

Relations with the EFTA countries

The Council adopted in the official languages of the Communities Regulations on the application of Decisions No 3/86 of the EEC-EFTA countries Joint Committees supplementing and amending Protocol No 3 concerning the definition of the concept of "originating products" and methods of administrative co-operation with a view to simplifying the documentation relating to evidence of origin.

Appointments

On a proposal from the Irish Government, the Council appointed the following as members and alternate members of the Advisory Committee on the Training of Dental Surgeons for the period up to 15 December 1989:

A. Experts from the practising profession

	<u>Member</u>	<u>Alternate</u>
Ireland	Dr David HARRIS	Dr D.I. KEANE

B. Experts from the dental teaching institutions

	<u>Member</u>	<u>Alternate</u>
Ireland	Prof. D. SHANLEY	Prof. B.E. BARRETT

C. Experts from the competent authorities in the Member State

	<u>Member</u>	<u>Alternate</u>
Ireland	Dr Seamus O'HICKEY	Mr Colin A. SULLIVAN

On a proposal from the Belgian Government, the Council also appointed Professor Michel FRANCOIS an alternate member of the Advisory Committee on the Training of Dental Surgeons to replace Professor Dr J. KOHL for the remainder of the latter's term of office, i.e. until 15 December 1989.

On a further proposal from the Belgian Government, the Council appointed Dr A. VAN ORSHOVEN an alternate member of the Advisory Committee on Medical Training to replace Dr J. VAN DEN BROUCKE for the remainder of the latter's term of office, i.e. until 11 May 1989.

Finally, on a proposal from the Governments of the Member States, the Council appointed the following as members and alternates of the Advisory Committee on Education and Training in the Field of Architecture:

A. Experts from the practising profession

	<u>Member</u>	<u>Alternates</u>
Belgium	Mr G. VRANCKX	Mr E. VAN STEENBERGEN
Denmark	Mr Ebbe MELGAARD	Mr Finn POULSEN
Germany	Mr Gerhard SCHWAB	Mr Jost SCHRAMM
Greece	Mr Dionysios DIYENIS	Ms Elisabeth SIOLA-BOTOUROPOULOU
Spain	Mr Rafael de la HOZ ARDERIUS	Mr Jordi QUEROL PIERA

	<u>Members</u>	<u>Alternates</u>
France	Mr Yves ALEXANDRE	Mr Antoine DEBRE
Ireland	Mr Kevin FOX	Mr John O'REILLY
Italy	Dr Luigi MORETTI	Dr Bruno MICHELIN
Luxembourg	Mr Georges REUTER	Mr Chrescht KLEIN
Netherlands	Mr R. VAN DER SLUYS	Mr P.A.M. MERTENS
Portugal	Mr Francisco SILVA DIAS	Ms Olga QUINTANILHA
United Kingdom	Mr David WATERHOUSE	Mr Peter JONES

B. Experts from universities or equivalent teaching institutions in the field of architecture

	<u>Members</u>	<u>Alternates</u>
Belgium	Dr J. JANSSENS	Prof. J. ENGLEBERT
Denmark	Mr Mogens Brandt POULSEN	Mr Bente BEEDHOLM
Germany	Prof. Elmar WERTZ	Prof. Dietrich KRUPPA
Greece	Prof. Ioannis LIAPIS	Mr Panayotis TZONOS
Spain	Mr Fernando RAMOS	Mr Antonio FERNANDEZ ALBA
France	Mr Roland SCHWEITZER	Mr Alain SARFATI
Ireland	Prof. Cathall O'NEILL	Mr John O'KEEFFE
Italy	Prof. Corrado BEGUINOT	Prof. Giovanni CARBONARA
Luxembourg	Mr Ernest WEIS	Mr Fred GREGOIRE
Netherlands	Prof. M.F.T. BAX	Mr U.F. HYLKEMA
Portugal	Prof. Fernando Luis CARDOSO de MENEZES de TAVARES	Prof. Doutor Antonio Francisco de CARVALHO QUINTELA
United Kingdom	Prof. John TARN	Prof. Hans HAENLEIN

C. Experts from the competent authorities of the Member States

	<u>Members</u>	<u>Alternates</u>
Belgium	Ms J. ROUSSEUX	Mr DEDECKER
Denmark	Mr Fleming LETHAN	Mr Peter van ZAANE
Germany	Dr Martin SEIDEL	Mr Hubert KRAUS
Greece	Ms Athina MORAÏTOU	Mr Michalis TYLIANAKIS
Spain	Ms Amparo PRECIOSO DE MURGA	Mr Carlos LAVESA DIAZ
France	Mr Jean-Pierre DUPORT	Mr Pierre LAJUS
Ireland	Mr R.N. DE CHENU	Mr N HEGARTY
Italy	Dr Gabriele GIANNINI	Dr Arturo CORNETTA
Luxembourg	Mr Paul MACKEL	Ms Bernadette FRIEDERICI- CARABIN
Netherlands	Mr P. FENGER	Mr K.I. ANG
Portugal	Mr António OLIVEIRA FARIA	Mr João Manoel ALVES de SOUZA
United Kingdom	Prof. Denys HINTON	Ms Jenny WILLIAMS

20 March 1987

NOTE BIO (87) 72 AUX BUREAUX NATIONAUX
CC: AUX MEMBRES DU SERVICE DU PORTE-PAROLE

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PREPARATION OF TRANSPORT COUNCIL 23-24 MARCH 1987 (M. BERENDT)

The dominant issue of this Council is expected to be Community policy on civil aviation. Work has continued within COREPER but substantial difficulties still remain, blocking an agreement. The Commission has already decided that if the Council fails to reach an agreement consistent with the Commission's proposals by the end of the Belgian Presidency, then the proposed regulation on granting of group exemptions from competition policy would be withdrawn. The discussions in the Council are scheduled for Tuesday March 24, but the subject will also be raised at the dinner on Monday evening.

The proposals cover four main issues:

- fares
- capacity
- access to the market
- competition

There has been substantial agreement on many detailed aspects of the dossier, but a number of key issues remain unresolved. Among these are the criteria under which airlines could set discount and deep discount fares without fear of a government block. Here there is still resistance from some Member States to criteria which would allow a wide range of new fare possibilities and offer substantially cheaper deals for the travelling public.

Access for new airlines to the market presents another difficult problem. The states furthest from the centre of the Community, Denmark and Ireland, would like to see fifth freedom rights written into the new rules, allowing airlines to pick up and put down passengers in a second Member State before flying on to a final destination in a third Member State.

The most urgent issue on road transport is the increase in the number of Community quotas, under which services are granted to operators to carry goods throughout the Community. The Council has already agreed in principle on a 40 per cent annual increase in order to allow the complete removal of quantitative restrictions on road haulage as from the beginning of 1992.

The German government is insisting on a link between eliminating "distortions of competition" in road transport and agreement on increased quotas, and Germany, Spain, France and Italy suggest that the Council should take an annual decision on the 40 per cent increase rather than making it automatic, taking account of progress in

harmonising the conditions of competition - a view strongly resisted by the liberal governments. The Commission's report on fiscal harmonisation, which covers vehicle tax, fuel tax and road tolls, will also be discussed in the Council. Transit through third countries - on which the Commission will be making proposals by June - is raised by some governments.

Ministers will also be discussing a regulation on financial support in the framework of the medium term programme for transport infrastructure. Five delegations (the southern countries of the Community plus Ireland) strongly support the establishment of a transport infrastructure fund, while six countries are opposed. The Commission believes strongly in the need for the establishment of such a fund.

A number of points have been signalled under any other business, including declarations of the Belgian Presidency on maritime safety and on speed limits and a British declaration on vehicle thefts.

Regards,



H. PAEMEN

Bruxelles, le 24 mars 1987

NOTE BIO (87) 72 (suite 1 et fin) AUX BUREAUX NATIONAUX
CC. AUX MEMBRES DU SERVICE DU PORTE-PAROLE

Transport Council 23-24 March 1987 (M. Berendt)

Monday afternoon's session of the Transport Council was almost entirely unproductive. Despite the commitment made last June by the ministers to increase community road transport quotas by 40 per cent a year up to 1992, so opening up the common market to all Community hauliers, the Council continued to discuss the need for progress in other areas of road transport policy as a condition of their agreement. Although accepting the need to develop Community policy in areas such as harmonisation of fuel and vehicle taxes, the Commission does not believe that this should be a condition of agreeing the 40 per cent annual increase. Discussion of fiscal measures and the quotas will therefore go to the June 24-25 Council for further discussion and decision.

Commission proposals for allocation of Community funds to develop transport infrastructure projects also met with little response, as seven member states questioned the need for such a Community fund. This will also go forward to a future Council.

Tuesday's discussion of air fares was a different story. Useful progress was made on two main elements of a package and Council president De Croo announced, in order to forestall Commission legal action as he told the press, that a special meeting would be held on June 9 in an effort to reach agreement.

Tangible progress was made on fares and on capacity, although always subject to final agreement on an overall package. After movement on all sides, the following criteria emerged as a formula acceptable to all. These criteria set the scope for airlines to fix discount and deep discount fares without fearing obstruction from the country of destination. I must stress that this list of criteria is provisional.

CRITERIA FOR DISCOUNT AND DEEP DISCOUNT FARES

(Round trip and six month maximum stay)

1. DISCOUNT : 65-90 per cent of normal fares

Peak periods

Minimum stay of not less than Saturday night or six nights

Off peak

14 day advance purchase, 20% fee for cancellation or change of reservation (APEX)

2. DEEP DISCOUNT : 45-65 per cent of normal fares

Peak periods

Minimum stay of not less than Saturday night or 6 nights and one of the following:

- reservation, ticketing and payment at the same time. 20% cancellation fee
- 14 day advance purchase, ticketing and payment at the same time. 20% cancellation fee
- purchase of single ticket on day prior to departure. Return ticket under same conditions
- passenger not more than 25 or less than 60.

Off peak

APEX and one of the following conditions:

- not more than 25 or less than 60
- family of at least three including father and/or mother with children not more than 25.
- group of six on a single ticket

OR

SUPERPEX

- 28 day advance booking, reservation, ticketing and payment at the same time; 20% cancellation fee outside 28 days; 50% within 28 days.

The key element is that off-peak fares will become much more widely available for the travelling public - a crucial break through as far as the Commission is concerned.

On the question of capacity, which essentially determines how far an airline can bid for a bigger share of the market, the Council has already agreed that during the first two years of the new policy, the share could change to 45.55, so the more successful company could push up its market share to 55 per cent without obstruction. By the end of the third year, the limits should move to 40.60, but there was some doubt about the power of member states to block this. At today's meeting, 10 ministers were able to accept that this change in capacity could only be blocked on a proposal from the Commission. Only Greece had a full reserve on the point; Italy has referred the matter for consideration.

One element still unresolved concerns the criteria to be taken into account in approving (or not approving) new fares. The Commission is resisting a formula which might allow a government to block a lower fare because of the higher prices of competing carrier. A formula has been proposed to resolve this; only Greece appears to have difficulties.

No decisions were reached on market access, but the pattern of an agreement began to emerge, albeit with some significant reservations. For both Ireland and Denmark, fifth freedom rights, which allow an operator to embark and disembark passengers at an intermediate airport, should be introduced at once. A major issue on opening up flights between central and regional airports is the size of aircraft which can be used (50 seats or 70 seats) without the traffic being included in the capacity share calculations between the two countries.

An arrangement is likely to be agreed which will exempt from these provisions a certain number of smaller airports according to specific criteria. Work will continue on these matters in COREPER.

Amities,

H. PAEMEN

n.o. S

Bruxelles, le 16 février 1987

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Note BIO (87) 42 aux bureaux nationaux
cc. aux membres du Service du Porte-Parole

Préparation Conseil Informel Transport du 17.2.1987
(E. Reuter)

Le Conseil sera présidé par Herman de Croo, ministre belge des transports, et évoquera trois sujets actuellement bloqués. MM. Clinton Davis et Sutherland représenteront la Commission.

La libéralisation des transports aériens continue à faire l'objet de négociations difficiles au niveau des experts. Les ministres poursuivront l'examen des problèmes qu'ils avaient cristallisés lors de leur réunion de décembre, à savoir mise en oeuvre d'une certaine souplesse au niveau du partage des capacités sur trois ans, désignations multiples et possibilité de relier des grands aéroports et des aéroports régionaux, tarifs avec notamment la définition du "deep discount". S'y ajoutera une discussion sur la proposition de règlement du Conseil sur les exemptions aux règles de concurrence dans le transport aérien.

Le Conseil évoquera également l'accès au marché des transports de marchandises par route entre Etats membres. Les propositions de la Commission visent à créer un grand marché des camionneurs de la Communauté. Dans un premier stade, cela concerne le nombre et les modalités de licences de transports communautaires. Deux problèmes: l'élimination de distorsion de concurrence, résultant notamment des différences de fiscalité, entre Etats membres, et le transit à travers les pays tiers, notamment dans les liaisons avec l'Italie et la Grèce.

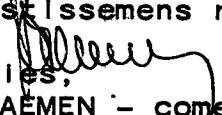
Enfin, le Conseil débattera de la création d'un instrument communautaire de soutien financier pour les grands projets d'infrastructure routière et ferrovière.

Rendez-vous de midi

Le Porte-Parole a annoncé que la Commission avait paraphé le 13 février le protocole technique adaptant l'accord d'association avec la Turquie aux conséquences de l'élargissement de la Communauté à l'Espagne et au Portugal. Il a également indiqué que lors de la prochaine réunion du Conseil du GATT, le 4 mars, la Commission allait, au nom de la Communauté, demander la constitution d'un panel à l'égard du Japon pour examiner les effets de l'accord conclu entre le Japon et les Etats-Unis relatif au marché des semi-conducteurs.

Matériel diffusé:

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- IP 68 - Brain: L'Europe anticipe le défi japonais de la
"frontière humaine"
- IP 69 - Aides d'urgence pour la lutte antiacridienne en
Afrique
- MEMO. 11 rév. Aide d'urgence froid (situation du 16/2/87, 12H00)
- Statistiques rapides : Financement communautaire des
Investissements régionaux en 1985.


Amitiés,

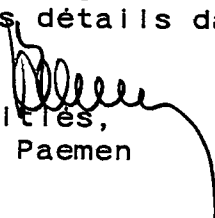
H. PAEMEN - comeur

Bruxelles, le 16 février 1987.

NOTE BIO (87) 42 (suite 1) AUX BUREAUX NATIONAUX
cc. aux Membres du Service du Porte-Parole

Addendum à notre note BIO 42.

Nous vous rappelons que le Vice-Président Andriessen a tenu, ce matin, une conférence de presse pour présenter les propositions prix agricoles 87/88 et mesures connexes. Vous trouverez tous les détails dans notre note P-7.


Amittés,
H. Paemen

Note BIO(87) 42 (suite 2 et fin) aux bureaux nationaux
cc. aux membres du Service du Porte-Parole

Informal Transport Council of 17.2.1987 (E. REUTER)

The Council lasted from 9.30 a.m. to 6 p.m.
The proceedings of this informal session were marked by great attention to detail and the earnest and thorough character of the discussions conducted in a friendly atmosphere. The meeting was not meant to take decisions and did not take any.

1. Air transport

The ministers devoted their morning to a detailed examination of outstanding points of the 'Moore package' dealing in succession with criteria for discount and deep discount, capacity sharing, market access, multiple designation and regional connections. The Presidency had tabled a number of compromise proposals on which they recorded sympathy from the delegations round the table, although some delegations (UK, NL) could not help feeling that the projected liberalisation ran the risk of being so straghtjacketed that it would lack credibility. It seemed doubtful that the Community could achieve the goal of the great internal market in this area if the Council was not capable of proceeding at a faster pace. Mr Clinton Davis pleaded for realism when taking into account the preoccupations expressed by some delegations so as not to jeopardize the meaningfulness of the endeavour to open up air transport. The discussion showed that Member States were clinging to the essential reservations they had expressed at earlier meetings. Experts will now continue the preparation of the formal Council meetings.

Discussing the amendments the Council intended to foist on the competition regulation proposed by the Commission, Mr Sutherland remarked that nothing much had changed since July. Block exemptions for agreements between airlines could only be justified if the liberalisation measures were significant. But at present the liberalisation (60:40 after in the third year) for the capacity arrangements - let alone the restrictive modalities envisaged by delegations - fell substantially short of the Commission's proposal (25:25). Revenue pooling as envisaged by the Council would prove a disincentive for efficiency, the idea that agreements between airlines and travel agents or joint ventures between airlines should be exempted as a matter of principle was unacceptable. Finally, that such a restrictive regulation should be put in place for an indefinite period seemed to close this area for ever to market forces. If this was the Council's project the Commission would have to consider whether to maintain its proposal. Mr de Croo recorded that the Council intended the regulation to be valid for a period of three years.

2. European transport infrastructure medium term programme and Community financing.

The discussion showed to some extent a poor/rich divide on the desirability of the creation of a Community Instrument for financing European road and rail infrastructure projects (enlarged to ports and airports following a proposal from the chair). Mr Clinton Davis stressed the relevance of the Commission's proposal for the completion of the internal market.

3. Road haulage

Mr Clinton Davis recalled that the Council had been very close to reaching an agreement on a 40% increase of haulage quotas in the Community, a vital step towards a hauliers Community. Sharing out the quotas for 1987 had so far not been possible for a number of reasons. Germany registered again her concern over the distortion caused in the market by different levels of taxation (road tax, toles etc.). Mr De Groot suggested an informal liaison with the ECO/FIN Council in order to clarify the prospects for tax harmonisation. Delegations acknowledged the importance of making progress in time not to endanger the 1992 target for the completion of the internal market.

Amities,
G. ANOUIL - comeur