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COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT

[REDACTED]

PRESS RELEASE

11296/86 (Presse 203)

1133rd meeting of the Council

- Transport -

Brussels, 15/16 December 1986

President : Mr John MOORE
Minister for Transport
of the United Kingdom

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. Noer CHRISTENSEN
Minister for Transport and Public
Works

Mr Niels WILHJELM
Minister for Industry

Mr Joergen HALCK
State Secretary,
Ministry of Public Works

Germany:

Mr Werner DOLLINGER
Federal Minister for Transport

Greece:

Mr Costas BADOUVAS
Minister for Transport and
Communications

Mr Stathis ALEXANDRIS
Minister for Merchant Shipping

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

Mr Ambroise GUELLEC
State Secretary for the Sea

Ireland:

Mr Noel MCMAHON
Secretary-General at the
Department of Communications

PRESS RELEASE

Brussels, 19 December 1986
11296/86 (Presse 203) COR 1 (e)

C O R R I G E N D U M

to the 1133rd meeting of the Council

- Transport -

Brussels, 15/16 December 1986

Page 6, INFRASTRUCTURE : please read 1st paragraph as follows:

"The Council agreed (¹) on a Regulation enabling the allocation of 90 MECU from the 1985 Budget for infrastructure projects in a number of Member States as follows:"

Page II: please read penultimate paragraph as follows:

"The Council adopted in the official languages of the Communities the Resolution on the strengthening of Community action in favour of the environment (see Press Communication 10656/86 (Presse 182 - Environment - 24/25 November 1986))."



Italy:

Mr Claudio SIGNORILE

Minister for Transport

Mr Constante DEGAN

Minister for Merchant Shipping

Luxembourg:

Mr Marcel SCHLECHTER

Minister for Transport, Public Works and Energy

Netherlands:

Mrs N. SMIT-KROES

Minister for Transport and Public Works

Portugal:

Mr Oliveira MARTINS

Minister for Public Works, Transport and Communications

United Kingdom:

Mr John MOORE

Minister for Transport

Mr Michael SPICER

Parliamentary Under-Secretary of State, Department of Transport

Lord BRABAZON of TARA

Parliamentary Under-Secretary of State, Department of Transport

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For the Commission :

Mr Stanley CLINTON DAVIS

Member

Mr Peter SUTHERLAND

Member

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AIR TRANSPORT

At the conclusion of the discussion on the package of measures to promote increased competition in intra-community air services, the President summed up as follows :

"On capacity, we can all, in the context of an overall package, now subscribe to the conclusions reached in November (¹), subject to the concern of one Member State about matching provisions.

On multiple designation, we confirm our conclusions of November in relation to multiple designation on a country-pair basis, and there are now eleven Member States who can accept multiple designation between city-pairs linking hub airports, subject to an appropriate frequency threshold.

The conclusions of the Council regarding provisions to open up routes between hub and regional airports, and on a combination of points, remain unchanged.

On fares conditions, I was encouraged to find significant progress. In the discount zone, seven States can support the Presidency's new proposal; the other five States are prepared to see the adoption of off-peak fares with advance purchase conditions as an alternative to the minimum stay in this zone.

(¹) (This would mean that:

- there should be a minimum capacity sharing range of 55:45 in the first two years;
- the results of this flexibility will be reviewed by the Commission after 18 months at the request of any Member State which believes that it has led to serious financial damage for its carrier(s) ; the Commission will report the conclusions of any such review to the Council within two months;
- in the third year the range will be widened to 60:40 unless the Council decides otherwise.)

In the deep-discount zone, again there are seven States who can support the Presidency's new proposal, subject in one case to further examination of the additional conditions. Three of the other Member States are prepared to allow an age condition to take the place of the minimum stay requirement. Only two Member States still insist on a mandatory minimum stay requirement.

The Commission made clear to us their view that exemptions from the competition rules would not be justified if the Council insisted on additional constraints beyond those set out in the Presidency's paper."

PROPOSAL FOR A COUNCIL REGULATION ON ACCESS TO THE MARKET FOR THE CARRIAGE OF GOODS BY ROAD BETWEEN MEMBER STATES

The Council instructed the Permanent Representatives Committee to continue its examination of the proposal for a 40% increase in the Community quota for 1987, and in so doing to review the proposed method of allocating authorizations amongst Member States, in order to enable a decision to be taken at the meeting of the Council on 24 March 1987.

The Council further agreed to maintain the allocation of the increases in the Community quota for 1987 as laid down in Commission Decision 86/491/EEC whilst adding an extra 60 authorizations to those allocated to Belgium as an advance on the further increases in authorizations for 1987 which would follow from adoption of the above proposal.

The new total of 2009 extra authorizations will be allocated as follows:

Belgium	161	Ireland	54
Denmark	114	Italy	295
Germany	329	Luxembourg	60
Greece	60	Netherlands	336
Spain	156	Portugal	76
France	281	United Kingdom	87

INFRASTRUCTURE

The Commission agreed ⁽¹⁾ on a Regulation enabling the allocation of 90 MECU from the 1985 Budget for infrastructure projects in a number of Member States as follows :

I. Transit routes

1. Italy

Improvement of the Brenner Railway line at Bolzano

2. France

Construction of the tunnel of Chavants on the road access to the Mont Blanc tunnel

3. Germany (Federal Republic)

Increase of capacity on the Aachen-Köln motorway in the region of Köln

4. United Kingdom

Construction of a by-pass at Braintree on the A 120 road towards the East Coast ports

II. Major corridors

1. Belgium-Netherlands

Works to complete the Bergen-op-Zoom/Antwerp motorway

2. United Kingdom

Completion of the M 20 motorway between Ashford and Maidstone on the approaches to the Channel Ports and the planned Channel Tunnel

3. Denmark

Electrification and improvements to the railway line Ringsted-Rungsted on the transit route through Zeeland to/from Sweden

⁽¹⁾ The UK delegation has maintained a Parliamentary scrutiny reservation.

III. Peripheral Regions

1. Greece

Improvements to the main road between the Peloponnese and the Yugoslavian frontier :

- Section Inofita-Schimatari
- Section Ritsona-Thivai
- Section Solomos-Nemea

2. Greece

Improvements to the principal Athens-Salonica-Idomeni (frontier) railway line :

- Sfingas-Aliartos (doubling track)
- Tithoria-Domokos-Larissa (doubling track)
- Salonica-Idomeni (re-alignment)

3. Ireland

Construction of the Dunleer by-pass on the main north-south road (Dublin-Belfast)

4. France

Improvement to the Toulouse-Barcelona road in the region of Pensaguel-Le Vernet

5. France

Increase of capacity and safety on the railway line Bayonne-Hendaye

6. Spain

Construction of the Tordesillas by-pass on the Irun-Portugal main road (N620 - E82)

7. Portugal

Improvement of the Paredes-Penafiel section of the road from Oporto to the Spanish frontier

IV. Other projects

1. Belgium

Works in association with the construction of a new loading ramp for vehicles in the port of Ostend

2. Italy-Germany

Preparatory studies and works on the project for the improvement of the Brenner route through Austria

POLICIES AFFECTING RAILWAY FINANCES

1. The Council noted agreement on the following principles :
 - a) Railway undertakings should operate within a framework of fair competition amongst all modes of transport;
 - b) Railway undertakings should have genuine management autonomy, within the framework of general requirements of the owners, to allow them to manage their own businesses in accordance with commercial principles, having regard to any public service obligations imposed on them;
 - c) Railways should be managed in an efficient and business-like manner with due regard to market conditions;
 - d) The financial performance of the railways should be transparent;
 - e) Railways should not benefit from financial support from the state (Aids/Compensation/Grants) except where this is permitted and envisaged under EC Regulations 1191/69, 1192/69 and 1107/70 as last amended by Regulation 1658/82;
 - f) Policy towards railways within the Community should aim at a reduction over the longer term of the financial burden on Member States. Actions to improve the efficiency and yield of railway undertakings and reduce the general requirement for government support should be promoted.

2. Where these principles are not already implemented, action needs to be taken in the following fields :
 - a) Elimination of any differences between railways and other modes of transport in the treatment of infrastructure costs insofar as these distort competition ;

- b) Establishment of an adequate framework for corporate planning, financial discipline and compensation within railway services subject to public service obligations. Approaches to be examined should include the use of contracts ;
 - c) Limitation of the burden of servicing the historic debt of railway undertakings.
 - d) Ensuring that adequate discipline is exercised over the covering of railway deficits.
3. Having in mind the Commission's proposals for a Council decision amending Decision 75/327/EEC of 20 May 1975 on the improvement of the situation of railway undertakings and the harmonization of rules governing financial relations between such undertakings and States, and for a Council Regulation amending Council Regulation 1107/70 on the granting of aids for transport by rail, road and inland waterway, as last amended by Regulation 1658/82, and in accordance with the principles stated in paragraph 1, the next stage in developing community railway policy should be to establish general rules in the areas referred to in paragraph 2, on the basis of Commission proposals.

Uniform application of these rules may entail different methods of detailed implementation in some cases, so long as any variation in the methods is in conformity with the principles set out in paragraph 1 and Community law.

MARITIME TRANSPORT

The Council made considerable progress and reached agreement on four of the five Regulations before it in the maritime transport sector. These agreements, which mark an important step towards the attainment of the single internal market, concern in particular:

- Freedom to provide services

Restrictions on freedom to provide maritime transport services between Member States and between Member States and third countries will be progressively phased out according to the following timetable:

- carriage between Member States by vessels flying the flag of a Member State: 31 December 1989
- carriage between Member States and third countries by vessels flying the flag of a Member State: 31 December 1991
- carriage between Member States and between Member States and third countries in other vessels: 1 January 1993.

The Regulation also provides for the phasing out, or adjustment in accordance with Community legislation, of cargo-sharing arrangements contained in Member States' bilateral agreements with third countries. It prohibits the inclusion of such arrangements in any future agreements with third countries except in defined exceptional circumstances.

- Co-ordinated action to safeguard free access to ocean trades

This Regulation provides for co-ordinated action by Member States when action by a third country or by its agents restricts or threatens to restrict free access by shipping companies of Member States, or by ships registered in a Member State in accordance with its legislation, to the transport of:

- = liner cargoes in Code trades, except where such action is taken in accordance with the United Nations Convention on a code of Conduct for Liner Conferences;
- = liner cargoes in non-Code trades;
- = bulk cargoes an any other cargo on tramp services;
- = passengers;
- = persons or goods to or between offshore installations.

- Unfair pricing practices

This Regulation provides for the application of a redressive duty when an unfair pricing practice by a third country shipowner engaged in international cargo liner shipping causes serious disruption of the freight pattern on a particular route, to, from or within the Community, if that practice causes major injury to Community shipowners operating on the route and to Community interests.

- Application of the competition rules to the maritime transport sector

This Regulation lays down detailed rules for the application of Articles 85 and 86 of the Treaty to international maritime transport services to or from Community ports, other than tramp vessel services.

It provides in particular for group exemptions for conference agreements concerning the operation of scheduled maritime transport services, subject to certain conditions and to the fulfilment of certain obligations.

It provides also that the prohibition in Article 85(1) of the Treaty shall not apply to certain types of technical agreements, decisions and converted practices whose sole object and effect is to achieve technical improvements or co-operation.

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The Council instructed the Permanent Representatives Committee to continue work on a fifth Regulation on freedom to provide services within Member States (cabotage and off-shore supply services) with a view to its early adoption.

MISCELLANEOUS DECISIONS

Other transport decisions

The Council adopted the following conclusions concerning transparency of financial relations between the ports sector and public authorities:

Having regard to the Commission's memorandum on progress towards a common transport policy in the field of maritime transport, and in particular, to the references to ports issues therein;

Noting the regular process of consultation between the Commission and representatives of the ports authorities and that useful research work has been undertaken within the framework of such consultations:

1. Takes note with approval of the intention of the Commission to continue its work on financial relations between the ports sector and the public authorities concerned with a view to making them more transparent and accounts more comparable, and
2. Invites the Commission to make a report to the Council not later than 31 December 1987.

The Council also adopted the Directive amending Directive 83/643/EEC on the facilitation of physical inspections and administrative formalities in respect of the carriage of goods between Member States ⁽¹⁾. The aim of the Directive is to move one step closer towards abolition of inspections and formalities at the Community's internal frontiers on the way towards completion of the internal market planned for 1992.

⁽¹⁾ See Press Communication 7702/86 Presse 96 - Transport - 18/19 June 1986

This Directive provides for the following improvements to the 1983 Directive:

- the possibility of adjusting the minimum opening hours of customs offices at airports in the light of traffic flow;
- the introduction of a procedure for informing the national and Community authorities of problems when crossing frontiers;
- the possibility of delegating to the authorities represented at customs offices the power to carry out certain summary inspection tasks when the authorities responsible are not available;
- the payment of the sums due on accomplishment of inspections and formalities by means of guaranteed or certified international cheques expressed in the currency of the Member State concerned.

The Council also adopted in the official languages of the Communities a Decision extending until 31 December 1988 the collection of information concerning the activities of carriers participating in cargo liner traffic in certain areas of operation.

The Council adopted in the official languages of the Communities the Regulation on the strengthening of Community action in favour of the environment (see Press Communication 10656/86 Presse 182 - Environment - 24/25 November 1986).

Consumer protection

The Council adopted a Resolution on the integration of consumer policy in the other common policies (See Press Communication 10968/86 Presse 190 - Internal Market - 1 December 1986).

Brussels, 12 December 1986.

NOTE BIO (86) 345 aux Bureaux Nationaux
cc. aux Membres du Service du Porte-Parole

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TRANSPORT COUNCIL DECEMBER 15-16 1986. (M. Berendt)

Two major dossiers, civil aviation and maritime transport policy, are expected to dominate this Council. They will be taken on Monday and Tuesday respectively. Also on Monday's agenda will be the increase in Community lorry quotas for 1987 and subsequent years and the enabling legislation which will allow spending of 90m ECU from the 1985 budget on transport infrastructure.

Civil aviation

Although further progress has been made in Council working groups over the details of the civil aviation package, there is some doubt whether the Presidency will push for final decisions at this Council. The purpose of the package, which is based largely on the Commission memorandum No 2 on air transport and proposals submitted to the Council in June 1986, is to provide a three-year framework of detailed Community legislation under which airlines can compete more freely as the veto powers of governments disappear. Discussions continue to centre on three elements :

- capacity
- tariffs
- market access

On capacity, there is broad agreement that in the first two years, an airline's share of the number of seats on a route could rise to 55 per cent before a member state could intervene to defend the company whose share had fallen to 45 per cent. In the third year the capacity split would move to 60:40 unless the Commission, having done a report at the request of a member state, decided to propose a less liberal formula and the Council agreed.

The main difficulties are still on tariffs, where the criteria for setting basic economy fares and for discount and deep discount fares have not been agreed. Several member states are still unwilling to concede a formula under which all off-peak travel could qualify for discount fares; they also insist that for deep-discount fares the Saturday night or six-day stay should be obligatory conditions. There is general agreement on the definition of off-peak.

The market access proposals would allow airlines to offer new services on new or existing routes. There is general acceptance that a certain minimum level of traffic is needed before multiple designation need be allowed. The Danish and Spanish governments have reserves on the right to open new services between hub and regional airports within the capacity limits. There is also a reluctance by some governments to allow planes of 70 seats or less to offer such

services without counting towards the capacity shares - an element from the Commission's proposals on inter-regional air services. Progress has been made on the right for an airline to stop off at an intermediate airport (combination of points), but there is less support for an Irish demand for fifth freedom rights, allowing the airline to take on passengers at the intermediate stop.

Maritime transport

On Tuesday the Council will return to the maritime transport package, where four measures proposed by the Commission will be discussed. Two of these would provide the Community with the power to act against unfair commercial practices by third countries and the other two relate to the Community's internal policies.

Agreement is close on the first two dossiers, free access to cargoes in ocean trades and unfair pricing practices, but progress is held up by a Spanish refusal to accept the Greek demand that ships which are owned by Community citizens and fly the flag of a member state but which are managed by a company established outside the Community should be regarded as Community ships. There is some indication of Spanish flexibility, but the Council will consider a compromise text to provide transitional arrangements for Spain and Portugal.

Progress on cabotage - the right to provide services between the ports of another member state - remains blocked. National positions vary to the extent that the United Kingdom advocates a 12 month period for introduction while the Italians are pressing for 10 years.

Other points

The Commission's proposals on lorry quotas, where decisions are needed to establish the number of licences to be granted to each country for 1987, will be taken piecemeal, so that figures can be determined for next year on the basis of the 40 per cent annual increase already agreed in principle. Detailed discussion on the broader aspects of the Commission's proposals is expected to be put off until next year.

RENDEZ-VOUS DE MIDI DU 12 DECEMBRE 1986

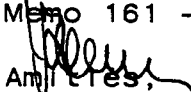
1. Préparation Conseil Transport (voir ci-dessus)
2. Préparation Conseil Affaires Générales (voir BIO séparée)

Matériel diffusé

IP 610 - Déclaration de M. Christophersen au Parlement Européen
IP 611 - Extraits du discours de M. Sutherland au Parlement Européen
IP 612 - Déclaration de M. Natali au Parlement Européen
IP 613 - Extraits d'une intervention de M. Stanley Clinton Davis au Parlement Européen sur la pollution du Rhin

Memo 160 - Préparation Conseil Transport

Memo 161 - Comité mixte CEE/Norvège


Am J. Les,
H. Paemen.

Bruxelles, le 15 décembre 1986.

NOTE BIO (86) 345 (suite 1) aux Bureaux Nationaux
cc. aux Membres du Service du Porte-Parole

CONSEIL TRANSPORT (M. Berendt)

Ministers consolidated some of the progress already made on the civil aviation dossier, but as anticipated they were not able to reach final conclusions. The issue will now be taken by the Belgian Presidency. Progress was made in establishing a policy which will make possible new types of discount and deep-discount fares, which limits the rights of Governments to interfere in capacity arrangements and which will make it easier for new airlines to enter the market.

1. Capacity : there is agreement to introduce a 40:60 capacity share in the third year following an agreement, subject to a review procedure. This review would take into account the actual use of the seats provided in the capacity figure.

2. Multiple designation : All delegations agree on the right of an airline to offer a new service between countries (the so-called country-pair basis), while all except one Member State can accept such a right between two cities (city-pair basis) subject to a minimum number of flights a week. Greece has some reservation on this.

3. Hub to regions : A number of member states want special conditions for applying this principle, whereby new airlines can offer services within the overall capacity limits between a central airport and one in the regions. Denmark, Greece, Spain, Italy and Portugal may all wish to have special exemptions or transition arrangements for specific airports.

4. Fares : Some progress was made in a brief restricted session. The Presidency had proposed a text whereby discount fares could be offered under conditions which would avoid "yield dilution", where the business traveller opts for a bargain fare instead of paying full price. The aim is to make off peak travel more freely available at discount or deep-discount prices. Seven member states were able to accept the formula proposed, while five were prepared to accept off peak with advance purchase and cancellation conditions as an alternative to the six day/Saturday night stay.

For deep discount fares where an additional condition would apply, seven delegations could accept the new proposal, three were willing to accept an age criterion (below 25, over 60 for example) as an alternative to the minimum stay requirement. Only two member states were still insisting on a minimum stay requirement as an essential condition for deep discount.

The Council reached an agreement on a short term regulation which will allow the Commission to commit 90 MECUS to transport infrastructure projects throughout the Community. These funds are from the '85 budget. It was also agreed to accept the Commission's decision for a 15 % increase in the Community's lorry quotas plus an additional 60 permits for Belgium. Coreper will do further work to prepare a Council decision early next year for an extra 40 % increase.

Regards,
H. Paëmen.

17 December 1986

NOTE BIO(86) 345 (suite 2 et fin) AUX BUREAUX NATIONAUX
CC: AUX MEMBRES DU SERVICE DU PORTE-PAROLE

TRANSPORT COUNCIL (December 16 1986) (M. Berendt)

MARITIME TRANSPORT

The Council of Ministers has laid down the basic elements of a European Community policy for maritime transport. In the second day of the Transport Council in Brussels, ministers agreed four regulations:

- on the freedom to provide maritime transport between member states and between member states and third countries;
- on the detailed application of the competition rules to maritime transport;
- on unfair pricing practices in maritime transport;
- on coordinated action to safeguard free access to cargoes in ocean trades.

The one element which is missing from the package is the freedom to provide services within a member state (cabotage), which has split off into a new draft regulation and has been referred back to COREPER for further work.

1. Freedom to provide services

Progress on maritime transport was contingent on two linked issues: the definition of who would be covered and therefore benefit from Community legislation; and the deadlines for opening Community ports to shippers from other member states. The first was crucial to Greece, which required a definition that would include ships owned by Community nationals and flying the flag of a member state but managed by a company established outside the Community. The Spanish minister lifted his reserve on this definition when satisfactory deadline dates were fixed for the introduction of the new freedom to provide services. This transitional period is of special importance to Spain, which until 1980 had the most restrictive policy towards foreign shippers and has the most far-reaching changes to make. The Council accordingly agreed on three dates:

December 31 1989 for freedom for shippers from one member state to offer services between ports in two other member states in a vessel flying a Community flag.

December 31 1991 for freedom to offer services between a port in another member state and a third country in a vessel flying a Community flag.

January 1 1993 for freedom to offer services between a port in another member state and a third country in a non-Community vessel.

2. Application of the competition rules

Until now, no detailed rules have existed for applying the Community's competition law to shipping. The regulation adopted by the Council will govern international maritime transport services from or to one or more Community ports, other than tramp services. It exempts various technical agreements or practices from the prohibitions laid down in Article 85 (1) of the Treaty of Rome, such as uniform standards, coordination of timetables and exchange or pooling of space on vessels and it also exempts shipping liner conferences subject to certain conditions. The Commission's objections to the use of Article 84(2) on transport policy as a legal basis for one section of the regulation were not accepted by the Council. The Commission has reserved its own position on this. The regulation will take effect on July 1 1987.

3. Unfair pricing practices

Price undercutting by third country shippers has been a continuing problem for the Community's shipping industry. The new regulation provides for anti-dumping measures, in the form of provisional or definitive duties imposed on the third country vessels concerned. Measures may be taken following investigation of a complaint from the Community shipping industry, which the Commission will understand to include seafarers as well as shipowners. The procedure will be similar to that used in conventional anti-dumping cases. The regulation will take effect from July 1 1987.

4. Access to cargoes in ocean trades

This regulation will allow counter-measures to be taken when Community shippers are denied access to shipping business in third country trade such as liner cargoes outside the UN Code of Conduct, bulk cargoes or passengers. Coordinated action might begin with diplomatic representations to the third countries concerned, which could be followed by specific counter-measures against the shipping company or companies of those third countries, including the imposition of permits for loading, carrying or discharging, the imposition of quotas or the imposition of taxes or duties.

The regulation specifies that in deciding on coordinated action, the Council will take into account external trade policy considerations as well as the port interests and shipping policy considerations of the member states concerned. The regulation will take effect on July 1 1987.

After the Council, Mr. Stanley Clinton Davis said:

"The Council's adoption of the basis for a common shipping policy is a major political step towards stemming the decline of the Community's merchant fleet. We must now go further and adopt other measures to try to ease the plight of this vital industry and those Community seafarers who work in it. I shall now launch an urgent study to develop necessary proposals."

Amitiés

A handwritten signature in black ink, appearing to read 'H. Paemen', with a long, sweeping horizontal stroke extending to the right.

H. Paemen