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Transport, Telecommunications and Energy

Transport

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President #

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PRESS

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[•] Where declarations, conclusions or resolutions have been formally adopted by the Council, this is indicated in the heading for the item concerned and the text is placed between quotation marks.

[•] Documents for which references are given in the text are available on the Council's Internet site (http://www.consilium.europa.eu).

[•] Acts adopted with statements for the Council minutes which may be released to the public are indicated by an asterisk; these statements are available on the Council's Internet site or may be obtained from the Press Office.

ITEMS DEBATED

Railway market opening and governance

The Council discussed two proposals to **liberalise rail passenger services** and **strengthen the governance of railway infrastructure**. The draft directive and regulation are intended to make railway services more dynamic and customer-oriented. They also aim to encourage investment and innovation and ensure fair competition in the rail market. The proposals are part of the **"political" or "market" pillar of the fourth railway package**.

The purpose of the debate was to receive high-level strategic guidance for further work in the Council preparatory bodies with a view to reaching a general approach in June. Ministers were requested to express their views on the level of requirements applying to the various functions of infrastructure managers, the role of regulatory bodies and access to rolling stock (trains).

In the course of the debate, a large number of ministers stressed that a "one size fits all" approach would not bring appropriate answers to the proposed liberalisation of the rail market. An important factor to be taken into account was the size of the market. Several member states argued that there was no evidence that market opening would be beneficial to small markets. On the contrary, they said, it could have negative social and budgetary consequences. Direct award should thus continue for small markets.

Ministers generally agreed on the importance of a **level playing field** in the rail market, where infrastructure managers should be independent, impartial and transparent. Many delegations pointed out that institutionally separated infrastructure managers should not be subject to the same independence requirements as vertically integrated infrastructure managers. They also expressed support for having differentiated requirements for different functions.

As regards the **role of regulatory bodies**, a number of ministers thought that there was no real alternative to a strong regulatory body. Several delegations said, however, that regulation should not go beyond what was necessary. Some ministers stated that ex-ante control could be justified in some cases though not for separated structures, as the risks of conflicts of interest were not the same for separated and integrated structures.

With regard to **access to rolling stock**, member states thought that any European rules established to ensure effective and non-discriminatory access to rolling stock should neither be too detailed nor too strict. It should be up to each member state and its authorities to select appropriate measures taking into account their national situation.

While the presidency goal of having a general approach on the market opening and governance proposals in June was broadly endorsed by member states, several delegations took the opportunity to stress the importance of concluding the technical pillar as soon as possible. The presidency stated that it was committed to reaching an agreement with the European Parliament on the technical pillar, while **preparing for a general approach on both market pillar proposals at the June Transport Council**.

- Fourth railway package market pillar debate questions for ministers
- Fourth railway package

Contribution of transport policy to growth and jobs

Ministers shared ideas on ways in which **transport policy can boost EU competitiveness**, **growth and jobs**. Ministers' views will be summed up by the presidency in a joint synthesis report, which will be submitted to the European Council on 19-20 March as part the annual European Semester process.

The presidency had prepared a background document with questions relating to enhancing the European transport network, attracting private investors for transport projects and responding to challenges posed by global competition.

During the debate, ministers stressed the **fundamental role played by the transport sector in creating growth in the European economy**. They acknowledged that a forward-looking and predictable development of infrastructure was crucial for enhancing European competitiveness and ensuring a well-functioning single transport area.

Ministers underlined the importance of implementing the **trans-European transport network** (**TEN-T**). The network will strengthen European territorial and social cohesion and the internal market. An efficient, well-functioning and sustainable TEN-T network will also play a key role in boosting the competitiveness of the EU in a globalised world.

A key challenge for the development of the TEN-T network is the implementation of **cross-border projects to address bottlenecks and missing links**, in particular in the railway and inland waterway networks.

Ministers recognised that **considerable investment** would be needed to achieve the TEN-T goals. The EU budget 2014-2020 provides some funding in the form of grants to complement member states' financial support for the TEN-T. However, these public budgets only represent a fraction of the needs.

The proposed **European Fund for Strategic Investment** (EFSI) could provide new opportunities for financing the strategic ambitions in the field of transport. It could attract extra money for projects with real EU added value and a higher risk profile than those usually financed by public and private banks or private partners. However, more new financing mechanisms must be sought, also in the framework of public-private partnerships.

On the EFSI, several ministers stressed that an open and independent selection of projects and sound criteria would be essential to ensure member states' confidence in the investment plan as a whole and its successful impact on transport projects.

A number of ministers also highlighted the need to maintain **social standards** and ensure **fair competition**, including in the air transport sector.

- Transport's contribution to competitiveness background and questions for ministers
- TEN-T: Connecting Europe
- Investment Plan
- European Semester

OTHER BUSINESS

Asia-Europe (ASEM) transport ministers' meeting

The presidency briefed ministers on the upcoming third ASEM transport ministers' meeting, which will be held on 29-30 April in Riga. The meeting will mainly focus on improving land connections and multimodal connectivity between Europe and Asia. The presidency also invited all ministers to attend the meeting.

Outcome of the Riga conference on remotely piloted aircraft (drones)

The presidency briefed ministers on the outcome of the conference on remotely piloted aircraft (drones) held in Riga on 5-6 March 2015. Conclusions of the conference are summed up in the Riga declaration.

Riga declaration on remotely piloted aircraft (drones) - "framing the future of aviation"

Civil aviation flights over conflict zones

The Commission updated ministers on the state of play regarding the international aviation community's response to the downing of the Malaysian Airlines flight MH17 in eastern Ukraine in July 2014. While the safety and criminal investigations are ongoing, work is being done to improve information sharing in an effort to prevent such tragic events in the future.

Energy Union

The Commission presented the transport-related elements of its Energy Union Package. The Commission communication on an Energy Union, a long-term strategy for reorganising the EU's energy and climate policy, was published on 25 February. As regards the transport sector, the strategy emphasises the need to improve energy efficiency and speed up decarbonisation, to progressively switch to alternative fuels and to integrate the energy and transport systems.

Energy Union Package

EU - Gulf Cooperation Council (GCC) aviation dialogue and fair competition

The French and German delegations expressed their views on fair competition in the context of the aviation dialogue with the Gulf Cooperation Council (GCC) states. They called for a joint European solution as the way forward. Several member states took the floor to support this initiative, which was also welcomed by the Commission. The Commission promised to take it into account in its upcoming Aviation Package. It would prepare a strategy to increase the competitiveness of EU aviation. The strategy would include relations with key partners, including Gulf countries.

OTHER ITEMS APPROVED

TRANSPORT

EU rail system's interoperability - operation and traffic management

The Council decided not to oppose the adoption by the Commission of a regulation updating the technical specification for interoperability of European railways. The regulation relates to the rail system's 'operation and traffic management' subsystem, and amends decision 2012/757/EU.

The draft regulation 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.

- <u>Draft Commission regulation updating a technical specification 'operation and traffic management'</u>
- Annex to draft Commission regulation updating a technical specification 'operation and traffic management'

EU rail system's interoperability - rolling stock

The Council decided not to oppose the adoption by the Commission of a regulation concerning a technical specification for interoperability relating to the 'rolling stock - freight wagons' subsystem within the EU rail system.

The Commission regulation is subject to the regulatory procedure with scrutiny. This means that now that the Council has given its consent, the Commission may adopt the regulation, unless the European Parliament objects.

- Draft Commission regulation concerning rolling stock freight wagons interoperability
- Annex to draft Commission regulation concerning rolling stock freight wagons interoperability

FOREIGN AFFAIRS

Restrictive measures - Ukraine

The Council extended for a further six months, i.e. until 15 September 2015, the EU sanctions imposed in respect of actions threatening the territorial integrity, sovereignty and independence of Ukraine. For more details, see the related <u>press release</u>.