



**COUNCIL OF  
THE EUROPEAN UNION**



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**PROVISIONAL VERSION**

## **PRESS RELEASE**

2895th Council meeting

### **Transport, Telecommunications and Energy**

Luxembourg, 9 and 10 October 2008

President

**Dominique BUSSEREAU**

Minister of State with responsibility for Transport of France

**Jean-Louis BORLOO**

Minister for Ecology, Energy, Sustainable Development and  
Town and Country Planning

# **P R E S S**

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13649/08 (Presse 276)

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**EN**

## **Main results of the Council**

### ***Transport***

*The Council reached political agreement on two legislative proposals forming part of the third maritime safety package – **flag State requirements and civil liability of shipowners** in respect of maritime claims.*

*The Council adopted a Decision on a negotiating mandate for the Commission with a view to the conclusion of a **Euro-Mediterranean Agreement with Lebanon** in the field of aviation.*

*The Council also adopted:*

- *a Resolution on the launch of the development phase of the **SESAR programme**,*
- *Conclusions on the **inclusion of the aviation sector** in the scheme for greenhouse gas **emission allowance trading**.*

### ***Energy***

*The Council reached a political agreement on the package of legislative proposals concerning **the internal energy market**.*

*The Council also adopted conclusions on **energy efficiency**.*

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- <sup>1</sup>
- 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.

## **PARTICIPANTS**

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

### **Belgium:**

Mr Didier SEEUWS

Deputy Permanent Representative

### **Bulgaria:**

Mr Petar Vassilev MUTAFCHIEV

Minister for Transport

Ms Galina TOSHEVA

Deputy Minister for the Economy and Energy

### **Czech Republic:**

Mr Aleš REBÍČEK

Minister for Transport

Mr Martin ŘÍMAN

Minister for Industry and Trade

### **Denmark:**

Mr Lars BARFOED

Minister for Transport

Ms Connie HEDEGAARD

Minister for Climate and Energy

### **Germany:**

Mr Matthias VON RANDOW

State Secretary, Federal Minister for Transport, Building and Urban Development

Mr Peter HINTZE

Parliamentary State Secretary to the Federal Minister for Economic Affairs and Technology

### **Estonia:**

Mr Juhan PARTS

Minister for Economic Affairs and Communications

### **Ireland:**

Mr Eamon RYAN

Minister for Communications, Energy and Natural Resources

Mr Noel AHERN

Minister of State at the Department of Transport (with special responsibility for Road Safety)

### **Greece:**

Mr Christos FOLIAS

Minister for Development

Mr John TZOANOS

Secretary-General, Ministry for Mercantile Marine, the Aegean and Island Policy

### **Spain:**

Ms Magdalena ÁLVAREZ ARZA

Minister for Infrastructure and Transport

Mr Pedro Luis MARÍN URIBE

Secretary-General, Ministry for Industry, Tourism and Trade

### **France:**

Mr Jean-Louis BORLOO

Ministre d'État, Minister for Ecology, Energy, Sustainable Development and Town and Country Planning

Mr Dominique BUSSEREAU

Minister of State with responsibility for Transport

### **Italy:**

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Minister for Infrastructure and Transport

Mr Claudio SCAJOLA

Minister for Economic Development

### **Cyprus:**

Mr Nicos NICOLAIDES

Minister for Communications and Works

Mr Antonis PASCHALIDES

Minister for Commerce, Industry and Tourism

### **Latvia:**

Mr Nīls FREIVALDS

State Secretary, Ministry for Transport and Communications

Mr Artūrs BERGHOLCS

Parliamentary State Secretary, Ministry for Economic Affairs

### **Lithuania:**

Mr Vytautas NAVICKAS

Minister for the Economy

Mr Alminas MAČIULIS

State Secretary, Ministry for Transport and Communications

**Luxembourg:**

Mr Lucien LUX  
Mr Jeannot KRECKÉ

Minister for the Environment, Minister for Transport  
Minister for Economic Affairs and Foreign Trade,  
Minister for Sport

**Hungary:**

Mr Lajos CSEPI

State Secretary for Transport

**Malta:**

Mr Austin GATT

Minister for Infrastructure, Transport and  
Communications  
Minister for Resources and Rural Affairs

Mr George PULLICINO

**Netherlands:**

Mr Camiel EURLINGS

Minister for Transport, Public Works and Water  
Management  
Minister for Economic Affairs

Ms Maria VAN DER HOEVEN

**Austria:**

Mr Martin BARTENSTEIN  
Ms Christa KRANZL

Federal Minister for Economic Affairs and Labour  
State Secretary, Federal Ministry of Transport, Innovation  
and Technology

**Poland:**

Mr Waldemar PAWLAK  
Mr Cezary GRABARCZYK

Deputy Prime Minister, Minister for Economic Affairs  
Minister for Infrastructure

**Portugal:**

Mr Manuel PINHO

Minister for Economic Affairs and Innovation

**Romania:**

Mr Barna TANCZOS  
Mr Tudor CONSTANTINESCU

State Secretary, Ministry of Transport  
Chairman, Romanian Agency for Energy Conservation

**Slovenia:**

Ms Mary Veronica TOVSAK PLETESKI

Deputy Permanent Representative

**Slovakia:**

Mr Milan MOJŠ

State Secretary, Ministry of Transport, Post and  
Telecommunications  
State Secretary at the Ministry of the Economy

Mr Peter ŽIGA

**Finland:**

Ms Anu VEHVILÄINEN  
Mr Mauri PEKKARINEN

Minister for Transport  
Minister for Economic Affairs

**Sweden:**

Mr Leif ZETTERBERG  
Mr Ola ALTERÅ

State Secretary, Ministry for Infrastructure  
State Secretary, Ministry for Enterprise and Energy

**United Kingdom:**

Mr Geoff HOON  
Mr Ed MILIBAND

Parliamentary Secretary to the Treasury and Chief Whip  
Minister for the Cabinet Office and Chancellor of the  
Duchy of Lancaster

**Commission:**

Mr Antonio TAJANI  
Mr Andris PIEBALGS

Vice-President  
Member

**ITEMS DEBATED**

**TRANSPORT**

**Greening of transport – Council conclusions**

The Council requested the Permanent Representatives Committee to continue examining these draft conclusions with a view to their adoption at its meeting in December.

**Cross-border enforcement**

The Council held a public policy debate on a proposal for a Directive facilitating cross-border enforcement of legislation in the field of road safety.

Ministers agreed on the objectives of the Commission proposal and stressed the need for a lasting and effective European instrument. The Council requested the Permanent Representatives Committee to continue working on the proposal, taking account of comments from delegations. The Council will return to the subject at its meeting in December.

A number of Member States expressed doubts as to the appropriateness of the legal basis chosen by the Commission for its proposal. Those delegations questioned whether there actually existed any Community competence on the basis of which the proposed Directive could be adopted.

The proposal should make a contribution to EU road safety policy, the target of which since 2001 has been to halve the number of road deaths by 2010. The aim of this Commission proposal is to improve road safety within the European Union. To this end, it provides for facilitating the enforcement of penalties on drivers committing an offence in a Member State other than that in which their vehicle is registered. Four road safety offences are covered in the directive: speeding, driving under the influence of alcohol, failure to wear a seat belt and failure to observe red traffic lights. These are the offences which cause the greatest number of accidents and deaths on the roads

The proposal is designed to introduce a network for the exchange of electronic data throughout the EU so that the owner of a vehicle can be identified to enable the authorities of a Member State in which an offence has been committed to serve notice on the owner of the vehicle with which the offence was committed.

The Commission submitted its proposal in March 2008 ([7984/08](#)). The European Parliament should adopt its opinion at first reading in November 2008.

**Inclusion of the aviation sector in the Community greenhouse gas emission allowance trading scheme – participation by third countries – Council Conclusions**

The Council adopted the following conclusions:

"The Council of the European Union,

1. RECALLS that the European Union has set itself the objective of a unilateral reduction of 20 % in its greenhouse gas emissions by 2020 and 30 % in the framework of an ambitious global agreement on a climate change regime for after 2012;
2. CONSIDERS that the international aviation sector, which is excluded from the scope of States' quantified commitments under the Kyoto Protocol, should also participate in the objective of achieving greenhouse gas emissions reductions, in view of its environmental impact;
3. CONFIRMS its determination to achieve a reduction in the aviation sector's greenhouse gas emissions through a comprehensive approach which includes not only market based measures but also, in particular, the implementation of the Single European Sky, the modernisation of air traffic management (SESAR) and by intensifying the aeronautical research efforts, in particular via the CLEAN SKY programme;

UNDERLINES the need to comply with the schedules and objectives of these programmes in order to ensure a significantly improved environmental performance by the aviation sector;

REQUESTS the Commission to monitor this issue closely;

4. CONSIDERS that the high cost of fuel has put an economic burden on air transport operators which should constitute an incentive for them to accelerate their fleet modernisation programme and making the most of other short term efficiency measures in order to improve their energy performance.
5. CONSIDERS that, despite the adverse economic climate linked to the increased cost of fuel, growth in the aviation sector is likely to exceed the rate of emissions reduction due to technological performance gains and that also taking economic measures will contribute to limit this sector's emissions and is therefore justified;

6. NOTES that, from this viewpoint, the inclusion of aviation in emissions trading schemes has been recognised at the international level as the most cost-effective solution from an environmental perspective compared to other economic and fiscal measures;
7. NOTES in this regard the European Parliament's second reading vote on 8 July on the Directive including aviation activities in the EU ETS, which confirms the agreement reached at the end of June 2008 between the Parliament, the Council and the Commission and makes it possible to include aviation into the EU ETS from 2012;
- 7a. UNDERLINES that this Directive has been designed to apply on a non-discriminatory basis to all aircraft operators of all States providing services to, from and within the EU;
8. UNDERLINES that the agreement reached at the end of June 2008 strikes an appropriate balance between the environmental integrity of the ETS scheme for aviation, on the one hand, and the international competitiveness framework in which the aviation sector operates, on the other hand. RECOGNISES in this regard that air operators need predictability about the basic parameters of this Directive, in particular the emissions cap and the proportion of allowances for auction;
9. UNDERLINES that this Directive is only a first step towards the final objective, which is to seek an agreement on global measures to reduce greenhouse gas emissions from aviation and that, if necessary, it will be adapted to fit this global framework;
10. HOPES in this regard that the discussions of the ICAO Group on International Aviation and Climate Change (GIACC), which is responsible for developing a programme of action and common strategy for international aviation, will produce far reaching proposals, that would be confirmed at a high-level meeting in 2009, in order to contribute to the decisions of UNFCCC CoP 15 set for December 2009;
11. RECALLS that in order to reach the goal of setting up a global system, the European Directive will make it possible to recognise equivalent measures put in place by third countries and therefore REQUESTS the Commission to continue to engage with third countries on the EU ETS to explore possibilities for such States to introduce equivalent measures as provided for under the relevant section of the Directive;

REQUESTS the Commission to promote the application of these provisions in particular in the framework of aviation agreements with third countries;



12. UNDERLINES that the Directive provides for aircraft operators to be able to use the flexibility mechanisms of the Kyoto protocol, initially up to 15 % of the number of allowances they are required to surrender, and that this will benefit the developing countries where the corresponding projects are implemented;
13. RECALLS that it is for the Member States to determine, in accordance with their constitutional and budgetary provisions, how revenue generated by the auctioning of aviation sector emission allowances is to be used, and that in this context, they undertake to combat climate change."

### **Aviation agreement with Lebanon**

The Council has adopted a Decision authorising the Commission to open negotiations with Lebanon to establish a Euro-Mediterranean Air Agreement.

The Commission requested this negotiating brief in 2004. The request was submitted to the Council at the same time as those for Morocco and Jordan, and it is based on the Commission's opinion on the need to establish a general aviation policy vis-à-vis the European Union's neighbouring countries.

The purpose of this agreement will be to align legislative provisions and establish cooperation on security, safety and environmental standards. It will also be aimed at ensuring the gradual opening of markets between the European Union and Lebanon.

**Air Traffic management – SESAR programme**

***Amendment of the Regulation on the establishment of a joint undertaking***

The Council agreed on a general approach to the Regulation amending Regulation (EC) No 219/2007 on the establishment of a joint undertaking<sup>1</sup> to develop the new generation European air traffic management system (SESAR).

The Regulation is being amended in order to clarify the legal status of the SESAR joint undertaking and to align its statutes with those of other joint undertakings created recently in the framework of joint technological initiatives such as Clean Sky or Artemis. To this end, provisions on the following have been included in the Regulation: recognition of the SESAR joint undertaking as a Community body; application of the status of European Community temporary staff to its personnel; application of the Protocol on the Privileges and Immunities of the European Communities to the joint undertaking, its staff and its executive director, etc.

The Commission presented the proposed amendment to the Council in July 2008 ([12204/08](#)). The Council agreed on a general approach to the proposal for a Regulation, pending delivery of the European Parliament's opinion.

The SESAR programme (Single European Sky Air Traffic Management Research) aims to modernise air traffic management in European and to provide the Community with an efficient air traffic control infrastructure by 2020, in order to facilitate the development of safe and environmentally-friendly air transport. SESAR is the technological and industrial dimension of the Single European Sky. It comprises three phases: the definition phase (2005-2008), which has made it possible to draw up the SESAR Master Plan for establishing the future air traffic management system; the development phase (2008-2013), which will be supervised by the joint undertaking; and the deployment phase (2014-2020).

***Council Resolution on the launch of the development phase of the SESAR programme***

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<sup>1</sup> The joint undertaking is an instrument provided for in the EC Treaty which enables the Community to create the structures – such as public-private partnerships – necessary for the effective performance of the Community's research, technological development and demonstration programmes.

The Council adopted the following Resolution:

"The Council of the European Union,

Recalling:

- (i) the Council statement of 9 June 2006 on the proposal for a Council Regulation on the establishment of a Joint Undertaking to develop the new generation European air traffic management system (SESAR),
- (ii) Council Regulation (EC) No 219/2007 of 27 February 2007 establishing the SESAR Joint Undertaking (hereinafter "the Joint Undertaking"),
- (iii) the Council Resolution of 8 June 2007 on the formal establishment of the Joint Undertaking,

Having regard to:

- (i) the Commission communication of 25 June 2008 on the Single European Sky II: towards more sustainable and better performing aviation, and
  - (ii) the information given by the Commission services on the report of the SESAR consortium and the SESAR MASTER PLAN,
1. REITERATES that, in order to ensure the development of a new generation of air traffic management (ATM) systems in Europe, it is necessary to rationalise public and private sector efforts and combine them in a single European programme, SESAR;
  2. STRESSES that the SESAR programme is aimed at maintaining a high level of safety, improving capacity and developing an efficient, sustainable and environmentally friendly European air transport system;
  3. TAKES NOTE with satisfaction of the outcome of the definition phase presented by the SESAR consortium and WELCOMES the consensus of all stakeholders in the consortium;

4. CONSIDERS that the SESAR Master Plan resulting from the definition phase constitutes the basis for establishing the Joint Undertaking's work programme, concluding membership agreements and launching the development phase;
5. REQUESTS the Commission to submit to the Council a proposal for the approval of the ATM Master Plan on the basis of an assessment of the SESAR Master Plan and WELCOMES the Commission's commitment to do so, if possible, by the end of March 2009;
6. STRESSES that the ATM Master Plan should be viewed as an evolving document, which needs to be regularly updated, and be consistent with the Single European Sky regulations;
7. INVITES the Joint Undertaking to keep the future ATM Master Plan updated, in close cooperation with all Member States and all stakeholders, in particular the military, the professional staff representative bodies, business and general aviation, in order to comply with the objectives of the Single European Sky;
8. STRESSES that ATM environmental efficiency is one of the key objectives of the SESAR programme and that it provides a tangible contribution within the European policy for the reduction of the environmental impact of aviation, in particular greenhouse gas emissions and noise, together with the European Research and Development programmes and the planned inclusion of aviation in the Emissions Trading Scheme (ETS);
9. INVITES the Commission to:
  - give particular attention to environmental efficiency in the evolution of the ATM Master Plan,
  - monitor closely the progress of the SESAR programme and its conformity with the ATM Master Plan, and report regularly to the Single Sky Committee,
  - ensure that the Joint Undertaking puts in place a risk management process,
  - report to the Single Sky Committee on the risk mitigation measures,
  - submit, in accordance with the provisions of Article 5 of Regulation (EC) 219/2007 of 27 February 2007, the proposals for significant modifications of the ATM Master Plan to the Single Sky Committee;

10. WELCOMES the formal establishment and the start of operations of the Joint Undertaking;
11. TAKES NOTE of the financial commitments made by the founding members of the Joint Undertaking and in particular that the Community is to contribute an estimated EUR 700million over the period 2007-2013, and that the Eurocontrol Provisional Council has confirmed that it will put up an equal amount of funding;
12. WELCOMES the expressions of interest from the 15 current applicants for membership of the Joint Undertaking and their binding commitments on at least the same amount of contributions to the development phase of SESAR as the Community, in accordance with the provisions of Article 12 of the Statutes of the Joint Undertaking, and stresses the importance of the negotiation of partnership agreements to be successfully concluded by the end of 2008, as a prerequisite for the start of development activities;
13. TAKES NOTE of the information provided by the Commission services on:
  - the procedures developed by the Joint Undertaking for the financial valuation of its members' contributions in kind,
  - the intellectual property rights policy being formulated by the Joint Undertaking, which allows for innovative arrangements by the industry, while protecting public interests,
  - the drawing up of a policy and recommendations for cooperation with third countries;
14. RECALLS that under Article 18 of the Statutes the SESAR Joint Undertaking shall own all the tangible and intangible assets created by it or transferred to it for the development phase of the SESAR project, in accordance with agreements concluded by the Joint Undertaking, and that it may grant access rights to the knowledge results from the project, in particular to its members as well as Member States of the European Union and/or Eurocontrol for their own and non commercial purposes and UNDERLINES that SESAR should, inter alia, promote competition in the market for ATM products; in this context CONSIDERS that appropriate measures should be taken to ensure that existing intellectual property rights are not violated;

15. AGREES that the Joint Undertaking should conclude membership agreements with public or private undertakings or bodies (i) from third countries which have signed an aviation agreement with the Community and (ii), whose membership brings an added value to the European Company, including in terms of technology, employment and market opportunities and, (iii) when an equivalent programme exists, apply reciprocity rules for Community industry participation in this programme;
16. INVITES Member States to adopt common positions at international organisations such as ICAO or Eurocontrol in order to keep SESAR compliant with international standards, and to promote SESAR standard proposals for global implementation of SESAR technologies;
17. ENCOURAGES the Joint Undertaking to identify, at an early stage, existing and validated technical solutions that can serve as a basis for early deployment to secure early benefits;
18. RECALLS that under Article 7 of Regulation (EC) No 219/2007 of 27 February 2007 establishing the Joint Undertaking the Commission shall report on progress made in the programme by the end of 2010, so as to allow the Council to maintain an overview of the ATM Master Plan;
19. INVITES the Commission to include in this report precise proposals for the preparation and transition to the deployment phase emphasising its governance and its adequate and, if appropriate, for some stakeholders, innovative funding mechanisms, as well as risk mitigation measures;
20. INVITES the Commission to seek the opinion of the Single Sky Committee on its proposals for the governance and the funding mechanisms for the deployment phase before submitting this report;
21. RECALLS that under Article 1(4) of Regulation (EC) No 219/2007 of 27 February 2007 establishing the Joint Undertaking the Council shall, where appropriate, review the scope, governance, funding and duration of the Joint Undertaking.

## **Maritime transport**

The Council reached unanimous political agreement on the last two legislative proposals which are part of the third maritime safety package, namely the proposal for a Directive on compliance with flag State requirements ([13594/08](#)) and the proposal for a Directive on the civil liability and financial guarantees of shipowners ([13595/08](#) as amended in the light of various proposals submitted by delegations).

Additionally, the representatives of the Governments of the Member States of the European Union meeting within the Council adopted a statement ([13596/08](#)) on maritime safety which constitutes a clear political commitment on the part of the Member States to do their utmost to ensure a rapid implementation of the international conventions on maritime safety and the rules of the International Maritime Organisation (IMO) on the flag State and on the audit.

The majority of Member States had not supported these two proposals for Directives at the Council meeting on 7 April 2008 (see *Press Release* [7805/08](#), p. 15) and at the informal Council in La Rochelle on 1 and 2 September. Nonetheless, work on these proposals was resumed under the French Presidency and on the basis of texts containing many changes compared to the Commission's original proposals. The two legislative texts, in the version of the political agreement, take account of the main concerns of delegations in connection with a possible transfer of powers from the Member States to the Community and an excessive administrative burden for national administrations.

The Commission forwarded its proposals ([6843/06](#), [5907/06](#)) to the Council in February 2006 in the framework of the third maritime safety package<sup>2</sup> comprising seven legislative proposals, which aim to reinforce the safety of maritime transport in Europe by means of better accident prevention and investigation and increased controls on vessel quality. The Council has already adopted six common positions on the basis of five of the Commission proposals.

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<sup>2</sup> The five other proposals in this package are as follows:

- a proposal for a Directive on common rules and standards for ship inspection and survey organisations and for the relevant activities of maritime administrations ([5912/06](#));
- a proposal for a Directive amending Directive 2002/59/EC establishing a Community vessel traffic monitoring and information system ([5171/06](#));
- a proposal for a Directive establishing the fundamental principles governing the investigation of accidents in the maritime transport sector and amending Directives 1999/35/EC and 2002/59/EC ([6436/06](#));
- a proposal for a Directive on port state control ([5632/06](#));
- a proposal for a Regulation on the liability of carriers of passengers by sea and inland waterways in the event of accidents ([6827/06](#)).

***Compliance with flag State requirements***

The draft Directive as approved by the ministers essentially concerns the national administrations' obligations regarding audits and quality certification. The text provides that the administrations of the Member States are required to hold an audit every seven years in accordance with the IMO rules, subject to a positive reply by the IMO to a timely request by the Member State concerned. This obligation on the EU is linked to international development: when the IMO audit becomes obligatory for all IMO Member States, the Community provision will disappear in order to prevent a parallel system existing.

The European Parliament adopted its opinion at first reading on 29 March 2007 ([7805/07](#), p. 5).

***Shipowners' liability with regard to maritime claims***

The text of the Directive as approved by the ministers no longer concerns the civil liability of shipowners, but only the obligation for shipowners to have an insurance covering possible maritime claims. The administrative costs for the Member States have been reduced and a revised penalty system has been introduced.

The European Parliament adopted its opinion at first reading on 29 March 2007 ([7805/07](#), p. 23).

The Council's political agreement on these two drafts is an essential element to be taken into account in the negotiations between the European Parliament and the Council on the six other texts concerning the maritime package for which the common positions have been forwarded to the European Parliament.



## **ENERGY**

### **Internal energy market**

The Council reached a political agreement on the package of legislative measures concerning the internal energy market.

The Council's Common Positions will be prepared on the basis of the political agreement and forwarded to the European Parliament for second reading under the co-decision procedure by the end of the year.

The third package of legislative measures concerning the internal energy market<sup>3</sup> was submitted by the Commission on 19 September 2007 at the behest of the 2007 spring European Council<sup>4</sup>. The package aims to supplement the existing rules to ensure that the internal market operates smoothly for all consumers and to assist the EU in achieving a more secure, competitive and sustainable energy supply.

On the basis of the agreement reached at the Energy Council on 6 June ([10513/08](#)), the Council has continued working under the French Presidency to finalise the legal texts and agree on the two outstanding issues: the third country clause and the conditions for fair competition.

The third country clause addresses the question of control of networks by companies of third countries in a non-protectionist manner which ensures that the companies concerned abide by the same rules as those that apply to EU undertakings. The clause lays down criteria for the assessment of investments from third countries and, in particular, the security of EU supply. The text approved by ministers establishes a procedure for certification of third-country investors wishing to take control of an energy distribution system or operator. It specifies in detail where responsibilities lie and the role of national regulators and the Commission.

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<sup>3</sup> The package proposed by the Commission comprises the following proposals:

- Proposal for a Directive amending Directive 2003/54/EC concerning common rules for the internal market in electricity ([13043/07](#));
- Proposal for a Directive amending Directive 2003/55/EC concerning common rules for the internal market in natural gas ([13045/07](#));
- Proposal for a Regulation establishing an Agency for the Cooperation of Energy Regulators ([13046/07](#));
- Proposal for a Regulation amending Regulation (EC) No 1228/2003 on conditions for access to the network for cross-border exchanges in electricity ([13048/07](#));
- Proposal for a Regulation amending Regulation (EC) No 1775/2005 on conditions for access to the natural gas transmission networks ([13049/07](#)).

<sup>4</sup> Action Plan (2007-2009) "An energy policy for Europe" ([7224/1/07](#))

The provisions relating to conditions of fair competition, as approved by the ministers, provide for the coexistence on the internal energy market of three different unbundling models for production and supply activities, on the one hand, and energy transmission activities on the other. In particular, the text prohibits companies engaged in the production or supply of gas or electricity from exercising control or any power whatsoever over a transmission network operator of a Member State that has opted for full unbundling.

The initial Commission proposal contains two options for effective separation of supply and production activities, on the one hand, and network management activities, on the other: ownership unbundling (meaning that the same company could not simultaneously own a distribution network and produce or supply energy) and the appointment of an Independent Transmission Operator (ITO).

The Council approved a third solution (ITO) whereby independent transmission network operators would be set up with a view to effective unbundling. This option would enable companies to retain ownership of transmission networks provided that the networks were operated by an independent transmission network operator and that additional assurances were given. This option should be applicable to the two sectors (electricity and gas) in Member States where the transmission network belongs to a vertically integrated company on the date of entry into force of the Directive.

The European Parliament delivered its opinion at first reading on the Electricity Directive ([10766/08](#)), the Electricity Regulation ([10767/08](#)) and the Agency Regulation ([10768/08](#)) on 17 June and on the Gas Directive ([10762/08](#)) and the Gas Regulation ([11412/08](#)) on 8 July.

**Legislative package on climate change and renewable energies**

The Council took note of the Presidency's progress report on the entire climate/energy package. In accordance with the mandate given by the March 2008 European Council, the Presidency's objective is to reach an agreement with the European Parliament by the end of 2008 with a view to approval at first reading before the end of the current legislature.

The proposals are to be adopted by the European Parliament and the Council by the co-decision procedure.

The climate/energy legislative package<sup>5</sup>, submitted by the Commission on 23 January 2008, supplements the existing measures for achieving the overall target approved by the European Council in March 2008 ([7224/1/07](#)), i.e. a 20 % reduction in greenhouse gas emissions by 2020 and 20 % renewable energy as a proportion of the EU's total energy consumption by 2020, including a target of 10 % for biofuels. The legislative proposals constitute a solid basis for an ambitious, longterm European policy for combating climate change.

The legislative package is based on a number of key principles including solid, concrete and credible targets; fair and equitable effort sharing; cost-effectiveness; technological development and deployment to support significant greenhouse gas emission reductions in the long term; and the establishment of the necessary incentives to achieve an international agreement on climate.

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<sup>5</sup> The group of measures comprises the following proposals:

- a Directive amending Directive 2003/87/EC so as to improve and extend the greenhouse gas emission allowance trading system of the Community (emission allowance trading system review) ([5862/08](#));
- a Decision on the effort of Member States to reduce their greenhouse gas emissions to meet the Community's greenhouse gas emission reduction commitments up to 2020 (sharing of effort outside the emission allowance trading system) ([5849/08](#));
- a Directive of the European Parliament and of the Council on the promotion of the use of energy from renewable sources (Renewable Energy Sources Directive) ([5421/08](#))
- a Directive of on the geological storage of carbon dioxide (CO2 Capture and Storage Directive) ([5835/08](#))

**Energy efficiency – Council conclusions**

The Council adopted the following conclusions on the implementation of the framework Directives on the energy labelling and ecodesign of energy-using products:

"The Council of the European Union,

*Recalls*

That Council Directive 92/75/EEC of 22 September 1992 on the indication by labelling and standard product information of the consumption of energy and other resources by household appliances has allowed implementing Directives to be adopted on numerous products: refrigerators and freezers, driers, washing machines, washer-driers, dish-washers, lamps, electric ovens and air conditioners;

That, in parallel, Directives of the Council and of the European Parliament have imposed performance thresholds on certain types of equipment (Council Directive 92/42/EEC of 21 May 1992 on efficiency requirements for new hot-water boilers fired with liquid or gaseous fuels; Directive 96/57/EC of the European Parliament and of the Council of 3 September 1996 on energy efficiency requirements for household electric refrigerators, freezers and combinations thereof; Directive 2000/55/EC of the European Parliament and of the Council of 18 September 2000 on energy efficiency requirements for ballasts for fluorescent lighting);

That, by eliminating inefficient appliances and establishing efficiency competition for others, the combination of these two sets of rules has encouraged genuine development in the market for such appliances and an upward trend towards an improvement in energy efficiency;

That Directive 2005/32/EC of the European Parliament and of the Council of 6 July 2005 establishing a framework for the setting of ecodesign requirements for energy-using products provides for implementing measures that take account of all significant environmental impacts of the products during their lifecycle;

That since 2005, under that Directive studies have been launched on a list of priority products identified by the European Climate Change Programme as offering a high potential for cost-effective reduction of greenhouse gas emissions and energy consumption, thereby improving security of supply, and an efficient process has been established for consulting parties and adopting implementing measures using the committee procedure;

Considering

The Council conclusions of 23 November 2006, whereby the Council adopted the Community action plan on energy efficiency, which aimed to intensify the process of realising the 20 % estimated potential savings in EU annual primary energy consumption by 2020, inter alia through the implementation of the Directive on the ecodesign of energy-using products and the revision of the Directive on the indication of the energy consumption of household appliances.

The conclusions of the European Council of 8 and 9 March 2007 called for the adoption of an integrated policy on climate and energy based on three fundamental objectives: combating climate change, security of supply and maintaining the competitiveness of European economies via affordable energy. More specifically, the combating of climate change was associated with three quantified targets: a 20 % reduction in EU energy consumption compared to projections for 2020, an increase in the proportion of renewable energy to 20 % of total EU final energy consumption by 2020 and a 20 % decrease in greenhouse gas emissions.

The European Council conclusions of March and June 2008 confirm the firm and ambitious commitments made with regard to climate and energy policy. The EU wishes to maintain international leadership on climate change and energy. It is therefore firmly committed to maintaining the dynamic imposed on the negotiations on the UN Framework Convention on Climate Change and its Kyoto Protocol. By delivering on all the targets set by the 2007 Spring European Council, the EU will make a major contribution to this objective; in connection with movements in the price of oil, the June European Council also urged the Member States and the Commission to expedite the implementation of the 2006 Action Plan on energy efficiency and consider its possible revision.

Improvement of energy efficiency is the cornerstone for the achievement of all the other goals. It will also play a decisive role in the modernisation of our economies and industries in adapting them more rapidly to the ineluctable rise in oil prices and contributing to the worldwide response to the challenges facing the environment.

WELCOMES the measures which the Committee established under the ecodesign Directive voted in July 2008 under the regulatory procedure with scrutiny on the maximum standby and off-mode consumption of electric equipment and in September on public street and tertiary lighting and on set-top boxes, as well as the proposals to be presented to the Committee in October on external power supplies, and then in November on domestic lighting;

INVITES the Commission and the Member States to continue steadily and ambitiously the examination of the products included in its current work programme, in order to enable the adoption of ambitious measures within the mandate of the ecodesign Directive;

INVITES the Commission to ensure that the implementing measures taken leave it up to the market to decide which technologies to use to achieve the required performance levels;

INVITES the Commission to consider opportunities for small and medium size enterprises to organise relevant assessments of design and production processes;

HOPES that the assessment of the energy performance of products will be based not only on the assessment of the individual performance of appliances but also on their integration into consumption profiles that reflect how they are used;

HOPES in particular that the sale of the worst-performing domestic lighting products will be prohibited from 2010, where alternatives exist, whilst avoiding any risk of disruption of supply to the internal market or loss of functionality from the user perspective and respecting all ecodesign review parameters including cost-effectiveness. In line with these requirements and to that effect, the Commission is invited to submit in 2008 a draft Regulation that will launch a gradual process of phasing out until incandescent lamps and all the worst-performing lights are banned;

INVITES the Commission to complement the ongoing initiatives by swiftly putting in place all the work connected with its working plan for the coming three years on the identified priority product groups and, when appropriate by working closely with the European Committee for Standardisation and the European Committee for Electrotechnical Standardisation, on the standardisation mandates for the implementation of specific measures;

TAKES NOTE of the Commission Action Plan on sustainable consumption and production and sustainable industrial policy which aims to reinforce synergies across relevant policy instruments, such as the Community Ecolabel Award Scheme, the ecodesign Directive and the Directive on energy labelling;

UNDERLINES that it is necessary to preserve the operational and practical character of the eco-design directive in order to keep this Directive as an essential element in the EU-legislation capable of delivering step by step practical energy savings and concrete CO2 abatements in due time before 2020;

RECALLS that it is desirable for certain products that the implementing measures include, subject to a cost-effectiveness evaluation, environmental criteria over and above energy efficiency, concerning for instance water, product life or waste. To that effect, INVITES the Commission to propose implementing measures on the basis of the provisions for both the generic and specific requirements of the Directive, on the basis of the results of the preparatory studies promoted by the Commission on the identified priority product groups;

HOPES that the European programmes: Intelligent Energy Europe and the energy part of the Framework Programme on Research and Development will continue to fund actions in support of energy efficiency policies, in particular studies, information campaigns, technology projects and projects for the dissemination of best practice;

HOPES that, in the revision of the framework Directive on the ecodesign of energy-using products proposed by the Commission to the Council and the European Parliament in summer 2008, and in the future revision of the Directive on energy labelling, the scope of the two exercises will be homogeneous as regards products covered and that the synergies between the two sets of regulations rules will be further extended, particularly as regards the establishment of criteria for assessing products' energy efficiency, in the interests of greater energy efficiency;

UNDERLINES the importance that the revision of the framework Directive on ecodesign brings clarity on the product scope of the directive, avoids overlapping or possible obstacles for the development of the existing EU-legislation aiming at the same range of products and that the technical requirements and administrative procedures that follow from the revision of the directive be coordinated with existing legal acts and other ongoing work, in order to ensure a consistent legal framework regarding inter alia the CE-labelling. Furthermore it is important to maintain a good mix of mandatory and voluntary measures, such as the EU Eco-label, in order to make best use of the dynamics of the market;

HOPES that the European Union will take an approach involving dynamic rescheduling of product required performance, by reference to the most efficient products on the market and taking into account the worldwide competitiveness of European industry, with the ambition of seeing the European energy-saving model become the best-performing in the world by 2020;

ENCOURAGES the Commission to take the steps necessary in the current review of the Directive on energy labelling to ensure that the label remains easily recognisable to consumers, simple, concise and efficient so as to ensure that the success of the existing label is retained."



**Energy security**

The Council held an exchange of views over lunch on energy security in Europe.

The comments by ministers will assist the Presidency in its reflections with a view to the upcoming European Council in Brussels on 15 and 16 October 2008, and will provide the Commission with input for finalising its communication on the second strategic energy review.

Ministers were invited to express their views on the draft Presidency report to the European Council on this subject ([13827/1/08](#)). The report addresses, from the twin perspective of solidarity and responsibility, the six pillars of energy security: energy efficiency, diversity of energy sources, transparency concerning energy supply and demand, solidarity instruments, infrastructure, and external action. It proposes in particular actions to be taken in the relatively short term by the Commission, the Council and Member States.

## **OTHER BUSINESS**

### **Trans-European Transport Networks**

The Council took good note of the proposal by the Italian delegation to put in place systematic monitoring of the progress made in the Trans-European Transport Networks projects adopted in 2004 ([13833/08](#)).

### **Lists of airline passengers in the event of an accident**

The Council took note of the proposals by the Spanish delegation concerning the publication of lists of airline passengers in the event of an accident ([13660/1/08](#)).

### **EU-Canada air agreement**

The Commission briefed the Council on the progress of negotiations with Canada on an air agreement.

### **Progress of Environment Council dossiers relating to transport**

At the request of the German delegation, the Presidency briefed delegations on the progress of Environment Council dossiers relating to transport ([13674/1/08](#)).

### **Investors' Conference for the Mediterranean Solar Plan**

The Council took note of information from the Presidency on the Investors' Conference for the Mediterranean Solar Plan, an initiative within the framework of the Union for the Mediterranean ([13940/08](#)).

### **Romania's offer to host the Sustainable Energy Forum**

The Council took note of the information provided by the Romanian delegation concerning Romania's offer to host the Sustainable Energy Forum ([13402/08](#)).

### **Impact of the Climate-Energy package on energy security**

The Council took note of the information provided by the Polish delegation concerning the impact of the Climate-Energy package on energy security ([13540/08](#)).

**OTHER ITEMS APPROVED**

**EXTERNAL RELATIONS**

**EU/Canada – Cooperation in competition investigations**

The Council adopted a Decision authorising the Commission to open negotiations for an agreement on cooperation and the exchange of information in competition investigations.

**AGRICULTURE**

**Eligibility criteria for certain direct payments\***

The Council adopted a Regulation clarifying the conditions of eligibility for the payment of the beef premium ([13355/08](#) and 13323/08 ADD 1). This Regulation amends Regulation (EC) No 1782/2003 amending Regulation (EC) No 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers.

Under Article 138 of Regulation (EC) No 1782/2003, in order to be eligible for direct payments, an animal must be identified and registered in accordance with Regulation (EC) No 1760/2000. These provisions set out the obligation for the holder to notify the competent authority of all of the animal's movements to and from the holding, as well as all the births and deaths of animals in the holding, within a maximum of 7 days.

This Regulation specifies that such information may be notified on the first day of the animal's detention period.

This Regulation will apply as from 1 January 2008.