

COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT

PRESS RELEASE
7293/87 (Presse 111)

1180th meeting of the Council
- Transport -

Luxembourg, 24 and 25 June 1987

President: Mr Herman de CROO
Minister for Transport
and Foreign Trade of the
Kingdom of Belgium

Presse 111 - G

** Includes continuation of 1180th meeting, 30 June 1987*

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 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 Giuseppe SANTONASTASO

State Secretary for Transport

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

Mr Gonçalo Manuel BOURBON
SEQUEIRA BRAGA

State Secretary for Transport
and Communications

United Kingdom:

Mr Paul CHANNON

Secretary of State for Transport

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For the Commission:

Mr Stanley CLINTON DAVIS

Member

Mr Peter SUTHERLAND

Member

AIR TRANSPORT

The Council reached a consensus on a package of measures in the air transport sector on condition that a solution was found to the specific problem arising in the context of the draft Decision on capacity and market access with regard to Gibraltar airport.

The Council agreed to resume its discussions on 30 June 1987 in order to be able to complete the formal adoption of all the texts at that meeting.

The main features of the substance of the agreement are set out below:

I. FARES

The Directive provides for a Community system for approving the fares on scheduled air services between Member States.

Fares will be subject to approval by the authorities of the Member States concerned. This approval will be automatic if the fares comply with certain criteria. Consultation and arbitration procedures are laid down for cases where disagreement on a given proposal nonetheless remains; arbitration decisions will be binding if confirmed by the Commission.

Air carriers will be able, in certain circumstances, to offer discount and deep-discount fares. Discount fares may be set at a level between 65% and 90% of the normal "economy class" fare; the deep-discount zone extends from 45% to 65% of the reference fare.

Member States wishing to maintain or conclude more flexible arrangements are free to do so.

II. CAPACITY AND MARKET ACCESS

- Capacity

The Decision stipulates that air carriers will receive automatic approval for the capacity increases provided for in all bilateral routes provided the resulting shares of capacity do not exceed the 55%/45% limit in the first two years and the 60%/40% limit in the third year. Nevertheless, a Member State whose air carriers have suffered serious financial damage arising from the implementation of these arrangements may request a re-examination of the provisions for the third year. A decision will then be taken as to whether or not these provisions should be applied in their entirety.

Capacity increases for one season will also be approved automatically in certain specified circumstances and on condition that the resulting shares of capacity do not exceed the above limits.

- Market access

The Decision lays down provisions on access for Community air carriers to routes between Member States that they are not yet operating on:

- Member States may designate two or more of their air carriers to operate scheduled air services to each of the other Member States. They may not however designate more than one air carrier on a given route unless the volume of traffic on the route exceeds certain defined levels;
- Community air carriers will be authorized to establish third and fourth freedom scheduled air services between hub airports on the territory of a Member State and regional airports on the territory of another Member State. In order to prevent any major disturbance of existing air traffic systems and to give the Member States concerned the necessary time to adjust, a limited number of airports will however be temporarily excluded from the scope of this provision;
- third and fourth freedom air carriers may combine services to or from two or more points in another Member State or States provided that no traffic rights are exercised between the combined points.

Services provided in accordance with these provisions will be subject to controls on the capacity shares referred to above except where they are operated on routes between hub airports and regional airports using aircraft with not more than 70 seats.

Moreover, subject to certain conditions, the Decision gives Community air carriers the right ("fifth freedom rights") to provide scheduled air services between Member States other than their own state of registration.

III. APPLICATION OF THE RULES ON COMPETITION TO AIR TRANSPORT

Two Regulations concern application of the rules on competition to the air transport sector.

The first lays down detailed procedures for the application of Articles 85 and 86 to international air transport between Community airports.

The second lays down that the Commission may grant block exemptions with regard to the application of Article 85(1) to certain categories of agreements and concerted practices.

CARRIAGE OF GOODS BY ROAD

Access to the market

1. On the basis of a compromise proposal from the Presidency, the Council continued its discussions on the proposal for a Regulation on access to the market for the carriage of goods by road between Member States.

After noting that there was broad agreement on this compromise, the Council instructed the Permanent Representatives Committee to examine in more detail the questions outstanding so that the Regulation could be adopted as soon as possible.

2. The Council made a further increase of 40% in the Community quota for 1987, fixing the total number of Community authorizations allocated to each Member State for 1987 as follows:

Belgium	1 036
Denmark	929
Germany	1 735
Greece	293
Spain	1 014
France	1 488
Ireland	341
Italy	1 424
Luxembourg	404
Netherlands	1 553
Portugal	416
United Kingdom	902
<hr/>	
Total	11 535

It also provided for the possibility of each additional authorization granted under this Regulation for 1987 being converted into six authorizations of short duration.

3. On the basis of a proposal from the Presidency, the Council adopted a Resolution on the elimination of distortions of competition in the transport of goods by road.

Conditions under which non-resident carriers may operate national transport services

The Council made an initial examination of three proposals on the conditions under which non-resident carriers may operate national transport services (cabotage), on the basis of an overall report from the Permanent Representatives Committee.

It then instructed the Committee to continue with the discussions on the subject with a view to these texts being adopted at an early date.

Access to the occupation of carrier of goods by waterway in national and international transport

The Council approved (¹) a Directive on access to the occupation of carrier of goods by waterway in national and international transport and on the mutual recognition of diplomas, certificates and other evidence of formal qualifications for this occupation.

Roadworthiness tests

The Council held an initial discussion on the proposal for a Directive amending Directive 77/143/EEC on the approximation of the laws of the Member States relating to roadworthiness tests for motor vehicles and their trailers.

In the context of Community action on road safety, the aim of the proposal is to extend roadworthiness tests to cover both cars and light goods vehicles.

After its discussion, the Council instructed the Permanent Representatives Committee to continue with discussions to enable it to reach an agreement on the proposal.

(¹) One delegation maintained a parliamentary scrutiny reservation on this Directive.

General speed limits

On the basis of a draft submitted by the Presidency, the Council examined the question of harmonizing general speed limits in the European Community.

It noted that at this stage conditions were not ripe for an agreement on this issue. The Council therefore invited the Permanent Representatives Committee to continue its discussions with a view to enabling the Council to reach an agreement as soon as possible.

Major transport infrastructure projects

On the basis of a draft submitted by the Presidency, the Council examined the possibility of carrying out certain studies on major transport infrastructure projects.

The Council instructed the Permanent Representatives Committee to examine the matter further and agreed to return to the subject at its next meeting.

MISCELLANEOUS DECISIONS

Commercial policy - customs union

The Council adopted in the official languages of the Communities the Regulations opening, allocating and providing for the administration of Community tariff quotas for:

- a certain variety of polyvinylpyrrolidone falling within subheading ex 39.02 C XIV a) of the Common Customs Tariff;
- certain polyester sheets falling within subheading ex 39.01 C III a) of the Common Customs Tariff;
- sherry falling within heading No ex 22.05 of the Common Customs Tariff and originating in Spain (1987/1988);
- Malaga wines falling within heading No ex 22.05 of the Common Customs Tariff and originating in Spain (1987/1988);
- Wines from Jumilla, Priorata, Rioja and Valdepenas falling within heading No ex 22.05 of the Common Customs Tariff and originating in Spain (1987/1988).

The Council also adopted in the official languages of the Communities the Regulation temporarily suspending the autonomous Common Customs Tariff duties on certain white beans falling within subheading No ex 07.05 B I of the Common Customs Tariff.

Relations with the ACP States and the OCT

The Council adopted in the official languages of the Communities the Regulations opening, allocating and providing for the administration of a Community tariff quota for rum, arrack and tafia, falling within subheading 22.09 C I of the Common Customs Tariff:

- originating in the African, Caribbean and Pacific States (ACP) (1987/1988);
- originating in the overseas countries and territories associated with the European Community (1987/1988).

The Council also adopted in the official languages of the Communities the Regulation and the Decision revising the amounts for the documentary requirements:

- in Protocol No 1 concerning the definition of the concept of "originating products" and methods of administrative co-operation to the third ACP-EEC Convention;
- in Annex II, concerning the definition of the concept of "originating products" and methods of administrative co-operation to Decision 86/283/EEC on the association of the overseas countries and territories with the European Economic Community.

Moreover, following the conclusion of the negotiations for the accession of the Kingdom of Spain and the Portuguese Republic to the third ACP-EEC Convention, the Council adopted the following texts:

- Decision on the signing, subject to conclusion, of the Protocol to the third ACP-EEC Convention following the accession of the Kingdom of Spain and the Portuguese Republic to the European Communities;

- approval of the draft Decision of the ACP-EEC Council of Ministers on the advance implementation of the Protocol to the third ACP-EEC Convention following the accession of the Kingdom of Spain and the Portuguese Republic to the European Communities;
- Regulation on the application of the Decision of the ACP-EEC Council of Ministers on the advance implementation of the Protocol to the third ACP-EEC Convention following the accession of the Kingdom of Spain and the Portuguese Republic to the European Communities;
- Decision amending Decision 86/47/EEC establishing arrangements for trade between Spain and Portugal on the one hand and the overseas countries and territories (OCT) on the other;
- Regulation amending Regulation (EEC) No 486/85 concerning the arrangements applied to agricultural products and to certain goods resulting from the processing of agricultural products originating in the African, Caribbean and Pacific States (ACP States) or in the overseas countries and territories (OCT).

Relations with the EFTA countries

The Council adopted a joint position on draft Recommendation No 1/87 and draft Decision No 1/87 of the EEC-Switzerland/Austria Joint Committees - Community transit - amending the Agreement between the European Economic Community and the Swiss Confederation/Republic of Austria on the application of the rules on Community transit.

Internal Market

The Council adopted in the official languages of the Communities the following Directives as part of the programme for completion of the internal market by 1992:

- on roll-over protection structures mounted in front of the driver's seat on narrow-track wheeled agricultural and forestry tractors;
- on the approximation of the laws of the Member States relating to simple pressure vessels
- amending certain Directives on the approximation of the laws of the Member States relating to:
 - = industrial products with respect to the distinctive letters indicating the Member States;
 - = common provisions for both measuring instruments and methods of metrological control;
 - = the ranges of nominal quantities and nominal capacities permitted for certain prepackaged products;
 - = the permissible sound power level of tower cranes;
 - = type-approval of motor vehicles and their trailers;
 - = type-approval of motor vehicles and their trailers (off road).

Consumer Protection

The Council adopted in the official languages of the Communities the Resolutions on:

- consumer redress
- consumer safety.

(See press release No 6814/87 Presse 96 of 10.VI.1987).

The Council also adopted in the official languages of the Communities the Directive on the approximation of the laws of the Member States concerning products which, appearing to be other than they are, endanger the health or safety of consumers (see press release No 6814/87 Presse 96 of 10.VI.1987).

Public mobile communications

The Council adopted in the official languages of the Communities:

- the Recommendation on the co-ordinated introduction of public pan-European digital mobile communications in the Community;
- the Directive on the frequency bands to be made available for the co-ordinated introduction of public pan-European digital mobile communications in the Community.

(See press release No 6950/87 Presse 97 of 11.VI.1987).

Civil protection

The Council and the Representatives of the Governments of the Member States adopted in the official languages of the Communities the Resolutions on the introduction of Community co-operation on civil protection (published in press release No 6733/87 Presse 82 of 25.V.1987).

Environment

The Council adopted in the official languages of the Communities the Decision authorizing the Commission to negotiate on behalf of the Community, with a view to the adoption by the International Commission for the Protection of the Rhine of the draft Recommendation to the contracting parties designed to supplement, in respect of chloroform, Annex IV to the Convention for the Protection of the Rhine against Chemical Pollution.

Agricultural policy

The Council adopted in the official languages of the Communities the Regulation on special arrangements for imports of maize and sorghum into Spain for 1987 to 1990 (see Press release No 7019/87 Presse 104 of 15-18.VI.1987).

The Council adopted by a qualified majority in the official languages of the Communities the Regulation opening, allocating and providing for the administration of a Community tariff quota for the period from 1 July 1987 to 30 June 1988 at 4% duty:

- of 42 600 head of heifers and cows, other than those intended for slaughter, of certain Alpine breeds falling within subheading ex 01.02 A II of the Common Customs Tariff;
- of 5 000 head of bulls, cows and heifers, other than those intended for slaughter, of certain Alpine breeds, falling within subheading ex 01.02 A II of the Common Customs Tariff.

ECSC

The Council gave its assent under the second paragraph of Article 54 of the Treaty establishing the European Coal and Steel Community to the granting of a global loan to Interbanca - Banca per finanziamenti a medio e lungo termine - for the financing of investment programmes which contribute to facilitating the marketing of Community steel.

The Representatives of the Governments of the Member States of the European Coal and Steel Community, meeting within the Council, adopted in the official languages of the Communities the Decision extending the term of validity of a zero-duty tariff quota for laser-irradiated, grain-oriented electrical sheet and plate.

Appointments

The Council renewed for a period of six years as from 17 October 1987 the terms of office of Mr BRIXTOFTE, Mr SUBIRATS PINANA, Mr RYAN, Mr ANGIOI and Mr BOTELHEIRO MORENO as members of the Court of Auditors on proposals from the Danish, Spanish, Irish, Italian and Portuguese Governments respectively.

23 June 1987

NOTE BIO (87) 172 AUX BUREAUX NATIONAUX
CC AUX MEMBRES DU SERVICE DU PORTE-PAROLE

433

RENDEZ-VOUS DE MIDI DU 23 JUIN 1987 (M. Berendt)

SUJETS TRAITES

PREPARATION TRANSPORT COUNCIL, Luxembourg, June 24-25 1987

1. Civil aviation

This Council will be striving to conclude its negotiations on the establishment of the first phase of a new Community policy for civil aviation. This will supersede the confused series of restrictive and protectionist national policies which currently govern air transport and will set the conditions under which airlines can operate throughout the Community.

Article 84 of the Treaty of Rome provides that the Council may, acting unanimously, decide a policy for air transport, but if no decision is taken by the end of this month, when the Single European Act comes into effect, then the legal basis of the decisions will have to change and would then have to be taken on the basis of a formal Commission proposal, further consultation of the European Parliament and the possibility, at least in theory, of a qualified majority vote. For this reason, and also the threat of the Commission to withdraw the group exemption proposals if a satisfactory deal is not agreed, the presidency is keen to have a decision.

The main outstanding issues following the meeting of June 9 primarily concern market access. These include the definition of the routes on which multiple designation could apply, allowing an airline to introduce new services on existing routes between member states. The presidency is proposing a traffic level of 250 000 passengers in the first year, 200 000 in the second and 180 000 or 1 000 flights per annum in the third.

There was general acceptance in the June 9 Council on the need to grant exemptions from the hub-to-region provisions to airports in Greece, Denmark, Italy and Spain, but some delegations, including the Commission, may have reservations on the actual airports to be exempted. The right to fifth freedom services, whereby an airline can stop off at an intermediate airport in a second member state before flying on to a third member state may also prove a difficult issue to resolve.

2. Road transport

Twelve months ago the Council agreed in principle to increase the Community road transport quotas by 40 per cent a year up to 1992, so rendering unnecessary the bilateral quotas which currently govern road transport between a number of member states and which limit the possibility for Community road hauliers to operate throughout the Community. The Council has still not implemented this decision, even for 1987, and will be discussing the issue yet again in Luxembourg.

The Commission has made proposals which would incorporate the 40 per cent annual increase into a package which would include safeguard measures. The German government has so far refused to accept an automatic annual increase without progress on fiscal harmonisation, while eight member states are objecting to any safeguard clause. This is expected to be the main item on the agenda on the second day of the Council.

A resolution on speed limits proposed by the Belgian presidency will be discussed, as will cabotage for road transport and inland waterway operators, but it is difficult to see decisions on any of these points.

Special attention London

ESPRIT - British veto on R and D funding.

We have told the Press at the noon briefing about risks for the next phase of ESPRIT due to the refusal by the UK government to accept a compromise formula on the funding of R and D for 1987-91. Details are given in MEMO 72 we distributed today.

MATERIEL DISTRIBUE

- Memo 71 - Preparation Transport Council
- Memo 72 - Esprit
- IP 248 - Esprit
- IP 249 - Commission supports seminar for Port State Control
- IP 251 - TAC de cabillaud en Mer du Nord
- IP 252 - Programme d'assistance médicale aux populations tamoule et cinghalaise au Sri Lanka
- IP 253 - Festivités européennes, 27-30 juin 1987
- IP 254 - Résumé discours De Clercq à l'International Monetary Conference
Hambourg + texte discours

Amitiés



G. ANOUIL

Louring le 25 June 1987

Note bio (87) 172, suite 1, aux bureaux nationaux
cc : aux membres du service du porte parole

transport council (m. berendt)

the spanish government refused at 2 o'clock this morning to accept a package on civil aviation unless its conditions were met establishing the status of gibraltar airport. during a restricted session of the council, there was no sign of movement by either the british or spanish delegations. there is risk of a total block.

this followed a day of intense negotiations on the airline package in which all outstanding issues were resolved subject to an overnight reserve from the netherlands and from the european commission while they assessed the package. further work is expected to continue this afternoon, when the final texts will be available. road transport issues are first on the agenda today.

the remaining problems of market access were resolved during wednesday's session. italy agreed to remove trieste from their list of eight northern italian airports exempted from the liberalisation measures for three years. at the end of this period, the commission will decide whether milan airport, currently being modernised, needs a further three years to allow work to be completed.

the council settled the criteria under which routes could be subject to multiple designation. about 80 routes would be included - under present traffic figures - in the third year. it was agreed that off-peak services could be offered on any route with 18 flights or more per week. this would cover about 200 routes. a limited fifth freedom formula was established for portugal and ireland for planes of more than 70 seats. we will provide a more detailed analysis of the deal in the event of agreement.

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26 June 1987

NOTE BIO (87) 172 SUITE 2 ET FIN, AUX BUREAUX NATIONAUX
CC AUX MEMBRES DU SERVICE DU PORTE-PAROLE

TRANSPORT COUNCIL (M. Berendt)

Intensive efforts to remove the Spanish block on the civil aviation package failed to break the deadlock in Luxembourg. During the course of the day the Dutch Minister lifted her reserve on the package and the Commission also gave its agreement. In the view of the Commission the overall settlement represents a fundamental first step in the liberalisation of Community air transport and a crucial element in achieving a single market by 1992.

The Spanish block concerns not the basic elements of the package, but the possible inclusion of Gibraltar in the list of category 3 airports in the Directive concerning market access. The Spanish government claims that such inclusion might prejudice its position in the negotiations between the United Kingdom and Spain over the future of the Rock.

The Presidency announced his intention to call a further Council on June 30 in Brussels in the hope of signing the agreement on aviation before the end of the month. If this deadline is not achieved, then the legal basis for decisions will be changed when the Single European Act comes into effect on July 1. Whereas the Council is currently empowered to take decisions in this sector on the basis of unanimity without a Commission proposal, the SEA would oblige the Commission to put forward proposals, particularly on market access, which would then be subject to the new consultation and concertation procedure with the European Parliament. This process would certainly take many months, might prove extremely difficult and in the view of the Commission might jeopardise the whole package.

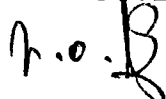
The Council discussions on inland transport produced one positive decision, concerning an increase in the Community quotas for road hauliers, but only for 1987. The quotas are increased by 40% as compared with 1986. The German Minister maintained his demand for parallel progress in removing disparities between operators in different member states, particularly on vehicle and fuel taxes. A resolution was agreed committing the Council and the Commission to speed up its work in this sector. It is exactly two years since the European Court of Justice condemned the Council of Ministers for failing to implement a Community policy for road transport.

There was a brief discussion on road safety and speed limits; Mr. Clinton Davis told the Council that he would make proposals on speed limits before the end of the year.

Proposals making it possible for nationals of one member state to operate transport services within another member state (cabotage) have been referred back to COREPER for further work. So has the proposal on road-worthiness testing and on transport infrastructure. The Council discussed problems of transit, especially across Austria and Switzerland, and recognized this as a Community problem.

Amitiés

G. ANQUIL

A handwritten signature in black ink, appearing to be 'G. Anquil', written below the printed name.



COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT



PRESS RELEASE

7296/87 (Presse 114)

1180th meeting of the Council

- Transport -

Luxembourg, 30 June 1987

(continuation of the meeting on 24 and 25 June 1987)

President: Mr Herman de CROO
Minister for Transport
and Foreign Trade
of the Kingdom of Belgium

30.VI.87

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,
Minister of Public Works

Germany:

Mr Alfred BAYER

State Secretary,
Federal Ministry of 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 Giuseppe SANTONASTASO

State Secretary for Transport

Luxembourg:

Mr Marcel SCHLECHTER

Minister for Transport, Public Works
and Energy

Netherlands:

Mr Ch. R. van BEUGE

Deputy Permanent Representative

Portugal:

Mr Conçalo Manuel BOURBON
SEQUEIRA BRAGA

State Secretary for Transport and
Communications

United Kingdom:

Mr Paul CHANNON

Minister for Transport

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For the Commission:

Mr Stanley CLINTON DAVIS

Member

Mr Peter SUTHERLAND

Member

AIR TRANSPORT

After hearing the positions of each delegation on the set of texts submitted for formal approval by the Council, the President noted that the texts had not obtained the necessary unanimity.

MISCELLANEOUS DECISIONS

Other decision in the transport field

The Council adopted in the official languages of the Communities a Regulation amending Regulation (EEC) No 3164/76 on the Community quota for the carriage of goods by road between Member States (see Press Release No 7293/87 Presse 111, pages 8 and 9).

Fisheries

The Council adopted in the official languages of the Communities a Regulation amending Regulation (EEC) No 4034/86 fixing, for certain fish stocks and groups of fish stocks, the total allowable catches for 1987 and certain conditions under which they may be fished, in accordance with the following tables:

Species	Zone	TAC 1987 (in tonnes)	Shares available to the Community for 1987 (in tonnes)
Cod	IIa (EC zone) IV	175 000	158 100
Herring	Vb (EC zone), VIa North (9), VIb	49 700	44 600

Stock			Member State	1987 Quota (tonnes)
Species	Geographical regions	Zone		
Cod	Norwegian Sea, North Sea	IIa (EC zone), IV	Belgium	5 640
			Denmark	32 380
			Germany	20 530
			Greece	
			Spain	
			France	6 960
			Ireland	
			Italy	
			Luxembourg	
			Netherlands	18 300
			Portugal	
United Kingdom	74 290			
			Available for Member States	
			EEC Total	158 100

1 July 1987

NOTE BIO (87) 183 AUX BUREAUX NATIONAUX
CC AUX MEMBRES DU SERVICE DU PORTE-PAROLE

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TRANSPORT COUNCIL - 30 June 1987 (M. Berendt)

Negotiations in Luxembourg to lift the Spanish reserve on the Community's new civil aviation policy foundered shortly after midnight. The Transport Council had spent many hours struggling to find a formula which would meet the Spanish demands over Gibraltar while being acceptable to the United Kingdom. All the compromise proposals revolved around the period for which the Rock should be excluded from the market access proposals and the way in which the exclusion would be lifted. The UK was willing to concede an exclusion for 12 months, during which time bilateral talks would be held to resolve outstanding problems. Gibraltar would then automatically be accessible to hub-to-region and fifth freedom traffic. The Spanish Minister began by arguing for an indefinite exclusion, then became willing to accept an initial 12-month exclusion, but recognised a (blockable) Council decision to open Gibraltar to Community air traffic.

An intervention by the French Minister, literally at the eleventh hour, raised last minute hopes of a settlement. He proposed a Council commitment whereby all Member States would refuse to authorise their own airlines to open new services to Gibraltar until talks between Britain and Spain had come to a successful end. The British accepted this idea, but in the final tour de table, Spain spoke of its vital national interest, and refused to agree the package which until midnight of June 30 could have been adopted by a unanimous - and autonomous - decision of the Council.

As from midnight the Single European Act came into effect. This includes changes to the transport articles of the Treaty of Rome which make it necessary for decisions in the aviation sector to be taken on the basis of a Commission proposal, following consultation with the European Parliament. The Commission now has to decide whether it should make further proposals for some aspects of the package. In any event, it will be many months, if not years, before this issue can be resolved.

"It was a frustrating and disappointing evening" said Mr. Stanley Clinton Davis after the meeting broke up. The issue that led to the collapse of the package was not even foreseen four weeks ago, he said, and it was quite outside the area of responsibility of most Ministers of transport. Mr. Peter Sutherland described the collapse of the negotiations as "very, very regrettable". The Council would now have to live with the consequences.

Amitiés

G. ANOUIL 