

COUNCIL OF THE EUROPEAN COMMUNITIES  
GENERAL SECRETARIAT

PRESS RELEASE

10182/87 (Presse 208)

1206th meeting of the Council

- Transport -

Brussels, 7 December 1987

President : M. F.Nór CHRISTENSEN

Minister for Transport  
of the Kingdom of Denmark

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.Nør CHRISTENSEN  
Minister for Transport

Germany:

Mr Jürgen WARNKE  
Federal Minister for Transport  
Mr Wilhelm KNITTEL  
State Secretary, Federal Ministry  
of Defence

Greece:

Mr Costas BADOUVAS  
Minister for Transport and  
Communications

Spain:

Mr Abel Ramon CABALLERO  
ALVAREZ  
Minister for Transport,  
Tourism 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 Tourism and Transport

Italy:

Mr Calogero MANINO  
Minister 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 Carlos COSTA

State Secretary for Transport

United Kingdom:

Mr Paul CHANNON

Minister for Transport

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For the Commission :

Mr Stanley CLINTON DAVIS

Member

Mr Peter SUTHERLAND

Member

The Council reached final agreement on a series of measures, which will come into effect on 1.1.1988, in the air transport sector. The Council will decide on the revision of these measures by 30.6.1990. The main features of the agreement are as follows:

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 mandatory 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 obtain automatic approval for offering discount and deep-discount fares in certain circumstances. 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 automatic approval will be given for capacity increases in all bilateral relationships provided that 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 .

- = 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;
- = 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;
- = 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.

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.

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The formal adoption of these texts will take place at the Council meeting of 14/15 December next.

NEGOTIATIONS WITH AUSTRIA, SWITZERLAND AND YUGOSLAVIA

The Council adopted the Decision regarding the opening of the first stage of negotiations aimed at facilitating the flow of Community transit traffic through Austria, Switzerland and Yugoslavia. The negotiations will be conducted by the Commission, in consultation with the Member States. The Commission will submit a report to the Council on the first stage of negotiations in principle before 1 June 1988. If it is not possible to submit a final report by that date, it will be submitted before 30 September 1988 together with a proposal concerning negotiating directives and timetables for subsequent stages.

MARKET ACCESS FOR ROAD TRANSPORT

The Council continued its examination of the draft Regulation on access to the market for the carriage of goods by road between Member States. This proposal covers both the definitive arrangements to be applied after 1.1.1992, and the arrangements for the transitional period from 1987 to 1991.

After exhaustive discussion, the Presidency noted that there was a large measure of support in favour of the Chair's compromise. However, in order to make further progress possible, the meeting was adjourned until 16 December. On that occasion the remaining points of the agenda will also be discussed.

Summertime arrangements

The Council adopted a common position, to be communicated to the European Parliament in the context of the cooperation procedure laid down in the Single Act, on the fourth Directive on summertime arrangements.

This Directive provides that all Member States shall take the measures necessary to ensure that in each Member State the summertime period for 1989 begins at 1 a.m. Greenwich Mean Time on Sunday 26 March 1989 and that all Member States, apart from Ireland and the United Kingdom, shall take the measures necessary to ensure that the summertime period for 1989 ends at 1 a.m. Greenwich Mean Time, on Sunday 24 September 1989.

Ireland and the United Kingdom will ensure that the summertime period for 1989 ends at 1 a.m. Greenwich Mean Time, on Sunday 29 October 1989.

Furthermore, the Council, acting on a proposal from the Commission, will adopt by 1 January 1989 the arrangements to apply from 1990 onwards.

Fisheries

The Council adopted, in the languages of the Communities, the Decision authorizing the Portuguese Republic to extend, until the implementation of a fisheries agreement between the European Economic Community and the Kingdom of Morocco, the sea fisheries agreement concluded with the Kingdom of Morocco.

This Decision allows Portugal to extend from 4 January 1988 until the date on which a fisheries agreement between the European Economic Community and the Kingdom of Morocco is implemented, or until 3 January 1989 whichever is the earlier, the sea fisheries agreement with the Kingdom of Morocco which entered into force on 4 January 1978.



Agriculture

The Council adopted, in the languages of the Communities, the Decision amending Decision 81/518/EEC on the restructuring of the system for agricultural surveys in Italy.

This modification concerns the extension of the Decision for 2 years.

Brussels, 4 December 1987

NOTE BIO (87) 336 AUX BUREAUX NATIONAUX  
CC: AUX MEMBRES DU SERVICE DU PORTE-PAROLE

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Preparation Transport Council - December 7 1987 (M. Berendt)

The agreement between the United Kingdom and Spain concerning Gibraltar airport has opened the way for a Council agreement on Monday on the civil aviation package which was negotiated earlier this year and finalised on June 30 but blocked by a Spanish reserve. The package before the Council is for a three-year period, and would probably come into effect in time for the summer season, although the question of exact dates is expected to be discussed in the Council. Detailed implications of the package are set out in our memo 74/87, produced at end of June.

The rest of the agenda is almost totally concerned with surface transport. The one positive decision which can be anticipated is agreement on the Commission's proposals for a negotiating mandate to allow the opening of discussions on transit questions across Austria, Switzerland and Yugoslavia.

The question of transport infrastructure will once again come before the Council, with the Commission arguing for agreement on expenditure of 53m ecu on priority projects, using funds voted by the European Parliament. Of this sum, 43m ecu is carried over from 1986 and will be lost if not committed before the end of this year. However, four delegations have placed general reserves on the proposal (Germany, France, Netherlands and the UK), rejecting the idea of specific Community finance for transport infrastructure and - in the case of the Netherlands - opposing the ad hoc nature of the assistance.

Ministers will once again discuss the Council commitment to increase Community lorry quotas by 40 per cent each year up to 1992. The German minister will continue to argue that more progress should be made on the harmonisation of fiscal measures in the Community. France and Italy also maintain reserves. The right to offer road haulage services in another member country (cabotage) is also on the agenda, but Commission proposals - or any other moves to open up the market - have met with fierce opposition from several member states. The presidency has proposed an interim proposal which would allow a proportion of the Community quota to be used for cabotage operations.

Adoption of common rules for the international carriage of passengers by coach and bus will also face difficulties, although there has been some progress in defining different types of journey with the possibility of gaining some degree of liberalisation.

The width and dimensions of refrigerated lorries will be on the agenda, and the extension until the end of 1989 of the present rules on summer time throughout the Community.

Preparation ECO/FIN Council (E. Reuter) - See BIO 335

Matériel diffusé 4.12.87

IP - 541 M. Matutes en Chine  
MEMO 128 Preparation Transport Council  
Discours de M. Schmidhuber à Munich

Regards

C. Stathopoulos

Brussels, 7 December 1987

Note Bio 336 (suite 1 ) aux bureaux nationaux  
cc. Membres du Service du Porte-Parole

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TRANSPORT COUNCIL (M.F.Berendt)  
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1) The Council agreed on the civil aviation package after a brief discussion. It will come into effect on January 1 1988. The package is a first step towards the single European market of 1992 and it was agreed that the Council should decide on revision of the decision by June 30 1990 at the latest, on the basis of a Commission proposal to be submitted before July 1 1989. The other significant date to be agreed was on the capacity shares on a particular route. These may currently be 50:50 but will now be free to move to 45:65 before a government may intervene to protect a national carrier. The move to a 40:60 basis will take place on October 1 1989, slightly less than the two years originally envisaged.

The package comprises four legal texts:

- a directive on airline tariffs
- a Council decision on capacity sharing and access to the market
- two regulations on the application of the competition rules in the aviation sector

The Gibraltar issue was resolved by incorporation of two new articles in the decision on access to the market. These state that the application of the decision to Gibraltar airport is without prejudice to the legal positions of Spain and the UK on the sovereignty issue and that application of the provisions to Gibraltar will be suspended until the arrangements agreed between Spain and the UK have come into operation.

Mr Stanley Clinton Davis, welcoming the decision on the package, spoke of the real benefits which would flow from it for ordinary people in the Community. It was an important step to a citizen's Europe. Mr Peter Sutherland said that the package contained elements for immediate liberalisation. He was confident that member states would comply with their obligations.

2) Mandate for transit negotiations

The Council agreed a negotiating mandate which will allow the Commission to begin talks with Yugoslavia, Austria and Switzerland on transit problems. The Commission will now be making contact with the three countries concerned to arrange a timetable for the talks and hopes to be in a position to report back to the Council in June 1988 on how the discussions are going.

A Council declaration will leave member states free to undertake negotiations on a individual basis with the third countries, avoiding all issues which are within Community competence.

Regards,

*no GA*  
C.D.EHLERMANN

Brussels, 8 December 1987

NOTE BIO (87) 336 suite 2 et fin AUX BUREAUX NATIONAUX  
CC: AUX MEMBRES DU SERVICE PORTE-PAROLE

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TRANSPORT COUNCIL - 7 DECEMBER 1987 (M.F. Berendt)

The Council was suspended abruptly at 10 o'clock in the evening after a serious political confrontation on the liberalisation of the road haulage market. The Council will be resumed on December 16 1987, when the Presidency will seek a decision on road transport, if necessary by qualified majority vote, and the other items on the agenda will be completed.

During the course of the afternoon and evening ministers had gradually moved closer to agreement on a presidency compromise on road transport which would increase the Community quotas by 40 per cent a year up to 1992. Thereafter there would be no quantity limit on the number of trucks travelling between the member states, only qualification criteria. The bilateral quotas currently used by a number of member states would then disappear. The number of Community quotas is currently 11 535. This would rise to 62 094 by 1992 under the presidency compromise.

In practice the quotas are for licences which are granted to hauliers to allow them to travel freely to other member countries.

When it became clear that the Council president was willing to have the proposal adopted by qualified majority vote, using the provisions of Article 75 (1) of the Treaty of Rome, the German minister protested vigorously. He had put down a fundamental reserve on the question, he said, and the Council should not therefore proceed to a vote. He opened the possibility of invoking Article 75 (3), which provides for a unanimous Council decision when Community provisions "would be liable to have a serious effect on the standard of living and on employment in certain areas and on the operation of transport facilities".

There are still some detailed points to be resolved on the dossier, in particular the quota allocations for Portugal, Spain, Greece and Italy. Subject to agreement on this, the Council is expected to try for a decision on December 16.

The Commission regards a decision as long overdue, for this fundamental step in the establishment of a single European market was required by the Court of Justice two and half years ago and decided in principle by the Council 18 months ago. The use of a qualified majority vote would mark a significant step in the history of the common transport policy.

Regards,

  
C.D. Ehlermann