

TRANNEWS

Newsletter from the European Parliament
Committee on Transport and Tourism
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TRAN Committee meeting 11-12 July 2011, Brussels

Presentation of draft reports

Air services agreement between EU and the Republic of Cape Verde **Rapporteur: Dominique Riquet (EPP, FR)** **Consent procedure**

This is a typical horizontal air service agreement which aims to align the 8 existing bilateral agreements concluded between Member States and Cape Verde with EU law.

Following the Court of Justice Decision of 2002, the agreement seeks to eliminate discrimination based on the nationality of EU air carriers or of their owners. Like other agreements of this type, it provides for an EU designation clause, permitting all EU carriers to benefit from the right of establishment. It also deals with safety issues and taxation of aviation fuel as well as resolving potential conflicts with EU competition rules.

The agreement meets a basic objective of the EU's external policy in the field of aviation. Furthermore, by increasing air transport capacities, it will be of advantage to Cape Verde where the economy is largely based on tourism.

The Rapporteur and Shadow Rapporteurs expressed their support for the conclusion of the agreement.

Timetable foreseen:

- Vote in TRAN Committee: September 2011
- Vote in plenary: October 2011.

Athens Convention **Rapporteur: Brian Simpson (S&D, UK)** **Consent procedure**

The Rapporteur underlined that the accession to the Athens Convention is a longstanding issue in which

the Parliament has taken a strong interest. The Convention itself dates back to 1974, but the 2002 Protocol had resolved numerous issues that the Convention itself regulated insufficiently. These included carriers' liability in case of fault or neglect, compulsory insurance and the right to make claims directly against the insurer.

Since 23 April 2009, most of the Protocol's substantive issues have been incorporated into EU law by a specific Regulation that will apply no later than 2013. This gives the Union exclusive competence to accede to the Athens Protocol as far as matters covered by the Regulation are concerned. Therefore, in November 2010, the Commission presented its amended (updated) proposal for the EU to become a contracting party of the Protocol. Parliament's consent is necessary for the conclusion of the agreement.

Mr Simpson informed Members of Council's decision to adopt two separate acts with different legal bases. Most of the provisions concern maritime transport, based on Article 100 TFEU, except for Articles 10 and 11, which relate to judicial cooperation in civil and commercial matters and the recognition and enforcement of judgments. For the latter, the Legal Affairs Committee will draft a separate recommendation and will also provide an opinion to the TRAN recommendation. The Council's decision to split the legal basis is due to the fact that, for the Treaty provisions on judicial cooperation matters, Denmark has an opt-out and will be bound by these Articles as a separate contracting party.

The Rapporteur recommended that Parliament should consent to the agreement. The Commission representative underlined the importance of the agreement and the desirability of ratification by Parliament and Member States by the end of 2011.

Timetable foreseen:

- Vote in TRAN Committee: October 2011
- Vote in plenary: November 2011.

Presentation of draft opinions

Budget 2012 **Rapporteur: Boguslaw Liberadzki (S&D, PL)** **Opinion to BUDG Committee**

Most Members expressed concern about Council plans to cut funds for TEN-T and Agencies. They criticised Coreper's accounting and mathematical approach to budget cuts for transport reduced for 2012 by €140 million in payments.

Agencies' budgets were considered as purely administrative bodies. This was not in line with Council's political statements and the new tasks that have been entrusted to the Agencies. Some Members stressed that expenditure must be commensurate with the resources available and called for more efficient spending.

The Commission underlined the important role Agencies play in the implementation of European projects. The European Maritime Safety Agency will be entrusted with new tasks in 2012 and needs adequate funding to carry them out. The importance of the European Aviation Safety Agency for the Single European Sky initiative was also highlighted.

Timetable foreseen:

- Vote in TRAN Committee: August 2011
- Vote in BUDG Committee: October 2011
- Vote in plenary: October 2011.

Directive on the use of Passenger Name Record data

Rapporteur: Eva Lichtenberger (Greens/EFA, AT)

Opinion to LIBE Committee

The Rapporteur noted that a first Commission proposal, presented in 2007, had become obsolete with the Lisbon Treaty. She suggested addressing concerns on proportionality and suitability, taking account of several constitutional court judgments on data retention.

Ms Lichtenberger recommended limiting the scope and the possibilities of PNR collection and use, in particular by restricting it to the prevention and investigation of terrorist acts and not other serious crime. She also favoured stricter rules on data processing and transmitting as well as shortening the admissible data retention period. In addition, she suggested addressing issues of financing and liability, which are particularly relevant for the air transport industry.

Several speakers found that the Rapporteur's proposal would limit the use of PNR too much and emphasised the importance of striking a balance between security and privacy. Some Members stressed the importance of having compatible rules at European and international level. Many considered the Rapporteur's recommendation of 30 days for the maximum data retention period to be too short while several considered the Commission's proposal of five years too long.

Several Members found the Rapporteur's proposal to limit the scope to terrorism too restrictive. Many argued for the inclusion of at least certain forms of other serious crime, while a number found the definition of "serious crime" in the Commission proposal too wide. Many speakers underlined the importance of looking at the cost aspect.

The Commission maintained the positions taken in its proposal. It stressed the benefits of using PNR data for tackling serious crime, considered a five year retention period as a minimum for enforcement purposes and explained that the data protection regime foreseen was the one generally applying in the area of justice and home affairs.

The Rapporteur pointed to the difference between data processing for investigating a particular criminal case and analysing the data of all passengers.

Timetable foreseen:

- Vote in TRAN Committee: October 2011.

Future of VAT

Rapporteur: Markus Ferber (EPP, DE)

Opinion to ECON Committee

The call for a harmonised standard or reduced VAT rate for all intra-EU cross-border travel regardless of the mode of transport was at the heart of the debate on the future of VAT.

The Rapporteur presented the transport related issues contained in the Commission's Green Paper "On the future of VAT - Towards a simpler, more robust and efficient VAT system". In his draft opinion, the Rapporteur pointed to several problematic aspects of the current rules regarding VAT in the passenger transport sector. These rules are seen as highly complex, unfair and hampering the proper functioning of the internal market as well as hindering the achievement of the emission reduction objectives for transport.

The current VAT provisions provide for international transport by sea and air, which includes intra-EU cross-border transport, to be exempt from VAT in all Member States, whereas the situation regarding other modes varies across Member States. In addition, international air and sea transport providers can purchase some goods and services free of VAT.

The Rapporteur therefore called for a harmonised standard or reduced VAT rate for all intra-EU cross-border travel, regardless of the mode of transport, and for VAT deductibility to be harmonised. At the same time, he proposed a lower or zero rate for public transport and the taxation of passenger transport at the place of departure.

Most Members generally agreed with the draft opinion and its call for harmonised rules. Several further aspects were mentioned in the debate including the need for simplification to reduce fraud, the question of EU competence, the definition of public transport and the possibility of earmarking VAT from transport for the transport sector. The Commission supported the draft opinion and said the Commission intended to present a legislative proposal in 2013 or 2014.

Timetable foreseen:

- Vote in TRAN Committee: September 2011
- Vote in ECON Committee: September 2011.

Consideration of amendments

Single European Railway area

Rapporteur: Debora Serracchiani (S&D, IT)

Ordinary legislative procedure, first reading

The Committee continued to debate the creation of a single European railway area, focussing this time on the Rapporteur's proposals for compromises.

Compared to previous debates, the Rapporteur underlined the progress made on certain core issues of the text during the discussions with the Shadow Rapporteurs:

- regulatory bodies: the Rapporteur and the Shadow Rapporteurs agreed to strengthen the role of the independent regulatory bodies. The decision-making process for complaints should be shortened;
- financing of infrastructure: the compromises would reinforce the obligation of balancing the infrastructure managers' accounts and the strategy of developing infrastructure;
- rail related services: the proposals made support the Commission's original text requiring transparent and independent management of certain rail facilities;
- delegated acts: the Rapporteur proposed a tailor-made solution each time delegated acts appeared in the text.

Most Members recognised the efforts and progress made on several issues, while recalling that there were still a lot of elements to be discussed. The question of the independence of the infrastructure manager was still causing division between and inside the political groups and therefore needed to be further discussed.

Members agreed that compromises should not provide bureaucratic solutions, especially on the role of the regulatory bodies and of the Commission, on the rail related services or on the consultation of the actors of the railway markets involved. Some recalled their concern that the specific situation of the Baltic States was not being given sufficient consideration.

The Commission regretted the postponement of Parliament's vote, which would further delay the entire procedure, while the Council had reached a general agreement. It was not entirely satisfied by certain compromises on the regulatory bodies, on the rail related services and on the delegated acts. It also preferred to postpone the debate on the independence of infrastructure managers to 2012 after the Court of Justice's decision.

The Rapporteur replied that Parliament's role as a legislator was to be politically ambitious without waiting for any legal decision by the Court.

Timetable foreseen:

- Vote in TRAN Committee: October 2011
- Vote in plenary: November 2011.

Exchanges of views

with the European Civil Aviation Conference

ECAC is ICAO's European regional organization with 44 Member States. Patrick Gandil, ECAC Vice-President and French Director General of Civil Aviation and Frank Durinckx, ECAC Focal Point on Security matters and Belgian Director General of Civil Aviation, presented ECAC's activities in the field of aviation security, in particular concerning Liquid

Explosive Detection Systems (LEDS) and security scanners.

Several LEDS have been shown to conform to the respective technical standards. Testing of "type D" appliances, which would detect liquid explosives without needing to open cabin bags, will start soon. Concerning security scanners, standards and methodologies have been developed. The start of type testing is subject to the adoption of the EU Commission Regulation.

Members asked about ECAC's role in European and international aviation regulation, technical standard-setting and testing activities. They also commented on regulatory activities affecting security scanners, liquids and cargo in the context of Parliament's resolution on aviation security. Nearly all speakers touched on the availability of suitable LEDS given the obligation to screen liquids in hand luggage from 2013 when the ban on such liquids will end.

According to Mr Gandil, the introduction of "type D" LEDS will allow better passenger throughput so that the 2013 deadline can be met. He explained that ECAC was a coordinating body without regulatory powers. He also noted that security scanner test results showed the detection performance of automatic threat recognition systems was not as good as that of human operators.

with the Hungarian Council Presidency

The outgoing Hungarian Presidency, in the person of the Minister of State for Infrastructure, Pál Völner, looked back proudly on its achievements in the field of transport. The Minister paid tribute to the joint ambitions of the trio of Presidencies, together with Spain and Belgium, as well as to the constructive negotiations with the TRAN Committee.

Starting from the overall objective of the Hungarian Presidency to work towards a sustainable, integrated and modern transport system, the Minister mentioned:

- the results of the informal Ministerial meeting on the review of the TEN-T network;
- the Presidential summary of the key debate on the strategic White Paper on the future of transport;
- the conclusion of the negotiations on Eurovignette; the agreement in second reading constitutes a first step to enshrine the "polluter pays principle" in road transport;
- the general approach on the recast of the first railway package agreed at the June Council;
- the successful conclusions of the Directive on cross-border enforcement in the field of road safety in a second reading agreement;
- the promotion of inland waterways transport;
- the Budapest Charter regarding the Single European Sky.

In his view, the Hungarian Presidency delivered on all commitments in the transport domain and thus

contributed to a more sustainable, more integrated and more social Europe.

His positive evaluation was largely echoed by the Coordinators and other Members who nevertheless requested more European thinking among Transport Ministers and a European approach regarding the railways and the TEN-T core network. These Members deplored Council's unwillingness to unblock the dossier on air security charges and Member States' failure to respect EU legislation regarding liquids and their national approach to the rail sector and TEN-T.

with Polish Council Presidency on Transport

Mr Cezary Grabarczyk, the Polish Minister of Transport, stressed the importance of the transport system as a precondition of economic growth and a factor contributing to European competitiveness. He recognised Poland's responsibility in the Council at a time of ongoing crisis. He also pledged that the Polish Presidency would address the challenges Europe was facing in terms of transport and presented its priorities.

Revision of TEN-T network: the Polish Presidency might have only three months to foster a general consensus on TEN-T as the Commission's proposal was not expected before September. However, the Minister recognised TEN-T's importance for Europe and promised to put every effort into ensuring that the new Regulations would enable a sustainable development of the TEN-T infrastructure at all levels, constitute a cohesive transport system within the EU and contribute to a quicker European economic recovery.

He emphasised the importance of improving transport links with third countries, especially those belonging to the Eastern Partnership. The Polish Presidency would work closely with the Commission on the relevant Communication. Conclusions on this document and on the revision of the TEN-T network were to be reached during Transport Councils on 6 October and 12 December respectively. In addition, the Minister said Poland would organise an informal Ministerial meeting in September to facilitate the exchange of views and experiences between the Member States on non-budgetary financing of transport infrastructure.

Maritime Social Agenda: this would include the relevant Commission Communication, amendment of the training of seafarers (STCW) Directive (due in July/September) and the proposal on implementing the requirements of the Maritime Labour Convention in the EU Member States. The Minister acknowledged the schedule for dealing with particular parts of the Agenda was subject to a timely proposal from the Commission. However, he believed a general approach could be adopted at the Transport Council in December.

Ongoing work on the amendment of the EMSA Regulation: the Polish Presidency supported the Council's approach of distinguishing between the Agency's primary and auxiliary tasks and of ensuring that all the Agency's tasks added value. He said he

intended to work closely with the European Parliament and the Rapporteur, Mr Fleckenstein, with the hope of an early agreement.

Airport Package: as the proposal was not expected before October, the Minister said he would focus on the ground handling Directive and present a progress report in December.

Single European Sky and SESAR project: Council would give the Commission a mandate to negotiate with Eurocontrol during the October Transport Council. In addition, he pledged that Poland would prioritise funding and management of the SESAR project and would aim to adopt Council conclusions in December.

Aviation agreements: Poland would strongly support agreements with third countries, especially those belonging to the Eastern Partnership including Azerbaijan, Moldova and Ukraine.

Railway Package: the Minister had already met with the Rapporteur, Ms Serracchiani, during the preparatory stage of the Presidency and was ready to cooperate closely with Parliament and the Commission.

Road transport: the Polish Presidency would initiate the working group on the amendment of the so-called tachograph Directive to enhance the effectiveness of the on-board equipment in vehicles and to ensure proper observation of the implemented rules.

The speech was followed by the Members reacting with encouragement for the ambitious agenda as well as with questions and comments. These focused mainly on TEN-T and its funding, the difficulties regarding the airport package and especially the ground handling Directive, the Maritime Agenda as well as the EMSA Regulation and the Single European Sky. Some Members questioned the lack of political will in Council to address subjects such as the recast of the railway package and greening of transport. They stressed that coherence between the ambitious goals and the budget available for 2012 and beyond must be maintained.

Some speakers noted the absence of Functional Airspace Blocks, passengers' rights and the financing of airport security on the Presidency's agenda. Mr Grabarczyk responded that these points were very important for the Polish Presidency with the exception of funding security infrastructure where he saw no political will in Council to address the issue in the coming six months.

with the Polish Council Presidency on Tourism

Ms Katarzyna Sobierajska, the Deputy State Secretary for Sport and Tourism, gave a presentation of the Polish Presidency's Programme in the field of tourism. With the Lisbon Treaty, and in particular its Article 6, the EU has received new competences and good cooperation between the Institutions is therefore needed to make progress.

For Europe, tourism is an important economic factor: 1.8 million Small and Medium-sized Enterprises were involved in tourism; it accounted for 10% of GDP and 11% of employees. In addition, tourism has a high potential to promote cultural diversity and cultural heritage. Worldwide, the EU is the most visited region with an increasing number of tourists and has been able to recover following the economic crisis.

Strengthening competitiveness and ensuring tourism's long-term sustainability are the main challenges, to which the Commission's Communication on "Europe, the world's N° 1 tourist destination - a new political framework for tourism" responds.

With this in mind, the Minister mentioned three Presidency priorities:

- close the gap and improve the use of the existing socio-economic data;
- strengthen the application of new technologies, in particular for Small and Medium-sized Enterprises that often lack adequate financial resources;
- dedicate the Annual Tourism Forum (to take place on 5-7 October 2011 in Kraków) to the problem of competitiveness of businesses and administrative entities. In parallel, the informal Ministerial meeting will deal in more detail with the Commission Communication.

During the discussion, Members highlighted the need to:

- provide adequate financial means to strengthen innovation and competitiveness, in particular in view of the Multiannual Financial Framework from 2014;
- identify the financial resources available in different funds (including the Structural Funds) for supporting tourism;
- update the Package Travel Directive;
- introduce quality labels while limiting the number of awards to avoid bureaucratic burdens;
- facilitate EU visas for tourists from third countries as a means of promoting European tourism;
- encourage EuroVelo-Networks;
- promote regional tourism;
- develop and promote new products at the EU level, such as industrial heritage tourism.
- provide better information about passenger rights.

Votes in plenary 22-23 June 2011, Brussels and 4-7 July 2011, Strasbourg

EC-Canada agreement on civil aviation safety

Rapporteur: Silvia-Adriana Țicău (S&D, RO)

Consent procedure

This agreement will replace the existing bilateral agreements covering product certification that six Member States currently have with Canada. It will ensure mutual acceptance of certification findings in all areas of airworthiness for all Member States.

Plenary followed the Rapporteur in welcoming the agreement which will save European and Canadian companies millions of Euro a year thanks to shorter and simpler product-approval procedures and mutual acceptance of certification findings. Ms Țicău considered that the conclusion of the agreement will represent an important step forward in terms of establishing international standards for civil aviation safety and should serve as a starting point for future negotiations with other significant producers of aircraft and equipment.

The report was adopted by a show of hands.

Cross-border exchange of information on road safety related traffic offences

Rapporteur: Inés Ayala Sender (S&D, ES)
Ordinary legislative procedure, second reading

Plenary adopted a compromise text, facilitating the exchange of information on road safety related traffic offences, at second reading on 6 July following four months of intense negotiations with Council. This concluded the legislative process which had begun in March 2008 with the Commission's proposal on crossborder enforcement of road safety traffic offences.

This Directive will establish a network allowing rapid and direct electronic exchange between the authorities of different Member States concerned by a road safety infraction. As a second step, the identification of the person concerned and the enforcement of the financial penalty will be left to the national authorities of the countries where the infraction occurred. The final text also guarantees further clarity and legal certainty concerning the information letter that must be sent to the person concerned.

The agreement also inserted an ambitious revision clause creating the possibility of a future enforcement system for sanctions in case of non-payment of the fines as well as for common road safety controls standards at the European level.

The Rapporteur recalled that this agreement, while not being as ambitious as Parliament's first reading, was an initial step paving the way for further European road safety policies. Victims of road

accidents and their representative organisations had been waiting for such a first step for a long time.

The report was adopted by a show of hands.

Aviation security with a special focus on security scanners

Rapporteur: Luis De Grandes Pascual (EPP, ES)

Own-initiative report

Plenary adopted TRAN's text with few amendments, asking the Commission to add security scanners to the list of authorised screening methods, with appropriate rules for their use to protect the health and fundamental rights of the people scanned. Parliament requested strict safeguards for the use of security scanners, in particular a ban on the use of body images and ionising radiation technology (X-rays). Passengers should have the right to refuse a machine scan and then be controlled otherwise.

Parliament also reiterated its positions on aviation security financing, where Council was urged to adopt a position on the proposed Directive, and on the end of the ban on liquids in hand luggage in 2013. It also called for improved air cargo security checks, in particular by making use of existing customs information.

The debate was held jointly with the debate on Commissioner Kallas' statement on liquids in air passengers hand luggage. Many speakers referred to the Commission's draft texts on security scanners, which take account of most of Parliament's concerns but foresee the possibility of human operators reviewing body images with a number of safeguards.

The report was adopted by a show of hands.

TRAN Committee meeting 30-31 August, Brussels

Provisional agenda:

Tuesday, 30 August 2011, afternoon

- Budget 2012 / Liberadzki
- Statistical returns of carriage of goods by road / Simpson

Wednesday, 31 August, morning

- Budget 2012 / Liberadzki (**vote**)
- Air services Agreement EC-United Mexican States / Ticau (**vote**)
- Single European Railway area / Serracchiani
- Space Strategy for the EU / Zasada

TRAN Committee meetings 2011, Brussels

Thursday, 8 September, 9.00-12.30

Monday, 10 October, 15.00-18.30

Tuesday, 11 October, 9.00-12.30

Tuesday, 11 October, 15.00-18.30

Monday, 21 November, 15.00-18.30

Tuesday, 22 November, 9.00-12.30

Tuesday, 22 November, 15.00-18.30

Wednesday, 23 November, 9.00-12.30

Wednesday, 23 November, 15.00-18.30

Monday, 19 December, 15.00-18.30

Tuesday, 20 December, 9.00-12.30

Tuesday, 20 December, 15.00-18.30

Wednesday, 21 December, 9.00-12.30

Wednesday, 21 December, 15.00-18.30