



**COUNCIL OF
THE EUROPEAN UNION**

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"I/A" ITEM NOTE

from : Presidency

to : Permanent Representatives Committee/Council

Subject : Report on proceedings in the Council's other configurations

Delegations will find below a list of the most important decisions taken and issues currently under discussion in the Council's other configurations. This document should enable delegations to draw the Presidency's attention to any point which they believe has implications for the proper organisation of proceedings in the areas covered.

ECONOMIC AND FINANCIAL AFFAIRS

At its **meeting on 4 March 2008** the Council discussed i.a.:

Stability and convergence programmes

The Council adopted opinions on the updated stability programmes presented by Austria, Greece, Ireland, Portugal, Slovenia and Spain, the first stability programmes presented by Cyprus and Malta, and the updated convergence programmes presented by Bulgaria, the Czech Republic, Denmark, Estonia, Latvia and Lithuania.

Preparation of the Spring meeting of the European Council

- Broad economic policy guidelines and country-specific recommendations

The Council approved reports, to be submitted to the Spring meeting of the European Council (13 and 14 March), on the EU's broad economic policy guidelines (BEPGs) for the 2008-2010/2011 period, and on a 2008 update of the country-specific integrated recommendations on economic and employment policies. Once endorsed by the European Council, the guidelines and recommendations will be adopted by the Council without further discussion.

- Financial stability

The Council held an exchange of views regarding the situation on financial markets and progress with financial stability issues, with a view to further discussion by the European Council at its Spring meeting (13 and 14 March). It approved an interim report on the subject, assessing ongoing work on financial market stability in the light of the sustained period of volatility on global financial markets experienced since last August. It also took note of the presentation by the Commission of a communication suggesting that the European Council should endorse principles to guide the EU, both internally and in international fora, as well as a series of actions to be followed.

– Sovereign wealth funds

The Council held an exchange of views on issues relating to sovereign wealth funds, with a view to further discussion by the European Council at its Spring meeting (13 and 14 March). It took note of the presentation by the Commission of a communication suggesting that a code of conduct be defined at international level in order to ensure greater transparency, predictability and accountability in sovereign wealth funds. Delegations agreed that sovereign wealth funds play an important and positive role on global capital markets and emphasized the need for the EU to forge a common position, so as to help ensure that their shared objectives are met through the work of international fora.

Taxation of savings

The Council was briefed by the Commission on progress made in its contacts with certain third countries and territories on the possible adoption of savings tax measures equivalent to those applied in the EU. It held an exchange of views on the issue, as well as on application within the EU of the directive on the taxation of savings income.

The Council reiterated its resolve to broaden and improve the network of savings tax agreements concluded by the EU and the Member States, expressing support to the Commission in its efforts to conclude such agreements with a further group of third countries.

It also called on the Commission to accelerate preparation of a report on implementation of directive 2003/48/EC since its entry into force on 1 July 2005. An ad hoc informal oral report on the functioning of the Savings Tax Directive will be presented in May 2008.

AGRICULTURE AND FISHERIES

At its **meeting on 17 March 2008** the Council discussed i.a.:

Health check

The Council adopted conclusions on the Commission Communication "Preparing for the health check of the CAP reform". These conclusions outline the Council's views on certain aspects of the communication which will be followed up by legislative proposals which the Commission is expected to submit in May 2008. The Council welcomed the intentions of the Slovenian and French Presidencies to conclude the Health Check, taking account of the opinion of the European Parliament, before the end of 2008.

Milk quotas

The Council adopted by qualified majority a Regulation modifying the single CMO Regulation to increase national milk quotas by 2% in the milk year starting on 1 April 2008; the German and Austrian delegations voted against and the French delegation abstained. The Market Outlook Report for the Dairy Sector which accompanied the proposal concluded that both the EU and world market outlooks are positive and the analysis made for a 2% increase in milk production in the EU shows that the market offers opportunities for these additional quantities.

At its **meeting on 14 April 2008** the Council discussed i.a.:

Cod fishing quotas for Poland

The Council adopted a Regulation adjusting Poland's fishing quotas for the years 2008 to 2011 for Baltic Sea cod in subdivisions 25-32. The Regulation provides for a "payback" over 4 years to compensate for over-fishing by Polish fishermen in 2007. Poland will pay back 10% of the exceeded quota in 2008 and 30% in each of the years 2009, 2010 and 2011. This measure is conditional on Poland taking action to control fishing and to reduce the overcapacity of its fishing fleet.

Illegal, unreported and unregulated fishing (IUU)

The Council held a policy debate on a proposal for a Regulation establishing a Community system to prevent, deter and eliminate illegal, unreported and unregulated fishing. The proposal, which builds on measures the Community has taken so far to combat IUU in the framework of an Action Plan, aims to cover the entire supply chain, i.e. harvesting, transshipment, processing, landings and trade. The market value of IUU fishing is estimated at more than EUR 10 billion.

TRANSPORT, TELECOMMUNICATION, ENERGY

At its **meeting on 7 April 2008** the Council discussed i.a.:

Galileo

Pending the European Parliament's first reading opinion, the Council agreed on a general approach on an amended proposal for a Regulation on the further implementation of the European satellite radio navigation programmes Egnos and Galileo. The proposed Regulation aims to provide the legal basis for the budgetary implementation of the programmes during the current financial period 2007-2013. The text agreed reflects the changes which became necessary following the abandonment of the concession scheme for the deployment phase, as follows: the European Community will assume responsibility for the deployment of the system; the budgetary envelope to finance both programmes is set at EUR 3.4 billion; the public governance of the programme is strengthened by strictly defining the responsibilities of the European Community, the European GNSS Supervisory Authority and the European Space Agency and by declaring the Commission responsible for the management of the programme.

Airport charges

The Council reached political agreement on a proposal for a Directive on airport charges. The objective of the proposed Directive is to set common principles for the levying of airport charges at Community airports. It aims to redefine the relationship between airport operators and airport users by requiring total transparency, user consultation and the application of the principle of non-discrimination when calculating charges levied on users. The Council agreed that the Directive should apply to airports with an annual traffic of more than 5 million passengers and to the largest airport in each Member State.

Computerised reservation systems

The Council agreed on a general approach on a proposal for a Regulation on a code of conduct for computerised reservation systems. The Code of Conduct for computerised reservation systems was established in 1989 by Regulation 2299/89 when the vast majority of airline bookings were made through such reservation systems and most of them were owned and controlled by airlines. In view of significant market developments, with 40% of all airline tickets in the EU being booked via alternative channels, the code needs to be updated. The proposed Directive aims in particular to reinforce competition between the providers of computerised reservation systems while maintaining safeguards against potential competitive abuses and ensuring the provision of neutral information to consumers. Furthermore the proposal aims to ensure that rail services, which are integrated into an air transport computerised reservation system, are given non-discriminatory treatment.

Third maritime safety package

The Council held policy debates on the two remaining proposals of the third maritime safety package. The first one, the proposal for a Directive on compliance with flag state requirements, aims at ensuring that Member States effectively and consistently discharge their obligations as flag States in accordance with the IMO Conventions relating to maritime safety and the prevention of pollution caused by ships. The second, the proposal for a Directive on the civil liability and financial guarantees of ship-owners, aims to establish, at Community level, a civil liability scheme for ship-owners in the event of damage to a third party. Whereas the Council has already adopted common positions on five proposals of this safety package, no majority could be found on these two proposals so far.

