



**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 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.

ECOFIN

At its meeting on **11 October 2005**, the Council discussed:

Dialogue with the United States

The Council assessed the desirability of greater involvement of the Economic and Financial Affairs Council in the preparation of EU–United States summits as regards economic and financial issues, and in dialogue with the US authorities on a number of issues related to regulatory cooperation, financial services and innovation. The President concluded that the Council welcomed the initiative of the United Kingdom presidency in co-operation with the future Austrian and Finnish presidencies, underlined the importance of the aim of promoting an ongoing involvement of the Ecofin Council in these processes and noted the conclusions of the three presidencies' paper.

Economic regeneration in the West Bank and the Gaza Strip

The Council was briefed by the Commission and the European Investment Bank (EIB) on progress made in preparing EU support for economic regeneration in the West Bank and the Gaza Strip, in cooperation with other countries and institutions working in the region, following Israel's partial withdrawal from the territories. The president of the Council announced that he would shortly visit the region, accompanied by commissioner Joaquín Almunia and EIB president Philippe Maystadt.

Financial markets and services: better regulation

The Council was briefed by the chairmen of the Committee of European securities regulators (CESR), the Committee of European insurance and occupational pensions supervisors (CEIOPS) and the Committee of European banking supervisors (CEBS) on work undertaken to improve the quality of European financial legislation and cooperation between supervisors, and urged them to continue their work. The CESR, CEIOPS and CEBS are considering practical steps to encourage national regulators to work together to improve their effectiveness in reducing regulatory burdens as European financial services markets become more integrated. Implementation and supervision also feature prominently in the Commission's green paper on financial services policy for the 2005–2010 period.

JUSTICE AND HOME AFFAIRS

At its meeting on **12 October 2005**, the Council discussed:

Data retention

The Council held an exchange of views on the basis of a paper from the Presidency. A large number of delegations could accept the elements set out in the Presidency paper as the basis for further work, subject to maintaining the derogation in Article 15(1) of the 2002 telecommunications Directive and clarifying its future scope. In the next stage, the Framework Decision will remain on the table as an option favoured by a large number of delegations. However, a majority of delegations were also open to the idea of adopting a Directive. There was wide agreement that any measure must reflect the elements referred to in the Presidency paper, notably in respect of the provisions on retention periods, scope and costs. The Council agreed that work should be taken forward urgently. It instructed Coreper to finalise agreement on all outstanding issues as soon as possible, and agreed that informal contacts with the European Parliament should continue in order to maximise common ground between the Council and the EP on issues of substance, while respecting the Council's position as set out above. The Council agreed to revert to this issue at its next meeting with a view to a final decision before the end of the year.

Regional Protection Programmes

Ministers had an exchange of views with Mr António Guterres, UN High Commissioner for Refugees, on regional protection programmes. The Council subsequently adopted conclusions in which it inter alia expressed support for the approach proposed in the Commission's communication on Regional Protection Programmes, which are a first step in improving access to protection and durable solutions for those in need of international protection as quickly and as close to their home as possible.

Situation in the Spanish autonomous cities of Ceuta and Melilla

Under any other business, Commission Vice-President Frattini and the Spanish Minister of Justice, Mr López Agular, raised the question of Ceuta and Melilla, where large groups of third country nationals, coming from Morocco, had made several attempts to enter the two Spanish autonomous cities illegally. In particular, Mr Frattini provided some preliminary information on the technical mission the Commission had organised and which had taken place from 7 to 10 October 2005, as well as suggesting some further concrete measures to be taken in the short and medium terms.

EU-Russia Permanent Partnership Council

An EU-Russia Permanent Partnership Council (PPC) ministerial was held on 12 and 13 October 2005 in the area of Justice and Home Affairs. It discussed the issue of visa facilitation and readmission agreements and examined the implementation of the road map for the Common Space of Freedom, Security and Justice (border issues; migration, including asylum; document security; terrorism; organised crime with particular reference to cyber- crime and law-enforcement cooperation; development of judicial cooperation).

TRANSPORT, TELECOMMUNICATION AND ENERGY

At its meeting on **6 October 2005**, the Council discussed:

Rights of disabled persons and persons with reduced mobility when travelling by air

Pending the European Parliament's opinion in first reading, the Council unanimously agreed a general approach on the proposal for a Regulation concerning the rights of disabled persons and persons with reduced mobility when travelling by air. The draft proposal forms part of the overall policy aimed at strengthening passenger rights in the European Union. It seeks to prohibit air carriers, their agents and tour operators from refusing to allow disabled persons and persons with reduced mobility to make a reservation for a flight or to embark an aircraft, on the grounds of their disability or reduced mobility. In addition, it grants such persons the right to specified assistance at airports and on board aircraft without additional charge.

EU-US relations in the field of air transport

The Council heard a report by Commissioner Barrot on the current state of play of the informal contacts with the US administration. Following an exchange of views by Ministers, the President concluded that the Council supports a prompt resumption of formal negotiations and that the conditions were now in place for making progress towards an agreement with the US for substantial mutual benefit.

COMPETITIVENESS

At its meeting on **11 October 2005**, the Council discussed:

Implementation of internal market legislation

The Council heard a report from the Commission concerning the state of transposition of Internal Market Directives in 2005. According to this report considerable progress has been made. The average transposition deficit in 2005 is 1.9% for the EU-25 Member States compared to 7.1% a year ago. 11 Member States have reached the 1.5% transposition deficit target set by the Barcelona European Council in March 2002. It is recalled that the European Council in March 2005 called on Member States to spare no effort in honouring the commitments given in Barcelona in March 2002 as regards the transposition of Directives (§ 21 of the Conclusions).

REACH

The Council held a policy debate on the draft Regulation for the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), and establishing a European Chemicals Agency. The debate focussed on issues related to information requirements at registration of chemicals and data sharing among registrants. The Council aims to reach political agreement on this draft Regulation at its meeting on 28/29 November 2005.

7th Research Framework Programme

The Council held a policy debate on the proposed 7th Framework Programme for Research and Technological Development (2007-2013), focussing on the chapters "Ideas" and "Capacities". In the light of this debate the Presidency intends to draw up a revised draft text with a view to enabling the Council on 28/29 November 2005 to reach a partial general approach on the non-budgetary parts of the proposal.

ENVIRONMENT

At its meeting on **17 October 2005**, the Council discussed:

Climate change

The Council adopted conclusions on climate change which take stock of ongoing and future activities in this area at the Community and international level. In particular, it reaffirms the European Union's commitment to ensure the efficient and effective functioning of the flexible mechanisms of the Kyoto Protocol and expresses its determination to pursue the development of the medium and long term strategy as outlined by the 2005 Spring European Council, which emphasises the need for the widest possible cooperation by all countries.

REACH

Following the debate held by the Competitiveness Council on 11 October, the Environment Council also held a policy debate on the draft Regulation on chemicals, focussing on its health and environment related aspects.

AGRICULTURE AND FISHERIES

At its meeting on **24 and 25 October 2005**, the Council discussed:

Licensing scheme for imports of timber into the European Union

The Council unanimously reached political agreement on a Council Regulation concerning the establishment of a FLEGT licensing scheme for imports of timber into the European Union and on a Council Decision authorising the Commission to open negotiations for partnership agreements to implement the EU action plan for forest law enforcement, governance and trade (FLEGT). The Regulation introduces a new licensing scheme under which specified timber products exported from a partner country and arriving in the Community at any customs point designated for release for free circulation must be covered by a FLEGT license issued by the partner country. This license must state that the timber products have been produced from domestic timber that was legally harvested or from timber that was legally imported into a partner country in accordance with national laws as laid down in the respective Partnership agreement.

Recovery of the Southern hake and Norway lobster stocks

The Council unanimously reached political agreement on the draft Regulation for the recovery of Southern hake and Norway lobster stocks in the Cantabrian Sea and Western Iberian peninsula. The recovery plan established by this Regulation aims to rebuild the stocks concerned to within safe biological limits, i. a. by introducing seasonal closures, closed areas and fishing effort limitation.