

# **Passenger transport by rail, road, inland waterway: competition, public service exigences and contracts (repeal. Regulations (EEC) No 1191/69 and (EEC) No 1107/70)**

2000/0212(COD) - 12/12/2006 - Commission communication on Council's position

The Common Position, adopted by qualified majority, makes certain adjustments considered acceptable by the Commission as they do not undermine the goals of legal certainty, transparency, subsidiarity and flexibility.

The Council has extended possibilities for the direct award of rail contracts to all rail transport services with the exception of underground railway and tram services, while at the same time limiting, in principle, the duration of such contracts to ten years. Further, as requested by Parliament, the Council took account of the specific situation of SMEs and revised the level of thresholds applicable to SME's only, enabling the direct award of public service contracts with an annual value of not more than EUR 1.7 million or relating to a maximum of 500 000 km per year to firms operating no more than 20 vehicles. The Council, in agreement with Parliament, confirmed the principle that local authorities are free to choose to launch an invitation to tender or to use an internal operator, particularly for bus, tram and underground railway services. In addition, the Council has:

- enhanced transparency for contracts awarded directly;
- confirmed the introduction of the principle of reciprocity (as requested by Parliament); and
- reached agreement on the arrangements applicable to existing contracts; and
- made provision for longer transitional periods for the application of provisions that apply specifically to the procedures for the award of contracts.

To conclude, therefore, the Commission is of the view that the Council's Common Position reflects the objectives of the Commission's modified proposal and is therefore acceptable to the Commission.