'A' ITEM NOTE

From: General Secretariat of the Council
To: Council
No. prev. doc.: 6195/17 MAR 36 CODEC 199
No. Cion doc.: 9964/16 MAR 161 CODEC 847
– General approach

CONTEXT AND CONTENT OF THE PROPOSAL

1. On 7 June 2016, the Commission transmitted the above-mentioned proposal to the European Parliament and to the Council.

2. The proposal forms part of a broader review of the EU passenger ship safety legislation, in line with a "fitness check" carried out by the Commission.¹

¹ "REFIT – Adjusting Course: EU Passenger Ship Safety Legislation Fitness Check", doc. 13230/15 + ADD 1 and 2.
3. The Commission proposes to amend Council Directive 98/41/EC\(^2\) in order to update, clarify and simplify the existing requirements for counting and registration of passengers and crew on board passenger ships while enhancing the level of safety.

4. The main objective of Directive 98/41/EC is to facilitate search and rescue operations and to allow for immediate follow-up.

5. The main change compared to the current Directive is digitalisation, i.e. that instead of the data being kept by the ship company, it would be transmitted to the maritime National Single Windows established in accordance with Directive 2010/65/EU of the European Parliament and of the Council\(^3\).

**WORK WITHIN THE COUNCIL**


7. After a first examination of the proposal by the Shipping Working Party during the autumn of 2016, a progress report was presented to the Transport Council on 1 December 2016.

8. The Shipping Working Party continued its examination of the proposal at several meetings during January and February 2017 and agreed on amendments to the Commission proposal. They include:

   – clarification of the definition of "designated authority";

   – further clarification that the Directive does not apply to inland waterway vessels nor to pleasure yachts and craft;

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– increased flexibility for Member States to report the number of persons on board by "appropriate technical means", left to their own discretion, in the single window or by means of the Automatic Identification System;

– furthermore, during a transitional period of ten years, Member States may continue the current system of communicating the number of persons on board and the personal data recorded to the shipping company's passenger registrar or to a shore-based company system; in this respect, the Presidency notes that it had initially proposed a seven year transitional period;

– a possibility for Member States to exempt, under certain conditions and for an unlimited time, regular services of less than one hour from the obligation to report the number of persons on board in the single window; moreover, a specific geographical exemption has been introduced for Germany (the Island of Heligoland) and Denmark and Sweden (the Island of Bornholm) as regards the collection and reporting of personal data on voyages from and to those islands;

– the use of implementing acts, instead of delegated acts, for Member States' decisions to grant exemptions;

– a clarification of the maximum retention period for personal data (60 days);

– the setting of a time-limit of seven years for the Commission's power to adopt delegated acts;

– an extension of the transposition period for the Directive to 36 months (instead of 12) and a derogation from the obligation to transpose the Directive for Member States which neither have maritime ports nor ships flying their flag.

9. On 8 March 2017, the Permanent Representatives Committee agreed on the text without any further amendments.
10. In its deliberations, the Council preparatory bodies have taken into account the formal comments of the European Data Protection Supervisor⁴.

11. It should be noted that the proposal was not accompanied by an impact assessment. However, the Commission's REFIT report was presented and discussed in the Shipping Working Party in October 2015. Furthermore, the Commission proposal was accompanied by an implementation plan and an overview of the simplification proposals⁵.

WORK WITHIN THE EUROPEAN PARLIAMENT

12. The European Parliament Committee for Transport and Tourism (TRAN) appointed Ms Izaskun Bilbao Barandica (ALDE-Spain) as rapporteur on 1 August 2016. The draft report was issued on 3 February 2017.

COMMISSION POSITION

13. The Commission maintains at this stage of the procedure a general reservation on any changes to its proposal, pending the European Parliament position at first reading. In addition, the Commission reserves its position on three particular aspects of the proposal: 1) on the long transitional period of ten years, which it considers cannot be justified either from a safety or operational perspective, particularly in view of the technological progress over the last 20 years and the application of Directive 2010/65/EU on reporting formalities; 2) on the specific geographical exemption for voyages from and to Heligoland and Bornholm; and 3) on the possibility for Member States without maritime ports and without ships flying their flag to derogate from the obligation to transpose the Directive.

CONCLUSION

14. The Council is invited to examine the text, as set out in the Annex to this report, with a view to adopting a general approach.

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⁴ Doc. 15533/16.
⁵ Doc. 9964/16 ADD 1 and 2.
Proposal for a

DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL


THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 100(2) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee

After consulting the Committee of the Regions,

Acting in accordance with the ordinary legislative procedure,

Whereas:

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6 OJ C 34, 2.2.2017, p. 172.
(1) Accurate and timely information on the numbers or identity of persons on board a ship is essential for the preparation and effectiveness of search and rescue operations. In the event of an accident at sea, full and complete cooperation between the competent national authorities of the state or states involved, the ship operator and their agents can contribute significantly to the effectiveness of operations by the competent authorities. Certain aspects of that cooperation are regulated by Council Directive 98/41/EC.

(2) The results of the Regulatory Fitness Programme (REFIT) fitness check and experience gained in implementing Directive 98/41/EC have shown that information on persons on board is not always readily available to the competent authorities. Consequently, the current requirements of Directive 98/41/EC should be brought in line with the requirements to report data electronically, making them more efficient. Digitalisation will also allow to facilitate access to information concerning significant number of passengers in the event of an emergency or in the aftermath of an accident at sea.

(3) Over the past 17 years, significant technological progress has been made in the means of communication and the storage of data on ship movements. A number of mandatory ship reporting systems have been set up along Europe's coastlines, in accordance with the relevant rules adopted by the International Maritime Organization (IMO). Union and national law ensure that ships comply with the reporting requirements in force under those systems.

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(4) The collection, transmission and sharing of ship-related data has been enabled, simplified and harmonised by the National Single Window referred to in Directive 2010/65/EU of the European Parliament and of the Council\(^9\) and the Union Maritime Information and Exchange System (SafeSeaNet) referred to in Directive 2002/59/EC of the European Parliament and of the Council\(^10\). The information on the persons on board required by Directive 98/41/EC should therefore be reported in the National Single Window which allows the data to be readily available to the competent authority in the event of an emergency or accident. The number of persons on board should be reported in the National Single Window by appropriate technical means left to the discretion of Member States or, as an alternative, to the designated authority by means of the Automatic Identification System.

(4a) For the facilitation of provision and exchange of information reported under this Directive and in order to reduce the administrative burdens, Member States should use the harmonised reporting formalities established by Directive 2010/65/EU. In case of an accident affecting more than one Member State, Member States should make this information available to other Member States via the SafeSeaNet system.

(4b) To provide for a sufficient period for Member States to add new functionalities to the national single windows, it is appropriate to foresee a transitional period during which Member States have the possibility to maintain the current system for registering persons on board passenger ships.


(5) Member States should encourage operators, and in particular smaller operators, to use the National Single Window. However, in order to ensure compliance with the principle of proportionality, Member States should have the possibility to exempt, under specific conditions, smaller operators who do not yet use the National Single Window and who operate mainly on short domestic voyages of less than 60 minutes from the obligation to report the number in the National Single Window.

(5a) Due to the specific geographical location and the nature of the transport connections between the mainland and the islands of Heligoland and Bornholm, Germany, Denmark and Sweden should have the possibility to exempt passenger ships operating on those routes from the obligation to report the list of persons on board under this Directive.

(5b) Member States should be allowed to maintain existing possibilities to lower the 20 mile threshold for recording and reporting the list of persons on board. This could include voyages where passenger ships carrying a high number of passengers make successive calls between ports at a distance of less than 20 miles during the course of a single longer voyage. In such cases, Member States should be allowed to lower the 20 mile threshold so as to make it possible to record the information required by this Directive for passengers on board having embarked in the first or intermediate ports.

(6) To reduce the anxiety of relatives in the case of an accident and to avoid unnecessary delays in the consular assistance and other services, the data communicated should include information on the nationality of persons on board. The list of required data entries for voyages beyond 20 miles should be simplified, clarified and aligned as far as possible with reporting requirements for the National Single Window.

(7) Taking into account the availability of electronic means of data recording and the fact that personal data should in any event be collected before the ship's departure, the 30 minutes delay currently provided for by Directive 98/41/EC should be considered as a maximum.
(8) To increase legal clarity and consistency with related Union legislation and Directive 2009/45/EC of the European Parliament and of the Council in particular, a number of outdated, ambiguous and confusing references should be updated or deleted. The definition of 'passenger ship' should be aligned to other Union legislation, while maintaining the scope of this Directive. The definition of 'protected sea area' should be deleted and the concept should be aligned with Directive 2009/45/EC for the purposes of the exemptions under this Directive, while ensuring the proximity of search and rescue facilities. The definition of 'passenger registrar' should be amended to reflect the new duties that no longer include the keeping of the information. The definition of 'designated authority' should encompass competent authorities having direct or indirect access to the information required by this Directive. The corresponding requirements for company passenger registration systems should be deleted.

(8a) This Directive should not apply to pleasure yachts or pleasure craft. In particular, this Directive should not apply to pleasure yachts or pleasure craft when they are bareboat chartered and not subsequently engaged in trade for the purposes of carrying passengers.

(9) Member States should remain responsible for ensuring compliance with the data registration requirements under Directive 98/41/EC, namely as regards the accuracy and timely registration of the data. To ensure consistency of information, random checks could be carried out.

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(10) In so far as measures entail the processing of personal data, that processing shall be carried out in accordance with Union law on the protection of personal data\textsuperscript{12}. In particular and without prejudice to other legal obligations in compliance with data protection law, personal data collected in accordance with Directive 98/41/EC should not be processed or used for any other purpose and should not be retained longer than necessary for the purposes of Directive 98/41/EC. The relevant guidelines established to ensure compliance with the relevant EU legislation, in particular Directives 2002/59/EC and 2010/65/EU, should be reviewed in order to take this Directive into consideration.

(11) In view of the principle of proportionality and given that it is in the passenger's best interest to provide genuine information the current means of personal data collection on a basis of self-declaration of passengers is sufficient for the purposes of Directive 98/41/EC. At the same time, electronic means of data registration and verification should ensure that unique information is registered for every person on board.

(12) To increase transparency and to facilitate the notification by Member States of exemptions and requests for derogation, a database should be established and maintained for that purpose by the Commission. It should include the notified measures in their draft and adopted form.

(13) In view of the changes brought about by the Treaty on the Functioning of the European Union, the powers conferred on the Commission to implement Directive 98/41/EC should be updated correspondingly. Implementing acts should be adopted in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council\textsuperscript{13}.


(14) In order to take account of developments at international level and to increase transparency, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of not applying, for the purposes of this Directive, amendments to the international instruments if necessary. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

(15) In view of the full monitoring cycle of European Maritime Safety Agency visits, the Commission should evaluate the implementation of Directive 98/41/EC no later than [seven years after the date referred to in the second subparagraph of Article 3(1)] and report to the European Parliament and the Council thereon. Member States should cooperate with the Commission to gather all information necessary for that evaluation.

(16) To reflect the changes brought to Directive 98/41/EC, information on persons on board should be included in the list of reporting formalities referred to in Part A of the Annex of Directive 2010/65/EU.

(16a) For a Member State which neither has maritime ports in its territory nor ships or craft flying its flag falling under the scope of this Directive, it would be a disproportionate and unnecessary obligation if that Member State had to transpose this Directive.

(17) Directives 98/41/EC and 2010/65/EU should therefore be amended accordingly,

HAVE ADOPTED THIS DIRECTIVE:
Article 1
Amendments to Directive 98/41/EC

Directive 98/41/EC is amended as follows:

(1) Article 2 is amended as follows:

(a) the second indent is replaced by the following:

"– ‘passenger ship' shall mean a ship or a high-speed craft which carries more than 12 passengers;";

(b) the sixth indent is replaced by the following:

"– 'passenger registrar' shall mean the responsible person designated by a company to fulfil the ISM Code obligations, where applicable, or a person designated by a company as responsible for the transmission of information on persons who have embarked on a company passenger ship;";

(ba) the seventh indent is replaced by the following:

"– 'designated authority' shall mean the competent authority of the Member State responsible for search and rescue or concerned with the aftermath of an accident having access to the information required under this Directive;"

(c) the ninth indent is deleted;

(d) in the tenth indent, the introductory phrase is replaced by the following:

"– 'regular service' shall mean a series of ship crossings operated so as to serve traffic between the same two or more ports, or a series of voyages from and to the same port without intermediate calls, either;";
(c) the eleventh indent is replaced by the following:

"− 'third country' shall mean any country which is not a Member State,";

(f) the following twelfth indent is added:

"− 'port area' shall mean an area defined in point (r) of Article 2 of Directive 2009/45/EC,"

(fa) the following thirteenth indent is added:

"− 'inland waterway' shall mean inland waterways as referred to in Article 4 of Directive 2016/1629/EU of the European Parliament and of the Council*,

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(g) the following fourteenth indent is added:

"− 'pleasure yacht or pleasure craft' shall mean a vessel not engaged in trade, regardless of the means of propulsion.";

(2) Article 3 is replaced by the following:

"This Directive shall apply to sea-going passenger ships with the exception of:

− ships of war and troop ships,
− pleasure yachts and pleasure craft,
− passenger ships exclusively engaged in port areas or inland waterways.";
(3) in Article 4, paragraph 2 is replaced by the following:

"2. Before the passenger ship departs the number of persons on board shall be communicated to the master of the passenger ship and reported by appropriate technical means in the single window established pursuant to Article 5 of Directive 2010/65/EU of the European Parliament and of the Council or, if the Member State so chooses, to the designated authority by means of the Automatic Identification System.

For a transitional period of [10 years after the entry into force of this Directive], Member States may allow for that information to continue to be communicated to the company's passenger registrar or to the shore-based company system that performs the same function, instead of reporting it in the single window or to the designated authority by means of the Automatic Identification System.

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(4) Article 5 is replaced by the following:

"Article 5

1. The following information shall be recorded regarding every passenger ship that departs from a port located in a Member State to undertake a voyage where the distance sailed from the point of departure to the next port of call exceeds 20 miles:
– the family names of the persons on board,
– their forenames,
– their gender,
– their nationality,
– their date of birth,
– when volunteered by a passenger, information concerning the need for special care or assistance in emergency situations.

2. That information shall be collected before departure and reported in the single window established pursuant to Article 5 of Directive 2010/65/EU upon the passenger ship's departure but in no case later than thirty minutes after its departure.

2a. For a transitional period of [10 years after the entry into force of this Directive], Member States may allow for that information to continue to be communicated to the company's passenger registrar or to the shore-based company system that performs the same function, instead of reporting it in the single window.

3. Without prejudice to other legal obligations in compliance with data protection law, personal data collected for the purposes of this Directive shall not be processed and used for any other purpose;"

(5) in Article 6, paragraph 2 is replaced by the following:

"2. Each Member State shall, as regards every passenger ship that flies the flag of a third country and departs from a port located outside the Union and is bound for a port located in that Member State, require the company to ensure that the information specified in Articles 4(1) and 5(1) is provided in accordance with Articles 4(2) and 5(2).";
(6) Article 8 is replaced by the following:

"Article 8

Each company assuming responsibility for operating a passenger ship shall, where required under Articles 4 and 5 of this Directive, appoint a passenger registrar responsible for reporting the information referred to in those provisions in the single window established pursuant to Article 5 of Directive 2010/65/EU or to the designated authority by means of the Automatic Identification System.

Personal data collected in accordance with Article 5 shall not be kept by the company longer than necessary for the purposes of this Directive namely until the moment the ship's voyage in question has been safely completed and the data is reported in the single window established pursuant to Article 5 of Directive 2010/65/EU. Without prejudice to other legal obligations, once the information is no longer needed for this purpose, it shall be destroyed.

Each company shall ensure that information concerning passengers who have declared a need for special care or assistance in emergency situations is properly recorded and communicated to the master before the passenger ship departs."

(7) Article 9 is amended as follows:

(a) paragraph 2 is amended as follows:

– point (a) is deleted;
points (b) and (c) are replaced by the following:

"(b) A Member State from a port in which a ship departs may exempt passenger ships, with the exclusion of high-speed craft, operating, exclusively in sea area D listed pursuant to Article 4 of Directive 2009/45/EC, in which the proximity of search and rescue facilities is ensured, regular services of less than one hour between port calls from the obligation to report the number of persons on board in the single window established pursuant to Article 5 of Directive 2010/65/EU.

(c) A Member State may exempt passenger ships sailing, exclusively in sea area D listed pursuant to Article 4 of Directive 2009/45/EC, in which the proximity of search and rescue facilities is ensured, between two ports or from and to the same port without intermediate calls from the obligations laid down in Article 5.";

point (d) is added:

"(d) Germany may exempt voyages of passenger ships operating from and to the Island of Heligoland and Denmark and Sweden may exempt voyages of passenger ships operating from and to the Island of Bornholm from the obligations of Article 5(2).";

(b) in paragraph 3, points (a) and (b) are replaced by the following:

"(a) the Member State shall without delay notify the Commission of its decision to grant an exemption from the obligations laid down in Article 5 giving substantive reasons therefor. This notification shall be carried out by means of a database established and maintained by the Commission for such purpose. The Commission shall decide, by means of an implementing act, the conditions of access to this database. Those implementing acts shall be adopted in accordance with examination procedure referred to in Article 13(2)."
(b) if within six months of such notification the Commission considers that the exemption is not justified or could have adverse effects on competition, it may, by means of an implementing act, require the Member State to amend or withdraw its decision. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 13(2).";

(c) in paragraph 4, the third subparagraph is replaced by the following:

"The request shall be submitted to the Commission by means of the database referred to in paragraph 3. If within six months of such request the Commission considers that the derogation is not justified or could have adverse effects on competition, it may, by means of an implementing act, require the Member State to amend or not to adopt the proposed decision. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 13(2).";

(8) Article 10 is replaced by the following:

"Article 10

Member States shall ensure that companies have a procedure for data registration in place which guarantees that information required by this Directive is reported in an accurate and timely manner.

Each Member State shall designate the authority that will have access to the information required under this Directive. Member States shall ensure that in the event of an emergency or in the aftermath of an accident, such designated authority has immediate access to the information required under this Directive.

Personal data collected in accordance with Article 5 shall not be kept by Member States longer than necessary for the purposes of this Directive, that is:
(a) until the moment the ship's voyage in question has been safely completed, but in any case not longer than 60 days after the ship's departure; or

(b) in the event of emergency or in the aftermath of an accident, until the possible investigation or judiciary proceedings have been completed.

Without prejudice to other legal obligations, once the information is no longer needed for these purposes, it shall be destroyed."

(9) Article 11 is replaced by the following:

"Article 11

1. For the purposes of this Directive the required data shall be collected and recorded in such a way that no undue delay is caused for passengers embarking and/or disembarking the vessel.

2. A multiplicity of data collection on the same or similar routes shall be avoided.";

(10) Article 12 is replaced by the following:

"Article 12

In exceptional circumstances, where duly justified by an appropriate analysis by the Commission and in order to avoid a serious and unacceptable threat to maritime safety or incompatibility with Union maritime legislation, the Commission is empowered to adopt delegated acts in accordance with Article 12a, amending this Directive in order not to apply, for the purposes of this Directive, an amendment to the international instruments referred to in Article 2.";
(11) the following Article is inserted:

"Article 12a

1. The power to adopt delegated acts referred to in Article 12 is conferred on the Commission subject to the conditions laid down in this Article.

2. The power to adopt delegated acts referred to in Article 12 shall be conferred on the Commission for a period of seven years from [the date of entry into force]. The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of the seven-year period. The delegation of power shall be tacitly extended for periods of an identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period.

3. The delegation of power referred to in Article 12 may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016.

5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council."
6. A delegated act adopted pursuant to Article 12 shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

7. A delegated act, amending this Directive in order not to apply, for the purposes of this Directive, any amendment to the international instruments in accordance with Article 12, shall be adopted at least three months before the expiration of the period established internationally for the tacit acceptance of the amendment concerned or the envisaged date for the entry into force of said amendment. In the period preceding the entry into force of such delegated act, Member States shall refrain from any initiative intended to integrate the amendment in national legislation or to apply the amendment to the international instrument concerned.

(12) Article 13 is amended as follows:

(a) paragraph 2 is replaced by the following:


(b) paragraph 3 is deleted;
(13) the following Article is inserted:

"Article 14a

The Commission shall evaluate the implementation of this Directive and submit the results of the evaluation to the European Parliament and the Council no later than [seven years after the date referred to in the second subparagraph of Article 3(1)]."

Article 2

Amendments to the Annex to Directive 2010/65/EU

In Part A of the Annex to Directive 2010/65/EU, the following point (7) is added:

"7. Information on persons on board

Articles 4(2) and 5(2) of Council Directive 98/41/EC of 18 June 1998 on the registration of persons sailing on board passenger ships operating to or from ports of the Member States of the Community (OJ L 188, 2.7.1998, p. 35)."

Article 3

Transposition

1. Member States shall adopt and publish, by [36 months after the entry into force] at the latest, the laws, regulations and administrative provisions necessary to comply with this Directive. They shall forthwith communicate to the Commission the text of those provisions.

They shall apply those provisions from [36 months after the entry into force].

When Member States adopt those provisions, they shall contain a reference to this Directive or be accompanied by such a reference on the occasion of their official publication. Member States shall determine how such reference is to be made.

2. Member States shall communicate to the Commission the text of the main provisions of national law which they adopt in the field covered by this Directive.
2a. By way of derogation from paragraph 1, a Member State shall not be obliged to transpose the Directive if there are no maritime ports in its territory and it has no ships or craft flying its flag that fall within the scope of this Directive. Such a Member State may not allow ships or craft that fall within the scope of this Directive to fly its flag until it has transposed and implemented this Directive.

Any Member State that intends to avail itself of that derogation shall notify the Commission at the latest on [OJ: please insert date of transposition of this Directive]. Any subsequent change shall also be communicated to the Commission.

Article 4
Entry into force

This Directive shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.

Article 5
Addressees

This Directive is addressed to the Member States.

Done at Brussels,

For the European Parliament

For the Council

The President

The President