



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

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Brussels, 10 October 2001

MINUTES
of the 1538th meeting of the Commission
held in Strasbourg
(Winston Churchill Building)
on Tuesday 2 October 2001
(afternoon)

These minutes were approved by the Commission at its 1539th meeting, held in Brussels on 10th October 2001.

They contain 21 pages.

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Single sitting: Tuesday 2 October (afternoon)

The sitting opened at 1320 hours with Mr Prodi, President, in the chair.

Present:

Mr PRODI	President
Ms de PALACIO	Vice-President
Mr FISCHLER	
Mr LIIKANEN	
Mr BOLKESTEIN	
Mr BUSQUIN	
Mr SOLBES	
Mr NIELSON	
Mr VERHEUGEN	
Mr PATTEN	
Mr BYRNE	
Mr BARNIER	
Ms REDING	
Ms SCHREYER	
Ms WALLSTRÖM	
Mr VITORINO	
Ms DIAMANTOPOULOU	

Absent:

Mr KINNOCK	Vice-President
Mr MONTI	
Mr LAMY	

The following sat in to represent absent Members of the Commission

Mr LOWE Chef de cabinet to Mr Kinnock

Mr VAN HOOFF Chef de cabinet to Mr Monti

Ms WEYAND A member of Mr Lamy's staff

The following also sat in

Mr PETITE Director-General, Legal Service

Mr MANSERVISI Chef de cabinet to the President

Mr FAULL Commission Spokesman

Mr GANTELET Spokesman

Mr SCHINAS Deputy Chef de cabinet to Ms de Palacio

Mr BARON Energy and Transport DG

Secretary: Mr O'SULLIVAN, Secretary-General, assisted by Mr BISARRE, Director in the Secretariat-General.

1. AGENDAS

(OJ(2001)1538/3; SEC(2001)1499/2)

The Commission took note of the agenda for that day's meeting and of the tentative agendas for forthcoming meetings.

2. WEEKLY MEETING OF CHEFS DE CABINET

(SEC(2001)1538)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 1 October.

3. APPROVAL OF MINUTES OF 1537th MEETING (26 SEPTEMBER)

(PV(2001)1537)

The Commission approved the minutes of its 1537th meeting.

4. PARLIAMENT

PARLIAMENTARY AFFAIRS GROUP

(SP(2001)3222)

The Commission took note of the record of the meeting of the Parliamentary Affairs Group held on 28 September (SP(2001)3222).

Its attention was drawn to the following specific points:

a) **Interinstitutional relations**

(point 1 of the record)

Council bodies

Opening to competition of Community postal services,

COM(2001)109 - 00/0139 (COD)

The Commission adopted the line set out in SP(2001)3218/2 and /3 and decided to empower Mr BOLKESTEIN, in agreement with the PRESIDENT, in the terms set out at item IV of SP(2001)3218/3.

b) **Action taken on Parliament's opinions and resolutions**

(point 5 of the record)

The Commission adopted the replies to own-initiative resolutions adopted by Parliament to which the Commission had undertaken to reply (SP(2001)3160), for transmission to Parliament.

5. MONITORING THE APPLICATION OF COMMUNITY LAW: STATE AID AND INFRINGEMENTS

(SEC(2001)1566 and /2; SEC(2001)1568 and /2)

5.1. STATE AID

(SEC(2001)1566/2)

The Commission adopted the decisions in SEC(2001)1566/2, subject to the following amendment:

C 20/2000 SPAIN SNIACE S.A.

(ex NN 146/98)

(SEC(2001)1492 to /3)

Decision: to ask the Spanish Government to supply all necessary information concerning this aid, in accordance with the letter in SEC(2001)1492/3.

5.2. *INFRINGEMENTS - URGENT OR DEFERRED CASES*

(SEC(2001)1568/2)

The Commission adopted the decisions in SEC(2001)1568/2.

6. WRITTEN PROCEDURES AND EMPOWERMENT

6.1. *WRITTEN PROCEDURES APPROVED*

(SEC(2001)1500 to /5)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted by written procedure between 24 and 28 September.

6.2. *SENSITIVE WRITTEN PROCEDURES*

(SEC(2001)1502)

The Commission took note of the following written procedures initiated between 24 and 28 September for the adoption of decisions with political implications:

Time limit: 01.10.2001

E/2001/1933 - COM(2001)539 Regional Policy DG

Twelfth annual report on the Structural Funds (2000).

E/2001/1952 - COM(2001)542

**Health and Consumer Protection
DG**

Commission report on dietary food additive intake in the European Union.

Time limit: 02.10.2001

E/2001/1947 - COM(2001)549

Research and Regional Policy DGs

Commission communication *The regional dimension of the European Research Area.*

Time limit: 03.10.2001

E/2001/1957 - COM(2001)552

Agriculture DG

Thirtieth Financial Report on the European Agricultural Guidance and Guarantee Fund - EAGGF Guarantee Section - 2000 financial year

6.3. EMPOWERMENT

(SEC(2001)1503 to /5; SEC(2001)1504 to /3)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the empowerment procedure between 24 and 28 September.

6.4. DELEGATION OF POWERS

(SEC(2001)1582)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation procedure between 24 and 28 September.

7. ADMINISTRATIVE AND BUDGETARY MATTERS
(SEC(2001)1505/3)

ADMINISTRATIVE MATTERS
(PERS(2001)273/2)

7.1. DG EMPL.D - A2 POST OF DIRECTOR

The Commission had before it applications under Article 29(1)(a) of the Staff Regulations for the A2 post of Director of Directorate D (Adaptability, Social Dialogue and Social Rights) in the Employment DG from Ms Fay DEVONIC, Mr Auke HAAGSMA and Mr Bernhard JANSEN (PERS(2001)205).

The Commission took note of the opinions of the Consultative Committee on Appointments of 11 and 14 September (PERS(2001)205/2 and /3).

The Commission proceeded to compare the applicants' qualifications for the post. It also examined the reports on their ability, efficiency and conduct in the service. On a proposal from Mr KINNOCK, in agreement with the PRESIDENT and Ms DIAMANTOPOULOU, it then decided to appoint Mr Bernhard JANSEN to the post.

This decision would take effect from a date to be fixed later.

7.2. SG - APPLICATION OF ARTICLE 50 OF THE STAFF REGULATIONS
(INITIAL STAGE)

The Commission, on a proposal from Mr KINNOCK, in agreement with the PRESIDENT, decided to initiate the first stage of the procedure laid down in Article 50 of the Staff Regulations in respect of Ms Maria Pia FILIPPONE, A1 official and Deputy Secretary-General.

The PRESIDENT would send Ms FILIPPONE a letter notifying her of the Commission's intentions and asking for a reply before 5 November.

The Commission took note of Mr KINNOCK's intention to report to it at the beginning of November on the conditions for application of Article 50 of the Staff Regulations and on the career of A1 officials.

8. GREEN PAPER ON EU CONSUMER PROTECTION

(COM(2001)531 to /4; SEC(2001)1569)

**9. COMMUNICATION AND PROPOSAL FOR A PARLIAMENT AND
COUNCIL REGULATION ON SALES PROMOTIONS IN THE INTERNAL
MARKET**

(COM(2001)546 to /5; SEC(2001)1569)

The Commission approved the Green Paper on consumer protection in the European Union (COM(2001)531/4) and adopted the communication (COM(2001)546/5) including a proposal for a Regulation on sales promotions in the internal market, for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions.

**10. COMMISSION DECISION ON PROCEEDINGS UNDER ARTICLE 81 OF
THE TREATY EEC AND ARTICLE 53 OF THE EEA AGREEMENT**

(C(2001)2931 to /4)

The Commission:

- took note of the final report of the Hearing Officer in C(2001)2931/2;
- took note of the opinion of the Advisory Committee on Restrictive Practices and Dominant Positions of 17 September on the draft decision in case COMP-36.756,

as set out in C(2001)2931/2, and the opinion of 1 October on the amount of the fines, as set out in C(2001)2931/4;

- adopted, in the authentic languages (German, English, French and Dutch), the decision in C(2001)2931/3, concluding that the companies in question had infringed Article 81(1) of the EC Treaty and, with effect from 1 January 1994, Article 53(1) of the EEA Agreement, and imposing fines on them (ADM: €10.13 million; Akzo: €9 million; Avebe: €3.6 million; Fujisawa: €3.6 million; Jungbunzlauer: €20.4 million; Roquette: €10.8 million);
- decided to publish the decision in the Official Journal with all business secrets removed.

**11. PROPOSAL FOR A REGULATION AMENDING REGULATION No 2236/95
LAYING DOWN GENERAL RULES FOR THE GRANTING OF
COMMUNITY FINANCIAL AID IN THE FIELD OF TRANS-EUROPEAN
NETWORKS
(COM(2001)545 to /4; SEC(2001)1574)**

The Commission approved the proposal in COM(2001)545/4 and empowered Ms de PALACIO, in agreement with the PRESIDENT and Ms SCHREYER, to finalise the text of the financial statement, for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions.

12. BUDGETARY QUESTIONS (CONTINUED FROM ITEM 7)

***COURT OF AUDITORS ANNUAL REPORT 2000 - PROGRESS REPORT
(REQUEST FOR EMPOWERMENT)
(SEC(2001)1573 to /6)***

Ms SCHREYER gave an update on the procedure for the preparation of the Court of Auditors report for 2000.

The adversarial stage between the Court of Auditors and the Commission had been completed, and the Court would shortly transmit its report to the Committee on Budgetary Control, enabling work to start on the discharge procedure.

She outlined the main innovations introduced by the Court of Auditors in its method of monitoring and assessing the Commission's financial management.

The Commission took note of this information and empowered Ms SCHREYER, in agreement with the PRESIDENT, to draw up the final versions of the following documents for transmission to the Court of Auditors, Parliament and the Council:

- Commission's replies to the annual report 2000,
- follow-up report on Parliament's discharge decisions for 1999,
- follow-up report on the Council recommendation for the 1999 discharge,
- report containing the replies of the Member States to the annual report 2000.

**13. PROPOSAL FOR A COUNCIL REGULATION ON SPECIFIC
RESTRICTIVE MEASURES DIRECTED AGAINST CERTAIN PERSONS
AND ENTITIES WITH A VIEW TO COMBATING INTERNATIONAL
TERRORISM (FREEZING OF ASSETS)
(COM(2001)569)**

Mr PATTEN, in agreement with Mr VITORINO, Mr BOLKESTEIN and Mr SOLBES, introduced a proposal for a Council Regulation concerning specific restrictive measures (freezing of assets) against certain persons and entities with a view to combating international terrorism.

This proposal was in response to the request of the special Brussels European Council of 21 September and needed to be adopted urgently so that the decision-making process in Parliament and the Council could be started and completed by a fast-track procedure (if possible, Parliament opinion during the current session and adoption by the Council (General Affairs) at its meeting on 8 and 9 October). Certain Member States had already taken or were on the point of taking similar initiatives at national level and wished to have a Community legal instrument available as soon as possible.

The proposal was based on Article 308 (ex 235) of the Treaty (action by the Community [which proves] necessary ... [for which the] Treaty has not provided the necessary powers) and the list of persons and entities covered by the Regulation, set out in the Annex, could be amended only by the Council (Article 2(2)).

Subject to formal legal revision of the text, the Commission adopted the proposal in COM(2001)569 for transmission to Parliament and the Council.

To facilitate speedy adoption of the Regulation, the Commission empowered Mr PATTEN, in agreement with the PRESIDENT, to accept any amendments proposed as long as they did not have the effect of watering down the Commission proposal.

**14. PROPOSAL FOR A DECISION AMENDING DECISION No 1692/96/EC ON
COMMUNITY GUIDELINES FOR THE DEVELOPMENT OF THE
TRANS-EUROPEAN TRANSPORT NETWORK
(COM(2001)544 to /6)**

Ms de PALACIO tabled a proposal for a Council decision on Community guidelines for the development of the trans-European transport network.

The proposal was presented pursuant to a revision clause in the 1996 Decision (No 1692/96/EC), under which the Commission was required to present a revision report within five years indicating whether the guidelines must be adapted to developments in the economy and in technologies in the field of transport, particularly rail transport. The Gothenburg European Council had also invited the Community institutions to adopt revised guidelines giving priority to more environmentally friendly transport modes, and this proposal for revision was also in line with the guidelines laid down by the Commission in its White Paper on the European transport policy.

The key aim of the revision was to reduce bottlenecks on the existing or planned European network, by adding to the list of projects agreed by the Essen European Council eight new projects covering the whole Community territory.

This revision was but a first stage, and a further revision was planned for 2004, particularly in order to take account of new data relating to enlargement.

The Commission noted that, from the beginning of 2002, and with a view to the revision of the guidelines in 2004, the Transport and Energy DG (the lead department), under the authority of Ms de PALACIO, would have to involve closely the Environment DG, under the authority of Ms WALLSTRÖM, in the work of strategic environmental assessment.

The Commission authorised Ms de PALACIO to finalise the text of the communication by incorporating the amendments proposed by Ms SCHREYER during the meeting on the tenor and scope of the revision planned for 2004.

Subject to these amendments, the Commission approved the proposal in COM(2001)544 and /3 to /6 for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions.

15. MID-TERM REVIEW OF IMPLEMENTATION OF THE ENLARGEMENT STRATEGY

(COM(2001)553 to /4; SEC(2001)1575)

Mr VERHEUGEN tabled an information note for the Ghent European Council (19 October) giving a mid-term assessment of the implementation of the enlargement strategy.

This was a purely factual statement, which gave an update on projects completed, chapter by chapter, for the priority subject areas for the first half of 2001 (first part) and for those agreed as priority for the second half of 2001 (second part).

The Swedish Presidency had made a special effort to meet the objectives and deadlines of the "road map" during the first half of 2001, and the Belgian Presidency intended to maintain the same work rate in the second half of the year.

Mr VERHEUGEN proposed to provide input for this work, and to safeguard the Commission's central role in these negotiations, by submitting documents likely to stimulate progress in the discussions.

He reported on developments in certain applicant countries (Poland, Turkey) likely to have an impact on the enlargement process.

The Commission discussed the specific difficulties that could arise in the negotiation of certain chapters: energy, transport, health, agriculture.

Following this discussion, the PRESIDENT stressed the importance of fulfilling the commitments made and keeping to the timetable agreed, and thanked Mr VERHEUGEN for his active support in this process. He also reported on his talks with the Polish President, Mr KWASNIEWSKI.

Subject to a final technical revision of the text, the Commission approved the communication in COM(2001)553/4 for transmission to the Council, and, for information, to Parliament.

16. RELATIONS WITH NON-MEMBER COUNTRIES

COMMON FOREIGN AND SECURITY POLICY

16.1. DIPLOMATIC MISSION OF THE TROIKA TO CERTAIN ARAB AND MUSLIM COUNTRIES

Mr PATTEN reported on the results of the diplomatic mission of the European Troika to five Arab or Muslim countries (Pakistan, Iran, Saudi Arabia, Egypt, Syria).

The purpose of the mission had been to inform these countries of the decisions taken by the special European Council on 21 September on combating international terrorism, and to persuade their leaders that this should involve all democratic governments combating the forces of obscurantism, and that any attempt to equate terrorism with Arab or Muslim countries must be rejected.

Mr PATTEN took stock of the reactions noted in each of the countries visited: unanimous condemnation of the attacks of 11 September; general willingness to combat terrorism, moderated in certain cases by a fear that possible disproportionate military action could provoke a loss of public support; and a preference for such actions being placed under the aegis of the UN.

He drew the Commission's attention to the scale of the humanitarian aid requirements for the Afghan refugees.

Combating international terrorism would have cross-cutting implications in the conclusion of economic and trade cooperation agreements with the countries concerned. He would be tabling proposals on this matter so that a debate could be held quickly in the Council (General Affairs).

16.2. VISIT BY Mr VERHOFSTADT AND Mr PRODI TO WASHINGTON

The PRESIDENT reported on the talks that he and Mr VERHOFSTADT, President of the Council, had had in Washington with US President BUSH and Secretary of State POWELL.

The key subjects broached had been: the need to act effectively, by targeting military intervention in such a way as to avoid provoking the hostility of Arab countries; recognition for the assistance given by the European Union; the importance of the financial aspect (freezing of assets) in combating terrorism; the need to organise inter-regional cooperation; provision of lists of terrorist groups; assistance to be provided to Afghan refugees; the situation in the Middle East.

The PRESIDENT also stressed the need to increase substantially the volume of public development aid to achieve the objective of 0.7% of GNP (currently 0.2%).

**16.3. PREPARATIONS FOR MINISTERIAL MEETING ON THE
FOLLOW-UP TO THE EU-AFRICA SUMMIT
(BRUSSELS, 11 OCTOBER)
(SEC(2001)1577 and /2)**

Mr NIELSON, in agreement with Mr PATTEN, set forth the objectives of the Europe-Africa ministerial conference to be held on 11 October, intended as a mid-term meeting falling between the Cairo summit (April 2000) and the next Euro-African summit, planned for 2003 in Lisbon.

The conference would review progress in the eight priority subject areas identified in the Cairo declaration and action plan (conflict prevention, human rights, environment, food safety, health, regional integration and integration in the world economy, problem of debt, restitution of cultural goods) and deal with three major political subjects: African Union, the New African Initiative, and the situation in the Great Lakes region.

Mr NIELSON mentioned the World Bank's forecasts for the likely dramatic effects of the present economic crisis, aggravated by the events of 11 September, on infant mortality due to the famine in Africa.

Referring to the political context mentioned at items 16.1 (Arab and Muslim countries) and 16.3 (African countries), Ms DIAMANTOPOULOU drew the Commission's attention to the crimes committed against women in many parts of the world: men's power of life and death over women in Afghanistan, Iran and Iraq; sexual mutilation in Africa (affecting 1 million women); trafficking in women (affecting 3 million women).

She asked that this aspect be tackled as a priority subject at the highest political level.

17. OTHER BUSINESS

SABENA

Ms de PALACIO reported on the financial situation of the airline SABENA following SWISSAIR's decision to file for bankruptcy, thus rendering null and void the €258 million commitments in capital promised to SABENA by SWISSAIR.

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The meeting closed at 1520 hours.