



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

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Brussels, 14 May 2002

MINUTES

of the 1566th meeting of the Commission

held in Brussels

(Breydel)

on Tuesday 7 May 2002

These minutes were approved by the Commission at its 1567th meeting, held in Strasbourg on 14th May 2002.

They contain 25 pages.

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Single sitting: Tuesday 7 May (morning)

The sitting opened at 0925 hours with Mr Prodi, President, in the chair.

Present:

Mr PRODI President

Mr KINNOCK Vice-President

Ms de PALACIO Vice-President

Mr MONTI

Mr LIIKANEN

Mr BUSQUIN

Except items 14 to 16

Mr NIELSON

Mr VERHEUGEN

Mr PATTEN

Mr LAMY

Mr BYRNE

Mr BARNIER

Ms REDING

Ms SCHREYER

M_S WALLSTRÖM

Mr VITORINO

Ms DIAMANTOPOULOU

Absent:

Mr FISCHLER

Mr BOLKESTEIN

Mr SOLBES

The following sat in to represent absent Members of the Commission

Ms DORAN	Deputy Chef de cabinet to Mr Fischler	
Mr NØRLUND	Chef de cabinet to Mr Bolkestein	
Mr JACOB	Chef de cabinet to Mr Busquin	Items 14 to 16
Mr STAHL	Deputy Chef de Cabinet to Mr Solbes	

The following also sat in

Mr PETITE	Director-General, Legal Service	
Mr MANSERVISI	Chef de cabinet to the President	
Mr FAULL	Commission Spokesman	
Ms CORUGEDO-STENEBOERG	Press and Communication DG	
Mr MAMER	Spokesman	Item 10
Mr GABRICI	Spokesman	Item 13
Mr GOOCH GALVEZ	Spokesman	Item 11
Mr ABOU	A member of the President's staff	Item 10
Mr SMULDERS	A member of the President's staff	Item 13
Mr KOOPMAN	Chef de cabinet to Mr Kinnock	Item 10
Mr LUCHNER	A member of Mr Kinnock's staff	Item 10
Mr NUNES de ALMEIDA	A member of Mr Vitorino's staff	Item 13

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

**1. AGENDAS AND QUARTERLY ROLLING PROGRAMME
(OJ(2002)1566/3; SEC (2002)501/2; SEC(2002)527)**

The Commission took note of that day's agenda, the tentative agendas for future meetings, and the rolling programme of items to be entered on the agenda from 14 May to 24 July.

The PRESIDENT proposed the following dates and subjects for forthcoming Commission seminars:

- Wednesday 5 June (Brussels): structural policies;
- Wednesday 19 June (Luxembourg): economic policy coordination;
- Wednesday 10 July (Brussels): industrial policy (particularly in an enlarged Union).

In each case the seminar would be held following the Commission's weekly meeting and would therefore begin either at the end of the morning or the beginning of the afternoon, depending on the agenda.

This proposal was adopted.

**2. WEEKLY MEETING OF CHEFS DE CABINET
(SEC(2002)1566)**

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 6 May.

**3. APPROVAL OF MINUTES AND SPECIAL MINUTES OF 1565th MEETING
(30 April)
(PV(2002)1565 and /2; PV(2002)1565, Part II)**

The Commission approved the minutes of its 1565th meeting.

4. PARLIAMENT

***PARLIAMENTARY AFFAIRS GROUP
(SP(2002)1467)***

The Commission took note of the record of the meeting of the Parliamentary Affairs Group held on Tuesday 30 April (SP(2002)1467).

It paid particular attention to the following:

- a) **Interinstitutional relations**
(point 1 of the record)

Codecision procedure Art. 251 - state of play

Conciliation procedure

Technical characteristics of two- or three-wheel vehicles, 00/0136 (COD)
(responsible: Mr LIIKANEN): Parliament did not accept that the Commission statement should be published in full in the L series of the Official Journal, so the Commission adopted the draft letter presented at the PAG meeting for transmission to Parliament. It also decided that it would itself publish in the L series of the Official Journal that part of the statement which would not otherwise be published.

b) **Preparations for May I part-session**

(point 2 of the record)

The Commission, in accordance with the rules in force, authorised the Commission Members responsible, in agreement with the PRESIDENT, Ms de PALACIO and any other Members associated, to take a position on Parliament's amendments to its proposals.

It paid particular attention to the following:

2nd reading

- BERGER report, Distance marketing of financial services,
COM(1998)468 - 98/0248 (COD)

The Commission adopted the line set out in SP(2002)1429, involving the rejection of all the amendments.

- FOSTER report, Civil aviation safety,
COM(2000)595 - 01/0234 (COD)

The Commission adopted the line set out in SP(2002)1430 but decided to reject amendments 10 and 11, on the understanding that the reasons for rejecting amendment 1 would be more clearly stated.

- CAUDRON report, European Research Area,
COM(2001)709 - 01/0053 (COD)

The Commission adopted the line set out in SP(2002)1450 involving the rejection of some amendments.

- CAPPATO report, Electronic communications (processing of personal data and the protection of privacy),
COM(2000)385 - 00/0189 (COD)

The Commission adopted the line set out in SP(2002)1438 involving the rejection of some amendments.

Empowerment

Under Article 13 of its Rules of Procedure, the Commission empowered Mr BYRNE, Ms de PALACIO, Ms DIAMANTOPOULOU, Mr BUSQUIN and Mr LIIKANEN, in agreement with the PRESIDENT, the Member responsible for relations with Parliament and any other Members associated, to adopt its opinion on the amendments, together with any amended proposals, on the basis of the line set out in SP(2002)1429, 1430, 1426, 1450 and 1438, once Parliament had given its opinion, and transmit them to the Council in accordance with Article 251(2)(c) of the Treaty for the following:

- BERGER report, Distance marketing of financial services,
COM(1998)468 - 98/0248 (COD)
- FOSTER report, Civil aviation safety,
COM(2000)595 - 01/0234 (COD)
- BOUWMAN report, Protection of employees in the event of the insolvency of their employer,
COM(2000)832 - 01/0006 (COD)
- CAUDRON report, European Research Area,
COM(2001)709 - 01/0053 (COD)

- CAPPATO report, Electronic communications (processing of personal data and the protection of privacy),
COM(2000)385 - 00/0189 (COD)

1st reading and simple consultation

- SCHNEL LHARDT report, Hygiene of foodstuffs,
COM(2000)438 - 00/0178 (COD)

The Commission adopted the line set out in SP(2002)1451 subject to rewording of the rejection of the amendments to Article 5 (*Hazard Analysing Critical Control Point System - HACCP*).

- SCHNEL LHARDT report, Hygiene rules for food of animal origin,
COM(2000)438 - 00/0179 (COD)

The Commission adopted the line set out in SP(2002)1452.

- PAULSEN report, Monitoring of zoonoses and zoonotic agents,
COM(2001)452 - 01/0176 (COD)
- PAULSEN report, Control of salmonella and other food-borne zoonotic agents,
COM(2001)452 - 01/0177 (COD)

The Commission adopted the line set out in SP(2002)1437.

5. PERMANENT REPRESENTATIVES COMMITTEE

(SI(2002)466; SI(2002)483)

COUNCIL AFFAIRS GROUP (CAG)

(SI(2002)483)

The Commission took note of the record of the meeting of the Council Affairs Group held on Friday 3 May (SI(2002)483).

It paid particular attention to the following:

- a) Measures to assist road haulage companies in France, Italy and the Netherlands - referral to the Council under the third indent of Article 88(2) of the EC Treaty**
(SI(2002)466)

The Commission noted that on Friday 3 May the Council had unanimously adopted by written procedure a Decision validating the measures taken by three Member States to reduce excise duties on diesel for lorries. It empowered Ms de PALACIO, in agreement with the PRESIDENT, Mr MONTI and Mr BOLKESTEIN, to finalise the text of the statement to be entered in the Council minutes on this matter, pursuant to the conclusions adopted by the Commission at its meetings on 24 April (PV(2002)1564, item 13) and 30 April (PV(2002)1565, item 5). This statement was to be transmitted urgently to the Council's General Secretariat.

- b) Negotiating directives for a trade and cooperation agreement with Iran**

The Commission instructed the departments concerned to maintain the Commission's initial position in Coreper as to the purely Community nature of the agreement to be negotiated.

It asked the Director-General of the Legal Service to have the matter considered by the Institutional Group which he chaired in order to define a doctrine and a general approach to this issue (Community or mixed competence) of trade agreements, since the trade and cooperation agreement with Iran was not an isolated case.

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

(SEC(2002)493; SEC(2002)508; C(2002)458 to /6; C(2002)1806 to /3)

6.1. STATE AID

(SEC(2002)493)

The Commission adopted the decisions in SEC(2002)493.

6.2. EXPIRY OF THE GUIDELINES ON STATE AID FOR UNDERTAKINGS IN DEPRIVED URBAN AREAS

(C(2002)1806 to /3))

The Commission adopted the communication in C(2002)1806/3.

6.3. APPLICATION OF THE RULES ON COMPATIBILITY OF STATE AID WITH THE COMMON MARKET (CONSECUTIO LEGIS)

(C(2002)458 to /6)

The Commission adopted the communication in C(2002)458/6.

6.4. INFRINGEMENTS - DEFERRED CASE

(SEC(2002)508)

The Commission adopted the decision in SEC(2002)508.

7. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

7.1. WRITTEN PROCEDURES APPROVED

(SEC(2002)502 to /4)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted by written procedure between 29 April and 3 May.

7.2. SENSITIVE WRITTEN PROCEDURES

(SEC(2002)503)

The Commission took note of the following written procedure initiated between 29 April and 3 May for decisions with political implications:

Time limit: 08.05.2002

E/2002/743 - COM(2002)230

DG COMP

Proposal for a Council and Commission Decision concluding the Agreement between the European Communities and the Government of Japan concerning cooperation on anticompetitive practices.

7.3. EMPOWERMENT

(SEC(2002)504 to /4)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the empowerment procedure between 29 April and 3 May.

7.4. *DELEGATION AND SUBDELEGATION OF POWERS*

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation procedure between 29 April and 3 May, as archived on the "Greffé 2000" (Registry) website.

8. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2002)505/3)

ADMINISTRATIVE MATTERS

(PERS(2002)74)

8.1. *PUBLICATION OF A1 DIRECTOR-GENERAL AND DEPUTY DIRECTOR-GENERAL POSTS*

DG BUDG - A1 post of Director-General

On a proposal from Mr KINNOCK, in agreement with the PRESIDENT and Ms SCHREYER, the Commission approved the vacancy notice in PERS(2002)75/2 and asked DG ADMIN to publish it.

DG FISH - A1 post of Director-General

On a proposal from Mr KINNOCK, in agreement with the PRESIDENT and Mr FISCHLER, the Commission approved the vacancy notice in PERS(2002)76/2 and asked DG ADMIN to publish it.

DG COMP - A1 post of Deputy Director-General responsible for the Merger
Control Directorate

On a proposal from Mr KINNOCK, in agreement with the PRESIDENT and Mr MONTI, the Commission approved the vacancy notice in PERS(2002)77/2 and asked DG ADMIN to publish it.

DG COMP - A1 post of Deputy Director-General responsible for the State
Aid Directorates

On a proposal from Mr KINNOCK, in agreement with the PRESIDENT and Mr MONTI, the Commission approved the vacancy notice in PERS(2002)78/2 and asked DG ADMIN to publish it.

DG AGRI - A1 post of Deputy Director-General

On a proposal from Mr KINNOCK, in agreement with the PRESIDENT and Mr FISCHLER, the Commission approved the vacancy notice in PERS(2002)79/2 and asked DG ADMIN to publish it.

Secretariat-General - A1 post of Deputy Secretary-General

On a proposal from Mr KINNOCK, in agreement with the PRESIDENT, the Commission approved the vacancy notice in PERS(2002)80/2 and asked DG ADMIN to publish it.

These decisions would take effect immediately.

8.2. DG RTD - A1 POST OF DEPUTY DIRECTOR-GENERAL

On a proposal from Mr KINNOCK, in agreement with the PRESIDENT and Mr BUSQUIN, the Commission approved the vacancy notice in PERS(2002)81/2 and asked DG ADMIN to publish it.

This decision would take effect immediately.

**9. COMMISSION DECISION ON A PROCEEDING UNDER ARTICLE 66(2)
OF THE ECSC TREATY
(C(2002)1436 to /3)**

The Commission:

- took note of the final report of the Hearing Officer in C(2002)1436/2;
- adopted, in the authentic language (German), the decision in C(2002)1436/3 authorising the merger operation between the companies in question under Article 66(2) of the ECSC Treaty.

**10. CONSUMER POLICY STRATEGY 2002-06
(COM(2002)208 to /3; SEC(2002)514)**

The Commission approved the communication in COM(2002)208/3 for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions.

11. COUNCIL MEETINGS

(SI(2002)482; SEC(2002)530 and /2)

TRADE BARRIERS REGULATION - REPORT ON SHIPBUILDING

(SEC(2002)530 and /2)

The Commission took note of the report in SEC(2002)530/2 for transmission to the Council.

12. ADMINISTRATIVE AND BUDGETARY MATTERS

(continued from item 8)

(SEC(2002)505/3)

OTHER BUSINESS

BERLAYMONT - PROGRESS REPORT

Mr KINNOCK referred to the mandate that the Commission had given him at its previous meeting (PV(2002)1565, item 10) and reported on the outcome of his negotiations since then with the Belgian authorities on the various outstanding points (date on which the building would become available, responsibility for costs in connection with any legal proceedings, and price of the building).

At this stage, in the light of the progress made in these negotiations, an outcome acceptable to the Commission could be identified, on the basis of a compromise which should, in any case, be proposed by the Belgian authorities before 13 May.

He outlined the consequences for the Commission if agreement were not reached on a contractual basis.

The Chair of Parliament's Committee on Budgets, Mr WYNN, and the Chair of its Committee on Budgetary Control, Ms THEATO, were being kept regularly informed of developments in this matter.

In the light of this information, the Commission empowered Mr KINNOCK, in agreement with the PRESIDENT and Ms SCHREYER, to continue the negotiations and, if necessary, to agree *ad referendum* to any compromise solution proposed by the Belgian authorities that was in line with the guidelines set out during the meeting.

The Commission noted that either a fresh progress report, or a draft agreement on which it would be asked to take a view, would be put before it shortly.

It also noted that Mr KINNOCK would provide various comparative statistics on the property market in Brussels and on the allocation of available space in the Berlaymont building.

13. TOWARDS INTEGRATED MANAGEMENT OF THE EXTERNAL BORDERS OF THE MEMBER STATES OF THE EUROPEAN UNION (COM(2002)233 to /5; SEC(2002)517)

The PRESIDENT reminded the meeting that in his address at the College of Europe in Bruges on 12 October 2001 he had launched the idea of a common border control strategy, and that the Laeken European Council on 15 December had asked the Council and the Commission "to work out arrangements for cooperation between services responsible for external border control and to examine the conditions in which a mechanism or common services to control external borders could be created".

The communication tabled by Mr VITORINO was a substantial contribution to the definition of such an overall strategy for external border control, and to the definition of a framework for common activities in the medium and long term, which was particularly desirable in a context where certain Member States had already submitted or were on the point of submitting their own initiatives to the Council on this subject.

The proposals for concrete measures to be implemented in the short and medium term were not accompanied by a detailed analysis of all their legal, institutional or budgetary implications, since this communication, essentially political in nature, was intended primarily to stimulate an initial general discussion in the Council.

Mr VITORINO confirmed that the present political situation, and the state of public opinion in various Member States, strengthened the need, already identified by the Laeken European Council, to test the degree of mutual confidence between Member States and to give European citizens an overall vision of the future in a field where they tended to feel a sense of vulnerability.

He set out the various elements of the proposed strategy, viz.:

- A legislative aspect: while working towards more effective implementation of the existing body of Schengen rules and practice, it was necessary to improve the common corpus of legislation in force in certain respects.
- An operational aspect: the establishment of an "External borders practitioners common unit" to provide better coordination between border control services, domestic police services and EUROPOL; introduction of an integrated computerised system for the exchange of information (PROSECUR); establishment of a common risk analysis system; staff training and harmonisation of equipment for border guards; application of the principle of solidarity through operational and financial burden-sharing.

The Commission held an in-depth discussion on this subject, the importance and sensitivity of which were unanimously emphasised; some clarifications were made, particularly with a view to the presentation of the dossier to the general public.

Points mentioned included:

- the need to combat any idea that enlargement was likely to increase insecurity;
- the fact that the vulnerability of external borders was also connected with factors other than illegal immigration (terrorism; money laundering; trafficking in arms; etc.);
- the equal importance to be given to the surveillance of maritime borders and land borders;
- the problems to be resolved in the specific case of Kaliningrad;
- the desirability of a contribution from the Community budget to the financing of surveillance measures at borders, something which was happening already in the applicant countries through appropriations from the PHARE programme.

Following this discussion, and subject to a final revision of the text in order to make it more accessible to the general public, the Commission adopted the communication in COM(2002)233/5, for transmission to the Council and Parliament.

**14. PREPARATIONS FOR THE EU-LATIN AMERICA SUMMIT (MADRID,
17 MAY)
(SEC(2002)513 and /2)**

Mr PATTEN, in agreement with Mr LAMY and Mr NIELSON, tabled an information note relating to preparations for the summit of Heads of State or

Government of the European Union, Latin America and the Caribbean, to be held in Madrid on 17 and 18 May.

He reminded the meeting of the content of the declaration and action plan adopted by the Rio summit in 1999, and took stock of specific measures initiated since then to apply the action plan, essentially in the areas of human rights, the information society, the social field and education.

In addition to confirming the political commitments made at Rio, and thanks to intensive preparations for the summit with the current Council Presidency, the Madrid summit should vigorously relaunch this political partnership process and take audacious new initiatives, particularly as regards:

- a more focused dialogue on certain key issues: strengthening the political dimension of the partnership by seeking greater convergence of views and a more coordinated approach in international bodies (multilateralism; Doha development agenda; ratification of the Kyoto protocol; etc.);
- the search for a concrete partnership with the regional and subregional entities: conclusion of the negotiations in progress with Chile; progress in the negotiations with Mercosur; launch of new initiatives with the Andean Community and Central America (political dialogue and cooperation agreement);
- more targeted cooperation: the most important problem was social justice in the countries concerned.

The Commission held an exchange of views on the development of relations between the EU and Latin America, which should see a growth in privileged links with these countries and help make Europe, within the limits of the trade and cooperation agreements concluded or in the process of negotiation, a genuine alternative focal point for these countries.

Apart from trade relations and economic cooperation, attention was drawn in particular to the crucial role that could be played by cooperation in the field of education (grants for Latin American students to continue their studies in Europe).

Subject to some improvements to the text, agreed during the meeting, the Commission took note of the information note from Mr PATTEN, presented in agreement with Mr NIELSON and Mr LAMY, in SEC(2002)513/2.

15. RELATIONS WITH NON-MEMBER COUNTRIES **(SEC(2002)545 and /2)**

15.1. RESULTS OF EU-US SUMMIT ***(WASHINGTON, 2 MAY)***

The PRESIDENT, Mr PATTEN and Mr LAMY reported on their talks with President BUSH and representatives of the US administration in Washington DC on 2 May at the EU-US summit.

They outlined the main topics tackled:

- combating terrorism;
- the situation in the Middle East;
- trade disputes (monitoring implementation of the WTO decision favourable to the EU on Foreign Sales Corporations; measures taken or planned by both sides on the steel industry);
- Farm Bill: bill to increase subsidies substantially, whose compatibility with WTO rules should be checked.

The Commission held a brief exchange of views on the presentation in the American press of the EU position on the conflict in the Middle East, and on accusations against European governments of laxity in their treatment of attacks on the Jewish community in certain Member States. It noted in this connection that Mr PATTEN had had a reply to one such article published in the *Washington Post*.

Mr PATTEN also referred to the detailed information note (SEC(2002)545 and /2) he had distributed to Members on EU assistance to the Palestinian Authority, giving an update on various types of financial assistance to the Palestinian Authority and replying to allegations, particularly in Israel, that some of these funds might have been diverted to finance terrorist activities.

15.2. G8 - MEETING OF ENERGY MINISTERS
(DETROIT, USA, 3 MAY)

Ms de PALACIO distributed the statement by the co-presidents (United States and Canada) published following the meeting of energy ministers of the G8 countries in Detroit on 3 May, emphasising among other things:

- the need to increase energy efficiency and to diversify energy sources in order to reduce the impact on the environment of their production and use (greenhouse gases, climate change);
- agreement by most G8 members that nuclear energy was of value in this connection, provided that optimum conditions for security and the treatment of waste were guaranteed;
- undertaking by the G8 members to make a constructive and substantial contribution to the work of the conference on sustainable development (Johannesburg: 26/08/2002 - 04/09/2002) and in other bodies.

**15.3. CONFERENCE OF ENERGY MINISTERS OF THE
MEDITERRANEAN COUNTRIES
(TUNIS, 6 MAY)**

Ms de PALACIO reported on the main subjects dealt with at a ministerial-level conference on energy supply for the Euro-Mediterranean region, held in Tunis on 6 May.

Emphasising the obvious interdependence between the southern Mediterranean rim, a net exporter of energy, and the northern rim, a net importer, she reported that she had encouraged the political and economic players in the region to pool their efforts to set up TransEuro-Mediterranean energy and transport networks, which would be a powerful vehicle for integration and stability between the two Mediterranean rims.

16. OTHER BUSINESS

PRESIDENTIAL ELECTIONS IN FRANCE

The Commission held a brief exchange of views on the results of the presidential elections in France, and on the uncertainty at this stage affecting any forecast of the outcome of the forthcoming general election.

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The meeting closed at 1155 hours.