



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2002)1570 final

Brussels, 11 June 2002

MINUTES
of the 1570th meeting of the Commission
held in Brussels
(Breydel)
on Wednesday 5 June 2002
(morning)

These minutes were approved by the Commission at its 1571th meeting, held in Strasbourg on 11th June 2002.

They contain 26 pages.

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Single sitting: Wednesday 5 June (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 FISCHLER	
Mr LIIKANEN	
Mr BOLKESTEIN	
Mr SOLBES	
Mr NIELSON	
Mr VERHEUGEN	
Mr PATTEN	
Mr LAMY	
Mr BARNIER	
Ms REDING	
Ms SCHREYER	
Mr VITORINO	
Ms DIAMANTOPOULOU	

Absent:

Mr BUSQUIN
Mr BYRNE
Ms WALLSTRÖM

The following sat in to represent absent Members of the Commission

Mr JACOB	Chef de cabinet to Mr Busquin	
Mr POWER	Chef de cabinet to Mr Byrne	
Mr ANNERBERG	Chef de cabinet to Ms Wallström	Items 1 to 14
Ms CARPARELLI	Deputy Chef de cabinet to Ms Wallström	Items 15 and 16

The following also sat in

Mr MANSERVISI	Chef de cabinet to the President	
Mr FAULL	Commission Spokesman	
Mr MOAVERO MILANESI	Deputy Secretary-General	Item 12
Mr WAINWRIGHT	Principal Legal Adviser	
Mr PLANAS	Chef de cabinet to Mr Solbes	
Mr ABOU	Chief Adviser in the President's Office	Item 13
Mr DANIELSSON	Deputy Chef de cabinet to Mr Verheugen	Item 13
Mr GUSSETTI	A member of the President's staff	Item 12
Mr VIGNON	Director in the Secretariat-General	Item 12
Ms BUGNOT	Director in the Secretariat-General	Item 12
Mr SERVOZ	Unit Head in the Secretariat-General	Item 12
Mr BROCHART	Unit Head in the Secretariat-General	
Ms CORUGEDO-STENEBOURG	Unit Head in the Press and communication DG	
Ms DALBY	Secretariat-General	Item 12
Mr FETELIAN	Secretariat-General	Item 12
Mr HAGLEITNER	Secretariat-General	
Mr DE RYNCK	Spokesman	Item 12

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

1. AGENDAS

(OJ(2002)1570/3; SEC(2002)621/2)

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(2002)1570)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 3 June.

3. APPROVAL OF MINUTES AND SPECIAL MINUTES OF 1569th MEETING

(28 May)

(PV(2002)1569 to /3; PV(2002)1569, Part II and /2)

The Commission approved the minutes of its 1569th meeting.

4. PARLIAMENT

4.1. MARCH II PART-SESSION

(SP(2002)1789)

The Commission took note of the record of Parliament's part-session held in Brussels on 29 and 30 May.

4.2. ACTION TO BE TAKEN ON PARLIAMENT'S OPINIONS
(SP(2002)1814)

The Commission approved the proposed empowerment decisions relating to action to be taken on the amendments presented by Parliament under the codecision and consultation procedures (see list produced by the Secretariat-General in SP(2002)1814).

4.3. PARLIAMENTARY AFFAIRS GROUP
(SP(2002)1820)

The Commission took note of the record of the meeting of the Parliamentary Affairs Group held on Thursday 30 May.

It paid particular attention to the following:

a) Preparations for June 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

- ROTH-BEHRENDT report, Cosmetic products,
COM(2000)189 - 00/0077 (COD)

The Commission adopted the line set out in SP(2002)1807 involving the rejection of some amendments.

- NISTICÓ report, Human blood and blood components,
COM(2000)816 - 00/0323 (COD)

The Commission adopted the line set out in SP(2002)1780/3 involving the rejection of some amendments.

Empowerment

Under Article 13 of its Rules of Procedure the Commission empowered Mr LIIKANEN, Mr BYRNE and Mr SOLBES, 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)1807, 1780, 1780/3, 1768 and 1748, 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:

- ROTH-BEHRENDT report, Cosmetic products,
COM(2000)189 - 00/0077 (COD)
- NISTICÓ report, Human blood and blood components,
COM(2000)816 - 00/0323 (COD)
- BOUWMAN report, Labour force sample survey,
COM(2001)319 - 01/0127 (COD)
- BAKOPOULOS report, Dangerous substances and preparations
(azocolourants),
COM(1999)620 - 99/0269 (COD)

1st reading and simple consultation

- KLASS report, Indication of the ingredients present in foodstuffs,
COM(2001)433 - 01/0199 (COD)

The Commission adopted the line set out in SP(2002)1813/2 involving the rejection of some amendments.

- QUISTHOUDT-ROWOHL report, Rules for participation in and the dissemination of research results for the implementation of the EC framework programme,
COM(2001)500 - 01/0202 (COD)
- QUISTHOUDT-ROWOHL report, Rules for the participation of undertakings, research centres and universities in the implementation of the Euratom framework programme,
COM(2001)725 - 01/0327 (CNS)

The Commission adopted the line set out in SP(2002)1791/2, but decided to accept amendment 25 in part.

In case a Council meeting (Research) should be held, and given the urgency of the matter, the Commission, under Article 13 of its Rules of Procedure, empowered Mr BUSQUIN, in agreement with the PRESIDENT, Ms de PALACIO and any other Members associated, to adopt and transmit to the Council, in accordance with Article 250(2) of the Treaty, once Parliament had given its opinion, amended proposals on the basis of the line set out in SP(2002)1791/2.

- VAN VELZEN report, RDTD programme: Integrating and strengthening the European research area,
COM(2001)279 - 01/0122 (CNS)

- ZORBA report, RDTD programme: Structuring the European research area,
COM(2002)43 - 01/0123 (CNS)
- PIETRASANTA report, RDTD programme: Joint Research Centre,
COM(2002)43 - 01/0124 (CNS)
- ALYSSANDRAKIS report, Specific research and training programme: nuclear energy,
COM(2002)43 - 01/0125 (CNS)
- SCHWAIGER report, Specific research and training programme: Joint Research Centre actions for Euratom,
COM(2002)43 - 01/0126 (CNS)

The Commission adopted the line set out in SP(2002)1792.

In case a Council meeting (Research) should be held, and given the urgency of the matter, the Commission, under Article 13 of its Rules of Procedure, empowered Mr BUSQUIN, in agreement with the PRESIDENT, Ms de PALACIO and any other Members associated, to adopt and transmit to the Council, in accordance with Article 250(2) of the Treaty, once Parliament had given its opinion, amended proposals on the basis of the line set out in SP(2002)1792.

b) Action taken on Parliament's opinions and resolutions

The Commission adopted SP(2002)1706 on the action taken on Parliament's opinions and resolutions adopted at its April I and II part-sessions.

4.4. OTHER MATTERS

***PROPOSAL FOR A PARLIAMENT AND COUNCIL REGULATION ON
GENETICALLY MODIFIED FOOD AND FEED
(COM(2001)425 final)***

Mr LAMY referred to the votes on 4 June in Parliament's Committee on the Environment, Public Health and Consumer Policy, which were likely to lead to a significant hardening compared with the approach taken by the Commission in its initial proposal. He reminded the meeting of the delicate balance which the Commission had struck in adopting the proposal, and pointed out that, if passed in plenary, the proposed amendments would entail serious difficulties for the Community's international commitments, particularly as regards WTO rules.

5. PERMANENT REPRESENTATIVES COMMITTEE (SI(2002)611)

The Commission took note of the Secretariat-General's reports on recent meetings of the Permanent Representatives Committee.

It paid particular attention to the following:

***ASSOCIATION OF SWITZERLAND IN THE IMPLEMENTATION OF THE
SCHENGEN ACQUIS - ADOPTION OF NEGOTIATING MANDATES
(SI(2002)611)***

In view of the latest developments in this matter and particularly the fact that the Council was tending towards a unanimous decision against the negotiation of two separate agreements (1st and 3rd pillar) as desired by the Commission

(PV(2002)1569, item 5), the Commission agreed to the entry of a joint Council and Commission statement in the Council minutes.

6. MONITORING THE APPLICATION OF COMMUNITY LAW

**(SEC(2002)604; COM(2002)280 to /5; SEC (2002)586/2; SEC(2002)636;
SEC(2002)629; SEC(2002)643)**

6.1. STATE AID

(SEC(2002)604)

The Commission adopted the decisions in SEC(2002)604.

6.2. STATE AID - PROGRESS REPORT ON GUIDELINES FOR STATE AID FOR SERVICES OF GENERAL ECONOMIC INTEREST

(COM(2002)280 to /5)

The Commission approved the report in COM(2002)280/4 for transmission to Parliament and the Council.

6.3. INFRINGEMENTS - LEGAL SERVICE NOTE CONCERNING ARTICLE 228 PROCEDURES AS REGARDS REPEATED INFRINGEMENTS

(SEC(2002)586/2; SEC(2002)636)

The Commission took note of the note from the Legal Service in SEC(2002)586/2.

6.4. INFRINGEMENTS - URGENT CASE

(SEC(2002)629)

The Commission adopted the following decision in SEC(2002)629:

2002/2090 NETHERLANDS

Ban on substance FR-720 (brominated organic flame retardant)

Decision: letter of formal notice

**6.5. *CLOSURE OF THE INVESTIGATIONS INTO FIFA REGULATIONS
ON INTERNATIONAL FOOTBALL TRANSFERS***
(SEC(2002)643)

The Commission took note of the information in SEC(2002)643.

**7. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF
POWERS**

7.1. *WRITTEN PROCEDURES APPROVED*
(SEC(2002)622 to /5)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted by written procedure between 27 and 31 May.

7.2. *SENSITIVE WRITTEN PROCEDURES*
(SEC(2002)623)

The Commission took note of written procedures initiated between 27 and 31 May for the adoption of decisions with political implications.

7.3. *EMPOWERMENT*
(SEC(2002)624 to /5)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the empowerment procedure between 27 and 31 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 27 and 31 May, as archived on the "Greffé 2000" (Registry) website.

8. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2002)625/5)

ADMINISTRATIVE MATTERS

(PERS(2002)89/4)

8.1. *RETIREMENT OF AN A1 OFFICIAL*

On a proposal from Mr KINNOCK, in agreement with the PRESIDENT and Mr LAMY, the Commission accepted the request to be retired submitted by Mr ABBOTT, A1 official, Deputy Director-General in the Trade DG, and in accordance with Article 52 of the Staff Regulations it set the date from which this decision would take effect at 1 October 2002.

8.2. *DG TRADE - PUBLICATION OF A1 POST OF DEPUTY DIRECTOR-GENERAL*

On a proposal from Mr KINNOCK, in agreement with the PRESIDENT and Mr LAMY, the Commission approved the vacancy notice in PERS(2002)92 and asked DG ADMIN to publish it.

This decision would take effect immediately.

8.3. APPLICATION OF ARTICLE 50 OF THE STAFF REGULATIONS

The Commission resumed its discussions on this matter, begun on 20 September 2000 (PV(2000)1492, item 13).

The Commission, on a proposal from Mr KINNOCK, in agreement with the PRESIDENT and Mr NIELSON, adopted the decision in PERS(2002)86 to apply the second stage of the procedure laid down in Article 50 of the Staff Regulations with respect to Mr GRANELL, A2 official and Chief Adviser *ad personam* in the Development DG.

This decision would take effect from 1 October.

9. PROPOSAL FOR A PARLIAMENT AND COUNCIL DIRECTIVE ON THE RE-USE AND COMMERCIAL EXPLOITATION OF PUBLIC SECTOR DOCUMENTS

(COM(2002)207 to /6; SEC(2002)460)

The Commission approved the proposal in COM(2002)270/5 and /6 for transmission to the Council, Parliament, the Economic and Social Committee and the Committee of the Regions.

10. PRELIMINARY DRAFT SUPPLEMENTARY AND AMENDING BUDGET

No 3/2002

(SEC(2002)626 to /4)

The Commission approved preliminary draft supplementary and amending budget No 3 to the 2002 budget as set out in SEC(2002)626/3 and /4, decided to transmit

SEC(2002)626/3 to the budgetary authority, and asked Ms SCHREYER to finalise the technical annex in SEC(2002)626/4 and make it available to the budgetary authority.

11. ADMINISTRATIVE AND BUDGETARY MATTERS (continued from item 8)
(SEC(2002)625/5)

OTHER MATTERS

11.1. WRITTEN QUESTION P-1233/02
(SEC(2002)656)

The Commission approved the draft reply annexed to SEC(2002)656.

11.2. PERFORMANCE OF THE TASKS OF COMMISSION ACCOUNTING
OFFICER - FOLLOW-UP TO DECISIONS TAKEN BY THE
COMMISSION ON 22 MAY

The Commission took note of the information supplied by Mr KINNOCK concerning the administrative situation of Ms ANDREASEN.

12. BETTER REGULATION PACKAGE

- EUROPEAN GOVERNANCE: BETTER LAWMAKING

(COM(2002)275 to /4; SEC(2002)634)

- ACTION PLAN *SIMPLIFYING AND IMPROVING THE REGULATORY ENVIRONMENT*

(COM(2002)278 to /4; SEC(2002)634)

- COMMUNICATION ON IMPACT ASSESSMENT

(COM(2002)276 to /4; SEC(2002)634)

- CONSULTATION DOCUMENT *TOWARDS A REINFORCED CULTURE OF CONSULTATION AND DIALOGUE - PROPOSAL FOR GENERAL PRINCIPLES AND MINIMUM STANDARDS FOR CONSULTATION OF INTERESTED PARTIES BY THE COMMISSION*

(COM(2002)277 to /4; SEC(2002)634)

The PRESIDENT presented a series of communications on simplifying and improving the regulatory environment, made up of four elements:

- a covering communication *European governance: better lawmaking* presenting the whole package and announcing other Commission initiatives for autumn 2002;
- an action plan presenting the actions the Commission itself intended to implement, and proposing to the institutions and Member States actions falling within their responsibility so as to improve the quality of regulation throughout the legislative cycle;
- a communication defining the new method of impact assessment that the Commission would be implementing for its major political and legislative initiatives;

- a communication proposing the definition of minimum standards for consultation before the adoption of an initiative; this communication would itself be open to public consultation.

The package constituted the first application of the principles and guidelines set out in the White Paper on European governance published by the Commission in July 2001, and took account of all the points arising in the debate since then, viz.: the results of the public consultation, the resolution adopted by Parliament in November following the KAUFMANN report, and the recommendations of the high-level group chaired by Mr MANDELKERN.

These communications were the result of intensive preparatory work under the aegis of the Secretariat-General with the active cooperation of all departments. A process of prior information to the other institutions had been started, and the proposed provisions should be implemented at the beginning of 2003, bearing in mind that some of them would involve an interinstitutional agreement.

The Commission held an exchange of views on various aspects of the package, after which the PRESIDENT confirmed that in any event the political consultation and control process would remain completely within the hands of the Commission, and also observed that the implications of this new approach in terms of human resources were difficult to quantify at this stage and would be given suitable consideration at the time of its implementation.

After this debate, the Commission adopted the communications in COM(2002)275/4, COM(2002)276/4, COM(2002)277/4 and COM(2002)278/4, for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions.

13. - EXPLAINING EUROPE'S ENLARGEMENT

(COM(2002)281 to /4; SEC(2002)638)

**- COMMUNICATION ON ACTION PLANS FOR ADMINISTRATIVE AND
JUDICIAL CAPACITY, AND THE MONITORING OF COMMITMENTS
MADE BY THE NEGOTIATING COUNTRIES IN THE ACCESSION
NEGOTIATIONS**

(COM(2002)256 to /4; SEC(2001)638)

In presenting these two documents to the Commission, Mr VERHEUGEN pointed out that progress in the negotiations must go hand in hand with the effective transposal and application of the existing body of Community law and practice. Beyond the negotiations proper, a special effort was being made to monitor progress closely in this area, and most of the commitments given by the applicant countries had up to now been met in line with the agreed timetable, although further effort was needed in a certain number of subject areas. To ensure that enlargement proceeded as harmoniously as possible, the Commission would keep the monitoring process in being until the date of actual accession of new Member States and even after that, up to 2006, via a special transition instrument.

In any case, an in-depth assessment of progress actually made in meeting the various accession criteria would be included in the regular reports whose adoption was planned for 16 October and on the basis of which the Commission should be in a position to draw up recommendations designating the applicant countries that were ready to join.

In terms of political approach, Mr VERHEUGEN drew particular attention to the fact that the present enlargement exercise had, since its launch, been the subject of an unprecedented degree of preparation. He refuted criticisms of the Commission to the effect that the real problems would be hidden, and reminded the meeting that,

without minimising the difficulties to be overcome, the scale of the demands made on the applicant countries must be borne in mind.

As regards more specifically the document *Explaining Europe's enlargement* and the efforts to be made as regards communication, Mr VERHEUGEN pointed to a clear information deficit where the general public was concerned. Although this was essentially a matter for Member States, the Commission should monitor the question as carefully as possible: to this end, the communication strategy on enlargement was vital if enlargement were to enjoy essential democratic support.

Following an exchange of views on the main points, the Commission approved for transmission to the Council, Parliament, the Economic and Social Committee and the Committee of the Regions:

- the report describing the current situation and future prospects as regards communication and information on EU enlargement, as set out in COM(2002)281 and /4;
- the communication on the action plans for administrative and judicial capacity and the monitoring of commitments made by the negotiating countries in the accession negotiations, as set out in COM(2002)256/4.

14. COUNCIL MEETINGS

(SI(2002)632)

14.1. EMPLOYMENT AND SOCIAL POLICY

(3 JUNE, LUXEMBOURG)

(SI(2002)606)

Ms DIAMANTOPOULOU reported on the Council meeting, and particularly the discussions on:

- the relationship between the use of public funds for vocational training for workers and the rules applicable to state aid in this matter;
- the way in which the Council (Economic and Financial Affairs) had dealt with the broad economic policy guidelines;
- the request, repeated at the Council meeting, for the establishment of an institute for gender equality.

14.2. ECONOMIC AND FINANCIAL AFFAIRS

(4 JUNE, LUXEMBOURG)

Mr SOLBES reported that the Council meeting (Economic and Financial Affairs) had made progress in finalising the broad economic policy guidelines (BEPGs) but had held over adoption of its report on the BEPGs for a further meeting of the Council (Economic and Financial Affairs) on 19 June in Luxembourg. On the basis of this report, the Seville European Council should adopt conclusions on the BEPGs which would then be adopted definitively by the Council (Economic and Financial Affairs).

Mr BOLKESTEIN reported that the Council (Economic and Financial Affairs) had reached political agreement by qualified majority on the proposal

for a Parliament and Council Directive concerning the activities of occupational pension institutions.

14.3. *INDUSTRY AND ENERGY*

(6 AND 7 JUNE, LUXEMBOURG)

Referring to the set of measures to promote the use of biofuels (COM(2001)547 final), Ms de PALACIO reported that several delegations in the Council had made their agreement to the tax directive in this package subject to the condition that the compulsory minimum percentage of biofuels, provided for in the proposal for a Directive to promote the use of biofuels in transport, should be and should remain purely indicative. She suggested that the Commission should at this stage merely take note of this request but it could indicate that it was prepared to consider such an option provided a solution similar to Directive 2001/77/EC on the promotion of renewable energy sources could be adopted.

Ms de PALACIO also referred to the dossier on state aid to the coal industry (COM(2001)423 final) and pointed to the importance of the Council adopting the Regulation in question before expiry of the ECSC Treaty. The Commission authorised Ms de PALACIO, in agreement with the PRESIDENT, to accept a solution likely to muster a qualified majority in the Council while complying with the principle of gradual reduction in this aid, as agreed by the Commission on 28 May (PV(2002)1569, item 5).

With a view to the debate on the proposal for a Regulation on a temporary defence mechanism for the shipbuilding industry (COM(2000)582 final), the Commission empowered Mr MONTI, Mr LIIKANEN and Mr LAMY, in agreement with the PRESIDENT, to seek a solution that could muster a qualified majority in the Council.

14.4. RECASTING OF THE FINANCIAL REGULATION

Ms SCHREYER explained that on the fringe of the Council meeting (Economic and Financial Affairs) a conciliation meeting had been held with Parliament on the recasting of the Financial Regulation, at which agreement had been reached on the final outstanding point. She would supply Commission Members with a table comparing the Commission's initial proposal with the version resulting from the discussions in the Council and Parliament.

15. RELATIONS WITH NON-MEMBER COUNTRIES

15.1. CUSTOMS DUTIES - IMPORTS OF CERTAIN PRODUCTS FROM THE USA

(COM(2002)285 final; SEC(2002)655)

Mr LAMY pointed out that on Friday 31 May the Commission had approved by written procedure a proposal for a Council Regulation introducing additional customs duties on imports of certain products from the United States (COM(2002)285 final). He emphasised the need for a certain degree of flexibility as to the date of actual implementation of the proposed measures, particularly in the light of the results of contacts under way with the United States on possible exclusion and compensation measures.

The Commission agreed to the approach set out in SEC(2002)655 and empowered Mr LAMY, in agreement with the PRESIDENT, to finalise the proposal with a view to the Council meeting (General Affairs) on 10 June.

15.2. EU-RUSSIA SUMMIT
(MOSCOW, 29 MAY)

The Commission took note of the information supplied orally by the PRESIDENT, Mr PATTEN, Ms de PALACIO and Mr LAMY on the results of the EU-Russia summit. It noted that Mr PATTEN, Mr VERHEUGEN and Mr VITORINO, in agreement with the PRESIDENT, would be writing to the Council (General Affairs) on the question of Kaliningrad, explaining the possible options and, at the same time, the limited margin for manoeuvre in this matter. It agreed to hold a more detailed debate on this in the near future.

15.3. VISIT BY Mr BOLKESTEIN TO THE UNITED STATES
(22 to 31 May)

Mr BOLKESTEIN reported on his meetings in the United States, dealing in particular with the taxation of savings and financial services.

15.4. CRISIS IN KASHMIR

Following his recent visit to the region, Mr PATTEN underlined the seriousness of the crisis situation between India and Pakistan and gave an update on developments.

16. OTHER BUSINESS

GOLDEN SHARES: JUDGMENTS DELIVERED BY THE COURT OF JUSTICE

Mr BOLKESTEIN referred to three judgments on "golden shares" given by the Court of Justice on 4 June. The Court had broadly followed the line of the communication on certain legal aspects concerning intra-EU investment (OJ C 220,

19.7.1997, page 15) adopted by the Commission in 1997 and confirmed by it in 2001 (PV(2001)1528, items 14 and 15).

The Commission thanked the Legal Service for the high standard of its work in handling these cases.

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The Commission's other discussions on certain agenda items are recorded in the special minutes.

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The meeting closed at 1300 hours.