



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2002)1584 final

Brussels, 16 October 2002

MINUTES

of the 1584th meeting of the Commission

held in Brussels

(Breydel)

on Wednesday 9 October 2002

(morning)

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These minutes were approved by the Commission at its 1585th meeting, held in Brussels on 16th October 2002.

They contain 22 pages.

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Single sitting: Wednesday 9 October (morning)

The sitting opened at 0920 hours with Mr Prodi, President, in the chair.

Present:

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

Absent:

Mr KINNOCK	Vice-President
Mr NIELSON	
Mr LAMY	

The following sat in to represent absent Members of the Commission

Mr KOOPMAN	Chef de cabinet to Mr Kinnock
Mr SCHMIDT	A member of Mr Nielson's staff
Mr THERY	Chef de cabinet to Mr Lamy

The following also sat in

Mr PETITE	Director-General, Legal Service	
Mr MANSERVISI	Chef de cabinet to the President	
Mr FAULL	Commission Spokesman	
Mr KEMPPINEN	Spokesman	Item 12
Mr FILORI	Spokesman	Item 12
Ms CORUGEDO STENEBOG	Press and Communication DG	
Mr ABOU	Chief Adviser in the President's Office	
Ms HOUTMAN	Deputy Chef de cabinet to the President	Item 12
Mr CALLEJA	Chef de cabinet de Ms de Palacio	
Mr SALMI	Chef de cabinet to Mr Liikanen	Item 12
Ms BURY	A member of Mr Bolkestein's staff	Items 8 and 9
Mr PLANAS	Chef de cabinet to Mr Solbes	Items 9, 12 and 13
Mr TEMPEL	Chef de cabinet to Mr Verheugen	Item 12
Ms WEYAND	A member of Mr Lamy's staff	
Mr LANDABURU	Director-General, Enlargement	Item 12
Mr RUETE	Director in the Enlargement DG	Item 12
Mr LEVI	Director, GOPA	Item 12

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

1. AGENDAS

(OJ(2002)1584/3; SEC(2002)1048/2)

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)1584)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 7 October.

**3. APPROVAL OF MINUTES AND SPECIAL MINUTES OF 1583rd
MEETING (2 October)**

(PV(2002)1583; PV(2002)1583, Part II and /2)

The Commission approved the minutes and special minutes of its 1583rd meeting as set out in PV(2002)1583 and PV(2002)1583, Part II and /2.

4. PARLIAMENT

4.1. *PARLIAMENTARY AFFAIRS GROUP*

(SP(2002)3182)

The Commission took note of the record of the meeting of the Parliamentary Affairs Group held on Thursday 3 October.

It paid particular attention to the following:

a) Interinstitutional relations (point 1 of the record)

Codecision procedure - Article 251 EC

- Human blood, 00/0323 (COD)

The Commission adopted the line set out in SP(2002)3076 with a view to the forthcoming conclusion of an agreement on a common draft.

- Waste electrical and electronic equipment, 00/0158 (COD) and
Hazardous substances in electrical and electronic equipment,
00/0159 (COD)

The Commission adopted the line set out in SP(2002)3188 for the conciliation committee meeting on 10 October.

- Protection of workers against noise, 92/0449A (COD)

The Commission adopted the line set out in SP(2002)3075 with a view to the forthcoming conclusion of an agreement on a common draft.

- Dangerous substances (pentabromodiphenyl ether), 01/0018
(COD)

The Commission adopted the line set out in SP(2002)3140 with a view to the forthcoming conclusion of an agreement on a common draft.

b) Preparations for October I to January II part-sessions

(point 2 of the record)

The Commission, in accordance with the rules in force, authorised the 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

- NISTICÓ report, Dangerous substances and preparations (CMR), COM(2001)256, 01/0110 (COD)

The Commission adopted the line set out in SP(2002)3163 and /2, involving the rejection of all the amendments.

Empowerment

Under Article 13 of its Rules of Procedure the Commission empowered Mr LIIKANEN and Ms de PALACIO, 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)3163 and 3166, 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:

- NISTICÓ report, Dangerous substances and preparations (CMR),
- VIDAL-QUADRAS ROCA report, Energy performance of buildings

1st reading and simple consultation

- MOREIRA DA SILVA report, Framework for greenhouse gas emissions trading in the Community, COM(2001)581, 01/0245 (COD)

The Commission adopted the line set out in SP(2002)3170.

Given the urgency of this matter, the Commission, under Article 13 of its Rules of Procedure, empowered Ms WALLSTRÖM, 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, an amended proposal on the basis of the line set out in SP(2002)3170.

4.2. ACTION TO BE TAKEN ON PARLIAMENT'S OPINIONS (SP(2002)2820/2)

The Commission approved empowerment proposals on action to be taken on Parliament's amendments under the codecision and consultation procedures in SP(2002)2820/2, replacing and cancelling SP(2002)2820, approved by the Commission on 11 September (PV(2002)1580, item 4.2).

5. PERMANENT REPRESENTATIVES COMMITTEE

COUNCIL AFFAIRS GROUP (CAG) (SI(2002)1134)

The Commission took note of the record of the meeting of the Council Affairs Group held on Friday 4 October (SI(2002)1134).

It paid particular attention to the following:

- a) Integrated management of the external borders of the Member States**
Proposal for a Council Regulation establishing the criteria and mechanisms for determining the Member State responsible for examining an asylum application lodged in one of the Member States by a third-country national ("Asylum Regulation")

Readmission agreements

The Commission took note of the political link that had been made between the integrated management of the external borders of the Member States and the asylum Regulation, and asked all the departments and Members' Offices concerned to facilitate the coordination necessary to prepare a coherent position to present to the Council.

- b) Proposal for a Parliament and Council Directive amending Directive 94/62/EC on packaging and packaging waste**

The Commission noted that an institutional problem might arise (see SI(2002)1071) in that the Council could unanimously adopt a revision clause calling into question its right of initiative. It agreed that, in that case, the Commission's representative would make the usual statement.

- c) Participation of Commission Members in the informal Council meeting (Competitiveness), Nyborg, 11 and 12 October**

The Commission noted that the Council (Competitiveness), established by the Seville European Council to combine the powers relating to research, the internal market, competition, industry and consumers, was proposing to discuss its methods of operation at its informal meeting in Nyborg on 11 and 12 October. It noted that the mechanisms proposed, in a document prepared by the Presidency, for the preparations for the discussions of the Council

(Competitiveness) and those for the spring European Council called into question the traditional procedures (role of Coreper in preparations for Council meetings) and the institutional orthodoxy (role of the Commission in preparations for the spring European Council).

It asked the Commission Members taking part in this informal meeting to draw attention to the dangers of introducing procedures which paralleled the normal mechanisms.

d) WHO framework convention on tobacco control
Common position on tobacco advertising

The Commission took note that, given the blockage caused by one Member State, the Presidency had raised the possibility of adopting a common position that would take account of internal differences of view within the Community and lead to a situation in which the Community would negotiate on the basis of 14 and not 15 Member States.

While recognising the difficulties caused by the overlapping of powers in this matter, the Commission noted that the provision opposed by one Member State was of purely Community competence, and that agreement on this Article should therefore be by qualified majority.

6. WORK OF THE CONVENTION

PLENARY SESSION OF 3 AND 4 OCTOBER
(SEC(2002)1071)

The Commission took note of the information in SEC(2002)1071.

**7. MONITORING THE APPLICATION OF COMMUNITY LAW: STATE AID
(C(2002)3567 to /3)**

STATE AID - CASE DEFERRED

The Commission adopted the decision in C(2002)3567/3 (Case N 171/2002 - DaimlerChrysler/Berlin).

8. WRITTEN PROCEDURES AND EMPOWERMENT

***8.1. WRITTEN PROCEDURES APPROVED
(SEC(2002)1049 to /5)***

The Commission took note of the Secretariat-General's memoranda recording decisions adopted by written procedure between 30 September and 4 October.

***8.2. SENSITIVE WRITTEN PROCEDURES
(SEC(2002)1050)***

The Commission took note of the following written procedures initiated between 30 September and 4 October for the adoption of decisions with political implications:

Time limit: 07.10.2002

E/2002/1870 - COM(2002)545

DG MARKT

Commission report: Development and implications of patent law in the field of biotechnology and genetic engineering.

E/2002/1886 - COM(2002)548

DG JAI

EXPEDITED

Proposal for a Council directive on the conditions of entry and residence of third-country nationals for the purpose of studies, vocational training or voluntary service.

Time limit: 08.10.2002

E/2002/1885 - C(2002)3652

DG TRADE

Commission decision concerning trade practices maintained by Korea affecting trade in commercial vessels.

8.3. *EMPOWERMENT*

(SEC(2002)1051 to /5)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the empowerment procedure between 30 September and 4 October.

8.4. *GENERAL EMPOWERMENT IN THE FIELD OF THE COMMUNITY*

ECO-LABEL AWARD SCHEME

(SEC(2002)1045 and /2)

The Commission approved the empowerment decision set out in section C of SEC(2002)1045.

8.5. *UPDATING OF GENERAL EMPOWERMENT IN THE FIELD OF THE COHESION FUND*
(SEC(2002)1069)

The Commission approved the updating of this empowerment as set out in section B of SEC(2002)1069.

8.6. *UPDATING OF GENERAL EMPOWERMENT IN THE FIELD OF THE PRE-ACCESSION STRUCTURAL INSTRUMENT*
(SEC(2002)1070)

The Commission approved the empowerment decision set out in section B of SEC(2002)1070.

8.7. *DELEGATION AND SUBDELEGATION OF POWERS*

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation procedure between 30 September and 4 October, as archived on the "Greffé 2000" (Registry) website.

8.8. *DELEGATION OF POWERS FOR THE APPOINTMENT, REPLACEMENT OR RENEWAL OF MEMBERS AND SUBSTITUTE MEMBERS OF THE CONSUMER COMMITTEE*
(SEC(2002)1046)

The Commission agreed to delegate the powers set out at point IV of SEC(2002)1046.

9. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2002)1052/3)

ADMINISTRATIVE MATTERS

(PERS(2002)140/2)

9.1. DG ADMIN - APPOINTMENT OF ACTING DIRECTOR OF EPSO AND ATTACHMENT OF THE RECRUITMENT POLICY UNIT TO THE DIRECTOR-GENERAL

The Commission, on a proposal from Mr KINNOCK, in agreement with the PRESIDENT, decided to appoint Mr Erik HALSKOV Acting Director of EPSO (European personnel selection office) until the new Director was appointed, subject to a maximum of twelve months, and to make the Recruitment Policy Unit answerable to the Director-General for Personnel and Administration.

These decisions would take effect immediately.

9.2. DG ECFIN.F - TEMPORARY OCCUPATION OF AN A2-LEVEL POST

The Commission, on a proposal from Mr KINNOCK, in agreement with the PRESIDENT and Mr SOLBES, decided under Article 7(2) of the Staff Regulations to deem Mr Sotirios KOLLIAS, an A3 official and currently Head of Unit ECFIN.C.6 (Financial integration and capital movements), to have been appointed temporarily to the post of Director of Directorate ECFIN.F from 1 February 2001 to 31 January 2002.

This decision would take effect immediately.

9.3. JRC.E - A2 POST OF DIRECTOR

The Commission had before it applications under Article 29(2) of the Staff Regulations for the A2 post of Director at the Institute for Transuranium Elements (Karlsruhe) in the Joint Research Centre, no applications having been received under Articles 29(1)(a) or 29(1)(c) (PERS(2002)65/2).

The Commission took note of the opinions of the Consultative Committee on Appointments of 25 September and 2 October (PERS(2002)65/3 and /4).

The Commission proceeded to compare the applicants' qualifications for the post. On a proposal from Mr KINNOCK, in agreement with the PRESIDENT and Mr BUSQUIN, it then decided to appoint Mr LANDER to the post.

This decision would take effect on 1 November.

10. REGULAR REPORTS ON PROGRESS ACHIEVED BY THE APPLICANT COUNTRIES TOWARDS ACCESSION

**(SEC(2002)1400 and /2; SEC(2002)1401 and /2; SEC(2002)1402 and /2;
SEC(2002)1403 and /2; SEC(2002)1404 and /2; SEC(2002)1405 and /2;
SEC(2002)1406 to /3; SEC(2002)1407 and /2; SEC(2002)1408 and /2;
SEC(2002)1409 and /2; SEC(2002)1410 and /2; SEC(2002)1411 to /3;
SEC(2002)1412 to /3; SEC(2002)1413)**

The Commission took note of the thirteen regular reports on the progress made by the applicant countries, as the factual basis for the composite paper on the progress towards accession by each of the candidate countries, entered as item 12 on the agenda for that day's meeting (COM(2002)700/2). It agreed that these reports would accompany the composite paper when this was transmitted to the Council and Parliament.

11. PARLIAMENT (continued from item 4)

DRAFT BUDGET FOR 2003

Ms SCHREYER reported that there was now a possibility that the Commission could secure entry in the 2003 budget of appropriations for the recruitment of 500 auxiliary staff to strengthen the Commission's human resources for preparations for the accession of the new Member States.

**12. COMMUNICATION ON THE STRATEGY PAPER FOR ENLARGEMENT
(COM(2002)700 and /2)**

Introducing the debate, the PRESIDENT noted that the Commission was called upon that day to take the most important decision of its term of office and one which would radically change the structure of the European Union and its role in the world.

All his colleagues paid tribute to the PRESIDENT for the unfailing firmness and determination with which he had tackled the enlargement process from the outset of his term of office, and for having treated it as the Commission's first priority since then.

The Commission as a whole repeated its congratulations and thanks to Mr VERHEUGEN and his departments, which, under the authority of Mr LANDABURU, and with the active help of all the departments concerned, had played the key role of initiative and impetus required of the Commission throughout the negotiation process.

Mr VERHEUGEN made a detailed presentation of the composite paper on the progress made by the applicant countries towards accession.

The conclusions and recommendations set out in the document were based on a full and detailed analysis of the remarkable efforts already made by the applicant countries since the beginning of the process and of their current situation, and also the commitments they had made in the various subject areas, which they must fulfil before they could actually join.

The forecasts included in the assessment of the degree of preparation of the various candidate countries justified both the introduction of a procedure for monitoring the commitments made between the signature of the Treaty and accession - including the presentation of a full follow-up report six months before accession - and the inclusion in the Treaty of two types of safeguard clause: a general safeguard clause on the economic level, and a safeguard mechanism specially linked to the internal market in its broader sense.

He described the operation of this specific safeguard mechanism linked to the internal market, drawing particular attention to the central role of the Commission, which according to the proposal would have the responsibility of implementing it at the request of any Member State or on its own initiative, without having to use a committee procedure. He proposed limiting the use of this mechanism to a period of two years.

In conclusion, Mr VERHEUGEN proposed the following recommendations:

- for ten countries (Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Czech Republic, Slovakia, Slovenia), to conclude the negotiations by the end of 2002 so as to be able to sign the Accession Treaty in spring 2003;

- for Bulgaria and Romania, which had chosen 2007 as the target date for accession, to pursue the negotiations, which would continue to be handled separately for each country on its own merits;
- for Turkey, to take note of the remarkable progress made towards meeting the Copenhagen political criteria and to record the advances on the ground in the economic criteria and as regards alignment on the existing body of Community law and practice, while concluding that further efforts were still needed in various subject areas.

As regards the financial aspects, the aid granted to Bulgaria and Romania should be significantly increased from the date of the first accession round and, given Turkey's requirements and capacity for absorption, the total aid for that country could be at least doubled by 2006. This financial aid would be entered under heading 7 of the financial perspective (Enlargement), and no longer heading 4 (External operations).

In the light of this presentation, the Commission held a round-table discussion focusing on the following subjects:

- the general assessment of the degree of preparation that the candidate countries would have achieved by the end of 2003, given the commitments they had made and which they must honour before accession;
- the safeguard clauses (general economic clause and specific mechanism linked to the internal market) and more particularly their scope, duration and operation;
- the monitoring process and the conclusions to be drawn therefrom at the appropriate time;
- the special situation of Bulgaria, Romania and Turkey.

Following an in-depth discussion, the Commission adopted a number of amendments to COM(2002)700/2 (English version) and particularly:

- page 20: the following text was added to the last sentence in the penultimate paragraph of Subsection 2.3.1 on financial control:

"Countries need to ensure the proper management of pre-accession funds and to strengthen administrative structures to protect the Community's financial interests **by the second half of 2003**";

- page 28: the second bullet point should read as follows:

"The Commission should be authorised to take the decisions on the necessary measures. The measures should be proportional and limited in time";

- page 28: in the penultimate paragraph of item 3.4, the first sentence should read as follows:

"The comprehensive Monitoring Report will identify any areas where, in the absence of remedial action, such safeguard measures may be considered."

- page 35: in Section 6 "Conclusions and recommendations", the following text was added to the second sentence of item (2):

"Bearing in mind... and taking into account their preparation work in progress **and foreseen**, the Commission considers... ";

- page 36: in item 6, the last sentence but one should read as follows:

"Furthermore, pre-accession assistance provided to Bulgaria and Romania should be increased considerably from the date of the first round of accessions, linked to progress in implementing the roadmaps."

Subject to these amendments, the Commission adopted COM(2002)700/2 for transmission, accompanied by the regular reports referred to in item 10 of these minutes, to the Council and Parliament.

13. COUNCIL MEETINGS

(SI(2002 (1123)

13.1. TRANSPORT, TELECOMMUNICATIONS, ENERGY (LUXEMBOURG, 3-4 OCTOBER)

Ms de PALACIO reported on the Council meeting, which had been devoted mainly to a general discussion on the liberalisation of the gas and electricity markets.

In its conclusions, the Presidency had set itself the goal of reaching agreement on this matter at the next meeting, scheduled for 25 November.

13.2. ECONOMIC AND FINANCIAL AFFAIRS (LUXEMBOURG, 8 OCTOBER)

Mr SOLBES commented briefly on the main conclusions of the Eurogroup meeting on 8 October, on the fringe of the meeting of the Council (Economic and Financial Affairs).

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The meeting closed at 1315 hours.