



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2003)1598 final

Brussels, 5 February 2003

MINUTES

of the 1598th meeting of the Commission

held in Brussels

(Breydel)

on Thursday 30 January 2003

(morning)

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These minutes were approved by the Commission at its 1599th meeting, held in Brussels on 5th February 2003.

They contain 26 pages.

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Single sitting: Thursday 30 January (morning)

The sitting opened at 0930 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 BOLKESTEIN	
Mr BUSQUIN	
Mr SOLBES	
Mr VERHEUGEN	
Mr BYRNE	
Mr BARNIER	
Ms REDING	
Ms SCHREYER	
Ms WALLSTRÖM	
Mr VITORINO	
Ms DIAMANTOPOULOU	

Absent:

Mr LIIKANEN
Mr BUSQUIN
Mr NIELSON
Mr PATTEN
Mr LAMY

The following sat in to represent absent Members of the Commission

Mr SALMI	Chef de cabinet to Mr Liikanen
Ms RUSSO	A member of Mr Busquin's staff
Mr BECHET	Deputy Chef de cabinet to Mr Nielson
Mr CHILD	A member of Mr Patten'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	
Mr MANN	Spokesman	Item 10
Mr DE RYNCK	Spokesman	Item 11
Mr LUEDER	Spokesman	Item 6
Mr CARVOUNIS	Press and Communication DG	
Mr DE LECEA	Adviser in the President's Office	Items 12 and 15
Mr GOZI	A member of the President's staff	Item 14
Mr SMULDERS	A member of the President's staff	Item 11
Mr PEREZ MONTES	A member of Ms de Palacio's staff	Item 13
Mr PLANAS	Chef de cabinet to Mr Solbes	Item 12
Mr MARTINEZ	A member of Mr Solbes's staff	Item 12
Mr HALL	Deputy Chef de cabinet to Mr Barnier	Item 15
Mr FONSECA MORILLO	Deputy Chef de cabinet to Mr Vitorino	Item 11
Mr CHRISTENSEN	A member of Mr Vitorino's staff	Item 14
Mr LEYGUES	Director in the Regional Policy DG	Item 15
Mr CAL	Regional Policy DG	Item 15
Ms COMMEAU	Energy and Transport DG	Item 13
Mr PONZANO	Secretariat-General	Item 11

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

1. AGENDAS

(OJ(2003)1598/3; SEC(2003)81/2)

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

2. WEEKLY MEETING OF CHEFS DE CABINET

(SEC(2003)1598)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Tuesday 28 January.

3. APPROVAL OF MINUTES AND SPECIAL MINUTES OF 1597th MEETING

(21 January)

(PV(2003)1597; PV(2003)1597, Part II; PV(2003)1597, Part II and /2)

The Commission approved the minutes of its 1597th meeting.

4. PARLIAMENT

PARLIAMENTARY AFFAIRS GROUP

(SP(2003)259)

The Commission took note of the record of the meeting of the Parliamentary Affairs Group held on Thursday 23 January.

It paid particular attention to the following:

a) Preparations for January II to May I part-sessions

(point 2 of the record)

Specific points to consider: January II

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 concerned, to take a position on Parliament's amendments to its proposals.

It paid particular attention to the following:

1st reading and simple consultation

- WIJKMAN report, Aid for poverty diseases in developing countries, COM(2002)109, 02/0051 (COD)

The Commission noted Parliament's wish to increase substantially the financial allocation for combating diseases attributable to poverty in the developing countries. Although it supported this approach, it noted that at this stage the budgetary position did not allow commitments to be made to this effect, and decided to take this line in its proposals concerning future budgetary exercises.

Subject to this clarification, the Commission approved the line set out in SP(2002)3962/2 and /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(2003)179), for transmission to Parliament.

- The Commission adopted SP(2003)178/2 on the action taken on Parliament's opinions and resolutions adopted at its December I and II part-sessions.

c) Other matters (point 8 of the record)

Special meeting of COSAC on 27 January

The Commission adopted the line set out in SP(2003)277, subject to amending item 3 to read as follows: "*The Commission **agrees to** the idea of presenting...*".

5. PERMANENT REPRESENTATIVES COMMITTEE

(SI(2003)62 and /2)

COUNCIL AFFAIRS GROUP (CAG)

(SI(2003)62/2)

The Commission took note of the record of the meeting of the Council Affairs Group held on Friday 24 January.

It paid particular attention to the following:

a) Court of Justice judgment of 21 January (Case C-378/00) - Committee procedure - Partial annulment of Parliament and Council Regulation (EC) No 1655/2000 concerning the Financial Instrument for the Environment (LIFE)

This judgment concerned the type of committee procedure selected on the basis of Decision 1999/468/EC (committee procedure decision) and concluded that when the Community legislator, in its choice of a committee procedure, departed from the indicative criteria laid down in the committee procedure

decision, it must justify this decision. This had not been done for Article 11(2) of the LIFE Regulation, where the legislator, in departing from the indicative criteria, had selected the regulatory procedure without justifying its choice.

Since the Court had therefore annulled Article 11(2) of the Regulation, the Commission empowered Ms WALLSTRÖM, in agreement with the PRESIDENT, to propose the necessary amendments to this Article as soon as possible.

b) List of legislative proposals that could be the subject of public debate in the Council

The Commission took note of the list of legislative proposals that could be the subject of public debate in the Council, under Article 8(1) of the Council's Rules of Procedure (see SI(2003)62/2, Annex I).

6. MONITORING THE APPLICATION OF COMMUNITY LAW: STATE AID - CASES POSTPONED (C(2003)34 to /6)

The Commission adopted the decision in C(2003)34/6 (Case NN 47/2002 - Business tax regime applicable to France Télécom, and Case N 779/2002 - Financial measures put in place by the state in support of France Télécom).

7. WRITTEN PROCEDURES AND EMPOWERMENT

7.1. WRITTEN PROCEDURES APPROVED

(SEC(2003)82 to /5)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted by written procedure between 20 and 24 January.

7.2. SENSITIVE WRITTEN PROCEDURES

(SEC(2003)83)

The Commission took note of the following written procedures initiated between 20 and 24 January for the adoption of decisions with political implications:

Time limit: 27.01.2003

E/2003/122 - C(2003)409

External Relations DG

Urgent procedure

Draft Commission Regulation amending for the ninth time Council Regulation (EC) No 881/2002 imposing certain specific restrictive measures directed against certain persons and entities associated with Usama bin Laden, the Al-Qaida network and the Taliban, and repealing Council Regulation (EC) No 467/2001.

Time limit: 30.01.2003

E/2003/88 - COM(2003)37

Employment and Social Affairs DG

Commission communication on progress on the implementation of the Joint Assessment Papers on employment policies in candidate countries.

Time limit: 31.01.2003

E/2003/101 - COM(2003)42 Health and Consumer Protection DG

Report on the implementation and evaluation of Community activities
1999-2001 in favour of consumers, under the general framework as
established by Decision 283/1999/EC.

E/2003/102 - COM(2003)44 Health and Consumer Protection DG

Proposal for a Parliament and Council Decision establishing a general
framework for financing Community actions in support of consumer policy
for the years 2004-07.

7.3. *EMPOWERMENT*

(SEC(2003)84 to /5)

The Commission took note of the Secretariat-General's memoranda recording
decisions adopted under the empowerment procedure between 20 and
24 January.

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 20 and 24 January,
as archived on the "Grefte 2000" (Registry) website.

8. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2003)85 to /3)

ADMINISTRATIVE MATTERS

(PERS(2003)12)

8.1. DG ADMIN - EXEMPTION FROM THE RULES GOVERNING IN-SERVICE TRAINING AT THE COMMISSION, WITH A VIEW TO RECRUITING AUXILIARY STAFF IN THE CONTEXT OF PRE-ENLARGEMENT

The Commission referred to its decision of 7 July 1997 on the rules governing in-service training at the Commission. It decided:

- to derogate from the provisions of Article 19 of that decision to allow former trainees to be recruited as auxiliaries within twelve months following the end of their training;
- to limit this exemption strictly to former trainees who were nationals of one of the current ten accession countries, and who fulfilled the recruitment conditions.

This Decision would be valid up to 31 December 2003 and could be renewed, on a Commission decision, twice for 2004 and 2005, in the light of the Commission's requirements and the appropriations available.

8.2. DG ENV - APPLICATION OF ARTICLE 50 OF THE STAFF REGULATIONS IN RESPECT OF AN A1 OFFICIAL (SECOND STAGE)

The Commission continued its discussions on this matter, begun on 3 December (PV(2002)1592).

The Commission, on a proposal from Mr KINNOCK, in agreement with the PRESIDENT and Ms WALLSTRÖM, adopted the decision in PERS(2003)15 to apply the second stage of the procedure laid down in Article 50 of the Staff Regulations in respect of Mr VERSTRYNGE, an A1 official, currently Deputy Director-General, Environment.

This decision would take effect on 1 March.

8.3. SDT - AMENDMENT OF ORGANISATION CHART
(C(2003)391 to /3)

On a proposal from Mr KINNOCK, in agreement with the PRESIDENT, the Commission approved the changes to the Translation Service's organisation chart set out in C(2003)391/2 and /3.

This decision would take effect on 1 July.

8.4. SDT.A - PROCEDURE FOR PUBLICATION OF A2 POST OF DIRECTOR
(PERS(2003)13)

The Commission authorised the internal, interinstitutional and external publication of the post of Director of Directorate A in the Translation Service under Articles 29(1)(a), 29(1)(c) and 29(2) of the Staff Regulations as set out in PERS(2003)13.

8.5. DG COMP - PROCEDURE FOR PUBLICATION OF A2 POST OF CHIEF ECONOMIST
(PERS(2003)14 to /3)

The Commission authorised the internal, interinstitutional and external publication of the post of Chief Economist in the Competition DG under

Articles 29(1)(a), 29(1)(c) and 29(2) of the Staff Regulations, as set out in PERS(2003)14/3.

This decision would take effect immediately.

**9. PROPOSAL FOR A DIRECTIVE ON MEASURES AND PROCEDURES TO ENSURE THE ENFORCEMENT OF INTELLECTUAL PROPERTY RIGHTS
(COM(2003)46 to /3; SEC(2003)119)**

The Commission adopted the proposal for a Directive on measures and procedures to ensure the enforcement of intellectual property rights, as set out in COM(2003)46/3, for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions.

**10. PROGRESS REVIEW OF REFORM
(COM(2003)40 to /4; SEC(2003)103 and /2; SEC(2003)115)**

Mr KINNOCK tabled a communication *Progress review of reform*, as called for in the White Paper adopted by the Commission on 1 March 2002.

He focused his comments on three key conclusions resulting from this in-depth consideration of the progress of the reform:

- the report took full account of the impressive efforts made by the institution and its staff to adapt to the many requirements of the reform (implementation, in less than three years, of 87 of the 98 actions required by the White Paper);

- as regards the reform of the Staff Regulations, the result of which would depend on the outcome of the negotiations under way with the Council, the Commission had fulfilled all the commitments made, particularly vis-à-vis the staff representatives, while defending its initial proposal and rejecting any alternative proposal likely to empty it of meaning;
- to avoid any error of interpretation as to the real thrust of the discussions in progress in the Council on the reform of the Staff Regulations, the Commission should boost its efforts to keep staff informed.

The PRESIDENT shared this analysis and stated that at the Commission's visit to the Greek Presidency on 9 and 10 January in Athens, Mr SIMITIS had confirmed his determination to secure political agreement on the legislative package of the reform (Staff Regulations) by the end of the first half of 2003.

The Commission adopted the communication presented by Mr KINNOCK on consideration of the progress of the reform in COM(2003)40/4, for transmission to the Council and Parliament.

11. WORK OF THE CONVENTION

11.1. PLENARY SESSION OF 20 AND 21 JANUARY

(SEC(2003)89 and /2)

The Commission took note of the record of the plenary session of the Convention held on 20 and 21 January.

11.2. MEETING OF THE PRESIDIUM OF THE CONVENTION
(29 JANUARY)

Mr BARNIER and Mr VITORINO reported on the main guidelines adopted in the Presidium in drawing up the draft articles, particularly as regards the sharing of powers.

They set out the subject areas or policies which had been included at this stage in each of the three categories defined (exclusive powers; shared powers; areas for supporting action).

This classification - while differing from that proposed by the Commission - enabled the existing body of Community law and practice to be preserved, and the text of Article 15 (equivalent to Article 308 of the EU Treaty) allowed the possibility of development of the system. Nevertheless, an agreement on these proposals could be reached only subject to an overall assessment, at a later stage, of all the proposals affecting the field of powers.

The Commission held an exchange of views on the classification of certain areas of responsibility and on the foreseeable timetable of the Convention's work and how it related to that of the Intergovernmental Conference.

**12. COMMISSION RECOMMENDATIONS FOR COUNCIL OPINIONS,
PURSUANT TO ARTICLE 5(3) OF REGULATION(EC) No 1466/97, ON
THE UPDATED STABILITY OR CONVERGENCE PROGRAMMES OF
BELGIUM, SPAIN, IRELAND, THE UNITED KINGDOM AND DENMARK
(SEC(2003)125 and /2; SEC(2003)126 to /3; SEC(2003)127 and /2;
SEC(2003)128 to /3; SEC(2003)129 and /2)**

Mr SOLBES presented the conclusions of the assessment of the updated stability programmes of Belgium, Ireland and Spain and the updated convergence programmes of the United Kingdom and Denmark.

This assessment had been carried out with the same methodology as that used for the first series of updated programmes considered (Finland, Greece, Sweden, Italy, France and Germany, see PV(2003)1595 of 8 January), focusing in particular on three key aspects:

- verification of compliance with the objective of budgetary balances close to balance as laid down in the stability and growth pact (SGP), defined in underlying terms;
- verification of the conditions in which a budget deficit defined in underlying terms may be regarded as compatible with the budgetary objective of "close to balance" laid down in the SGP;
- ascertaining the prospects for a Member State, in the light of its present budgetary balance, of not exceeding the deficit limit of 3% of GNP in normally foreseeable circumstances.

Mr SOLBES reviewed the situation of each Member State concerned and the conclusions he drew for the wording of the Commission recommendations to be sent to the Council so that it could adopt its opinions.

In the light of these explanations, the Commission adopted the recommendations in SEC(2003)125, SEC(2003)126/3, SEC(2003)127/2, SEC(2003)128/3 and SEC(2003)129/2, for transmission to the Council.

**13. COUNCIL DIRECTIVE SETTING OUT BASIC OBLIGATIONS AND
GENERAL PRINCIPLES ON THE SAFETY OF NUCLEAR
INSTALLATIONS
COUNCIL DIRECTIVE ON THE MANAGEMENT OF SPENT NUCLEAR
FUEL AND RADIOACTIVE WASTE
(COM(2003)32 and /2; SEC(2003)131; SEC(2003)114)**

The PRESIDENT pointed out that the proposals for Council directives on the present agenda (concerning the safety of nuclear installations and the management of spent nuclear fuel and radioactive waste) had been approved by the Commission at its meeting on 6 November (PV(2002)1588, item 17), before their transmission to the group of experts provided for in Article 31 of the Euratom Treaty.

This item was back on the Commission agenda partly for procedural reasons, and partly to enable the Commission to note certain changes to the texts. The points newly introduced, such as the opinion of the group of experts provided for in Article 31 of the Euratom Treaty and the Court of Justice judgment of 10 December 2002 in Case C-29/99, could only strengthen the validity of the approach proposed from the outset by Ms de PALACIO.

Therefore, after some clarifications by Ms de PALACIO during the meeting, the Commission approved both proposals for directives in COM(2003)32/2 for transmission to the Economic and Social Committee for its opinion within one month, under the procedure laid down in Article 31 of the Euratom Treaty. It also

authorised Ms de PALACIO to transmit both proposals for directives to the Council and Parliament, once the Economic and Social Committee had delivered its opinion.

The Commission also decided to organise a wider debate on sources of energy supply, including nuclear energy.

14. - EU PRIORITY INFORMATION THEMES IN 2003

- **2003 ANNUAL COMMUNICATION PLAN**
- **SPRING DAY IN EUROPE**

(SEC(2003)109 and /2; SEC(2003)110; SEC(2003)98)

Under its information and communication policy, the Commission had before it:

- from the PRESIDENT and Mr VITORINO, in agreement with Mr VERHEUGEN and Mr BARNIER, a communication on the EU's priority information themes in 2003, summarising the information and communication operations to be carried out in cooperation with Parliament and the Council, particularly under the PRINCE programme;
- from the PRESIDENT and Mr VITORINO, an annual communication programme for 2003, more closely linked to the implementation of the Commission's annual work programme;
- from Mr BARNIER and Mr VITORINO, an information note on *Spring Day in Europe*, under which schools across Europe would hold a day of debates on the Convention and the future of the Union.

As regards the information note on the EU's priority information themes for 2003, the Commission approved the four priority themes listed, viz.: enlargement, the

future of the Union, the area of freedom and justice, and the role of Europe in the world.

However, it agreed to widen the theme of the role of Europe in the world to include policy towards neighbouring countries and the opening of the Union to the Third World.

It noted that concrete proposals on these subjects would be tabled by Mr PATTEN and Mr NIELSON.

Subject to this addition, the Commission:

- adopted the communication on the EU's priority information themes for 2003 as set out in SEC(2003)109 and /2;
- approved the annual communication programme 2003 as set out in SEC(2003)110;
- took note of the information note on *Spring Day in Europe* in SEC(2003)98.

15. SECOND PROGRESS REPORT ON ECONOMIC AND SOCIAL COHESION

(COM(2003)34 to /4)

Mr BARNIER, in agreement with Mr FISCHLER and Ms DIAMANTOPOULOU, presented a second progress report on economic and social cohesion. These progress reports, the first of which had been adopted by the Commission on 30 January 2002, were in line with the Commission's undertaking to report regularly to the Council on questions relating to future of the cohesion policy, on the basis of periodically updated statistical data.

These progress reports, which were purely factual in nature, were not to be confused with the more political reports on economic and social cohesion such as that adopted by the Commission in January 2001, the next of which would be submitted to the Commission in December 2003.

He summarised the structure of the progress report:

- updating of data on regional economic and social disparities (first part);
- summary of debates on the future of the cohesion policy, its priorities, and the method for its implementation (second part);
- results of the accession negotiations with the ten countries of the Laeken group (third part).

This updated snapshot of the economic and social situation in the regions of the enlarged Europe highlighted three worrying trends:

- unprecedented growth in economic disparities within the Union;
- a geographical change in the distribution of these disparities;
- a less favourable employment situation.

He set out the key topics of the public debate under way on the future of the cohesion policy: priorities for the future policy (intervention in the least-developed regions, and in other regions), the simplification of implementation (including decentralisation of responsibilities for financial management and control) and the amount of financial resources to be allocated to the policy.

The Commission thanked Mr BARNIER, as well as Mr FISCHLER and Ms DIAMANTOPOULOU, for the quality of this progress report.

It approved the text of the report in COM(2003)34/4 for transmission to the Council, Parliament, the Committee of the Regions and the Economic and Social Committee.

The Commission noted that it would have the opportunity to debate the future of the structural and cohesion policy at the presentation of the third report on economic and social cohesion.

16. COUNCIL MEETINGS

(SI(2003)59)

16.1. ECONOMIC AND FINANCIAL AFFAIRS

(BRUSSELS, 21 JANUARY)

(SI(2003)42 and /2)

Mr BOLKESTEIN reported that political agreement had been reached in the Council (Economic and Financial Affairs) on the tax package (Taxation of savings income; Code of conduct for business taxation; Directive to establish a common tax system applicable to interest payments and charges) and on the Council's undertaking to adopt these texts formally before the European Council on 21 and 22 March.

He would circulate a detailed information note to all Members on the content and implications of this political agreement.

In connection with the prospects for adopting the code of conduct on the taxation of companies, Mr MONTI announced that he would be tabling a proposal by accelerated written procedure on the action to be taken on proceedings initiated against certain Member States concerning state aid of a fiscal nature.

The Commission must take a position on this issue before the next Council meeting (Economic and Financial Affairs) (18 February).

The Commission took note of this information.

16.2. AGRICULTURE AND FISHERIES
(BRUSSELS, 27-28 JANUARY)

Mr FISCHLER reported on the Council's reception of the Commission proposals for the mid-term review of the common agricultural policy, and on the conclusions it had adopted on the reform of the common fisheries policy.

17. OTHER BUSINESS

ESTABLISHMENT OF THE MARITIME SAFETY AGENCY

Ms de PALACIO announced that the Administrative Board of the Maritime Safety Agency had met on 29 January and had unanimously appointed the Agency's Executive Director following the proposal by the Commission (Mr de RUITER, currently Head of Unit responsible for maritime safety in the Transport and Energy DG), the other candidate proposed by the Commission having withdrawn.

At the same meeting the Administrative Board had also appointed its President and Vice-President.

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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 1130 hours.