



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2003)1638 final

Strasbourg, 16 December 2003

MINUTES
of the 1638th meeting of the Commission
held in Brussels
(Breydel)
on Wednesday 10 December 2003
(morning)

These minutes were approved by the Commission at its 1639th meeting, held in Strasbourg on 16 December 2003.

They contain 33 pages.

CONTENTS

Attendance list	7-8
1. AGENDAS (OJ(2003)1638/3; SEC(2003)1404/2).....	9
2. WEEKLY MEETING OF CHEFS DE CABINET (SEC(2003)1638)	9
3. APPROVAL OF MINUTES OF 1637TH MEETING (3 DECEMBER) (PV(2003)1637 AND /2).....	9
4. MONITORING THE APPLICATION OF COMMUNITY LAW	9
4.1. STATE AID - RECAPITULATIVE LIST (SEC(2003)1385).....	9
4.2. CASE POSTPONED (C(2003)4081 and /2).....	10
4.3. COMMISSION REGULATION AMENDING REGULATION (EC) No 68/2001 ON THE APPLICATION OF ARTICLES 87 AND 88 OF THE EC TREATY TO TRAINING AID COMMISSION REGULATION AMENDING REGULATION (EC) No 70/2001 AS REGARDS THE EXTENSION OF ITS SCOPE TO INCLUDE AID FOR RESEARCH AND DEVELOPMENT (SEC(2003)1400 to /5; SEC(2003)1384).....	10
4.4. COMMISSION REGULATION ON THE APPLICATION OF ARTICLES 87 AND 88 OF THE EC TREATY TO STATE AID TO SMALL AND MEDIUM-SIZED ENTERPRISES ACTIVE IN THE PRODUCTION, PROCESSING AND MARKETING OF AGRICULTURAL PRODUCTS (C(2003)4550 to /4; SEC(2003)1384).....	11
4.5. PRELIMINARY DRAFT COMMISSION REGULATION ON THE APPLICATION OF ARTICLES 87 AND 88 OF THE EC TREATY TO DE MINIMIS AID IN THE AGRICULTURE AND FISHERIES SECTOR (SEC(2003)1401 to /5; SEC(2003)1384).....	11
5. WRITTEN PROCEDURES AND EMPOWERMENT	12
5.1. WRITTEN PROCEDURES APPROVED (SEC(2003)1405 et seq.)	12
5.2. SENSITIVE WRITTEN PROCEDURES (SEC(2003)1406).....	12
5.3. EMPOWERMENT (SEC(2003)1407 et seq.).....	12

5.4. EMPOWERMENT IN THE FISHERIES SECTOR - MEASURES TO BE ADOPTED IN THE EVENT OF THE COUNCIL'S FAILING TO ACT, FIXING FOR 2004 THE FISHING OPPORTUNITIES AND ASSOCIATED CONDITIONS FOR CERTAIN FISH STOCKS AND GROUPS OF FISH STOCKS, APPLICABLE IN COMMUNITY WATERS AND, FOR COMMUNITY VESSELS, IN WATERS WHERE LIMITATIONS IN CATCH ARE REQUIRED (SEC(2003)1430).....	12
5.5. DELEGATION AND SUBDELEGATION OF POWERS	13
6. ADMINISTRATIVE AND BUDGETARY MATTERS (SEC(2003)1408/3)	13
6.1. DG JAI - AMENDMENT OF ORGANISATION CHART (C(2003)4551)	13
6.2. DG ADMIN – EARLY RETIREMENT: CORRIGENDUM TO THE COMMISSION DECISION OF 23 JULY 2003 INTRODUCING SPECIAL MEASURES TO TERMINATE THE SERVICE OF OFFICIALS – 2003 EXERCISE (C(2003)4565).....	14
6.3. EXTERNAL RELATIONS DG - REDEPLOYMENT OF AN A2 OFFICIAL IN THE INTEREST OF THE SERVICE	14
6.4. DG ENV – APPLICATION OF THE ARTICLE 50 PROCEDURE (SECOND STAGE) WITH RESPECT TO AN A2 OFFICIAL	14
6.5. IMPLEMENTING RULES – STAFF REGULATIONS.....	15
7. PROPOSAL FOR AMENDING THE REFERENCE AMOUNTS - WITHIN THE MEANING OF THE INTERINSTITUTIONAL AGREEMENT OF 6 MAY 1999, ARTICLE 33 - OF EXPENDITURE PROGRAMMES ADOPTED BY THE CODECISION PROCEDURE, IN ORDER TO TAKE ACCOUNT OF ENLARGEMENT (COM(2003)777 AND /2; SEC(2003)1432).....	15
8. PROPOSAL FOR AMENDING THE FINANCIAL REFERENCE AMOUNT - WITHIN THE MEANING OF THE INTERINSTITUTIONAL AGREEMENT OF 6 MAY 1999, ARTICLE 34(3) - OF THE SIXTH EURATOM FRAMEWORK PROGRAMME, IN ORDER TO TAKE ACCOUNT OF ENLARGEMENT (COM(2003)778; COM(2003)777/2).....	16

9. COMMISSION DECISION UNDER ARTICLE 81 OF THE EC TREATY AND ARTICLE 53 OF THE EEA AGREEMENT (<i>CASE COMP/E - 2/37.857 - ORGANIC PEROXIDES</i>) (C(2003)4570 TO /4; SEC(2003)1431 AND /2).....	16
10. PARLIAMENT	17
10.1. <i>DECEMBER I PART-SESSION (SP(2003)4006)</i>	17
10.2. <i>ACTION TO BE TAKEN ON PARLIAMENT'S OPINIONS (SP(2003)4008)</i>	17
10.3. <i>PARLIAMENTARY AFFAIRS GROUP (SP(2003)4049)</i>	17
10.4. <i>LLOYD'S PETITIONS (SP(2003)4067 and /2)</i>	23
11. PERMANENT REPRESENTATIVES COMMITTEE	24
11.1. <i>PROPOSAL FOR A PARLIAMENT AND COUNCIL DIRECTIVE CONCERNING MEASURES TO SAFEGUARD SECURITY OF NATURAL GAS SUPPLY (SI(2003)1311; SEC(2003)1449)</i>	24
11.2. <i>REDUCED RATES OF VAT (SI(2003)1285; SI(2003)1288; SI(2003)1350; SEC(2003)1447)</i>	24
12. INTERGOVERNMENTAL CONFERENCE (SEC(2003)1444)	25
13. ADMINISTRATIVE AND BUDGETARY MATTERS (CONTINUED FROM ITEM 6) (SEC(2003)1408/3).....	26
<i>COMMUNICATION ON BUILDINGS POLICY AND INFRASTRUCTURES IN BRUSSELS (COM(2003)755 to /3; SEC(2003)1433)</i>	26
14. COMMISSION COMMUNICATION TO PARLIAMENT AND THE COUNCIL ON ENERGY INFRASTRUCTURE AND SECURITY OF SUPPLY (COM(2003)743 TO /5; COM(2003)740/2; SEC(2003)1397 AND /2).....	28
15. PROPOSAL FOR A PARLIAMENT AND COUNCIL DIRECTIVE CONCERNING MEASURES TO SAFEGUARD SECURITY OF	

ELECTRICITY SUPPLY AND INFRASTRUCTURE INVESTMENT (COM(2003)740 TO /5; SEC(2003)1368/4; SEC(2003)1397 AND /2).....	28
16. PROPOSAL FOR A PARLIAMENT AND COUNCIL REGULATION ON CONDITIONS FOR ACCESS TO THE GAS TRANSMISSION NETWORKS (COM(2003)741 TO /4; COM(2003)740/2; SEC(2003)1397 AND /2).....	28
17. PROPOSAL FOR A PARLIAMENT AND COUNCIL DIRECTIVE ON ENERGY END-USE EFFICIENCY AND ENERGY SERVICES (COM(2003)739 TO /6; SEC(2003)1397 AND /2)	29
18. PROPOSAL FOR A PARLIAMENT AND COUNCIL DECISION LAYING DOWN GUIDELINES FOR TRANS-EUROPEAN ENERGY NETWORKS AND REPEALING DECISIONS NO 96/391/EC AND NO 1229/2003/EC (COM(2003)742 TO /4; COM(2003)740/2; SEC(2003)1369/4; SEC(2003)1397 AND /2; SEC(2003)1442/2)	29
19. COUNCIL MEETINGS (SI(2003)1328)	30
<i>TRANSPORT, TELECOMMUNICATIONS, ENERGY (BRUSSELS, 5 DECEMBER)</i> <i>(SI(2003)1315).....</i>	30
20. RELATIONS WITH NON-MEMBER COUNTRIES.....	30
20.1. <i>SIGNING OF MEMORANDUM OF UNDERSTANDING WITH THE COUNTRIES OF SOUTH-EAST EUROPE ON THE REGIONAL ENERGY MARKET (SEC(2003)1448).....</i>	30
20.2. <i>WTO-STEEL</i>	30
20.3. <i>PARLIAMENTARY ELECTION IN RUSSIA, 7 DECEMBER</i>	31
20.4. <i>CONCLUSION OF AN ASSOCIATION AGREEMENT WITH SYRIA.....</i>	31
21. OTHER BUSINESS.....	32
<i>CONCLUSIONS OF THE HIGH-LEVEL REFLECTION GROUP ON PATIENT MOBILITY (SEC(2003)1446).....</i>	32

Single sitting: Wednesday 10 December (morning)

The sitting opened at 0920 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 SOLBES	
Mr NIELSON	
Mr PATTEN	
Mr LAMY	
Mr BYRNE	
Mr BARNIER	
Ms REDING	
Mr VITORINO	
Ms DIAMANTOPOULOU	

Absent:

Mr LIIKANEN
Mr BUSQUIN
Mr VERHEUGEN
Ms SCHREYER
Ms WALLSTRÖM

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 TEMPEL	Chef de cabinet to Mr Verheugen
Mr LEHNER	Chef de cabinet to Ms Schreyer
Ms CARPARELLI	Deputy Chef de cabinet to Ms Wallström

The following also sat in

Mr PETITE	Director-General, Legal Service	
Mr MANSERVISI	Chef de cabinet to the President	
Mr DE OLIVEIRA E SOUSA	Director-General, Press and Communication	
Mr KEMPPINEN	Commission Spokesman	
Ms CORUGEDO STENEBOG	Spokeswoman	
Mr DE RYNCK	Spokesman	Item 12
Ms GONZALEZ-LAYA	Spokeswoman	
Mr MAMER	Spokesman	Items 6 and 13
Mr THOMAS	Spokesman	
Mr GUSSETTI	A member of the President's staff	
Mr SMULDERS	A member of the President's staff	
Mr LUCHNER	Deputy Chef de cabinet to Mr Kinnock	
Mr CALLEJA	Chef de cabinet to Ms de Palacio	Item 10
Mr GARCIA PORRAS	A member of Ms de Palacio's staff	Item 10
Mr PEREZ MONTES	A member of Ms de Palacio's staff	Items 14 to 17
Mr NØRLUND	Chef de cabinet to Mr Bolkestein	Items 10 and 11
Ms MANFREDI	A member of Mr Bolkestein's staff	
Mr MØRCH	A member of Mr Nielson's staff	Item 12
Ms ROGER	Chef de cabinet to Mr Barnier	Item 12
Mr FONSECA	Deputy Chef de cabinet to Mr Vitorino	Item 12
Mr LOPES ALEIXO	A member of Mr Vitorino's staff	Item 12

Mr LEVI	GOPA	Item 12
Mr PONZANO	Secretariat-General	Item 12
Mr SAGREDO	Secretariat-General	Item 11

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

1. AGENDAS

(OJ(2003)1638/3; SEC(2003)1404/2)

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)1638)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 8 December.

3. APPROVAL OF MINUTES OF 1637th MEETING (3 December)

(PV(2003)1637 and /2)

The Commission approved the minutes of its 1637th meeting.

4. MONITORING THE APPLICATION OF COMMUNITY LAW

4.1. STATE AID - RECAPITULATIVE LIST

(SEC(2003)1385)

The Commission adopted the decisions in SEC(2003)1385.

4.2. CASE POSTPONED
(C(2003)4081 and /2)

The Commission adopted the decision in C(2003)4081/2 concerning the following case:

NN 135/2003 GERMANY

Directive on the reduction of non-wage labour costs in the maritime transport sector

Decision: No objection: aid compatible.

4.3. COMMISSION REGULATION AMENDING REGULATION (EC)
No 68/2001 ON THE APPLICATION OF ARTICLES 87 AND 88 OF THE
EC TREATY TO TRAINING AID
COMMISSION REGULATION AMENDING REGULATION (EC)
No 70/2001 AS REGARDS THE EXTENSION OF ITS SCOPE TO
INCLUDE AID FOR RESEARCH AND DEVELOPMENT
(SEC(2003)1400 to /5; SEC(2003)1384)

The Commission adopted in principle the Regulation amending Regulation (EC) No 68/2001 on the application of Articles 87 and 88 of the EC Treaty to training aid and the Regulation amending Regulation (EC) No 70/2001 as regards the extension of its scope to include aid for research and development, as set out in SEC(2003)1400/4, and empowered Mr MONTI, in agreement with the PRESIDENT, to adopt these Regulations in all the official languages once they had undergone legal revision.

**4.4. COMMISSION REGULATION ON THE APPLICATION OF
ARTICLES 87 AND 88 OF THE EC TREATY TO STATE AID TO SMALL
AND MEDIUM-SIZED ENTERPRISES ACTIVE IN THE
PRODUCTION, PROCESSING AND MARKETING OF
AGRICULTURAL PRODUCTS
(C(2003)4550 to /4; SEC(2003)1384)**

The Commission adopted in principle the Regulation on the application of Articles 87 and 88 of the EC Treaty to state aid for small and medium-sized enterprises active in the production, processing and marketing of agricultural products, as set out in C(2003)4550/4, and empowered Mr FISCHLER, in agreement with the PRESIDENT, to adopt the Regulation in all the official languages.

**4.5. PRELIMINARY DRAFT COMMISSION REGULATION ON THE
APPLICATION OF ARTICLES 87 AND 88 OF THE EC TREATY TO DE
MINIMIS AID IN THE AGRICULTURE AND FISHERIES SECTOR
(SEC(2003)1401 to /5; SEC(2003)1384)**

The Commission adopted in principle the preliminary draft Regulation on the application of the Articles 87 and 88 of the EC Treaty to *de minimis* aid in the agriculture and fisheries sector, as set out in SEC(2003)1401, and empowered Mr FISCHLER, in agreement with the PRESIDENT, to adopt the draft Regulation in all the official languages. It authorised the Commission Member responsible for agriculture and fisheries to start the consultation procedure laid down in Regulation (EC) No 994/98.

5. WRITTEN PROCEDURES AND EMPOWERMENT

5.1. WRITTEN PROCEDURES APPROVED

(SEC(2003)1405 et seq.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 1 and 5 December.

5.2. SENSITIVE WRITTEN PROCEDURES

(SEC(2003)1406)

The Commission took note of written procedures initiated between 1 and 5 December for the adoption of decisions with political implications.

5.3. EMPOWERMENT

(SEC(2003)1407 et seq.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 1 and 5 December.

5.4. EMPOWERMENT IN THE FISHERIES SECTOR - MEASURES TO BE ADOPTED IN THE EVENT OF THE COUNCIL'S FAILING TO ACT, FIXING FOR 2004 THE FISHING OPPORTUNITIES AND ASSOCIATED CONDITIONS FOR CERTAIN FISH STOCKS AND GROUPS OF FISH STOCKS, APPLICABLE IN COMMUNITY WATERS AND, FOR COMMUNITY VESSELS, IN WATERS WHERE LIMITATIONS IN CATCH ARE REQUIRED

(SEC(2003)1430)

The Commission granted empowerment to Mr FISCHLER, in agreement with the PRESIDENT, as set out in SEC(2003)1430.

5.5. *DELEGATION AND SUBDELEGATION OF POWERS*

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation procedure between 1 and 5 December, as archived on the "Greffé 2000" (Registry) website.

6. ADMINISTRATIVE AND BUDGETARY MATTERS (SEC(2003)1408/3)

ADMINISTRATIVE MATTERS (PERS(2003)158)

6.1. *DG JAI - AMENDMENT OF ORGANISATION CHART* (C(2003)4551)

On a proposal from Mr KINNOCK, in agreement with the PRESIDENT and Mr VITORINO, the Commission:

- approved the amendment of the organisation chart of the Justice and Home Affairs DG, as set out in C(2003)4551, to take effect on 1 January 2004;
- approved the creation of a new A2 post of Director, to be filled when funds were available.

**6.2. DG ADMIN – EARLY RETIREMENT: CORRIGENDUM TO THE
COMMISSION DECISION OF 23 JULY 2003 INTRODUCING SPECIAL
MEASURES TO TERMINATE THE SERVICE OF OFFICIALS – 2003
EXERCISE
(C(2003)4565)**

The Commission adopted the decision in C(2003)4565 with immediate effect.

**6.3. EXTERNAL RELATIONS DG - REDEPLOYMENT OF AN A2
OFFICIAL IN THE INTEREST OF THE SERVICE**

On a proposal from Mr KINNOCK, in agreement with the PRESIDENT and Mr PATTEN, the Commission decided to transfer Mr Graham AVERY, an A2 official, currently Chief Adviser in the Enlargement DG, to the post of Chief Adviser responsible for the coordination of Units 0/3 (Planning service for external relations) and 0/4 (Economic analysis) in the External Relations DG, in the interest of the service and with his post.

This decision would take effect on 15 December.

**6.4. DG ENV – APPLICATION OF THE ARTICLE 50 PROCEDURE
(SECOND STAGE) WITH RESPECT TO AN A2 OFFICIAL**

The Commission continued its discussions on this matter, begun on 11 November (PV(2003)1633).

On a proposal from Mr KINNOCK, in agreement with the PRESIDENT and Ms WALLSTRÖM, the Commission adopted the decision in PERS(2003)159 to apply the second stage of the procedure laid down in Article 50 of the Staff Regulations with respect to Ms Ruth FROMMER-RINGER, an A2 official, currently Director of Directorate D (LIFE programme, legal implementation and civil protection) in the Environment DG.

This decision would take effect on 1 April 2004.

6.5. *IMPLEMENTING RULES – STAFF REGULATIONS*

The Commission:

- authorised Mr KINNOCK to start the required consultations on the implementing rules for the new Staff Regulations, which were merely technical amendments or arose directly therefrom;
- asked Mr KINNOCK to submit to it any texts involving significant amendments, before the consultations in question began;
- asked Mr KINNOCK to submit to it all the texts for final approval following these consultations.

7. PROPOSAL FOR AMENDING THE REFERENCE AMOUNTS - WITHIN THE MEANING OF THE INTERINSTITUTIONAL AGREEMENT OF 6 MAY 1999, ARTICLE 33 - OF EXPENDITURE PROGRAMMES ADOPTED BY THE CODECISION PROCEDURE, IN ORDER TO TAKE ACCOUNT OF ENLARGEMENT (COM(2003)777 and /2; SEC(2003)1432)

The Commission approved the communication presented by Ms SCHREYER, as set out in COM(2003)777, for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, together with staff working paper SEC(2003)1432.

**8. PROPOSAL FOR AMENDING THE FINANCIAL REFERENCE AMOUNT -
WITHIN THE MEANING OF THE INTERINSTITUTIONAL AGREEMENT
OF 6 MAY 1999, ARTICLE 34(3) - OF THE SIXTH EURATOM
FRAMEWORK PROGRAMME, IN ORDER TO TAKE ACCOUNT OF
ENLARGEMENT
(COM(2003)778; COM(2003)777/2)**

The Commission approved the communication presented by Ms SCHREYER, as set out in COM(2003)778, for transmission to Parliament, the Council and the Economic and Social Committee.

**9. COMMISSION DECISION UNDER ARTICLE 81 OF THE EC TREATY
AND ARTICLE 53 OF THE EEA AGREEMENT (*CASE COMP/E - 2/37.857 -
ORGANIC PEROXIDES*)
(C(2003)4570 to /4; SEC(2003)1431 and /2)**

The Commission:

- took note of the opinions of the Advisory Committee on Restrictive Practices and Dominant Positions of 1 and 8 December in C(2003)4570 and /4;
- took note of the final report of the Hearing Officer in C(2003)4570/3;
- adopted, in the authentic languages (English, German and Spanish), the decision in C(2003)4570/4, concluding that the parties in question had infringed Article 81(1) of the EC Treaty and, with effect from 1 January 1994, Article 53(1) of the EEA Agreement, and imposing fines on them totalling €69.53 million.

The decision would be published in the Official Journal (with business secrets removed) in all the official languages.

10. PARLIAMENT

10.1. DECEMBER I PART-SESSION

(SP(2003)4006)

The Commission took note of the information supplied relating to Parliament's part-session of 3 and 4 December (SP(2003)4006).

10.2. ACTION TO BE TAKEN ON PARLIAMENT'S OPINIONS

(SP(2003)4008)

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 (SP(2003)4008).

10.3. PARLIAMENTARY AFFAIRS GROUP

(SP(2003)4049)

The Commission took note of the record of the meeting of the Parliamentary Affairs Group held on 4 December (SP(2003)4049).

It paid particular attention to the following:

- i) **Preparations for December II 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

- LIESE report, Human tissues and cells,
COM(2002)319, 02/0128 (COD)

The Commission adopted the line set out in SP(2003)3897.

- MANDERS report, Environmental liability,
COM(2002)17, 02/0021 (COD)

The Commission adopted the line set out in SP(2003)4029/2, involving the rejection of a large number of amendments.

- NOBILIA report, Detergents,
COM(2002)845, 02/0216 (COD)

The Commission adopted the line set out in SP(2003)4038 and authorised Mr LIIKANEN to continue contacts with the co-legislators with a view to reaching agreement at second reading.

- MULLER report, European Agency for the Evaluation of Medicinal Products,
COM(2001)404-1, 01/0252 (COD)

The Commission adopted the line set out in SP(2003)4025 and authorised Mr LIIKANEN to continue contacts with the co-legislators with a view to reaching agreement at second reading.

- GROSSETÊTE report, Community code relating to medicinal products for human use,
COM(2001)404-2, 01/0253 (COD)

The Commission adopted the line set out in SP(2003)4025 and authorised Mr LIIKANEN to continue contacts with the co-legislators with a view to reaching agreement at second reading.

- GROSSETÊTE report, Community code relating to veterinary medicinal products,
COM(2001)404-3, 01/0254 (COD)

The Commission decided to hold this item over for its meeting on 16 December.

- NISTICÒ report, Traditional herbal medicinal products,
COM(2002)1; COM(2003)161, 02/0008 (COD)

The Commission adopted the line set out in SP(2003)4036, involving the acceptance of the two amendments proposed.

- CHICHESTER report, Measuring instruments,
COM(2000) 566; COM(2002)37, 00/0233 (COD)

The Commission adopted the line set out in SP(2003)4031 and authorised Mr LIIKANEN to continue contacts with the co-legislators with a view to reaching agreement at second reading.

- GOODWILL report, Carbon dioxide emissions and fuel consumption of N1 vehicles,
COM(2001)543, 01/0255 (COD)

The Commission noted that at this stage no amendments to the Council common position had been tabled, and adopted the line set out in SP(2003)3966.

- GLANTE report, Cogeneration based on a useful heat demand in the internal energy market,
COM(2002)415, 02/0185 (COD)

The Commission adopted the line set out in SP(2003)4004, involving the rejection of certain amendments.

- PIRKER report, Drug precursors,
COM(2002)494, 02/0217 (COD)

The Commission noted that at this stage no amendments to the Council common position had been tabled, and adopted the line set out in SP(2003)4009.

1st reading and simple consultation

- ZAPPALÀ report, Recognition of professional qualifications,
COM(2002)119, 02/0061 (COD)

The Commission adopted the line set out in SP(2003)4040.

- LEHNE report, Takeover bids,
COM(2002)534, 02/0240 (COD)

The Commission adopted the line set out in SP(2003)4046.

- KOCH report, Seats, anchorages and head restraints for motor vehicles,
COM(2003)361, 03/0128 (COD)

The Commission adopted the line set out in SP(2003)3999.

- SOMMER report, Electronic road toll systems,
COM(2003)132-2, 03/0081 (COD)

The Commission adopted the line set out in SP(2003)4003.

- ZIMMERLING report, Decentralised cooperation,
COM(2003)413, 03/0156 (COD)

The Commission adopted the line set out in SP(2003)4002.

- ZRIHEN ZAARI report, Gender equality in development cooperation,
COM(2003)465, 03/0176 (COD)

The Commission adopted the line set out in SP(2003)4001.

- ROCARD report, Culture 2000,
COM(2003)187, 03/0076 (COD)

The Commission adopted the line set out in SP(2003)3998.

- SCHMIDT report, VAT applicable to postal services,
COM(2003)234, 03/0091 (CNS)

The Commission adopted the line set out in SP(2003)4026.

Empowerment

Under Article 13 of its Rules of Procedure the Commission empowered the Members concerned, in agreement with the PRESIDENT, Ms de PALACIO 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 the documents concerned, 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:

- LIESE report, Human tissues and cells
(SP(2003)3897)
- MANDERS report, Environmental liability
(SP(2003)4029/2)
- NOBILIA report, Detergents
(SP(2003)4038)
- MULLER report, European Agency for the Evaluation of Medicinal Products
(SP(2003)4025)
- GROSSETÊTE report, Community code relating to medicinal products for human use
(SP(2003)4025)
- NISTICÒ report, Traditional herbal medicinal products
(SP(2003)4036)
- CHICHESTER report, Measuring instruments
(SP(2003)4031)

- GOODWILL report, Carbon dioxide emissions and fuel consumption of N1 vehicles
(SP(2003)3966)
- GLANTE report, Cogeneration based on a useful heat demand in the internal energy market
(SP(2003)4004)
- PIRKER report, Drug precursors
(SP(2003)4009).

10.4. LLOYD'S PETITIONS

(SP(2003)4067 and /2)

The Commission took note of the information provided by Mr BOLKESTEIN on the background to Parliament's request for access to documents held by the Commission relating to the handling of the Lloyd's dossier. It held an exchange of views on the most appropriate legal framework for dealing with Parliament's request, particularly whether to rely on Regulation 1049/2001 on public access to Parliament, Council and Commission documents or on the provisions of the framework agreement governing relations between Parliament and the Commission. After its discussions, the Commission decided to follow the approach set out in SP(2003)4067/2 and approved the reply annexed thereto.

11. PERMANENT REPRESENTATIVES COMMITTEE

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:

11.1. *PROPOSAL FOR A PARLIAMENT AND COUNCIL DIRECTIVE CONCERNING MEASURES TO SAFEGUARD SECURITY OF NATURAL GAS SUPPLY* ***(SI(2003)1311; SEC(2003)1449)***

The Commission authorised Ms de PALACIO to take a position on this matter at the Council meeting (Transport, telecommunications and energy) on 15 December, along the lines set out in SEC(2003)1449.

11.2. *REDUCED RATES OF VAT* ***(SI(2003)1285; SI(2003)1288; SI(2003)1350; SEC(2003)1447)***

Mr BOLKESTEIN reported on the latest developments in this matter. The Council had unanimously requested the extension of the scheme enabling Member States to apply reduced VAT rates experimentally to certain labour-intensive services, and a majority in Parliament was taking a similar line. Mr BOLKESTEIN outlined the possible solutions.

Having noted the political background to the dossier and noting that such an extension would have no significant effect on the operation of the internal market, the Commission agreed to extend Annex K to the Sixth VAT Directive by two years, and empowered Mr BOLKESTEIN, in agreement with the PRESIDENT, to put a formal proposal to this effect to the Council.

12. INTERGOVERNMENTAL CONFERENCE (SEC(2003)1444)

Mr BARNIER and Mr VITORINO presented the main points of the Italian Presidency's compromise proposal received on Tuesday 9 December (see IGC 60/03 and ADD1). According to their analysis, the document – which was incomplete as far as the institutional aspects were concerned – included elements which could be welcomed by the Commission because they were in line either with the compromise reached by the Convention or with the Commission's own suggestions for improving the text. Other points, however, were worrying, such as the decision-making procedures proposed for the introduction of the Common Service for External Relations, the backwards step in justice and home affairs in criminal matters and the procedures for revision of part III of the Constitution.

The PRESIDENT outlined the letter he would be sending the Presidency and members of the European Council. The letter was conceived with the twin aim of confirming the Commission's wishes on key points and making a contribution to building a compromise, and would set out the Commission's positions concerning, among other things: the refusal of any ambiguous compromise or rendezvous clause (no *leftovers*); the composition of the Commission; the need for the Foreign Minister to be anchored in an appropriate manner within the Commission; the weighting of votes in the Council and the principle of the double majority; a simplified procedure for revision of the Constitution, in particular its part III. The letter would also draw attention to the points on which the Commission was opposed to any change or backtracking compared with the text that had emerged from the Convention (justice and home affairs, taxation, social policy, trade policy, internal market, competition, energy, budgetary procedure, economic governance). The letter would also elucidate how the Commission saw the role of the President of the European Council (*chairman*).

The Commission took note of this information and held an exchange of views, particularly on the position it should take in the light of the results of the Intergovernmental Conference.

The PRESIDENT concluded the discussion by asking Commission Members to maintain, throughout the coming negotiations, a maximum mobilisation of their Members' Offices and departments so as to be able to react instantly to any developments in the situation.

13. ADMINISTRATIVE AND BUDGETARY MATTERS (continued from item 6)
(SEC(2003)1408/3)

***COMMUNICATION ON BUILDINGS POLICY AND INFRASTRUCTURES IN
BRUSSELS***

(COM(2003)755 to /3; SEC(2003)1433)

Mr KINNOCK presented the main lines of the communication before the Commission. Taking as its starting-point the objective of making the Commission a player in the harmonious development of the European quarter in Brussels, the communication proposed, as part of an overall qualitative approach, a four-pronged strategy, viz.: better integration of Commission buildings into the urban environment; improving their architectural quality and accessibility; enhancing mobility and promoting the use of public transport; establishing social infrastructures. The communication also proposed the strengthening of interinstitutional cooperation and the establishment of a partnership with the Belgian authorities on all questions relating to the development of the European quarter.

The PRESIDENT confirmed the importance of the dossier. Bearing in mind the names of certain Commission buildings in Luxembourg, he raised the possibility of identifying the buildings in Brussels more closely with the European idea, particularly by means of names recalling the founding fathers, former Presidents and Commission Members, or other prominent figures in the history of the Union. Furthermore, echoing points made by several Members, he felt it would be useful to know the timetable and the arrangements planned by Mr KINNOCK for taking back the Berlaymont building, although these would have to depend to some degree on organisational decisions to be taken by the next Commission President.

Following this exchange of views, the Commission:

- approved the guidelines set out in the communication presented by Mr KINNOCK in COM(2003)755/3 and the action plan annexed to it;
- asked the Office for Infrastructure and Logistics in Brussels (OIB) to present specific proposals in good time for implementing the principles set out in the communication and to assess their impact in terms of resources required, for presentation to the Commission in July 2004;
- decided to start implementing these guidelines by means of specific and targeted actions, compatible with budget constraints and the appropriations allocated, in compliance with the principles set out in the communication and consistent with the detailed proposals to be presented at the appropriate time;
- decided to transmit the communication to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions and to the Belgian authorities;
- asked Mr KINNOCK to table a communication enabling it to express its opinion, for the attention of the future Commission, on the strategy and options for taking the Berlaymont building back into use.

**14. COMMISSION COMMUNICATION TO PARLIAMENT AND THE
COUNCIL ON ENERGY INFRASTRUCTURE AND SECURITY OF
SUPPLY**

(COM(2003)743 to /5; COM(2003)740/2; SEC(2003)1397 and /2)

The Commission adopted the communication presented by Ms de PALACIO in COM(2003)743/5 for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions.

**15. PROPOSAL FOR A PARLIAMENT AND COUNCIL DIRECTIVE
CONCERNING MEASURES TO SAFEGUARD SECURITY OF
ELECTRICITY SUPPLY AND INFRASTRUCTURE INVESTMENT
(COM(2003)740 to /5; SEC(2003)1368/4; SEC(2003)1397 and /2)**

The Commission adopted the proposal for a Directive in COM(2003)740/5 for transmission, together with the staff working paper in SEC(2003)1368/4, to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions.

**16. PROPOSAL FOR A PARLIAMENT AND COUNCIL REGULATION ON
CONDITIONS FOR ACCESS TO THE GAS TRANSMISSION NETWORKS
(COM(2003)741 to /4; COM(2003)740/2; SEC(2003)1397 and /2)**

The Commission approved the proposal for a Regulation presented by Ms de PALACIO in COM(2003)741/4 for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions.

**17. PROPOSAL FOR A PARLIAMENT AND COUNCIL DIRECTIVE ON
ENERGY END-USE EFFICIENCY AND ENERGY SERVICES
(COM(2003)739 to /6; SEC(2003)1397 and /2)**

The Commission approved the proposal for a Directive presented by Ms de PALACIO in COM(2003)739/6 for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions.

**18. PROPOSAL FOR A PARLIAMENT AND COUNCIL DECISION LAYING
DOWN GUIDELINES FOR TRANS-EUROPEAN ENERGY NETWORKS
AND REPEALING DECISIONS No 96/391/EC AND No 1229/2003/EC
(COM(2003)742 to /4; COM(2003)740/2; SEC(2003)1369/4; SEC(2003)1397
and /2; SEC(2003)1442/2)**

The Commission adopted the proposal for a Decision presented by Ms de PALACIO in COM(2003)742/4. It empowered Ms de PALACIO, in agreement with the PRESIDENT, to adopt the Annexes to the document, in accordance with the guidelines set out in SEC(2003)1442/2, for transmission of the overall proposal to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, together with staff working paper SEC(2003)1369/4.

19. COUNCIL MEETINGS

(SI(2003)1328)

TRANSPORT, TELECOMMUNICATIONS, ENERGY

(BRUSSELS, 5 DECEMBER)

(SI(2003)1315)

Ms de PALACIO reported that unanimous political agreement had been reached in the Council (Transport) concerning the allocation of slots at Community airports. She also indicated that Austria had rejected the compromise reached at the 25 November conciliation meeting on the ecopoints for 2004. Austria might bring this up at the next European Council meeting.

20. RELATIONS WITH NON-MEMBER COUNTRIES

20.1. SIGNING OF MEMORANDUM OF UNDERSTANDING WITH THE COUNTRIES OF SOUTH-EAST EUROPE ON THE REGIONAL ENERGY MARKET

(SEC(2003)1448)

The Commission took note of the information note distributed by Ms de PALACIO.

20.2. WTO-STEEL

Mr LAMY commented on the decision by President BUSH to lift the safeguard measures applied by the United States to imports of certain steel products from the European Community, among others. This decision, bringing the United States into line with the decision by the WTO appeal body of 10 November, meant the parallel withdrawal of the safeguard and retaliation measures that the Union had had to take. This positive outcome

had been achieved thanks to the Member States' constructive attitude in supporting the Commission's position and the efficient cooperation of all Commission departments, to which Mr LAMY expressed thanks.

Mr LAMY also referred to the more difficult negotiations currently in progress with the United States on "Foreign Sales Corporations", the outcome of which now depended on the decision of Congress.

The Commission took note of this information and congratulated Mr LAMY on the results secured on the steel dossier.

20.3. *PARLIAMENTARY ELECTION IN RUSSIA, 7 DECEMBER*

Mr PATTEN reported on the results of the parliamentary election in Russia on 7 December and the context in which it had taken place. President PUTIN's party had won a very strong position compared with the opposition parties. The two liberal parties (Yabloko and SPS) now had no seats in the Duma, having failed to reach the 5% threshold.

Having taken note of this information, the Commission held a brief exchange of views on the effects of the election and, more generally, on the development of EU relations with Russia, a subject on which it agreed to hold further discussions later.

20.4. *CONCLUSION OF AN ASSOCIATION AGREEMENT WITH SYRIA*

Mr PATTEN reported that on Tuesday 9 December the EU and Syria had reached agreement at technical level on all outstanding questions in the negotiations for a Euro-Mediterranean association agreement. This agreement, which was generally satisfactory, was the outcome of long and difficult negotiations and would now have to be confirmed at political level by both sides.

21. OTHER BUSINESS

***CONCLUSIONS OF THE HIGH-LEVEL REFLECTION GROUP ON
PATIENT MOBILITY
(SEC(2003)1446)***

The Commission decided to come back to this item at its next meeting.

*

* *

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

*

* *

The meeting closed at 1230 hours.