



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2004)1642 final

Brussels, 28 January 2004

MINUTES
of the 1642nd meeting of the Commission
held in Brussels
(Breydel)
on Wednesday 21 January 2004
(morning)

These minutes were approved by the Commission at its 1643rd meeting, held in Brussels on 28th January 2004.

They contain 16 pages.

CONTENTS

Attendance list	4-6
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1. AGENDAS (OJ(2004)1642/3; SEC(2004)51/2).....	7
2. WEEKLY MEETING OF CHEFS DE CABINET (SEC(2004)1642)	7
3. APPROVAL OF MINUTES OF 1641ST MEETING (13 JANUARY) (PV(2004)1641)	7
4. PARLIAMENT	7
4.1. JANUARY I PART-SESSION (SP(2004)76)	7
4.2. ACTION TO BE TAKEN ON PARLIAMENT'S OPINIONS (SP(2004)136).....	8
5. MONITORING THE APPLICATION OF COMMUNITY LAW	8
5.1. STATE AID - SPECIFIC CASES (SEC(2004)38; SEC(2004)39/2).....	8
5.2. STATE AID - PROPOSAL FOR A COUNCIL REGULATION AMENDING REGULATION (EC) NO 1177/2002 CONCERNING A TEMPORARY DEFENSIVE MECHANISM TO SHIPBUILDING (COM(2004)26 and /2; SEC(2004)38).....	8
6. WRITTEN PROCEDURES AND EMPOWERMENT	8
6.1. WRITTEN PROCEDURES APPROVED (SEC(2004)52 et seq.)	8
6.2. SENSITIVE WRITTEN PROCEDURES (SEC(2004)53)	9
6.3. EMPOWERMENT (SEC(2004)54 et seq.)	9
6.4. GENERAL EMPOWERMENT FOR ADOPTION AND TRANSMISSION OF CERTAIN DOCUMENTS AS PROVIDED BY THE FINANCIAL REGULATION (SEC(2004)45 to /3).....	9
6.5. DELEGATION AND SUBDELEGATION OF POWERS	9
7. ADMINISTRATIVE AND BUDGETARY MATTERS (SEC(2004)55/3)	10

7.1. GENERAL IMPLEMENTING PROVISIONS OF THE STAFF REGULATIONS (ARTICLE 45) (SEC(2004)67 and /2).....	10
7.2. ACTION PLAN 2004 FOR EUROSTAT (SEC(2004)70 to /3).....	10
8. PERMANENT REPRESENTATIVES COMMITTEE	11
COUNCIL AFFAIRS GROUP (CAG) (SI(2004)27)	11
9. REPORT TO THE SPRING EUROPEAN COUNCIL (COM(2004)29 TO /4; SEC(2004)69)	12
10. COMMISSION REPORT ON THE IMPLEMENTATION OF THE 2003-5 BROAD ECONOMIC POLICY GUIDELINES (COM(2004)20 TO /4; SEC(2004)44 AND /2; SEC(2004)69)	13
11. DRAFT JOINT EMPLOYMENT REPORT 2003-04 (COM(2004)24 TO /5; SEC(2004)69)	14
12. REPORT ON THE IMPLEMENTATION OF THE INTERNAL MARKET STRATEGY (2003-06) (COM(2004)22 TO /3)	14
13. MONITORING THE APPLICATION OF COMMUNITY LAW (CONTINUED FROM ITEM 5).....	15
INFRINGEMENTS - URGENT OR POSTPONED CASES (SEC(2004)59 to /3)	15
14. COUNCIL MEETINGS (SI(2004)23/2)	15
ECONOMIC AND FINANCIAL AFFAIRS (BRUSSELS, 20 JANUARY) (SI(2003)39)	15

Single sitting: Wednesday 21 January (morning)

The sitting opened at 0850 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 BARNIER	
Ms REDING	
Ms SCHREYER	
Ms WALLSTRÖM	
Mr VITORINO	
Ms DIAMANTOPOULOU	

Absent:

Mr BUSQUIN
Mr PATTEN
Mr LAMY
Mr BYRNE

The following sat in to represent absent Members of the Commission

Ms FRIEDERICHs	A member of Mr Busquin's staff
Mr CHILD	Chef de cabinet to Mr Patten
Mr REDONNET	A member of Mr Lamy's staff
Mr POWER	Chef de cabinet to Mr Byrne

The following also sat in

Mr PETITE	Director-General, Legal Service	
Ms HOUTMAN	Deputy Chef de cabinet to the President	
Mr DE OLIVEIRA E SOUSA	Director-General, Press and Communication	
Mr KEMPPINEN	Commission Spokesman	
Mr DIXON	Spokesman	
Mr THOMAS	Spokesman	
Mr TODD	Spokesman	Item 13
Ms UDWIN	Spokesman	
Mr SMULDERS	A member of the President's staff	Item 13
Mr CALLEJA	Chef de cabinet to Ms de Palacio	
Mr SCHINAS	Deputy Chef de cabinet to Ms de Palacio	
Mr PEREZ MONTES	A member of Ms de Palacio's staff	
Ms MANFREDI	A member of Mr Bolkestein's staff	Item 13
Mr RICHTER	A member of Mr Bolkestein's staff	Item 13
Mr PLANAS	Chef de cabinet to Mr Solbes	
Mr MARTINEZ MONGAY	A member of Mr Solbes's staff	
Mr FIELDING	Deputy Chef de cabinet to Ms Diamantopoulou	
Mr AHBE	Secretariat-General	Item 9
Mr BAILLY	Secretariat-General	Item 9
Mr BORCHARDT	Secretariat-General	Items 8 and 9
Mr MAYER	Secretariat-General	Item 9

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

1. AGENDAS

(OJ(2004)1642/3; SEC(2004)51/2)

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(2004)1642)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 19 January.

3. APPROVAL OF MINUTES OF 1641st MEETING (13 January)

(PV(2004)1641)

The Commission approved the ordinary minutes of its 1641st meeting. Approval of the special minutes was held over as they had not yet been distributed.

4. PARLIAMENT

4.1. JANUARY I PART-SESSION

(SP(2004)76)

The Commission took note of the information supplied relating to Parliament's part-session held from 12 to 15 January (SP(2004)76).

4.2. ACTION TO BE TAKEN ON PARLIAMENT'S OPINIONS
(SP(2004)136)

The Commission approved the empowerment decisions relating to action to be taken on the amendments presented by Parliament under the codecision and consultation procedures (SP(2004)136).

5. MONITORING THE APPLICATION OF COMMUNITY LAW

5.1. STATE AID - SPECIFIC CASES
(SEC(2004)38; SEC(2004)39/2)

The Commission adopted the decisions in SEC(2004)39/2.

5.2. STATE AID - PROPOSAL FOR A COUNCIL REGULATION
AMENDING REGULATION (EC) NO 1177/2002 CONCERNING A
TEMPORARY DEFENSIVE MECHANISM TO SHIPBUILDING
(COM(2004)26 and /2; SEC(2004)38)

The Commission adopted the proposal for a Regulation in COM(2004)26 for transmission to Parliament and the Council.

6. WRITTEN PROCEDURES AND EMPOWERMENT

6.1. WRITTEN PROCEDURES APPROVED
(SEC(2004)52 et seq.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 12 and 16 January.

6.2. SENSITIVE WRITTEN PROCEDURES

(SEC(2004)53)

The Commission took note of written procedures initiated between 12 and 16 January for the adoption of decisions with political implications.

6.3. EMPOWERMENT

(SEC(2004)54 et seq.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 12 and 16 January.

**6.4. GENERAL EMPOWERMENT FOR ADOPTION AND TRANSMISSION
OF CERTAIN DOCUMENTS AS PROVIDED BY THE FINANCIAL
REGULATION**

(SEC(2004)45 to /3)

The Commission approved the granting of the general empowerment for adoption and transmission of certain documents as provided in the Financial Regulation, as set out in SEC(2004)45/3.

6.5. DELEGATION AND SUBDELEGATION OF POWERS

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation procedure between 12 and 16 January, as archived on the "Grefte 2000" (Registry) website.

7. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2004)55/3)

OTHER MATTERS

7.1. GENERAL IMPLEMENTING PROVISIONS OF THE STAFF

REGULATIONS (ARTICLE 45)

(SEC(2004)67 and /2)

The Commission:

- approved the draft general implementing provisions for Article 45 of the Staff Regulations, as set out in SEC(2004)67/2;
- authorised Mr KINNOCK to open the required conciliation with the trade unions and staff associations;
- authorised Mr KINNOCK to consult the Staff Regulations Committee and the Central Staff Committee;
- asked Mr KINNOCK to table these general provisions for a final decision once the consultations were completed.

7.2. ACTION PLAN 2004 FOR EUROSTAT

(SEC(2004)70 to /3)

The Commission took note of information note SEC(2004)70/2 and /3 distributed by Mr SOLBES. This reported on the actions taken by Eurostat since the Commission's decisions in July and the guidelines set out by the PRESIDENT in his remarks to Parliament on 25 September. The note also specified the actions planned for 2004.

8. PERMANENT REPRESENTATIVES COMMITTEE

COUNCIL AFFAIRS GROUP (CAG)

(SI(2004)27)

The Commission took note of the record of the meeting of the Council Affairs Group held on Friday 16 January (SI(2004)27).

It paid particular attention to the following:

i) Seats in the room at Council meetings

(point 4 of the record)

The Commission held an exchange of views on the draft statement under discussion in the Council concerning the allocation of seats at Council meetings. While there was a need to be realistic and pragmatic, various concerns were expressed about the proposed solution and the factors to be taken into account regarding the places reserved for the Commission, viz.:

- this was not purely a technical matter; it had a political dimension in terms of the need to reflect appropriately the institutional parity between the Council and the Commission;
- the Commission's specific requirements arising from its right of initiative and the need to explain its proposals, which meant that it needed sufficient supporting staff to do so;
- the fact that several Commission Members often had to be present, depending on the items on the agenda;
- the need to have enough flexibility to handle the increase in the number of Commission Members following enlargement and the involvement of new Commission Members in the Commission's work.

Following this debate, the Commission mandated the Secretary-General to put forward the various arguments made during the meeting and to defend in the appropriate Council bodies an amended wording of the statement, as follows:

“Without prejudice to Articles 5(2) and 20(1) of the Council's Rules of Procedure, the Presidency will determine in advance the meeting room to be used for each Council meeting and the seating arrangements for delegations (one, two or three seats at the main table). The Commission and its Secretary-General as well as the Presidency of the Council and its Secretary-General shall have one more seat than delegations at the main table or, if required, two more, up to a maximum of four.”

ii) **Discussions open to the public and public debates (Article 8(1)(a) of the Council's Rules of Procedure)**

(point 5 of the record; item 5.b) of the record of the weekly meeting of Chefs de cabinet)

Subject to the clarifications set out in the record of the CAG and of the weekly meeting of Chefs de cabinet, the Commission took note of the draft list drawn up by the Council Presidency, as set out in Annex 1 to the record of the CAG, and asked its departments to inform their counterparts in the Council accordingly.

**9. REPORT TO THE SPRING EUROPEAN COUNCIL
(COM(2004)29 to /4; SEC(2004)69)**

The PRESIDENT introduced the Commission report to the spring European Council on the Lisbon strategy. This was the annual opportunity to take stock of progress since the launch of the Lisbon strategy and identify the subject areas in

which further efforts were required. Taking advantage of the economic recovery and the momentum of enlargement to give new impetus to the Lisbon strategy, this fourth report identified three priority subject areas for action: improving investment in networks and knowledge; strengthening the competitiveness of the European economy; promoting the extension of active life.

The Commission held an exchange of views on the document and more particularly on: the need to send a measured but clear political message to the Member States on their responsibility for implementing the Lisbon strategy and the need to continue the reforms without prejudice to the efforts already made; the methodology underlying certain graphs and the advisability of certain aggregated comparisons between Member States; in accordance with the Gothenburg European Council, the three-pronged nature of the Lisbon strategy (growth, employment, sustainable development) and the interdependence of these three aspects.

Following this discussion, the Commission approved the report in COM(2004)29/5 subject to amendments to the title and to item 2.5 of the text in line with its discussions. It decided to transmit the report as thus amended to the Council, Parliament, the Economic and Social Committee and the Committee of the Regions.

**10. COMMISSION REPORT ON THE IMPLEMENTATION OF THE 2003-5
BROAD ECONOMIC POLICY GUIDELINES
(COM(2004)20 to /4; SEC(2004)44 and /2; SEC(2004)69)**

The Commission approved the report on the implementation of the broad economic policy guidelines for 2003-05 as set out in COM(2004)20/4, for transmission, accompanied by the Commission staff working paper in SEC(2004)44/2, to the Council, Parliament, the Economic and Social Committee, the Committee of the Regions and the European Central Bank.

**11. DRAFT JOINT EMPLOYMENT REPORT 2003-04
(COM(2004)24 to /5; SEC(2004)69)**

The Commission approved the draft joint employment report 2003-04 in COM(2004)24/5 for transmission to the Council, Parliament, the Economic and Social Committee and the Committee of the Regions. Since this was to be a Joint Commission and Council report, the Commission empowered Ms DIAMANTOPOULOU, in agreement with the PRESIDENT, to adopt the report jointly with the Council, for the attention of the spring European Council.

**12. REPORT ON THE IMPLEMENTATION OF THE INTERNAL MARKET
STRATEGY (2003-06)
(COM(2004)22 to /3)**

The Commission approved the report on the implementation of the internal market strategy (2003-06) in COM(2004)22/3 for transmission to the Council, Parliament, the Economic and Social Committee and the Committee of the Regions.

**13. MONITORING THE APPLICATION OF COMMUNITY LAW (continued
from item 5)**

***INFRINGEMENTS - URGENT OR POSTPONED CASES
(SEC(2004)59 to /3)***

The Commission adopted the decisions annexed to SEC(2004)59/3, subject to the following clarifications:

Case 1999/4946 *FRANCE*

Exemption from income tax on savings plans in shares (PEA)

This item was held over for the following week.

Case 2001/2154 *GERMANY*

Restrictions on investment in Volkswagen

This item was held over for the following week.

14. COUNCIL MEETINGS

(SI(2004)23/2)

***ECONOMIC AND FINANCIAL AFFAIRS
(BRUSSELS, 20 JANUARY)
(SI(2003)39)***

The Commission took note of the information provided by Mr SOLBES on the discussions of the Eurogroup, particularly in relation to the recent trend in the euro exchange rate. It noted Ms SCHREYER's observation that it would be useful to give further thought to possible mechanisms for dealing with the consequences for the Union's budget of variations in the euro exchange rate in the context of the future financial perspective.

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The meeting closed at 1010 hours.