



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2004)1650 final

Brussels, 24 March 2004

MINUTES
of the 1650th meeting of the Commission
held in Brussels
(Breydel)
on Tuesday 16 March 2004
(morning)

These minutes were approved by the Commission at its 1651st meeting, held in Brussels on 24th March 2004.

They contain 21 pages.

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The 1650th meeting of the Commission was held in two parts:

First sitting

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		Items 1 to 4
Mr LIIKANEN		
Mr BOLKESTEIN		
Mr BUSQUIN		
Mr SOLBES		
Mr VERHEUGEN		
Mr LAMY		
Mr BYRNE		
Mr BARNIER		
Ms REDING		
Ms SCHREYER		Items 1 to 4
Ms WALLSTRÖM		
Mr VITORINO		
Mr DIMAS		

Absent:

Mr FISCHLER
Mr NIELSON
Mr PATTEN

The following sat in as observers

Mr Peter BALÁZS (Hungary)

Ms Danuta HÜBNER (Poland)

Mr Siim KALLAS (Estonia)

Mr Joe BORG (Malta)

Ms Sandra KALNIETE (Latvia)

Ms Dalia GRYBAUSKAITE (Lithuania)

Mr Janez POTOČNIK (Slovenia)

Mr Ján FIGEL (Slovakia)

Mr Markos KYPRIANOU (Cyprus)

Mr Pavel TELIČKA (Czech Republic)

The following sat in to represent absent Members of the Commission

Mr PIRZIO-BIROLI	Chef de cabinet to Mr Fischler
Mr SCHMIDT	Deputy Chef de cabinet to Mr Nielson
Mr KORTE	Deputy Chef de cabinet to Mr Patten

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	
Mr DIXON	Spokesman	
Mr PETRUCCI	Spokesman	
Mr THOMAS	Spokesman	
Ms UDWIN	Spokeswoman	
Ms HOUTMAN	Deputy Chef de cabinet to the President	Item 4
Mr ABOU	Chief Adviser in the President's Office	
Mr CALLEJA	Chef de cabinet to Ms de Palacio	Items 5 and 8
Mr PLANAS	Chef de cabinet to Mr Solbes	Item 4
Mr SPENCE	Deputy Chef de cabinet to Ms Schreyer	
Mr CAVACO	Chef de cabinet to Mr Vitorino	Items 5 and 8
Mr FONSECA	Deputy Chef de cabinet to Mr Vitorino	Items 5 and 8
Mr NUNES de ALMEIDA	A member of Mr Vitorino's staff	Items 5 and 8

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

The PRESIDENT warmly welcomed Mr DIMAS, the new Commission Member appointed to replace Ms DIAMANTOPOULOU. He also welcomed the ten Commissioners-designate from the new Member States, who had been invited to take part as observers in the first part of the meeting.

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1. AGENDAS

(OJ(2004)1650/3; SEC(2004)296/2)

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)1650)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 15 March.

3. ENTRY INTO OFFICE OF Mr STAVROS DIMAS

The PRESIDENT announced that he had given Mr DIMAS the Employment and Social Affairs portfolio previously held by Ms DIAMANTOPOULOU. He thanked

Ms DIAMANTOPOULOU for her unstinting work for the Commission and for European integration, both in the duties arising from her particular portfolio and in her contributions to the Commission's collective debates. The PRESIDENT also thanked Ms WALLSTRÖM for standing in for Ms DIAMANTOPOULOU in her absence.

The Commission endorsed the President's welcome for Mr DIMAS and his thanks to Ms DIAMANTOPOULOU and Ms WALLSTRÖM. It noted that contacts were in progress with the Court of Justice to fix the date and arrangements for Mr DIMAS to swear his oath of office before the Court. Meanwhile, the Commission noted that Mr DIMAS declared that he accepted the obligations arising from his appointment.

4. KEY CHALLENGES FOR THE COMMISSION - 1 MAY TO 31 OCTOBER (SEC(2004)324/2)

The Commission took this item in the form of a seminar, in which the ten Commissioners-designate took part.

Following a presentation by the PRESIDENT, Commissioners and Commissioners-designate held an exchange of views on the main questions that the Commission would have to deal with in this last stage of its term of office. Apart from dealing with the major issues identified in SEC(2004)324/2 (the Intergovernmental Conference; further enlargement; financial perspective 2007-13; annual policy strategy 2005), they agreed on the importance of a sustained and effective communications policy to galvanise public opinion in support of the European integration process at this crucial moment in its history.

5. PERMANENT REPRESENTATIVES COMMITTEE

COMBATING TERRORISM

(SEC(2004)228; SEC(2004)332)

Immediately after the tragic attacks in Madrid, the PRESIDENT and Mr VITORINO had voiced the Commission's sympathy and support for the Spanish people. The PRESIDENT now asked the Commission to hold a general discussion on combating terrorism. Taking as his starting-point the observation that compassion was not enough and that the public authorities must act to ensure the security of the public, he supported the views of Mr Bertie AHERN, President of the Council, on the need urgently to review the Union's action plan drawn up following the 11 September attacks and to take decisions to this end at the forthcoming spring European Council. For the Commission's contribution to this process, a distinction should be drawn between different kinds of action:

- The Commission had before it an information note from Mr PATTEN and Mr VITORINO (SEC(2004)332), to which a staff working paper was annexed. This essentially technical document – planned before the Madrid attacks – formed part of the follow-up work on the European security strategy adopted by the European Council in December 2003.
- The Commission should also take the initiative of producing a higher-profile and more political document covering various subject areas, including justice and home affairs and external relations. This would be a contribution to the European Council meeting on 25 and 26 March, and should be presented to Coreper on Thursday of that week, to the special meeting of the Council (Justice and Home Affairs) on 19 March and to the Council meeting (General Affairs) on 22 March.

- Lastly, the implementation of these initiatives called for effective organisation within the Commission, via a high-level interdepartmental group set up by the Justice and Home Affairs and External Relations DGs and involving the Members' Offices concerned. It would be responsible for preparing subsequent proposals and for enhancing internal coordination, and would also be the contact point for the structure being set up within the Council's General Secretariat.

Mr VITORINO observed that the Madrid outrages must be seen as an attack on the Union's common values which called for a strong political signal by the Union.

Mr AHERN's proposal of implementing a solidarity clause as provided for in the draft Constitution formed part of the answer. On other possible courses of action, and legislation in particular, the problem was not so much the need for additional legislation as backsliding in the adoption of texts on the table in the Council and in the implementation of existing legislation. This was proving slow and in some cases ineffective, and the Commission should increase the pressure on Member States to improve this state of affairs. With regard to new legislative initiatives and a revision of Article 2(2) of the Convention applying the Schengen Agreement, the reintroduction of internal border controls, subject to a qualified majority vote, was an idea that might be explored, but it was risky and seemed unlikely to be effective. Doing more to combat the financing of terrorism was one field in which various initiatives could be taken, such as improving exchanges of information or switching to qualified majority voting for the drawing-up of lists of terrorist organisations and the freezing of assets. Mutual confidence was also a key factor; here the main priority should be to set up appropriate mechanisms to improve coordination and operational cooperation between the intelligence services, police and judicial authorities of the Member States and of the Union. There was also scope for improvement as regards the traceability and monitoring of dangerous materials and explosives that terrorists might use as weapons. Lastly, Mr VITORINO deplored the fact that the Commission proposal on the subsidiary liability of Member States for

the compensation of victims of terrorism was facing much opposition in the Council and had still not been adopted.

The Commission took note of the presentations by the PRESIDENT and Mr VITORINO in turn, and considered all the possible measures mentioned and their implications. The debate brought out a consensus on the following:

- it would be unwise to reintroduce internal Union border controls, given the risk that they might become permanent and its lack of real effectiveness;
- it was important to put into effect a solidarity clause as laid down in the draft Constitution;
- the need to clarify the role of a future European security coordinator and the potential effectiveness of such a structure;
- the security dimension was not the only means of intervention available to the public authorities in combating terrorism; there was also a need to address the most extreme imbalances at world level, in which other Union policies, such as the neighbourhood policy and development policy, could play their part;
- the importance of research and technological development in combating terrorism as well as civil protection mechanisms;
- the need to improve the exchange of information on health security.

Following this debate, the PRESIDENT noted that the discussion confirmed the need for the Commission to prepare a range of actions as part of a coherent policy vision in which all parties faced up to their responsibilities: the Member States as well as the European institutions, which must make the best use of the existing legal bases. The Union should adopt a solemn declaration on a solidarity clause, as provided for in the draft Constitution, and start work on its implementation without delay; on the other hand, the reintroduction of border controls within the Union was

not likely to provide a suitable answer to the problems posed. It was also important to put the emphasis on mutual confidence, the need for enhanced cooperation and the exchange of information. Although there might be some doubts as to the usefulness of appointing a European security coordinator, the Commission must at all events show that it was capable of taking effective action.

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The sitting closed at 1255 hours.

Second sitting

The sitting opened at 1300 hours with Mr KINNOCK, Vice-President, in the chair.

Present:

Mr KINNOCK Vice-President

Ms de PALACIO Vice-President

Mr LIIKANEN

Mr BOLKESTEIN

Mr BUSQUIN

Mr SOLBES

Mr VERHEUGEN

Mr LAMY

Mr BYRNE

Mr BARNIER

Ms REDING

Ms WALLSTRÖM

Mr VITORINO

Mr DIMAS

Absent:

Mr PRODI President

Mr MONTI

Mr FISCHLER

Mr NIELSON

Mr PATTEN

Ms SCHREYER

The following sat in to represent absent Members of the Commission

Mr PIRZIO-BIROLI	Chef de cabinet to Mr Fischler
Mr SCHMIDT	Deputy Chef de cabinet to Mr Nielson
Mr KORTE	Deputy Chef de cabinet to Mr Patten
Mr SPENCE	Deputy Chef de cabinet to Ms Schreyer

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
Mr DIXON	Spokesman
Mr THOMAS	Spokesman
Ms UDWIN	Spokeswoman
Mr ABOU	Chief Adviser in the President's Office
Mr CALLEJA	Chef de cabinet to Ms de Palacio
Mr CAVACO	Chef de cabinet to Mr Vitorino
Mr FONSECA	Deputy Chef de cabinet to Mr Vitorino
Mr NUNES DE ALMEIDA	A member of Mr Vitorino's staff

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

The Commission resumed its meeting without the ten Commissioners-designate in order to finalise its discussions and to adopt the “A” items on the agenda for that day’s meeting.

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**6. APPROVAL OF MINUTES AND SPECIAL MINUTES OF 1649th MEETING
(9 March)**

(PV(2004)1649 and /2; PV(2004)1649, Part II)

The Commission approved the minutes of its 1649th meeting.

7. PARLIAMENT

7.1. MARCH I PART-SESSION

(SP(2004)937)

The Commission took note of the information supplied relating to Parliament's part-session held in Strasbourg from 8 to 11 March.

**7.2. ACTION TO BE TAKEN ON PARLIAMENT'S OPINIONS
(SP(2004)944)**

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)944).

8. PERMANENT REPRESENTATIVES COMMITTEE (continued from item 5)

**8.1. COUNCIL AFFAIRS GROUP (CAG)
(SI(2004)228 and /2)**

The Commission took note of the record of the Council Affairs Group meeting held on 12 March.

It paid particular attention to the following:

- i) **Commission communication to the Council and Parliament on the future development of the EU Water Initiative and the modalities for the establishment of a Water Facility for ACP countries**
(SI(2004)218; point 6 of the record)

The Commission authorised Mr NIELSON to support the Presidency compromise, in accordance with the line set out in Annex 3 to the record of the CAG, to endorse the joint Council/Commission declaration at Annex II of SI(2004)218, and to make the statement set out at paragraph 2 on page 2 of that note. It also noted that when the Council adopted its decision as an “A” item, it would be indicated to its General Secretariat that, as regards the joint Council/Commission declaration, the

Commission had in mind only the decision-making process “*in accordance with the Internal Agreement*”.

ii) **Proposal for a Council Regulation laying down measures concerning incidental captures of cetaceans in fisheries and amending Regulation (EC) No 88/98**

(SI(2004)216; point 7 of the record)

The Commission authorised Mr FISCHLER to support the Presidency compromise in the Council meeting (Agriculture and Fisheries) on 22 and 23 March with a view to political agreement along the lines set out in SI(2004)228/2.

iii) **Proposal for a Council Regulation on the management of fishing fleets registered in the outermost regions**

(point 7 of the record)

To enable the Regulation to be adopted by qualified majority, the Commission authorised Mr FISCHLER, at the Council meeting (Agriculture and Fisheries) on 22 and 23 March, to support the Presidency compromise, in accordance with the line set out at Annex 5 to the record of the CAG. On that occasion, the Commission would make a statement on the legal basis.

iv) **Proposal for a Council Regulation amending Regulation (EC) No 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers**

(PV(2003)1635; COM(2003)698 final)

The Commission noted that Mr FISCHLER would comment *ad referendum* on the compromise to be proposed at the Council meeting

(Agriculture and Fisheries) on 22 and 23 March and that the terms of the compromise would be put before the Commission at its meeting on 24 March.

8.2. COMBATING TERRORISM

(SEC(2004)228; SEC(2004)332)

After resuming its discussions, the Commission:

- took note that the information note in SEC(2004)332 would be transmitted in the form of a staff working paper, possibly with some changes to take account of the comments made in the meeting, to the Council as part of the follow-up to the European security strategy;
- mandated the PRESIDENT, in agreement with Mr VITORINO and Mr PATTEN, to draft a policy document based on the guidelines agreed during its debate. This document, to be considered by the Members' Offices under expedited procedure, would be presented to Coreper on 18 March and to the Council meeting (Justice and Home Affairs) on 19 March, and sent to the European Council (25 and 26 March) via the Council meeting (General affairs) on 22 March;
- asked the Justice and Home Affairs and External Relations DGs to set up a high-level interdepartmental group, involving the Members' Offices, to prepare subsequent proposals and to improve coordination between the various areas of activity concerned.

9. MONITORING THE APPLICATION OF COMMUNITY LAW

9.1. STATE AID - SPECIFIC CASES

(SEC(2004)282; SEC(2004)283/2)

The Commission adopted the decisions in SEC(2004)283/2.

9.2. COMMISSION REGULATION ON THE IMPLEMENTING PROVISIONS FOR COUNCIL REGULATION (EC) No 659/1999 LAYING DOWN DETAILED RULES FOR THE APPLICATION OF ARTICLE 93 OF THE EC TREATY (C(2004)796 and /2; SEC(2004)282)

This item was held over to the following week.

9.3. COMMISSION COMMUNICATION ON THE FOLLOW-UP TO THE COMMUNICATION ON CERTAIN LEGAL ASPECTS RELATING TO CINEMATOGRAPHIC AND OTHER AUDIOVISUAL WORKS - PROPOSAL FOR A PARLIAMENT AND COUNCIL RECOMMENDATION ON FILM HERITAGE AND THE COMPETITIVENESS OF RELATED INDUSTRIAL ACTIVITIES (COM(2004)171 to /3; SEC(2004)282)

The Commission:

- approved the Commission communication in COM(2004)171/3 for transmission, for information, to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions;
- approved the proposal for a Parliament and Council recommendation in COM(2004)171/3 for transmission to Parliament and the Council for adoption, to the Economic and Social Committee for consultation, and to the Committee of the Regions for information.

10. WRITTEN PROCEDURES AND EMPOWERMENT

10.1. WRITTEN PROCEDURES APPROVED

(SEC(2004)297 et seq.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 8 and 12 March.

10.2. SENSITIVE WRITTEN PROCEDURES

(SEC(2004)298)

The Commission took note of written procedures initiated between 8 and 12 March for the adoption of decisions with political implications.

10.3. EMPOWERMENT

(SEC(2004)299 et seq.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 8 and 12 March.

10.4. GENERAL EMPOWERMENT FOR THE ADOPTION OF REGULATIONS NEEDED FOR THE UPDATING OF COUNCIL REGULATIONS CONCERNING CFSP-RELATED SPECIFIC RESTRICTIVE MEASURES ADOPTED ON THE BASIS OF ARTICLES 60, 301 AND 308 OF THE TREATY

(SEC(2004)310/2)

The Commission approved the empowerment decision in SEC(2004)310/2.

10.5. DELEGATION AND SUBDELEGATION OF POWERS

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation procedure between 8 and 12 March, as archived on the "Greffé 2000" (Registry) website.

11. PRELIMINARY DRAFT AMENDING BUDGET 6/2004: INTELLIGENT ENERGY AGENCY (SEC(2004)321)

The Commission adopted preliminary draft amending budget No 6/2004 as set out in SEC(2004)321, for transmission to Parliament and the Council.

12. PROPOSAL FOR A PARLIAMENT AND COUNCIL DIRECTIVE ON STATUTORY AUDIT OF ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS AND AMENDING COUNCIL DIRECTIVES 78/660/EEC AND 83/349/EEC (COM(2004)177 to /5; SEC(2004)323)

The Commission adopted the proposal for a Directive in COM(2004)177/5 for transmission to Parliament, the Council and the Economic and Social Committee.

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The meeting closed at 1305 hours.