



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2004)1658 final

Brussels, 26 May 2004

MINUTES
of the 1658th meeting of the Commission
held in Brussels
(Breydel)
on Wednesday 19 May 2004
(morning)

These minutes were approved by the Commission at its 1659th meeting, held in Brussels on 26 May 2004.

They contain 19 pages.

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Single sitting: Wednesday 19 May (morning)

The sitting opened at 0850 hours with Mr PRODI, President, in the chair for items 1 to 13 and Mr KINNOCK, Vice-President, in the chair for items 14 and 15.

Present:

Mr PRODI	President
Mr KINNOCK	Vice-President
Ms de PALACIO	Vice-President
Mr FISCHLER	
Mr LIIKANEN	
Mr BOLKESTEIN	
Mr BUSQUIN	
Mr NIELSON	
Mr PATTEN	
Mr LAMY	
Mr BYRNE	
Ms REDING	
Ms SCHREYER	
Ms WALLSTRÖM	
Mr VITORINO	
Mr DIMAS	
Mr BARROT	
Mr ALMUNIA	
Mr BALÁZS	
Ms HÜBNER	
Mr KALLAS	
Mr BORG	
Ms KALNIETE	
Ms GRYBAUSKAITĖ	

Mr POTOČNIK

Mr FIGEL

Mr KYPRIANOU

Mr TELIČKA

Absent:

Mr MONTI

Mr VERHEUGEN

The following sat in to represent absent Members of the Commission

Ms VANNINI	A member of Mr Monti's staff
Mr TEMPEL	Chef de cabinet to Mr Verheugen

The following also sat in

Mr MARENCO	Deputy 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 GMINDER	Spokeswoman	Item 13
Mr MOCHAN	Spokesman	
Mr PETRUCCI	Spokesman	
Mr SMULDERS	A member of the President's staff	Item 14
Mr CAPOUET	Chef de cabinet to Mr Busquin	Items 1 to 12
Mr TERRITT	A member of Mr Byrne's staff	Item 13
Ms KONTOU	Chef de cabinet to Mr Dimas	Item 12
Ms CORUGEDO STENEBOG	Press and Communication DG	
Mr PONZANO	Secretariat-General	Item 14

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

1. AGENDAS

(OJ(2004)1658/3; SEC(2004)600/2)

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)1658)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 17 May.

3. APPROVAL OF MINUTES

3.1. MINUTES OF 1656th MEETING (7 May)

(PV(2004)1656 and /2)

The Commission approved the minutes of its 1656th meeting.

3.2. MINUTES AND SPECIAL MINUTES OF 1657th MEETING (12 May)

(PV(2004)1657; PV(2004)1657, Part II to /3)

The Commission approved the minutes of its 1657th meeting.

4. PARLIAMENT
(SP(2004)1841)

The Commission adopted SP(2004)1841 on the action taken on Parliament's opinions and resolutions at its April 2004 part-session, for transmission to Parliament.

5. PERMANENT REPRESENTATIVES COMMITTEE

5.1. COUNCIL AFFAIRS GROUP (CAG)
(SI(2004)451 to /3)

The Commission took note of the record of the Council Affairs Group meeting held on 14 May.

It paid particular attention to the following:

- i) **Proposal for a Council Regulation amending Regulation (EC) No 2792/1999 laying down the detailed rules and arrangements regarding Community structural assistance in the fisheries sector**
(point 1 of the record)

Further to the authorisation granted to Mr FISCHLER on 20 April (PV(2004)1654, item 4) and in order to enable the Council, if necessary, to adopt the Regulation by qualified majority, the Commission authorised Mr FISCHLER to adopt a more flexible position on the question of the eligibility of financing for the replacement of fishing gear. This additional flexibility would be strictly limited in scope and must have no financial implications for the Community budget.

- ii) **Proposal for a Parliament and Council Regulation amending Council Regulation (EEC) No 1408/71 on the application of social security schemes to employed persons and their families moving within the Community, and Council Regulation (EEC) No 574/72 laying down the procedure for implementing Regulation (EEC) No 1408/71**
(point 2 of the record)

Taking note of developments in the Council and on the assumption of unanimous agreement on the suggested compromise at the Coreper meeting on 26 May and the Council meeting (Employment, social policy, health and consumers) on 1 and 2 June, the Commission decided to have the statement in SI(2004)451/3 entered in the Council minutes.

- iii) **Participation of two Members of Parliament in international meetings - first official meeting of the Western and Central Pacific Fisheries Commission – Micronesia, 9 and 10 December**
(point 6 of the record)

The Commission decided to accept the participation of two Members of Parliament at the meeting in question, and approved the draft letter, for signature by the PRESIDENT, set out in Annex 3 to SI(2004)451.

5.2. PROPOSAL FOR A COUNCIL DECISION ON THE AGREEMENT ON THE PROMOTION, PROVISION AND USE OF GALILEO AND GPS SATELLITE-BASED NAVIGATION SYSTEMS AND RELATED APPLICATIONS
(SEC(2004)640 to /3)

The Commission adopted the proposal for a Decision in SEC(2004)640/2 for transmission to the Council.

**6. MONITORING THE APPLICATION OF COMMUNITY LAW: STATE AID
(SEC(2004)587/4)**

SPECIFIC CASES

The Commission adopted the decisions in SEC(2004)587/4.

7. WRITTEN PROCEDURES AND EMPOWERMENT

7.1. WRITTEN PROCEDURES APPROVED

(SEC(2004)601 et seq.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 10 and 14 May.

7.2. SENSITIVE WRITTEN PROCEDURES

(SEC(2004)602)

The Commission took note of written procedures initiated between 10 and 14 May for the adoption of decisions with political implications.

7.3. EMPOWERMENT

(SEC(2004)603 et seq.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 10 and 14 May.

**7.4. ADDENDUM TO THE BILATERAL ADMINISTRATIVE
ARRANGEMENTS ("PROTOCOLS") ON COOPERATION ON
CONTROL AND AUDIT IN THE FIELD OF THE STRUCTURAL
FUNDS AND COHESION FUND TO IMPLEMENT THE CONTRACT
OF CONFIDENCE
(SEC(2004)632 and /2)**

The Commission empowered the Commission Member responsible for regional policy, in agreement with the Member responsible for employment and social affairs and the Member responsible for agriculture and fisheries where the funds for which they were responsible were concerned, to draw up, adopt and sign the addenda to the bilateral administrative arrangements concluded between the Commission and the competent control authorities of the Member States along the lines set out in SEC(2004)632 and /2.

7.5. DELEGATION AND SUBDELEGATION OF POWERS

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation procedure between 10 and 14 May, as archived on the "Greffé 2000" (Registry) website.

8. ADMINISTRATIVE AND BUDGETARY MATTERS
(SEC(2004)605/3)

ADMINISTRATIVE MATTERS
(PERS(2004)85)

COMMISSION DECISION ON THE APPLICATION OF ARTICLES 44(2)
AND 46 OF THE STAFF REGULATIONS AND ARTICLE 7(4) OF
ANNEX XIII TO THE STAFF REGULATIONS
(C(2004)1891)

The Commission held over adoption of its decision for one week pending distribution of the relevant financial statement.

9. THE SHARE OF RENEWABLE ENERGY IN THE EU
(COM(2004)366 to /5; SEC(2004)547/3; SEC(2004)619)

The Commission's discussions on this matter were held over for a later date.

10. EXCESSIVE DEFICIT IN GREECE: REPORT PREPARED IN
ACCORDANCE WITH ARTICLE 104(3) OF THE TREATY
(SEC(2004)623 and /2; SEC(2004)631; SEC(2004)656)

The Commission approved the report in SEC(2004)623 for transmission to the Council for consideration by the economic and financial committee.

The Commission took note that henceforth the Regional Policy DG would be informed as far ahead as possible of the preparations for any report or

recommendation on the excessive deficit of a Member State benefiting from the Cohesion Fund.

11. EXCESSIVE DEFICIT IN THE NETHERLANDS

- COMMISSION OPINION ON THE APPLICATION OF ARTICLE 104(5) OF THE EC TREATY**
- COMMISSION RECOMMENDATION FOR A COUNCIL DECISION UNDER ARTICLE 104(6) OF THE TREATY**
- COMMISSION RECOMMENDATION FOR A COUNCIL RECOMMENDATION UNDER ARTICLE 104(7) OF THE TREATY (SEC(2004)624 to /3; SEC(2004)625 and /2; SEC(2004)626 and /2; SEC(2004)631; SEC(2004)656)**

The Commission approved:

- the Commission opinion under Article 104(5) EC on the existence of an excessive deficit in the Netherlands, as set out in SEC(2004)624/3;
- the recommendation for a Council Decision on the existence of an excessive deficit in the Netherlands, as set out in SEC(2004)625/2;
- the recommendation for a Council recommendation to bring the excessive deficit in the Netherlands to an end, as set out in SEC(2004)626/2.

It decided that these documents would be transmitted to the Council.

The Commission also took note of the information note from Mr ALMUNIA (SEC(2004)656) on the application of the excessive deficit procedure to the United Kingdom.

**12. SECOND PHASE OF CONSULTATION OF THE SOCIAL PARTNERS AT
COMMUNITY LEVEL CONCERNING THE REVISION OF
DIRECTIVE 93/104/EC CONCERNING CERTAIN ASPECTS OF THE
ORGANISATION OF WORKING TIME
(SEC(2004)610 to /7)**

Mr DIMAS presented the main points of his communication. Following an initial consultation at the beginning of the year, this was designed to launch the second stage of consultations with the two sides of industry at Community level on the possible content of a revision of Directive 93/104/EC. Four subject areas had been identified for possible amendment or clarification: the conditions for applying the individual opt-out from the 48-hour week; the implications of recent Court of Justice judgments on counting time on call as working time; the period used to calculate the average weekly duration of 48 hours; promoting better reconciliation of work with family life. After reviewing the situation concerning these various points, Mr DIMAS stressed that the objective was to encourage the social partners to negotiate to update the Directive or, failing that, to identify guidelines that the Commission could propose later.

The Commission took note of this presentation and held an in-depth exchange of views on various aspects of the dossier. It considered in particular:

- the importance of leaving the social partners free to negotiate and not pre-empting their discussions;
- in the same spirit, the advisability of presenting several options for the scope of the negotiations, particularly concerning the conditions for applying the individual opt-out provided for in Article 18(1)(b)(i);

- the need to maintain the Directive's objective of protecting the health and safety of workers while providing companies with the flexibility they needed in order to stay competitive;
- the importance of keeping in mind in the negotiations the promotion of compatibility between work and family life.

After its discussions and subject to the addition of an additional option to the three suggested approaches for amending the conditions for applying the opt-out provided for in Article 18(1)(b)(i) of the Directive, the Commission decided:

- to adopt the communication in SEC(2004)610/7 as amended during the meeting;
- to transmit the document as thus amended to the social partners as the second stage of consultation on the possible content of a proposal for the amendment of Directive 93/104/EC.

**13. COMMISSION DECISION AUTHORISING THE PLACING ON THE
MARKET OF SWEET CORN FROM GENETICALLY MODIFIED MAIZE
LINE BT11 AS A NOVEL FOOD OR NOVEL FOOD INGREDIENT UNDER
PARLIAMENT AND COUNCIL REGULATION (EC) No 258/97
(C(2004)1865 to /3; SEC(2004)620)**

Mr BYRNE outlined the political, legal and scientific backdrop to the decision which he was tabling in agreement with the PRESIDENT, Mr FISCHLER, Mr LIIKANEN, Mr BUSQUIN, Mr LAMY and Ms WALLSTRÖM. While he was aware of the continuing sensitivity of the question of GMOs amongst some of the public in certain Member States, in this case it was a matter of applying Community legislation in compliance with the strict guarantees as to consumer security and

information laid down in the legislation, of which the proposed decision was the logical culmination.

Having taken note of this information and of supplementary observations in support of the decision by other Commission Members involved in presenting the dossier, the Commission considered the various aspects to be taken into account, particularly:

- the results, including the scope of their reliability, of the scientific assessments carried out by the competent national and Community authorities;
- the protections and guarantees supplied by the Community legislation, enabling the consumer to have the information needed for a free and informed choice;
- the need for the Commission to remain consistent with the approach taken hitherto and to face up to its responsibilities at the risk of lowering the credibility of the Union's policy;
- the advisability of the timetable for adoption of the decision and its potential impact just weeks before the European elections;
- the fact that this variety of maize had been authorised in the Union since 1998 and that the current decision involved only the authorisation of imports;
- the challenges for scientific and industrial research and development in the Union;
- certain questions concerning liability in the event of damage;
- the need for careful presentation of the dossier to the outside world, given various sensitivities in the Member States.

Following this debate, the Commission adopted, in the authentic language (Dutch), the decision in C(2004)1865/3, for publication in the Official Journal.

14. INTERGOVERNMENTAL CONFERENCE

(SEC(2004)639; SEC(2004)657 and /2)

Mr VITORINO reported on the Intergovernmental Conference, meeting at ministerial level on the fringe of the Council meeting (General Affairs and External Relations) on 17 and 18 May in Brussels. Referring to the Irish Presidency's efforts to make progress on the most sensitive questions and to reach agreement on the other items, he reviewed the main points of the discussion and noted that many Member States' positions had remained largely unchanged since the work of the IGC had been suspended the previous December. In view of the lack of progress, it had already been agreed that discussions would continue at a further ministerial meeting on Monday 24 May.

The Commission took note of this information and of supplementary observations by Mr BARROT, and held a brief exchange of views, particularly on the prospects for developments in the negotiations.

15. RELATIONS WITH NON-MEMBER COUNTRIES

NEGOTIATIONS ON THE ACCESSION OF RUSSIA TO THE WORLD TRADE ORGANISATION

Mr LAMY reported on the latest developments in the negotiations between the WTO and Russia. He commented particularly on the progress made as regards the overflying of Siberia by European airlines, where the Union's aim was to secure a firm commitment by the Russian authorities to replace the present system with a new transparent, non-discriminatory system based on costs. This issue was one of the two items still on the table in the negotiations, the other being energy costs.

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

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The meeting closed at 1110 hours.