



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2004)1659 final

Brussels, 2 June 2004

MINUTES
of the 1659th meeting of the Commission
held in Brussels
(Breydel)
on Wednesday 26 May 2004
(morning)

These minutes were approved by the Commission at its 1660th meeting, held in Brussels on 2 June 2004.

They contain 19 pages.

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Single sitting: Wednesday 26 May (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 LIIKANEN	
Mr BOLKESTEIN	
Mr BUSQUIN	
Mr NIELSON	
Mr VERHEUGEN	
Mr PATTEN	
Ms REDING	
Ms SCHREYER	
Ms WALLSTRÖM	
Mr VITORINO	
Mr DIMAS	
Mr BARROT	
Mr ALMUNIA	
Mr BALÁZS	
Mr KALLAS	
Ms KALNIETE	
Ms GRYBAUSKAITĖ	
Mr POTOČNIK	
Mr FIGEL	
Mr KYPRIANOU	
Mr TELIČKA	

Absent:

Mr FISCHLER

Mr LAMY

Mr BYRNE

Ms HÜBNER

Mr BORG

The following sat in to represent absent Members of the Commission

Mr GAMBS	A member of Mr Fischler's staff
Ms WEYAND	A member of Mr Lamy's staff
Mr POWER	Chef de cabinet to Mr Byrne
Ms SZYCHOWSKA	A member of Ms Hübner's staff
Mr TABONE	Chef de cabinet to Mr Borg

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 DE RYNCK	Spokesman	Item 12
Mr MAMER	Spokesman	Item 13
Mr PETRUCCI	Spokesman	Item 12
Mr THOMAS	Spokesman	
Ms UDWIN	Spokeswoman	
Ms WERNER	Spokeswoman	
Mr DE LECEA	Adviser in the President's Office	Item 15
Mr SMULDERS	A member of the President's staff	Item 12
Mr KOOPMAN	Chef de cabinet to Mr Kinnock	Items 6 and 13

Mr SOUKUP	A member of Mr Monti's staff	Item 17
Mr VAN BALLEKOM	Chef de cabinet to Mr Bolkestein	
Mr MØRCH	A member of Mr Nielson's staff	
Mr CHILD	Chef de cabinet to Mr Patten	
Mr ALEIXO	A member of Mr Vitorino's staff	Item 12
Mr LE BRET	Chef de cabinet to Mr Barrot	Item 15
Mr QUEST	Chef de cabinet to Ms Grybauskaitė	Items 16 and 17
Ms CORUGEDO STENEGERG	Press and Communication DG	
Mr LEVI	GOPA	Item 12
Mr PONZANO	Secretariat-General	Items 12 and 13

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

1. AGENDAS

(OJ(2004)1659/3; SEC(2004)614/2)

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)1659)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 24 May.

3. APPROVAL OF MINUTES AND SPECIAL MINUTES OF 1658th MEETING

(19 May)

(PV(2004)1658; PV(2004)1658, Part II and /2)

The Commission approved the minutes of its 1658th meeting.

4. PARLIAMENT

ACTION TAKEN ON PARLIAMENT'S NON-LEGISLATIVE AND OWN-INITIATIVE RESOLUTIONS

(SP(2004)1844/2)

The Commission adopted the replies to non-legislative and own-initiative resolutions adopted by Parliament to which the Commission had undertaken to respond (SP(2004)1844/2), for transmission to Parliament.

5. WRITTEN PROCEDURES AND EMPOWERMENT

5.1. WRITTEN PROCEDURES APPROVED

(SEC(2004)615 et seq.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 17 and 19 May.

5.2. SENSITIVE WRITTEN PROCEDURES

(SEC(2004)616)

The Commission took note of written procedures initiated between 17 and 19 May for the adoption of decisions with political implications.

5.3. EMPOWERMENT

(SEC(2004)617 et seq.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 17 and 19 May.

5.4. *DELEGATION AND SUBDELEGATION OF POWERS*

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation procedure between 17 and 19 May, as archived on the "Greffé 2000" (Registry) website.

6. ADMINISTRATIVE AND BUDGETARY MATTERS (SEC(2004)618/2)

ADMINISTRATIVE MATTERS (PERS(2004)87)

6.1. *DG/ADMIN - REINTEGRATION OF AN A*15 OFFICIAL TO A CHIEF ADVISER POST*

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

- to create a post of Chief Adviser, reporting to the Director-General, Personnel and Administration;
- to appoint to this post Mr Matti LIUKKONEN, an A*15 official, currently on leave on personal grounds.

These decisions would take effect on 1 June.

**6.2. DG ADMIN - DEFINITION OF THE STAFF COVERED BY THE
MEASURES LAID DOWN IN ARTICLES 44(2) AND 46 OF THE STAFF
REGULATIONS AND ARTICLE 7(4) OF ANNEX XIII TO THE STAFF
REGULATIONS
(C(2004)1891/2)**

The Commission adopted the decision in C(2004)1891/2. It noted that appropriate clarifications concerning the financial impact of the decision had been set out in an exchange of notes between the Director-General, Personnel and Administration, and the Director-General, Budget.

**7. APPLICATION OF ARTICLE 81 OF THE TREATY
(C(2004)1910 to /6; SEC(2004)677)**

The Commission:

- took note of the opinion of the Advisory Committee on Restrictive Practices and Dominant Positions of 11 and 24 May in C(2004)1910/2 and /4;
- took note of the final report of the Hearing Officer in C(2004)1910/3;
- adopted, in the authentic language (English), the decision in C(2004)1910/6, concluding that the companies concerned had infringed Article 81(1) of the EC Treaty and imposing on them a fine, to be paid jointly and severally, totalling €1 590 000;
- decided that the most important parts of the decision would be published in all the official languages in the L series of the Official Journal (with business secrets removed). The decision would be also made available on the internet.

**8. REPORT ON THE RATES OF EXCISE DUTY APPLIED ON ALCOHOL
AND ALCOHOLIC BEVERAGES
(COM(2004)223 to /9; SEC(2004)654)**

The Commission approved the report in COM(2004)223/9 for transmission to Parliament, the Council and the Economic and Social Committee.

**9. COUNCIL REGULATION ESTABLISHING A COMMUNITY CODE ON
THE RULES GOVERNING THE MOVEMENT OF PERSONS ACROSS
BORDERS
(COM(2004)391 to /5; SEC(2004)651)**

The Commission approved the proposal for a Regulation in COM(2004)391/5 for transmission to Parliament and the Council.

**10. COMMISSION RECOMMENDATION TO THE COUNCIL TO
AUTHORISE THE COMMISSION TO OPEN NEGOTIATIONS FOR THE
CONCLUSION OF AN AGREEMENT BETWEEN THE EUROPEAN
COMMUNITY AND THE REPUBLIC OF ICELAND AND THE KINGDOM
OF NORWAY ON ARRANGEMENTS FOR PARTICIPATION IN THE
EUROPEAN AGENCY FOR THE MANAGEMENT OF OPERATIONAL
COOPERATION AT THE EXTERNAL BORDERS
(SEC(2004)637 to /6)**

The Commission adopted the recommendation in SEC(2004)637/6, as amended in the light of the observations of the Legal Service, for transmission to the Council.

**11. THE SHARE OF RENEWABLE ENERGY IN THE EU
(COM(2004)366 to /7; SEC(2004)547/4; SEC(2004)619)**

The Commission adopted the communication in COM(2004)366/7 for transmission, together with a staff working paper (SEC(2004)547/4), to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions.

**12. INTERGOVERNMENTAL CONFERENCE
(SEC(2004)673)**

Mr VITORINO reported on the Intergovernmental Conference held at the Foreign Ministers meeting on Monday 24 May in Brussels. There now seemed to be a more positive atmosphere as regards the prospects for agreement at the European Council on 17 and 18 June. He summarised the positions taken and the solutions emerging on the main issues tackled (in particular: composition of the Commission; definition of qualified majority; allocation of seats in Parliament; budgetary procedure; preamble to the Constitution).

The Commission took note of this information. It held a brief exchange of views, particularly on the advisability, the form and the political stakes of taking an official position in the debate in progress, the results of which still remained open.

The PRESIDENT concluded by reminding the meeting of the very clear public positions taken by the Commission at various stages in the process. At this stage, the Commission should proceed with caution in order to preserve its margin of flexibility. It would in any case have to consider the overall situation in good time for the European Council on 17 June and decide what line to take in the light of the questions still open and/or solutions identified. In the meantime, for the specific points involving the definition of a common approach, such as the Foreign Minister

and the External Service mentioned during the meeting, any useful contribution should be sent to the IGC Task Force for coordination and distribution.

13. MATCHING SUPPLY AND DEMAND FOR TRANSLATION (SEC(2004)638 to /6)

Mr KINNOCK presented the communication he was tabling in agreement with the PRESIDENT, emphasising the urgent and necessary nature of the measures proposed. There was a gap between translation capacity and demand, and, in order that the Commission might discharge its responsibilities as regards multilingualism, these measures sought to bridge that gap by increasing translation capacity and rationalising demand. With a view to increasing capacity, major efforts were under way as regards recruitment, outsourcing, internal redeployments, training, and boosting productivity. Rationalisation of demand was proposed by means of, among other things, restricting the size of documents produced and a more targeted approach to the documents to be translated, in full compliance with the Commission's legal and political obligations and its responsibility to the public. To this end, Mr KINNOCK proposed amending the first paragraph of item 4.5 of the text so that the last sentence would read "Special priority will be given to translation of legislative texts and to texts arising from legal obligations that have a particular emphasis on time deadlines". Implementation of the action plan, designed to make up the backlog accumulated over recent years by the end of 2006, would be monitored regularly.

In their observations in support of the proposed communication, Members highlighted among other things: the soundness of the proposed rationalisation measures, which allowed the problems noted to be solved while safeguarding the principle of multilingualism; the responsibility of everyone to make sure the plan

was properly implemented, particularly where the size of documents was concerned; the possibility of monitoring demand more closely later, if necessary; the importance of careful presentation of the approach chosen in order to highlight its positive dimension to the benefit of multilingualism.

Following this exchange of views and subject to the amendment proposed during the meeting by Mr KINNOCK, the Commission:

- approved SEC(2004)638/6, particularly the conclusions and the follow-up set out at item 6;
- decided that the new regime would enter into force on 1 June;
- asked the Secretary-General to inform the other institutions of the measures taken.

14. COUNCIL MEETINGS

(SI(2004)481)

EUROPE DAY AT THE CANNES FILM FESTIVAL

(18 May)

Ms REDING reported on the second Europe Day, held on 18 May in Cannes on the fringe of the film festival. This event, which provided an opportunity for political leaders to meet representatives of the cinema industry, had given rise to a fruitful exchange of views on the major challenges facing European cinema, in particular: the financing of the cinema in Europe; combating piracy and how to prevent it; promoting the European dimension in cinema training.

**15. A STRONGER PARTNERSHIP FOR THE OUTERMOST REGIONS
(COM(2004)343 to /6; SEC(2004)536)**

Mr BARROT introduced the communication he was tabling. In response to a request by the Seville European Council in June 2002, the text presented the main points of a future strategy for the development of the outermost regions, to be fleshed out in a forthcoming report on the implementation of Article 299(2) of the EC Treaty. It was aimed at providing a focused response to the handicaps experienced by the outermost regions as a result of their remoteness, taking into account three priority objectives, viz.: improving the economic competitiveness of these regions; reducing the disadvantages caused by remoteness; a fuller involvement of these regions in the geographical areas in which they were situated. The communication was in line with the third report on economic and social cohesion, adopted by the Commission on 18 February (PV(2004)1646, item 12).

During its exchange of views, the Commission discussed several aspects of the dossier. The details to be decided for the outermost regions must be in proportion with their handicaps and be balanced in comparison with the comparable difficulties facing other isolated regions of the Union. The advisability of the timetable chosen for the presentation of the communication was also considered from the point of view both of its link with the future financial perspective and of the work in progress in the IGC. Certain more specific aspects were also mentioned, such as: the increase in the maximum cofinancing rate under the “regional competitiveness” objective of the cohesion policy; the sensitivity of the regimes in place for certain traditional crops in the outermost regions; the maintenance of the principle of non-degressivity and non-limitation in time of operating aid.

After its discussions and having taken note of the replies by Mr BARROT and other Commission Members to the questions raised, the Commission approved the

communication in COM(2004)343/6 for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions.

16. RELATIONS WITH NON-MEMBER COUNTRIES

16.1. RISE IN OIL PRICES – 9TH INTERNATIONAL ENERGY FORUM

(AMSTERDAM, 22-24 MAY)

(SEC(2004)679)

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

16.2. TRADE NEGOTIATIONS WITH MERCOSUR

(SEC(2004)682)

The Commission took note of the information note distributed by Mr LAMY.

16.3. MEETING OF G7 FINANCE MINISTERS

(NEW YORK, 22 AND 23 MAY)

(SEC(2004)674)

The Commission took note of the information note distributed by
Mr ALMUNIA.

16.4. EU-RUSSIA SUMMIT

(SEC(2004)681)

The PRESIDENT reported that the EU-Russia summit had taken place in a positive climate. Apart from the finalisation of the important agreement on Russia's accession to the WTO and probably partly because of that, the

meeting had achieved encouraging advances and signs of opening on various dossiers, particularly the question of the ratification of the Kyoto protocol.

The Commission took note of this information and of the note distributed by Mr LAMY (SEC(2004)681). It endorsed the PRESIDENT's congratulations to Mr LAMY for his efforts and the remarkable culmination of the negotiations concerning Russia's accession to the WTO.

16.5. *ECHO ACTIVITIES IN THE BALKANS*

(SEC(2004)678)

The Commission took note of the information communicated orally by Mr NIELSON in support of the note he had distributed (SEC(2004)678). This drew attention to the scope and variety of the activities of the Humanitarian Office in the Balkans over the past twelve years and the lessons to be drawn therefrom.

16.6. *LAUNCH OF THE AFRICAN UNION PEACE AND SECURITY COUNCIL*

(ETHIOPIA, 25 MAY)

Mr NIELSON reported on the launch on Tuesday 25 May in Addis Ababa of the African Union Peace and Security Council. Endowed with an extended mandate in the areas of conflict prevention, resolution and management, the Peace and Security Council would play a central role in implementing the operations of the Peace Facility in Africa. An example was the Peace Council's decision to send an observer mission to the Darfur region, to be financed by the Peace Facility.

16.7. SITUATION IN HAITI

Mr NIELSON reported on contacts with the provisional government in Haiti and the prospects for Union assistance.

17. OTHER BUSINESS

STATE AID FOR ALSTOM

Mr MONTI reported on the state of play and the commitments made by the French authorities in order to secure Commission authorisation of the state aid in question. The Commission would be taking the necessary decisions at the appropriate time and in accordance with the applicable procedures.

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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 1130 hours.