



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2004)1662 final

Brussels, 24 June 2004

MINUTES
of the 1662nd meeting of the Commission
held in Brussels
(Breydel)
on Wednesday 16 June
(morning)

These minutes were approved by the Commission at its 1663rd meeting, held in Brussels on 24 June 2004.

They contain 22 pages.

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Single sitting: Wednesday 16 June (morning)

The sitting opened at 0940 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 VERHEUGEN	
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 FISCHLER

Mr NIELSON

The following sat in to represent absent Members of the Commission

Mr PIRZIO-BIROLI	Chef de cabinet to Mr Fischler
Mr MØRCH	Deputy Chef de cabinet to Mr Nielson

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 11
Mr THOMAS	Spokesman	
Mr DE LECEA	Adviser in the President's Office	Item 11
Mr SMULDERS	A member of the President's staff	Item 11
Ms OLIVI	A member of Mr Monti's staff	Item 11
Mr CAPOUET	Chef de cabinet to Mr Busquin	Item 9
Mr CHILD	Chef de cabinet to Mr Patten	Items 1 to 9
Mr VILLE	Deputy Chef de cabinet to Mr Patten	Items 11 to 15
Mr CAVACO	Chef de cabinet to Mr Vitorino	Items 11 and 12
Mr CARVOUNIS	Press and Communication DG	
Mr LEVI	GOPA	Item 11
Mr PONZANO	Secretariat-General	Item 11

Mr VAN NUFFEL

Secretariat-General

Item 11

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

1. AGENDAS

(OJ(2004)1662/3; SEC(2004)751/2)

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)1662)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 14 June.

3. APPROVAL OF MINUTES AND SPECIAL MINUTES OF 1661st MEETING

(9 June)

(PV(2004)1661; PV(2004)1661, Part II)

The Commission approved the minutes of its 1661st meeting.

4. MONITORING THE APPLICATION OF COMMUNITY LAW: STATE AID

(SEC(2004)744; SEC(2004)745)

The Commission adopted the decisions in SEC(2004)745.

5. WRITTEN PROCEDURES AND EMPOWERMENT

5.1. WRITTEN PROCEDURES APPROVED

(SEC(2004)752 et seq.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 7 and 11 June.

5.2. SENSITIVE WRITTEN PROCEDURES

(SEC(2004)753)

The Commission took note of written procedures initiated between 7 and 11 June for the adoption of decisions with political implications.

5.3. EMPOWERMENT

(SEC(2004)755 et seq.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 7 and 11 June.

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 7 and 11 June, as archived on the "Greffé 2000" (Registry) website.

6. SECOND REPORT ON THE IMPLEMENTATION OF THE FRAMEWORK ACTION UPDATING AND SIMPLIFYING THE COMMUNITY ACQUIS

(COM(2004)432 to /4; SEC(2004)774/3; SEC(2004)775)

The Commission:

- approved the communication from the PRESIDENT in COM(2004)432/4 for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, together with Commission staff working paper SEC(2004)774/3;
- asked departments to step up their efforts to complete the implementation of the specific actions outlined in the communication *Updating and simplifying the Community acquis* adopted in February 2003 (COM(2003)71 final, 11.2.2003).

7. AN EU-INDIA STRATEGIC PARTNERSHIP

(COM(2004)430 to /4; SEC(2004)768/3)

The Commission adopted the communication from Mr PATTEN in COM(2004)430/4 for transmission to Parliament, the Council and the Economic and Social Committee, together with Commission staff working paper SEC(2004)768/3.

8. OTHER BUSINESS

CONFERENCE ON RENEWABLE ENERGIES

(1-4 JUNE)

(SEC(2004)790)

The Commission took note of the information note distributed by Ms WALLSTRÖM on the outcome of the Bonn Conference on renewable energies.

**9. SCIENCE AND TECHNOLOGY, THE KEY TO EUROPE'S FUTURE -
GUIDELINES FOR FUTURE EUROPEAN UNION POLICY TO SUPPORT
RESEARCH**

(COM(2004)353/2 to /8; SEC(2004)764)

Mr BUSQUIN presented the main points of his communication, which was designed both to detail the research component of the future financial perspective according to the guidelines proposed by the Commission in February, and to launch consultations with the scientific community with a view to drawing up the seventh research framework programme. Based on the assumption of a doubling of the resources allocated to the Union's research budget and highlighting the European added value in this field, the communication proposed organising the Union's activity around six key objectives and concentrating its efforts on subjects of major European interest, such as space and security. The financial allocation was to be determined by identifying the right balance between new and current activities, between fundamental and applied research, and between support for human research capabilities and for technical and material research. Lastly, the most effective methods of implementation would have to be found in order to optimise the Community's involvement.

Having noted Mr BUSQUIN's observations and the high quality of the communication, the Commission approved COM(2004)353/7 for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions. A short briefing paper would be produced and made available to Commission Members.

10. PARLIAMENT

PARLIAMENTARY AFFAIRS GROUP

(SP(2004)1857)

The Commission took note of the record of the meeting of the Parliamentary Affairs Group held on 15 June (SP(2004)1857).

It paid particular attention to the following:

i) Results of the European elections, 11 to 13 June

(point 1 of the record)

Following observations by the PRESIDENT and Ms de PALACIO on the main issues arising from the European Parliament elections, the Commission held an in-depth discussion on the conduct, results and probable consequences of the elections and the conclusions to be drawn. This covered the following points in particular:

- in general terms, the need to avoid overdramatising the results, without, however, obscuring their scale or the importance of taking them fully on board;
- as regards the turnout: the trends at Union level taken as a whole, the specific details for each Member State, and the need to avoid generalisations;
- the likely explanations for the overall low turnout, particularly: the absence of a real debate on European issues in the election campaigns; voter fatigue after having been called to vote repeatedly within a fairly short period; the lack of integration and perception of questions dealt with at European level from the point of view of citizens' daily lives; the growing gulf between the electorate and politicians; possible similarities

between voters' behaviour in national elections and in the European context; the characteristics distinguishing the European Parliament from national parliaments and the European electorate from national electorates;

- whether or not there was a connection between abstentionism and euroscepticism;
- the implications of the results for the operation of Parliament (relative strengths of the political groups; work of the parliamentary committees, interinstitutional relations, etc.), for the other institutions, for the Member States and for the Constitution;
- the need for the main players in European integration (the Commission, but also Parliament and the Member States) to look into the reasons for the evident disaffection with the European project and to draw appropriate conclusions;
- possible solutions for improving the commitment and participation of citizens in European integration; the importance of a better understanding of citizens' expectations of Europe and the need to improve the Union's communication and information policy;
- whether it would be useful to carry out an in-depth study of the elections, drawing on the expertise of political scientists, sociologists, anthropologists, historians, etc., in order to provide a sound analysis;
- the regrettable nature of, and the conclusions that could be drawn from, the premature publication of the results in two Member States.

In closing, the PRESIDENT confirmed the need to deal with the various questions underlying the election results and to launch an in-depth and

exhaustive study of all aspects of them in order to have available useful points of analysis for the future.

ii) Inaugural part-session of Parliament in July

(point 2 of the record)

It was noted that, at Parliament's debate on Wednesday 21 July on the results of the European Council, the report on the Irish Presidency and the programme of the Dutch Presidency, the Commission would be represented by the PRESIDENT, accompanied by the Commission Members concerned. A sufficient number of Commission Members would also need to be present at key moments of the July part-session, particularly the election of the President of Parliament on Tuesday 20 July.

iii) Action taken on Parliament's opinions and resolutions

(point 3 of the record)

The Commission decided to adopt and transmit to Parliament the replies to non-legislative and own-initiative resolutions adopted by Parliament to which the Commission had undertaken to reply (SP(2004)1855/2).

11. INTERGOVERNMENTAL CONFERENCE

(SEC(2004)785; SEC(2004)787 and /2; SEC(2004)793)

The PRESIDENT and Mr VITORINO reported on the state of play and on the prospects of reaching agreement on the draft constitution at the European Council on 17 and 18 June. Following the Council meeting (General affairs and external relations) on Monday 14 June and subsequent events, Mr VITORINO reviewed the latest developments concerning the items still remaining open, particularly: the scope of the qualified majority voting, where the proposals on the table constituted a

retrograde step in certain respects compared to the text that had emerged from the Convention; the institutional questions reserved for Heads of State or Government (definition of the qualified majority; size and composition of the Commission; European Parliament seats); the solutions proposed for the reference to the Charter of Fundamental Rights and the content of the preamble; the situation as regards economic governance, particularly in the light of the recent demand by four Member States that decisions on the existence of an excessive deficit, and the measures for dealing with it, be taken on a Commission recommendation and not on a Commission proposal, as provided for by the Convention.

The Commission took note of this information and held an exchange of views, covering in particular: the difficulties arising on the issue of economic governance and the need to avoid any backward step compared with the *acquis* of the Convention, or even of the present Treaty, in regard to the Commission's powers; the importance of transparency and of the effectiveness of the decision-making process in connection with the qualified majority mechanism in the Council; the composition of the Commission; the content of the preamble; what stance the Commission should take in order to smooth the process of ratifying the Constitution.

Following this debate, the PRESIDENT pointed to the need for all Commission Members to make appropriate contacts to explain and defend the Commission's position on the excessive deficit procedure.

**12. TOWARDS ENHANCING ACCESS TO INFORMATION BY LAW
ENFORCEMENT AGENCIES
(COM(2004)429 to /4; SEC(2004)776)**

Mr VITORINO presented his communication, which was in line with the statement on combating terrorism adopted by the European Council on 25 March. Produced for the European Council on 17 and 18 June, the communication set forth the key points for improving access to information and its exchange between the authorities responsible for public order and law enforcement in Europe, with a view to the introduction of the management of intelligence at European level under the aegis of Europol, while respecting fundamental and individual rights. Following observations by Mr BOLKESTEIN, Mr VITORINO agreed that, without calling into question the purpose of the communication, whose objective under the third pillar was to combat crime, it was important to comply with the proportionality principle and to strike the right balance between combating terrorism and protecting individual rights and personal data. He intended to consult the departments most directly concerned, particularly on the drafting of legislative proposals.

Following this discussion, the Commission approved the communication in COM(2004)429/4 for transmission to Parliament and the Council.

**13. ADMINISTRATIVE AND BUDGETARY MATTERS
(SEC(2004)756/3)**

**ADMINISTRATIVE MATTERS
(PERS(2004)101)**

***13.1. INITIAL COMMUNICATION UNDER ARTICLE 50 OF THE STAFF
REGULATIONS***

The Commission decided to initiate the procedure laid down in Article 50 of the Staff Regulations in respect of an A*15 official.

**13.2. DG IAS – POST OF INTERNAL AUDITOR AND DIRECTOR-GENERAL
(PERS(2003)146 to /6)**

The Commission had before it applications under Article 29(1)(a), 29(1)(c) and 29(2) of the Staff Regulations (as in force at the time of publication) for the post of internal auditor and Director-General, Internal Audit Service (PERS(2003) 146/3).

The Commission took note of the opinions of the Consultative Committee on Appointments of 7 and 14 May (PERS(2003)146/4 and /6).

The Commission proceeded to consider the applicant's qualifications for the post. It took note of Mr KINNOCK's assessment that Mr DEFFAA was particularly well equipped to tackle the twin challenges of consolidating the work of a department that was still fairly new and improving relationships between auditor and the audited so that the audit culture and the recommendations of the Internal Auditor would become fully incorporated into the Commission's work. Mr DEFFAA would also bring to the post his in-depth knowledge and experience of the Commission's operation and of the audit process, as well as proven management ability.

In the light of this opinion, the Commission, on a proposal from Mr KINNOCK, in agreement with the PRESIDENT, decided to appoint Mr Walter DEFFAA internal auditor and Director-General, Internal Audit Service.

This decision would take effect on 1 August.

13.3. DG IAS.B - POST OF DIRECTOR

(PERS(2003)147 to /6)

The Commission had before it applications under Article 29(1)(a), 29(1)(c) and 29(2) of the Staff Regulations (as in force at the time of publication) for the post of Director, Directorate B (Audits) in the Internal Audit Service (PERS(2003) 147/3 and /5).

The Commission took note of the opinions of the Consultative Committee on Appointments of 6 and 13 May (PERS(2003)147/4 and /6).

The Commission proceeded to compare the applicants' qualifications for the post. It took note of Mr KINNOCK's assessment that Mr MERCHAN CANTOS's professional and personal qualities, backed up by long experience of audits in the private sector as well as for four years in the Commission, made him particularly well suited for the tasks of this post.

In the light of this opinion, the Commission, on a proposal from Mr KINNOCK, in agreement with the PRESIDENT, decided to appoint Mr Francisco MERCHAN CANTOS to the post.

This decision would take effect on 1 August.

13.4. DG AIDCO.A - POST OF DIRECTOR

(PERS(2004)10 to /3)

The Commission had before it applications under Article 29(1)(a) of the Staff Regulations (as in force at the time of publication) for the post of Director, Directorate A (Europe, Caucasus, Central Asia) in the EuropeAid Cooperation Office (PERS(2004)10).

The Commission took note of the opinions of the Consultative Committee on Appointments of 18 February and 18 March (PERS(2004)10/2 and /3).

The Commission proceeded to compare the applicants' qualifications for the post. It also examined the reports on their ability, efficiency and conduct in the service. On a proposal from Mr KINNOCK, in agreement with the PRESIDENT, Mr NIELSON and Mr PATTEN, it then decided to appoint Mr Gary QUINCE to the post.

This decision would take effect on 1 September.

13.5. *DECISION ON THE STATUS OF COMMISSIONERS-DESIGNATE*
(PERS(2004)103/2)

Subject to finalisation of the text by Mr KINNOCK, in agreement with the PRESIDENT and Ms SCHREYER, the Commission approved the approach laid out in PERS(2004)103/2, in particular the conclusions listed at item 6.

13.6. *JRC – EXEMPTION FROM RETIREMENT AT THE AGE OF 65*

The Commission, on a proposal from Mr KINNOCK, in agreement with the PRESIDENT and Mr BUSQUIN, decided to approve a request for exemption from the retirement age of 65 from Mr Gérard LANDER, an A*15 official, currently Director of the Institute for Transuranium Elements at the Joint Research Centre in Karlsruhe. Mr LANDER's new retirement date was set at 31 August 2005.

14. RELATIONS WITH NON-MEMBER COUNTRIES

14.1. EU - UNITED STATES SUMMIT

(26 JUNE)

(SEC(2004)786)

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

14.2. MINISTERIAL CONFERENCE ON THE FACILITY FOR EURO-MEDITERRANEAN INVESTMENT AND PARTNERSHIP

(ALEXANDRIA, 7 JUNE)

(SEC(2004)777)

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

14.3. EU-MERCOSUR: STATE OF NEGOTIATIONS

Mr LAMY reported on the negotiations for a free trade agreement with Mercosur, following his meeting with the Foreign Ministers of the Mercosur countries the previous weekend in Sao Paulo on the fringe of the UN Conference on Trade and Development (UNCTAD). He was concerned about the very limited progress made towards the goal of concluding an agreement in October. There was a need to strike a better balance in the respective negotiating offers of the Union and of Mercosur, particularly as regards Mercosur's offer on services and investment.

14.4. ACCESSION NEGOTIATIONS WITH BULGARIA

Mr VERHEUGEN reported on the finalisation of the accession negotiations with Bulgaria at a ministerial meeting in Luxembourg on Tuesday. He explained the next stages to be followed by the Commission and the Council

as regards preparations for Bulgaria's accession, and drew attention to the inclusion in the Accession Treaty of a new safeguard clause enabling the Council, on a Commission proposal, to decide unanimously to postpone accession by one year if Bulgaria did not fulfil its commitments as regards preparations for accession.

15. COUNCIL MEETINGS

(SI(2004)561)

TRANSPORT, TELECOMMUNICATIONS, ENERGY

(LUXEMBOURG, 10 AND 11 JUNE)

(SI(2004)557 and /2; SI(2004)558 and /2)

Ms de PALACIO reported on the Council meeting. General agreement had been reached unanimously on the proposal for a Directive on improving the safety of ports, on the basis of the Presidency compromise; it had not proved possible to reach agreement on the proposal for a Directive on the charging of lorries for the use of certain infrastructure (Eurovignette) or on the proposal for a Directive on a ban on lorries at weekends; on the other hand, the results were positive as regards the texts on the table concerning social legislation in land transport. Ms de PALACIO also mentioned her concerns about the positions expressed by the Member States concerning the EU-US negotiations on an air transport agreement; she pointed to the stakes of such a agreement for the internal market in air transport and its impact on the future of the sector.

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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 1245 hours.