



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2004)1664 final

Brussels, 7 July 2004

MINUTES

of the 1664th meeting of the Commission

held in Brussels

(Breydel)

on Wednesday 30 June 2004

(morning)

—

These minutes were approved by the Commission at its 1665th meeting, held in Brussels on 7 July 2004.

They contain 15 pages.

CONTENTS

Attendance list

5-7

1. AGENDAS (OJ(2004)1664/3; SEC(2004)849/2).....	6
2. WEEKLY MEETING OF CHEFS DE CABINET (SEC(2004)1664)	6
3. APPROVAL OF MINUTES AND SPECIAL MINUTES OF 1663RD MEETING (24 JUNE) (PV(2004)1663; PV(2004)1663, PART II)	6
4. MONITORING THE APPLICATION OF COMMUNITY LAW	6
4.1. STATE AID - SPECIFIC CASES (SEC(2004)806; SEC(2004)807/2).....	6
4.2. COMMISSION REGULATION ON THE APPLICATION OF ARTICLES 87 AND 88 OF THE EC TREATY TO STATE AID TO SMALL AND MEDIUM-SIZED ENTERPRISES ACTIVE IN THE PRODUCTION, PROCESSING AND MARKETING OF FISHERIES PRODUCTS, AND GUIDELINES FOR THE EXAMINATION OF STATE AID IN THE FISHERIES SECTOR (C(2004)2302/5 and /6; SEC(2004)806).....	7
5. WRITTEN PROCEDURES AND EMPOWERMENT	7
5.1. WRITTEN PROCEDURES APPROVED (SEC(2004)850 et seq.)	7
5.2. SENSITIVE WRITTEN PROCEDURES (SEC(2004)851).....	8
5.3. EMPOWERMENT (SEC(2004)852 et seq.).....	8
5.4. DELEGATION AND SUBDELEGATION OF POWERS	8
6. PROPOSAL FOR A PARLIAMENT AND COUNCIL DIRECTIVE ON THE PREVENTION OF THE USE OF THE FINANCIAL SYSTEM FOR THE PURPOSE OF MONEY LAUNDERING, INCLUDING TERRORIST FINANCING (COM(2004)448 TO /4; SEC(2004)879)	8
7. MOBILE BROADBAND SERVICES (COM(2004)447 TO /3).....	9

8. INSCRIPTION IN COMMON CATALOGUE OF SEEDS REGISTERED IN NATIONAL SEED CATALOGUES (SEC(2004)883 AND /2)	9
9. ADMINISTRATIVE AND BUDGETARY MATTERS (SEC(2004)853/3)	10
9.1. DG DEV - POST OF DIRECTOR-GENERAL (PERS(2004)93 to /5).....	10
9.2. DG ADMIN - APPLICATION OF THE ARTICLE 50 PROCEDURE (SECOND STAGE) WITH RESPECT TO AN A*15 OFFICIAL AND ABOLITION OF CHIEF ADVISER POST (PERS(2004)117)	11
9.3. APPLICATION OF ARTICLE 50 OF THE STAFF REGULATIONS (INITIAL STAGE) WITH RESPECT TO AN A*15 OFFICIAL	11
9.4. INTERNAL, INTERINSTITUTIONAL AND EXTERNAL PUBLICATION OF THE POST OF HEAD OF DELEGATION IN MOROCCO	11
9.5. AMENDMENT OF COMMISSION DECISION CONCERNING THE EXERCISE OF THE POWERS CONFERRED BY THE STAFF REGULATIONS ON THE APPOINTING AUTHORITY AND BY THE CONDITIONS OF EMPLOYMENT OF OTHER SERVANTS ON THE AUTHORITY RESPONSIBLE FOR CONCLUDING CONTRACTS OF EMPLOYMENT (C(2004)2286).....	12
9.6. WORK OF THE AUDIT PROGRESS COMMITTEE (SEC(2004)900).....	12
10. COUNCIL MEETINGS (SI(2004)608)	12
SPECIAL EUROPEAN COUNCIL (BRUSSELS, 29 JUNE).....	12
11. RELATIONS WITH NON-MEMBER COUNTRIES.....	13
11.1. EU - UNITED STATES SUMMIT (SHANNON, 25 AND 26 JUNE) (SEC(2004)902)	13
11.2. MARKET ECONOMY STATUS FOR CHINA (SEC(2004)901).....	13
12. OTHER BUSINESS.....	14
12.1. NEW REGULATORY FRAMEWORK FOR ELECTRONIC COMMUNICATIONS (SEC(2004)644).....	14
12.2. RESTRUCTURING OF ALITALIA.....	14

Single sitting: Wednesday 30 June (morning)

The sitting opened at 1030 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 NIELSON	
Mr VERHEUGEN	
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 BUSQUIN

Mr PATTEN

The following sat in to represent absent Members of the Commission

Mr CAPOUET Chef de cabinet to Mr Busquin

Mr CHILD 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 Items 10 to 12

Mr DE OLIVEIRA E SOUSA Director-General, Press and Communication

Mr KEMPPINEN Commission Spokesman

Ms CORUGEDO STENEBOG Press and Communication DG

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

1. AGENDAS

(OJ(2004)1664/3; SEC(2004)849/2)

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)1664)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 28 June.

3. APPROVAL OF MINUTES AND SPECIAL MINUTES OF 1663rd MEETING (24 June)

(PV(2004)1663; PV(2004)1663, Part II)

The Commission approved the minutes of its 1663rd meeting.

4. MONITORING THE APPLICATION OF COMMUNITY LAW

4.1. STATE AID - SPECIFIC CASES

(SEC(2004)806; SEC(2004)807/2)

The Commission adopted the decisions in SEC(2004)807/2.

**4.2. COMMISSION REGULATION ON THE APPLICATION OF
ARTICLES 87 AND 88 OF THE EC TREATY TO STATE AID TO SMALL
AND MEDIUM-SIZED ENTERPRISES ACTIVE IN THE
PRODUCTION, PROCESSING AND MARKETING OF FISHERIES
PRODUCTS, AND GUIDELINES FOR THE EXAMINATION OF STATE
AID IN THE FISHERIES SECTOR
(C(2004)2302/5 and /6; SEC(2004)806)**

The Commission

- approved in principle the Regulation on the application of Articles 87 and 88 of the EC Treaty to aid for small and medium-sized enterprises involved in the production, processing and marketing of fishery products, as set out in SEC(2004)2302/5;
- approved in principle the guidelines for the examination of state aid in the fisheries sector, as set out in SEC(2004)2302/6;
- empowered the Commission Member responsible for fisheries to adopt the final versions of the Regulation and the guidelines in all the official languages, after checking by the lawyer-linguists; these documents would be published in the Official Journal.

5. WRITTEN PROCEDURES AND EMPOWERMENT

**5.1. WRITTEN PROCEDURES APPROVED
(SEC(2004)850 et seq.)**

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 21 and 25 June.

5.2. SENSITIVE WRITTEN PROCEDURES

(SEC(2004)851)

The Commission took note of written procedures initiated between 21 and 25 June for the adoption of decisions with political implications.

5.3. EMPOWERMENT

(SEC(2004)852 et seq.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 21 and 25 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 21 and 25 June, as archived on the "Greffé 2000" (Registry) website.

6. PROPOSAL FOR A PARLIAMENT AND COUNCIL DIRECTIVE ON THE PREVENTION OF THE USE OF THE FINANCIAL SYSTEM FOR THE PURPOSE OF MONEY LAUNDERING, INCLUDING TERRORIST FINANCING

(COM(2004)448 to /4; SEC(2004)879)

The Commission approved the proposal for a Directive in COM(2004)448/4 for transmission to Parliament, the Council and the Economic and Social Committee.

7. MOBILE BROADBAND SERVICES
(COM(2004)447 to /3)

The Commission approved the communication on mobile broadband services, as set out in COM(2004)447/3, for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions.

8. INSCRIPTION IN COMMON CATALOGUE OF SEEDS REGISTERED IN
NATIONAL SEED CATALOGUES
(SEC(2004)883 and /2)

The Commission held over its decision on this matter for its 8 September meeting in order to deal at the same time with the communication to be presented by Ms WALLSTRÖM on tolerance thresholds for the unintended presence of GMO seeds in conventional seeds and with the updating of the decision-making mechanism applicable to catalogue entries of this kind.

9. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2004)853/3)

ADMINISTRATIVE MATTERS

(PERS(2004)114/2)

9.1. DG DEV - POST OF DIRECTOR-GENERAL

(PERS(2004)93 to /5)

The Commission had before it applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Director-General, Development (PERS(2004)93/2).

The Commission took note of the opinions of the Consultative Committee on Appointments of 7 and 11 June (PERS(2004)93/3 and /5).

The Commission proceeded to compare the applicants' qualifications for the post. It took note of Mr NIELSON's assessment, after interviewing both candidates, that Mr MANSERVISI was particularly well suited to take on the responsibilities of this post. In particular, he would be able to draw on his sound knowledge of development policy and more generally of external relations, his in-depth experience of the Commission's operation and his expertise acquired in various high-profile posts within the Commission.

In the light of this opinion, the Commission, on a proposal from Mr KINNOCK, in agreement with the PRESIDENT and Mr NIELSON, decided to appoint Mr Stefano MANSERVISI to the post.

This decision would take effect on a date to be fixed later.

The Commission endorsed the thanks expressed by Mr NIELSON to Mr THEODORAKIS for the quality of his work and his commitment to the Development DG, where he was currently standing in as Director-General.

**9.2. DG ADMIN - APPLICATION OF THE ARTICLE 50 PROCEDURE
(SECOND STAGE) WITH RESPECT TO AN A*15 OFFICIAL AND
ABOLITION OF CHIEF ADVISER POST
(PERS(2004)117)**

The Commission continued its discussions on this matter, begun on 16 June (PV(2004)1662).

The Commission, on a proposal from Mr KINNOCK, in agreement with the PRESIDENT, adopted the decision in PERS(2004)117 to apply the second stage of the procedure laid down in Article 50 of the Staff Regulations with respect to Mr Matti LIUKKONEN, an A*15 official, currently Chief Adviser in the Personnel and Administration DG. The Chief Adviser post thereby left vacant would be abolished.

This decision would take effect on 16 July.

**9.3. APPLICATION OF ARTICLE 50 OF THE STAFF REGULATIONS
(INITIAL STAGE) WITH RESPECT TO AN A*15 OFFICIAL**

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

**9.4. INTERNAL, INTERINSTITUTIONAL AND EXTERNAL PUBLICATION
OF THE POST OF HEAD OF DELEGATION IN MOROCCO**

In view of the specific nature of the post and so as to be able to draw upon the widest possible range of candidates, the Commission authorised the publication under Article 29(1)(a)(i) and (iii), 29(1)(b) and 29(2) of the Staff Regulations of the vacancy notice annexed to PERS(2004)114/2. Under Article 29(2) the vacancy notice would be published in the Official Journal.

**9.5. AMENDMENT OF COMMISSION DECISION CONCERNING THE
EXERCISE OF THE POWERS CONFERRED BY THE STAFF
REGULATIONS ON THE APPOINTING AUTHORITY AND BY THE
CONDITIONS OF EMPLOYMENT OF OTHER SERVANTS ON THE
AUTHORITY RESPONSIBLE FOR CONCLUDING CONTRACTS OF
EMPLOYMENT
(C(2004)2286)**

The Commission adopted the decision in C(2004)2286.

OTHER MATTERS

**9.6. WORK OF THE AUDIT PROGRESS COMMITTEE
(SEC(2004)900)**

The Commission took note of the information note distributed by
Ms SCHREYER and Mr KINNOCK, in agreement with Ms REDING and
Mr VITORINO.

**10. COUNCIL MEETINGS
(SI(2004)608)**

**SPECIAL EUROPEAN COUNCIL
(BRUSSELS, 29 JUNE)**

The Commission took note of the information provided by the PRESIDENT on the
outcome of the special European Council of Tuesday 29 June, which had designated
Mr Manuel DURÃO BARROSO, Prime Minister of Portugal, as the next President
of the Commission. Mr Javier SOLANA would continue in his post of
Secretary-General of the Council and High Representative for the Common Foreign

and Security Policy, and Mr de BOISSIEU would continue in his post of Deputy Secretary-General of the Council.

The PRESIDENT warmly welcomed the designation of Mr DURÃO BARROSO and referred to the arrangements to be made for the transition and the transfer of powers to the next Commission. To this end, he would be meeting his successor-designate that same day. The PRESIDENT observed that, when they had met at the special European Council, Mr DURÃO BARROSO had stressed the importance he attached to a strong Commission as the driving force of the Union and had paid tribute to the successes of the present Commission (introduction of the euro, enlargement, and the Constitution). The PRESIDENT was sure that the work of the transitional period would proceed in perfect harmony between the two of them.

11. RELATIONS WITH NON-MEMBER COUNTRIES

11.1. EU - UNITED STATES SUMMIT

(SHANNON, 25 AND 26 JUNE)

(SEC(2004)902)

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

11.2. MARKET ECONOMY STATUS FOR CHINA

(SEC(2004)901)

In support of the information note he had distributed, Mr LAMY reported on the circumstances and the results of the assessment carried out by his departments as to the possibility of market economy status for China. After briefly summarising the dossier, which in this case, despite its political symbolism, concerned exclusively the field of trade protection, Mr LAMY

explained why his departments had come to the preliminary conclusion that China should be regarded at this stage as an economy in transition, and described the steps it still needed to take to achieve the status of a market economy.

Replying to various questions, Mr LAMY detailed the nature of the criteria and the context of the procedure applied; its relationship to the dialogue with China on competition policy, and the specific aspects of the Chinese economy that distinguished it from other countries, particularly Russia, for which the status of market economy had been recognised by the Community. As regards possible developments and timescale, there was no specific timetable but the Commission was willing to continue discussions with the Chinese authorities.

12. OTHER BUSINESS

12.1. NEW REGULATORY FRAMEWORK FOR ELECTRONIC COMMUNICATIONS

(SEC(2004)644)

The Commission took note of the information note distributed by Mr MONTI and Mr LIIKANEN.

12.2. RESTRUCTURING OF ALITALIA

Ms de PALACIO reported on her contacts with the Italian authorities and on the measures she would be putting before the Commission in the absence of notification of the Alitalia rescue plan as promised.

*

* *

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

*

* *

The meeting closed at 1115 hours.