



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2004)1667 final

Brussels, 3 September 2004

MINUTES
of the 1667th meeting of the Commission
held in Brussels
(Breydel)
on Monday 19 July 2004 (afternoon)

and

in Strasbourg
(Winston Churchill Building)
on Tuesday 20 July 2004 (afternoon)

These minutes were approved by the Commission at its 1668th meeting, held in Brussel on 3 September 2004.

They contain 35 pages.

CONTENTS

Attendance list	5-6
1. AGENDAS (OJ(2004)1667/3; SEC(2004)966/2).....	9
2. ARRANGEMENTS FOR MINUTES AND SPECIAL MINUTES OF THIS MEETING	9
3. WEEKLY MEETING OF CHEFS DE CABINET (SEC(2004)1667 AND /2).....	9
4. PARLIAMENT	10
5. WRITTEN PROCEDURES AND EMPOWERMENT	10
5.1 WRITTEN PROCEDURES APPROVED (SEC(2004)967 et seq.).....	10
5.2 SENSITIVE WRITTEN PROCEDURES (SEC(2004)968)	10
5.3 EMPOWERMENT (SEC(2004)969 et seq.).....	11
5.4 DELEGATION AND SUBDELEGATION OF POWERS.....	11
6. COMMISSION DECISION AMENDING THE COMMISSION DECISION OF 13 DECEMBER 2000 GRANTING A EURATOM LOAN TO ENERGOATOM FOR THE K2R4 PROJECT (UKRAINE) (C(2004)2817 TO /3; SEC(2004)1001)	11
7. DOHA DEVELOPMENT AGENDA - JULY 2004 (SEC(2004)1006; SEC(2004)994).....	11
8. NOTICE ON A SIMPLIFIED PROCEDURE FOR TREATMENT OF CERTAIN CONCENTRATIONS (SEC(2004)985; SEC(2004)996).....	12

9. NOTICE ON RESTRICTIONS DIRECTLY RELATED AND NECESSARY TO CONCENTRATIONS (SEC(2004)984; SEC(2004)996).....	12
10. NOTICE ON CASE REFERRAL IN RESPECT OF CONCENTRATIONS (SEC(2004)983 TO /3; SEC(2004)996).....	12
11. COMMISSION DECISION RELATING TO A PROCEEDING UNDER ARTICLE 8(2) OF COUNCIL REGULATION (EEC) NO 4064/89 ON THE CONTROL OF CONCENTRATIONS BETWEEN UNDERTAKINGS (CASE NO COMP/M.3333 - SONY/BMG) (C(2004)2815 TO /4; SEC(2004)996).....	13
12. PROPOSAL FOR A COUNCIL REGULATION CONCERNING THE ESTABLISHMENT OF A VOLUNTARY FLEGT LICENSING SCHEME FOR IMPORTS OF TIMBER INTO THE EUROPEAN COMMUNITY (COM(2004)515 TO /4; SEC(2004)977).....	13
13. COMMISSION RECOMMENDATION TO THE COUNCIL TO AUTHORISE THE COMMISSION TO OPEN NEGOTIATIONS FOR PARTNERSHIP AGREEMENTS TO IMPLEMENT THE FLEGT EU ACTION PLAN (SEC(2004)973 TO /3; COM(2004)515/2)	13
14. COMMISSION DECISION CONCERNING THE PLACING ON THE MARKET, IN ACCORDANCE WITH PARLIAMENT AND COUNCIL DIRECTIVE 2001/18/EC, OF A MAIZE PRODUCT (ZEA MAYS L. LINE NK 603) GENETICALLY MODIFIED FOR GLYPHOSATE TOLERANCE (C(2004)2761 TO /3).....	14

15. PROPOSAL FOR A PARLIAMENT AND COUNCIL REGULATION ON MUTUAL ADMINISTRATIVE ASSISTANCE FOR THE PROTECTION OF THE COMMUNITY'S FINANCIAL INTERESTS AGAINST FRAUD AND ANY OTHER ILLEGAL ACTIVITIES (COM(2004)509 TO /3; SEC(2004)982)	14
16. RELATIONS WITH NON-MEMBER COUNTRIES	15
<i>IMPORTS OF SUGAR INTO THE COMMUNITY FROM SERBIA AND MONTENEGRO</i> <i>(SEC(2004)1014 to /3)</i>	15
17. OTHER BUSINESS	15
<i>ADOPTION OF INTERNATIONAL ACCOUNTING STANDARD 39 ON FINANCIAL</i> <i>INSTRUMENTS: RECOGNITION AND MEASUREMENT (SEC(2004)1008)</i>	15
18. ADMINISTRATIVE AND BUDGETARY MATTERS (SEC(2004)970/3)	15
18.1. <i>APPLICATION OF ARTICLE 50 OF THE STAFF REGULATIONS (INITIAL</i> <i>STAGE) WITH RESPECT TO AN A*15 OFFICIAL</i>	16
18.2. <i>DG RTD - AMENDMENT OF ORGANISATION CHART (PERS(2004)129)</i>	16
18.3. <i>DG REGIO/F –REDEPLOYMENT IN THE INTEREST OF THE SERVICE AND</i> <i>WITH HIS POST OF AN A*15 OFFICIAL TO A POST OF DIRECTOR</i> <i>(PERS(2004)129)</i>	16
18.4. <i>DGT - AMENDMENT OF ORGANISATION CHART (PERS(2004)1009/2)</i>	17
18.5. <i>SCIC - AMENDMENT OF ORGANISATION CHART (PERS(2004)1010)</i>	17
18.6. <i>DG INFSO - POST OF CHIEF ADVISER (PERS(2004)100 to /3)</i>	18
18.7. <i>DG ENTR - POST OF CHIEF ADVISER (PERS(2004)98 to /3)</i>	18
18.8. <i>DG TREN.F - POST OF DIRECTOR (PERS(2004)102 to /4)</i>	19
18.9. <i>DG ENV.D - POST OF DIRECTOR (PERS(2004)88 to /3)</i>	19
18.10. <i>EXTERNAL RELATIONS DG - POST OF HEAD OF DELEGATION,</i> <i>WASHINGTON (PERS(2004)76 to /5)</i>	20

18.11. EXTERNAL RELATIONS DG - POST OF HEAD OF DELEGATION, CAIRO (PERS(2004)70 to /3).....	21
18.12. EXTERNAL RELATIONS DG - POST OF HEAD OF DELEGATION, BANGKOK (PERS(2004)74 to /6).....	21
18.13. EXTERNAL RELATIONS DG - POST OF HEAD OF DELEGATION, JAKARTA (PERS(2004)71 to /5).....	22
18.14. EXTERNAL RELATIONS DG – HEAD OF DELEGATION, PRETORIA (PERS(2004)73 to /3).....	23
18.15. EXTERNAL RELATIONS DG – HEAD OF DELEGATION, VIENNA (PERS(2004)75 to /4).....	23
18.16. DG ESTAT - INTERNAL PUBLICATION OF VACANCY NOTICE FOR POST OF DIRECTOR-GENERAL (PERS(2004)130).....	24
18.17. APPLICATION OF ARTICLE 50 OF THE STAFF REGULATIONS (INITIAL STAGE) WITH RESPECT TO AN A*16 OFFICIAL	24
18.18. DG ECFIN.D - POST OF DIRECTOR (PERS(2004)105 to /3)	24
18.19. SECOND STAGE OF IMPLEMENTATION OF THE COMMUNICATION MATCHING SUPPLY AND DEMAND FOR TRANSLATION (SEC(2004)998).....	25
18.20. COMMISSION COMMUNICATION TO THE COUNCIL AND PARLIAMENT ON OPTIONS FOR DEVELOPING THE EUROPEAN SCHOOLS SYSTEM (COM(2004)519 to /5; SEC(2004)999).....	25
18.21. WORK OF THE AUDIT PROGRESS COMMITTEE (SEC(2004)1013).....	26
18.22. CASE OF Ms CRESSON (SEC(2004)1002; SEC(2004)1003; SEC(2004)1004; SEC(2004)1005 and /2)	26
19. APPROVAL OF MINUTES AND SPECIAL MINUTES OF 1666TH MEETING (14 JULY) (PV(2004)1666 AND /2; PV(2004)1666, PART II TO /5).....	29
20. MONITORING THE APPLICATION OF COMMUNITY LAW	29
20.1. STATE AID - SPECIFIC CASES (SEC(2004)963/4; SEC(2004)964).....	29
20.2. INFRINGEMENTS - URGENT OR POSTPONED CASES (SEC(2004)938/2; SEC(2004)1011)	31

20.3.	<i>INFRINGEMENTS - CASES POSTPONED BECAUSE OF UNAVAILABILITY OF DOCUMENTS - REGULARISATION (SEC(2004)935)</i>	33
21.	<i>COUNCIL MEETINGS (SI(2004)664)</i>	33
21.1	<i>.ECONOMIC AND FINANCIAL AFFAIRS (BRUSSELS, 16 JULY)</i>	33
21.2.	<i>GENERAL AFFAIRS AND EXTERNAL RELATIONS (BRUSSELS, 26 JULY)</i>	33
22.	<i>RELATIONS WITH NON-MEMBER COUNTRIES (CONTINUED FROM ITEM 16)</i>	34
22.1.	<i>EXPORTS OF TEXTILE PRODUCTS FROM THE EUROPEAN UNION TO BELARUS</i>	34
22.2.	<i>PREPARATION OF COMMISSION OPINION ON POSSIBLE ACCESSION NEGOTIATIONS WITH TURKEY</i>	34

The 1667th meeting of the Commission was held in two parts:

- on Monday 19 July 2004 (afternoon)
- on Tuesday 20 July 2004 (afternoon)

First sitting: Monday 19 July (afternoon)

The sitting opened at 1540 hours with Mr Prodi, President, in the chair.

Present:

Mr PRODI	President
Mr KINNOCK	Vice-President
Mr MONTI	
Mr BOLKESTEIN	
Mr BUSQUIN	
Mr NIELSON	
Mr VERHEUGEN	
Mr PATTEN	
Mr LAMY	
Mr BYRNE	
Ms REDING	
Ms SCHREYER	
Ms WALLSTRÖM	
Mr DIMAS	
Mr BARROT	
Mr ALMUNIA	
Mr BALÁZS	
Ms HÜBNER	
Mr KALLAS	
Ms KALNIETE	
Ms GRYBAUSKAITĒ	

Mr POTOČNIK

Mr FIGEL

Mr KYPRIANOU

Mr TELIČKA

Mr REHN

Absent:

Ms de PALACIO Vice-President

Mr FISCHLER

Mr VITORINO

Mr BORG

The following sat in to represent absent Members of the Commission

Mr CALLEJA	Chef de cabinet to Ms de Palacio	Excepts items 18 to 22
Mr GAMBS	A member of Mr Fischler's staff	Excepts items 18 to 22
Ms CAGO FILORI	Deputy Chef de cabinet to Mr Vitorino	Excepts items 18 to 22
Mr TABONE	Chef de cabinet to Mr Borg	Excepts items 18 to 22

The following also sat in

Mr PETITE	Director-General, Legal Service	
Mr MANSERVISI	Chef de cabinet to the President	
Mr KEMPPINEN	Commission Spokesman	
Mr KOOPMAN	Chef de cabinet to Mr Kinnock	Item 18
Mr ABOU	Chief Adviser in the President's Office	Item 18

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

1. AGENDAS

(OJ(2004)1667/3; SEC(2004)966/2)

The Commission took note of that day's agenda and of the tentative agendas for forthcoming meetings.

2. ARRANGEMENTS FOR MINUTES AND SPECIAL MINUTES OF THIS MEETING

In view of the urgency of the publication or notification of certain acts adopted at the present meeting, the Commission took note that the ordinary and special minutes thereof would stand approved on Wednesday 28 July at 1700 hours. Any requests for amendments must reach the Registry by 1700 hours on 27 July. Approval of these minutes would be reported in the minutes of the 1668th meeting.

3. WEEKLY MEETING OF CHEFS DE CABINET

(SEC(2004)1667 and /2)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Friday 16 July.

4. PARLIAMENT

PARLIAMENTARY AFFAIRS GROUP

(SP(2004)1876)

The Commission took note of the record of the meeting of the Parliamentary Affairs Group held on 15 July (SP(2004)1876).

It paid particular attention to the following:

Action taken on Parliament's opinions and resolutions

(point 3 of the record)

The Commission adopted the replies to own-initiative and non-legislative resolutions adopted by Parliament to which the Commission had undertaken to reply (SP(2004)1874), for transmission to Parliament.

5. WRITTEN PROCEDURES AND EMPOWERMENT

5.1. WRITTEN PROCEDURES APPROVED

(SEC(2004)967 et seq.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 12 and 16 July.

5.2. SENSITIVE WRITTEN PROCEDURES

(SEC(2004)968)

The Commission took note of written procedures initiated between 12 and 16 July for the adoption of decisions with political implications.

5.3. EMPOWERMENT

(SEC(2004)969 et seq.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 12 and 16 July.

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 12 and 16 July, as archived on the "Greffé 2000" (Registry) website.

**6. COMMISSION DECISION AMENDING THE COMMISSION DECISION
OF 13 DECEMBER 2000 GRANTING A EURATOM LOAN TO
ENERGOATOM FOR THE K2R4 PROJECT (UKRAINE)
(C(2004)2817 to /3; SEC(2004)1001)**

The Commission adopted the decision in C(2004)2817/3.

**7. DOHA DEVELOPMENT AGENDA - JULY 2004
(SEC(2004)1006; SEC(2004)994)**

The Commission took note of information note SEC(2004)1006 distributed by Mr LAMY and Mr FISCHLER.

(See also item 21 below.)

8. NOTICE ON A SIMPLIFIED PROCEDURE FOR TREATMENT OF CERTAIN CONCENTRATIONS

(SEC(2004)985; SEC(2004)996)

The Commission:

- adopted in principle the notice in SEC(2004)985;
- empowered the Member responsible for competition to adopt it, on its behalf, in all the official languages.

9. NOTICE ON RESTRICTIONS DIRECTLY RELATED AND NECESSARY TO CONCENTRATIONS

(SEC(2004)984; SEC(2004)996)

The Commission:

- adopted in principle the notice in SEC(2004)984;
- empowered the Member responsible for competition to adopt it, on its behalf, in all the official languages.

10. NOTICE ON CASE REFERRAL IN RESPECT OF CONCENTRATIONS

(SEC(2004)983 to /3; SEC(2004)996)

The Commission:

- adopted in principle the notice in SEC(2004)983;
- empowered the Member responsible for competition to adopt it, on its behalf, in all the official languages.

**11. COMMISSION DECISION RELATING TO A PROCEEDING UNDER ARTICLE 8(2) OF COUNCIL REGULATION (EEC) No 4064/89 ON THE CONTROL OF CONCENTRATIONS BETWEEN UNDERTAKINGS (CASE No COMP/M.3333 - SONY/BMG)
(C(2004)2815 to /4; SEC(2004)996)**

The Commission:

- took note of the opinion of the Advisory Committee on Concentrations of 9 July as set out in C(2004)2815/2, for publication in the Official Journal;
 - took note of the final report of the Hearing Officer in C(2003)2815/3;
 - adopted, in the authentic language (English), the decision in C(2003)2185/4;
 - decided that the most important parts of the decision would be published in the Official Journal (with business secrets removed) in all the official languages.
- The decision would also be made available on the internet.

**12. PROPOSAL FOR A COUNCIL REGULATION CONCERNING THE ESTABLISHMENT OF A VOLUNTARY FLEGT LICENSING SCHEME FOR IMPORTS OF TIMBER INTO THE EUROPEAN COMMUNITY
(COM(2004)515 to /4; SEC(2004)977)**

**13. COMMISSION RECOMMENDATION TO THE COUNCIL TO AUTHORISE THE COMMISSION TO OPEN NEGOTIATIONS FOR PARTNERSHIP AGREEMENTS TO IMPLEMENT THE FLEGT EU ACTION PLAN
(SEC(2004)973 to /3; COM(2004)515/2)**

The Commission:

- approved the proposal for a Council Regulation, as set out in COM(2004)515/3, for transmission to the Council accompanied by the extended impact statement in staff paper SEC(2004)977;
- approved the recommendation to the Council in SEC(2004)973/2 for transmission to the Council.

14. COMMISSION DECISION CONCERNING THE PLACING ON THE MARKET, IN ACCORDANCE WITH PARLIAMENT AND COUNCIL DIRECTIVE 2001/18/EC, OF A MAIZE PRODUCT (ZEA MAYS L. LINE NK 603) GENETICALLY MODIFIED FOR GLYPHOSATE TOLERANCE (C(2004)2761 to /3)

The Commission adopted the decision in C(2004)2761/3 in the authentic language (Spanish), for publication in the Official Journal.

15. PROPOSAL FOR A PARLIAMENT AND COUNCIL REGULATION ON MUTUAL ADMINISTRATIVE ASSISTANCE FOR THE PROTECTION OF THE COMMUNITY'S FINANCIAL INTERESTS AGAINST FRAUD AND ANY OTHER ILLEGAL ACTIVITIES (COM(2004)509 to /3; SEC(2004)982)

The Commission approved the proposal for a Regulation in COM(2004)509/3 for transmission to Parliament, the Council, the Court of Auditors and the European Data Protection Supervisor.

16. RELATIONS WITH NON-MEMBER COUNTRIES

IMPORTS OF SUGAR INTO THE COMMUNITY FROM SERBIA AND MONTENEGRO

(SEC(2004)1014 to /3)

The Commission:

- approved the communication in SEC(2004)1014/3 and decided to end the suspension of the preferential arrangements granted to Serbia and Montenegro for sugar;
- adopted the notice to importers annexed to the document, for publication in the Official Journal.

17. OTHER BUSINESS

ADOPTION OF INTERNATIONAL ACCOUNTING STANDARD 39 ON FINANCIAL INSTRUMENTS: RECOGNITION AND MEASUREMENT

(SEC(2004)1008)

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

18. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2004)970/3)

ADMINISTRATIVE MATTERS

(PERS(2004)127/2 and /3)

**18.1. 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.

**18.2. DG RTD - AMENDMENT OF ORGANISATION CHART
(PERS(2004)129)**

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

- to create a post of Chief Adviser to the Director-General, Research, responsible for economic questions;
- to redeploy in the interest of the service and with his post Mr Jean-François MARCHIPONT, an A*15 official, currently Director, Directorate RTD/K (Social sciences and humanities; Foresight), to the post of Chief Adviser thereby created;
- to redeploy in the interest of the service and with his post Mr Theodius LENNON, an A*15 official, currently Director, Directorate A (General affairs) in the Health and Consumer Protection DG, to the post of Director, Directorate RTD/K, made vacant by the redeployment of Mr MARCHIPONT;
- to publish internally, interinstitutionally and externally in the Official Journal and in the periodical *Nature* the vacancy notice (PERS(2004)129) for the post of Director, Directorate I (Environment) in the Research DG.

These decisions would take effect immediately.

**18.3. DG REGIO/F –REDEPLOYMENT IN THE INTEREST OF THE
SERVICE AND WITH HIS POST OF AN A*15 OFFICIAL TO A POST
OF DIRECTOR**

On a proposal from Mr KINNOCK, in agreement with the PRESIDENT and Mr BARROT, the Commission decided to fill the post of Director, Directorate F (Programmes and projects in Cyprus, Greece, Hungary, Italy, Malta and the Netherlands) in the Regional Policy DG, by the redeployment in the interest of the service and with his post of Mr Alejandro CHECCHI LANG, an A*15 official, currently Director, Directorate E (Food safety: plant health, animal health and welfare, international questions) in the Health and Consumer Protection DG.

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

18.4. DGT - AMENDMENT OF ORGANISATION CHART
(PERS(2004)1009/2)

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

- approved the amendment of the organisation chart of the Translation DG as set out in PERS(2004)1009/2;
- decided that vacant or newly created posts would be filled under Article 7(1) and/or Article 29(1) of the Staff Regulations. Pending finalisation of these procedures, the officials designated in Annexes II and III to PERS(2004)1009/2 would stand in.

These decisions would take effect immediately.

18.5. SCIC - AMENDMENT OF ORGANISATION CHART
(PERS(2004)1010)

On a proposal from Mr KINNOCK, in agreement with the PRESIDENT, the Commission approved the amendment to the Interpretation DG's organisation chart as set out in PERS(2004)1010.

This decision would take effect immediately.

18.6. DG INFSO - POST OF CHIEF ADVISER

(PERS(2004)100 to /3)

The Commission had before it applications under Article 29(1)(a) (i) and (iii) and 29(2) of the Staff Regulations for the post of Chief Adviser in the Information Society DG (PERS(2004)100).

The Commission took note of the opinions of the Consultative Committee on Appointments of 29 June and 8 July (PERS(2004)100/2 and /3).

The Commission proceeded to compare the applicants' qualifications for the post. On a proposal from Mr KINNOCK, in agreement with the PRESIDENT and Mr REHN, it then decided to appoint Mr Ulf DAHLSTEN to the post.

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

18.7. DG ENTR - POST OF CHIEF ADVISER

(PERS(2004)98 to /3)

The Commission had before it applications under Article 29(1)(a) (i) and (iii) and 29(2) of the Staff Regulations for the post of Chief Adviser in the Enterprise DG (PERS(2004)98).

The Commission took note of the opinions of the Consultative Committee on Appointments of 29 June and 8 July (PERS(2004)98/2 and /3).

The Commission proceeded to compare the applicants' qualifications for the post. On a proposal from Mr KINNOCK, in agreement with the PRESIDENT and Mr REHN, it then decided to appoint Mr Gert-Jan KOOPMAN to the post.

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

18.8. DG TREN.F - POST OF DIRECTOR

(PERS(2004)102 to /4)

The Commission had before it applications under Article 29(1)(a) (i) and (iii) of the Staff Regulations for the post of Director, Directorate F (Air transport) in the Energy and Transport DG (PERS(2004)102 and /2).

The Commission took note of the opinions of the Consultative Committee on Appointments of 2 and 9 July (PERS(2004)102/3 and /4).

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 and Ms de PALACIO, it then decided to appoint Mr Daniel CALLEJA to the post.

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

18.9. DG ENV.D - POST OF DIRECTOR

(PERS(2004)88 to /3)

The Commission had before it applications under Article 29(1)(a) (i) and (iii) of the Staff Regulations for the post of Director, Directorate D (Water and environmental programmes) in the Environment DG (PERS(2004)88).

The Commission took note of the opinions of the Consultative Committee on Appointments of 5 and 9 July (PERS(2004)88/2 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 and Ms WALLSTRÖM, it then decided to appoint Ms Soledad BLANCO to the post.

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

**18.10.EXTERNAL RELATIONS DG - POST OF HEAD OF DELEGATION,
WASHINGTON
(PERS(2004)76 to /5)**

The Commission had before it an application under Article 29(1)(a)(i) of the Staff Regulations for the post of Head of Delegation in Washington (United States) in the External Relations DG (PERS(2004)76/3).

Having taken note of the opinions of the Consultative Committee on Appointments of 24 May and 3 June (PERS(2004)76/4 and /5), the Commission, on a proposal from Mr KINNOCK, in agreement with the PRESIDENT and Mr PATTEN, decided:

- to terminate the procedure for filling this post internally;
- to fill it by means of a temporary staff contract under Article 2(b) of the Staff Regulations;
- to launch the selection procedure laid down in Article 6(1)(b) of the Commission decision of 28 April 2004 on a new policy on the engagement and use of temporary agents;
- that, in the case of posts calling for important political qualifications, the role of the Consultative Committee on Appointments in the appointment procedure for temporary staff would be performed by a selection committee chaired by the Commission Member responsible for staff affairs and including at least two other Commission Members;
- to invite Mr John BRUTON to appear before this selection committee.

These decisions would take effect immediately.

Furthermore, given the profile required for the post of Head of Delegation in Washington, the Commission decided that the post of deputy to the Head of

Delegation should be filled, when the question arose, by an official with strong trade skills and sound management experience.

**18.11.EXTERNAL RELATIONS DG - POST OF HEAD OF DELEGATION,
CAIRO**

(PERS(2004)70 to /3)

The Commission had before it applications under Article 29(1)(a) of the Staff Regulations for the post of Head of Delegation in Cairo (Egypt) in the External Relations DG (PERS(2004)70).

The Commission took note of the opinions of the Consultative Committee on Appointments of 24 June and 1 July (PERS(2004)70/2 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 and Mr PATTEN, it then decided to appoint Mr Klaus EBERMANN to the post.

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

Notwithstanding the above decision, the Commission noted the excellent professional qualities of Mr VAN DER LINDEN.

**18.12.EXTERNAL RELATIONS DG - POST OF HEAD OF DELEGATION,
BANGKOK**

(PERS(2004)74 to /6)

The Commission had before it applications under Article 29(1)(a) of the Staff Regulations for the post of Head of Delegation in Bangkok (Thailand) in the External Relations DG (PERS(2004)74 to /3 and /5).

The Commission took note of the opinions of the Consultative Committee on Appointments of 24 June and 2 July (PERS(2004)74/4 and /6).

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 and Mr PATTEN, it then decided to appoint Mr Friedrich HAMBURGER to the post.

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

**18.13.EXTERNAL RELATIONS DG - POST OF HEAD OF DELEGATION,
JAKARTA
(PERS(2004)71 to /5)**

The Commission had before it applications under Article 29(1)(a) of the Staff Regulations for the post of Head of Delegation in Jakarta (Indonesia) in the External Relations DG (PERS(2004)71, /2 and /4).

The Commission took note of the opinions of the Consultative Committee on Appointments of 24 June and 1 July (PERS(2004)71/3 and /5).

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 and Mr PATTEN, it then decided to appoint Mr Jean BRETECHE to the post.

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

**18.14.EXTERNAL RELATIONS DG – HEAD OF DELEGATION, PRETORIA
(PERS(2004)73 to /3)**

The Commission had before it applications under Article 29(1)(a) of the Staff Regulations for the post of Head of Delegation in Pretoria (South Africa) in the External Relations DG (PERS(2004)73).

The Commission took note of the opinions of the Consultative Committee on Appointments of 24 June and 1 July (PERS(2004)73/2 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 and Mr PATTEN, it then decided to appoint Mr Lodewijk BRIET to the post.

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

**18.15.EXTERNAL RELATIONS DG – HEAD OF DELEGATION, VIENNA
(PERS(2004)75 to /4)**

The Commission had before it applications under Article 29(1)(a) of the Staff Regulations for the post of Head of Delegation to the international organisations in Vienna (Austria) in the External Relations DG (PERS(2004)75 and /2).

The Commission took note of the opinions of the Consultative Committee on Appointments of 24 June and 2 July (PERS(2004)75/3 and /4).

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 and Mr PATTEN, it then decided to appoint Mr Christian FALKOWSKI to the post.

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

**18.16.DG ESTAT - INTERNAL PUBLICATION OF VACANCY NOTICE FOR
POST OF DIRECTOR-GENERAL
(PERS(2004)130)**

On a proposal from Mr KINNOCK, in agreement with the PRESIDENT and Mr ALMUNIA, the Commission decided to publish the vacancy notice in PERS(2004)130 under Article 29(1)(a)(i) and (iii) of the Staff Regulations.

**18.17.APPLICATION OF ARTICLE 50 OF THE STAFF REGULATIONS
(INITIAL STAGE) WITH RESPECT TO AN A*16 OFFICIAL**

The Commission decided to initiate the procedure laid down in Article 50 of the Staff Regulations in respect of an A*16 official.

**18.18.DG ECFIN.D - POST OF DIRECTOR
(PERS(2004)105 to /3)**

The Commission had before it applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Director of Directorate D (International questions) in the Economic and Financial Affairs DG (PERS(2004)105).

The Commission took note of the opinions of the Consultative Committee on Appointments of 13 and 15 July (PERS(2004)105/2 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 and Mr ALMUNIA, it then decided to appoint Mr Antonio DE LECEA FLORES DE LEMUS to the post.

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

Notwithstanding the above decision, the Commission noted the excellent professional qualities of Mr LELAKIS.

OTHER MATTERS

18.19.SECOND STAGE OF IMPLEMENTATION OF THE COMMUNICATION MATCHING SUPPLY AND DEMAND FOR TRANSLATION (SEC(2004)998)

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

18.20.COMMISSION COMMUNICATION TO THE COUNCIL AND PARLIAMENT ON OPTIONS FOR DEVELOPING THE EUROPEAN SCHOOLS SYSTEM (COM(2004)519 to /5; SEC(2004)999)

The Commission approved the communication in COM(2004)519/4 and /5 for transmission to the Council and Parliament. It also noted that, during the coming academic year, there would be wide consultation on the communication in order to obtain the opinions of all the Union institutions, the Member States, Commission departments, the trade unions and staff associations, parents' associations, and all other interested parties.

18.21.WORK OF THE AUDIT PROGRESS COMMITTEE

(SEC(2004)1013)

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

18.22.CASE OF Ms CRESSON

**(SEC(2004)1002; SEC(2004)1003; SEC(2004)1004; SEC(2004)1005
and /2)**

After its discussions, the Commission decided to refer to the Court of Justice, under Article 213, paragraph 2 of the EC Treaty, the dossier concerning the allegations that Ms CRESSON had failed to fulfil her obligations during her term of office as a Commission Member.

*

* *

The sitting closed at 1830 hours.

Second sitting: Tuesday 20 July (afternoon)

The sitting opened at 1320 hours with Mr Prodi, President, in the chair.

Present:

Mr PRODI	President	
Mr KINNOCK	Vice-President	
Ms de PALACIO	Vice-President	Items 19 and 20
Mr MONTI		Items 19 and 20
Mr FISCHLER		
Mr BOLKESTEIN		
Mr BUSQUIN		
Mr NIELSON		
Mr VERHEUGEN		
Mr PATTEN		
Mr LAMY		Items 19 and 20
Ms REDING		
Ms SCHREYER		
Ms WALLSTRÖM		Items 19 and 20
Mr DIMAS		
Mr BARROT		
Mr ALMUNIA		
Mr BALÁZS		
Ms HÜBNER		
Mr KALLAS		
Ms GRYBAUSKAITĖ		
Mr POTOČNIK		
Mr FIGEL		
Mr KYPRIANOU		
Mr TELIČKA		

Mr REHN

Absent:

Mr BYRNE

Mr VITORINO

Mr BORG

Ms KALNIETE

The following sat in to represent absent Members of the Commission

Mr CAVACO Chef de cabinet to Mr Vitorino

Mr TABONE Chef de cabinet to Mr Borg

Mr PIEBALGS Chef de cabinet to Ms Kalniete

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 MAMER Spokesman

Ms HOUTMAN Deputy Chef de cabinet to the President Item 20.1

Mr CALLEJA Chef de cabinet to Ms de Palacio Item 20

Mr VAN HOOFF Chef de cabinet to Mr Monti

Mr SOUKUP A member of Mr Monti's staff

Mr EPPINK A member of Mr Bolkestein's staff

Mr THERY Chef de cabinet to Mr Lamy Items 21 and 22

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

19. APPROVAL OF MINUTES AND SPECIAL MINUTES OF 1666th MEETING

(14

July)

(PV(2004)1666 and /2; PV(2004)1666, Part II to /5)

The Commission approved the minutes of its 1666th meeting.

As regards item 10 of the minutes (Commission communication to the Council and Parliament for the implementation of a sustainable agricultural model for Europe through the reformed CAP - Sugar sector reform), the Commission took note of the following statement:

“As regards implementation of the financing of specific accompanying measures for the countries signatory to the ‘sugar protocol’ and India, possible alternative solutions would be clarified by the departments concerned in agreement with the corresponding Commission Members, as part of the preparations for the action plan.”

20. MONITORING THE APPLICATION OF COMMUNITY LAW

20.1. STATE AID - SPECIFIC CASES
(SEC(2004)963/4; SEC(2004)964)

The Commission adopted the decisions in SEC(2004)963/4, subject to the following clarifications:

C 13/A/2003 *France*

(ex NN

47/2002)

***Financial measures put in place by the state in support of France
Télécom***

(C(2004)2679 to /7)

Decision: Negative final decision without recovery

13/B/2003 (ex *France*

NN 47/2002)

Business tax scheme applicable to France Télécom

(C(2004)2651 to /12)

Decision: Partially not aid / partially negative with recovery

Mr MONTI presented the background to and the reasoning underlying the two decisions he was proposing for Commission adoption.

The Commission held an in-depth discussion on the two dossiers, covering in particular:

- in general terms, whether it was better to take an immediate decision in order to end the uncertainty for France Télécom, or to postpone it, given the complexity of the dossiers;
- as regards the financial measures put in place by France in support of France Télécom: the scope of the proposed decision and whether it could set a precedent; whether its implications ought to be studied in greater detail, having regard to the doctrine on state aid; the nature and impact of the ministerial statements in connection with the credit line opened for

France Télécom, taking into account the fact that this had not been used;
the reason for not recovering the aid;

- concerning the business tax arrangements applicable to France Télécom: the non-compensation of the situations that had prevailed respectively between 1991-1993 and 1994-2002; the applicability of the principle of legitimate expectations; the scale of the range of amounts subject to recovery (indicative figures only).

Having noted the clarifications provided by Mr MONTI and the Legal Service in response to various comments made during the meeting, especially the fact that only the shareholder's advance constituted state aid and not the declarations preceding it, the Commission agreed the following amendments to C(2004)2679/7:

- recital 264 to read: "... the Commission concluded that FT had had legitimate expectations as to the fact";
- recital 265 was deleted.

Subject to these amendments, the Commission:

- approved the decision on aid C 13/A/2003 as set out in C(2004)2679/6 and /7;
- approved the decision on aid C 13/B/2003 as set out in C(2004)2651/12;
- empowered Mr MONTI, in agreement with the PRESIDENT, to adopt the definitive version of the two decisions in the authentic language (French), after revision by the lawyer-linguists.

20.2. INFRINGEMENTS - URGENT OR POSTPONED CASES (SEC(2004)938/2; SEC(2004)1011)

The Commission adopted the decisions in SEC(2004)1011, subject to the following clarifications:

Air service agreements with the USA

Ms DE PALACIO reminded the meeting of backdrop to this matter, and outlined the reasons underlying her approach and the proposals before the Commission.

The Commission took note of this information and held an exchange of views, covering in particular: the illegality of the bilateral agreements concluded by certain Member States with the United States, as noted by the Court of Justice; the persistence of this situation and the temptation for other Member States to embark on the same course; the fragmentation of the Community air transport market arising from such agreements and the long-term risks for European airlines' competitiveness; the discussions in the Council on the conclusion of an agreement between the Union and the USA to replace these bilateral agreements; the tactical dimension of the proposed approach, having regard to the prospects for conclusion of an agreement at Union level; the contacts made with the USA in this connection.

Following this discussion and having noted that Ms de PALACIO was prepared to consider any observations that Commission Members might wish to make to her concerning the draft letters to Member States, the Commission agreed to the approach set out in SEC(2004)938/2 and adopted the corresponding decisions in SEC(2004)1011.

Following comments by Ms de PALACIO, the Commission noted that, in examining the case relating to Greece, the Commission would take the specific situation of that Member State into consideration, with a view to ensuring full compliance with the principle of equal treatment.

**20.3. INFRINGEMENTS - CASES POSTPONED BECAUSE OF
UNAVAILABILITY OF DOCUMENTS - REGULARISATION
(SEC(2004)935)**

The Commission adopted the decisions in SEC(2004)935.

**21. COUNCIL MEETINGS
(SI(2004)664)**

**21.1. ECONOMIC AND FINANCIAL AFFAIRS
(BRUSSELS, 16 JULY)**

Ms SCHREYER reported on the Council's discussions on the budgetary procedure for 2005. She explained the situation concerning payment appropriations and commitment appropriations and the main outcomes for the various headings. The Council had allocated 680 of the 700 posts requested by the Commission for enlargement, without however providing the appropriations required to fill these posts.

**21.2. GENERAL AFFAIRS AND EXTERNAL RELATIONS
(BRUSSELS, 26 JULY)**

Further to the information in SEC(2004)1006 (item 7 of these minutes), Mr FISCHLER drew attention to the draft text presented by the President of the WTO General Council and the WTO Director-General in the negotiations on the Doha development agenda, intended to serve as a basis for the conclusion of a framework agreement before the end of the month. Although it constituted a serious basis for further work, this text still required clarifications in various areas of interest to the Union in order to strike the right balance both between the agricultural and non-agricultural aspects of the

negotiations and within the agricultural sector. Contacts were in progress to this end, and would continue in the coming week at both technical and political level.

22. RELATIONS WITH NON-MEMBER COUNTRIES (continued from item 16)

22.1. EXPORTS OF TEXTILE PRODUCTS FROM THE EUROPEAN UNION TO BELARUS (SEC(2004)1017)

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

22.2. PREPARATION OF COMMISSION OPINION ON POSSIBLE ACCESSION NEGOTIATIONS WITH TURKEY

Mr VERHEUGEN reported on the work carried out in preparation for the opinion to be delivered by the Commission on the opening of accession negotiations with Turkey. After a brief reminder of the history of relations between the Community and Turkey, Mr VERHEUGEN pointed out that, under its mandate from the Copenhagen European Council, the Commission had to check whether Turkey fulfilled the Copenhagen political criteria and to draw up a recommendation for a decision by the December 2004 European Council. The criteria in question related mainly to various manifestations of the rule of law, and Mr VERHEUGEN's departments were collaborating closely with the United Nations, the Council of Europe, the OECD, and various human rights NGOs. After reviewing the progress made and/or not yet made by Turkey in this matter, he referred to various political considerations and to the state of public opinion in the Member States. In the light of these factors, it was crucially important for the Commission to make

an objective assessment. An impact study would be presented to support the report and the Commission recommendation.

Having noted the information supplied by Mr VERHEUGEN and without wishing to prejudge the debate it would be holding in the autumn, the Commission took note of the vital responsibility incumbent on it and the need to consider the dossier in all its aspects, including the Union's capacity to absorb a new Member State such as Turkey while maintaining the momentum of European integration.

*

* *

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

*

* *

The PRESIDENT concluded the meeting by wishing all Members and staff a happy holiday.

The meeting closed at 1720 hours.