



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2005) 1704 final

Strasbourg, 7 June 2005

MINUTES
of the 1704th meeting of the Commission
held in Brussels
(Berlaymont)
on Wednesday 1 June 2005
(morning)

These minutes were approved by the Commission at its 1705th meeting, held in Strasbourg on 7 June 2005.

They contain 25 pages.

CONTENTS

Attendance list

5-7

1. AGENDAS AND QUARTERLY ROLLING PROGRAMME (OJ(2005)1704/3; SEC(2005)699/2; SEC(2004)736).....	8
2. WEEKLY MEETING OF CHEFS DE CABINET (SEC(2005)1704)	8
3. MINUTES OF 1703RD MEETING (25 MAY) (PV(2005)1703 AND /2)	8
4. MONITORING THE APPLICATION OF COMMUNITY LAW	8
4.1. STATE AID (SEC(2005)697/3).....	8
4.2. INFRINGEMENTS: SPECIFIC CASE (SEC(2005)740).....	8
5. WRITTEN PROCEDURES AND EMPOWERMENT	9
5.1. WRITTEN PROCEDURES APPROVED (SEC(2005)713 et seq.)	9
5.2. SENSITIVE WRITTEN PROCEDURES (SEC(2005)714).....	9
5.3. EMPOWERMENT (SEC(2005)715 et seq.).....	9
5.4. DELEGATION AND SUBDELEGATION OF POWERS	9
6. ADMINISTRATIVE AND BUDGETARY MATTERS (SEC(2005)716)	9
6.1. DG TAXUD/C - A*14 POST OF DIRECTOR (EU-10) (PERS(2004)214 to /5).....	10
6.2. DG RELEX - A*14-A*15 POST OF HEAD OF DELEGATION IN NICARAGUA (PERS(2004)225 to /4)	10
6.3. DG RELEX - A*14-A*15 POST OF HEAD OF DELEGATION IN KENYA (PERS(2004)209 to /3)	11
6.4. DG RTD/B - A*14-A*15 POST OF DIRECTOR (PERS(2004)170 to /3)	11
6.5. DG ECFIN - A*14-A*15 POST OF DIRECTOR OF THE SECRETARIAT OF THE ECONOMIC AND FINANCIAL COMMITTEE AND THE ECONOMIC POLICY COMMITTEE (PERS(2004)142 to /5).....	12

6.6. ACTIVITIES OF Mr NIELSON AFTER LEAVING THE COMMISSION (SEC(2005)730).....	12
6.7. ACTIVITIES OF Mr PATTEN AFTER LEAVING THE COMMISSION (SEC(2005)731).....	13
7. I2010 – A EUROPEAN INFORMATION SOCIETY FOR GROWTH AND EMPLOYMENT (COM(2005)229 TO /3; SEC(2005)717/2; SEC(2005)729).....	13
8. COMMUNICATION FROM THE COMMISSION TO THE COUNCIL AND THE EUROPEAN PARLIAMENT: PUBLIC FINANCES IN EMU – 2005 (COM(2005)231 TO /3; SEC(2005)723; SEC(2005)727).....	13
9. NON-DISCRIMINATION AND EQUAL OPPORTUNITIES FOR ALL - A FRAMEWORK STRATEGY (COM(2005)224 AND /2; SEC(2005)689; SEC(2005)691; SEC(2005)728)	14
10. PROPOSAL FOR A DECISION OF THE EUROPEAN PARLIAMENT AND THE COUNCIL DESIGNATING 2007 THE EUROPEAN YEAR OF EQUAL OPPORTUNITIES FOR ALL (COM(2005)225 TO /3; SEC(2005)690; SEC(2005)691; SEC(2005)728)	14
11. INTERINSTITUTIONAL RELATIONS (SEC(2005)694).....	14
11.1. RELATIONS WITH PARLIAMENT.....	15
11.2. STATE OF RATIFICATION OF THE CONSTITUTION.....	18
11.3. RELATIONS WITH THE COUNCIL (SI(2005)483).....	19
12. AN ANALYSIS OF A POSSIBLE CONTRIBUTION BASED ON AIRLINE TICKETS AS A NEW SOURCE OF FINANCING DEVELOPMENT (SEC(2005)732 TO /5; SEC(2005)733 TO /4; SEC(2005)734).....	22
13. RELATIONS WITH THIRD COUNTRIES.....	23

13.1. VISIT BY Mr PIEBALGS TO AZERBAIJAN (25 MAY) (SEC(2005)754).....	23
13.2. VISIT BY Mr ALMUNIA TO THE INTERNATIONAL MONETARY INSTITUTIONS IN WASHINGTON (27 MAY) (SEC(2005)753)	23
13.3. AIRBUS/BOEING	23
14. OTHER MATTERS	23
14.1. THE BOLOGNA PROCESS – BERGEN MINISTERIAL CONFERENCE (BERGEN, 19-20 MAY) (SEC(2005)749)	23
14.2. RECENT DEVELOPMENTS IN THE MICROSOFT CASE	24

Single sitting: Wednesday 1 June (morning)

The sitting opened at 09.05 with Mr BARROSO, President, in the chair for items 1 to 11.3. ix and Ms WALLSTRÖM, Vice-President, in the chair for items 11.3. x and 14.

Present:

Mr BARROSO	President	Items 1 to 11.3.ix
Ms WALLSTRÖM	Vice-President	
Mr VERHEUGEN	Vice-President	Items 1 to 12
Mr BARROT	Vice-President	Item 11
Mr KALLAS	Vice-President	Items 1 to 12
Mr FRATTINI	Vice-President	Items 1 to 11
Ms REDING		Items 1 to 11
Mr DIMAS		
Mr ALMUNIA		Items 1 to 11
Ms HÜBNER		
Mr BORG		
Ms GRYBAUSKAITĖ		
Mr POTOČNIK		
Mr FIGEL'		
Mr KYPRIANOU		
Mr REHN		Items 1 to 11
Mr KOVÁCS		
Ms KROES		
Ms FISCHER BOEL		
Mr McCREEVY		
Mr ŠPIDLA		
Mr MANDELSON		
Mr PIEBALGS		

Absent:

Mr MICHEL

Ms FERRERO-WALDNER

The following sat in to represent absent Members of the Commission

Ms WEYAND	Chef de cabinet to Mr Michel
Mr CHILD	Chef de cabinet to Ms Ferrero-Waldner

The following also sat in

Mr PETITE	Director-General, Legal Service	
Mr VALE DE ALMEIDA	Chef de cabinet to the President	Items 1 to 11.3.ix
Ms LE BAIL	Commission Spokeswoman	
Mr CARVOUNIS	Director-General (acting), Press and Communication DG	
Mr DOWGIELEWICZ	Spokesman	Item 11
Mr ITALIANER	Deputy Chef de cabinet to the President	Item 11
Ms MARTINHO	Chief Adviser in the President's Office	Items 11 and 12
Mr ANNERBERG	Chef de cabinet to Ms Wallström	Item 11
Mr GRAY	A member of Ms Wallström's staff	Item 11
Mr LE BRET	Chef de cabinet to Mr Barrot	Item 11
Mr SAGREDO	A member of Mr Barrot's staff	Items 12 to 14
Mr QUEST	Chef de cabinet to Ms Grybauskaitė	Item 11
Mr PESONEN	Chef de cabinet to Mr Rehn	Items 12 to 14
Mr SZÜCS	Chef de cabinet to Mr Kovács	Item 12
Mr PONZANO	Secretariat-General	Item 11
Mr LEARDINI	Secretariat-General	Item 11
Mr SERVOZ	Secretariat-General	Item 11
Mr SLEATH	Secretariat-General	Item 11

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

**1. AGENDAS AND QUARTERLY ROLLING PROGRAMME
(OJ(2005)1704/3; SEC(2005)699/2; SEC(2004)736)**

The Commission took note of that day's agenda, the tentative agendas for future meetings, and the quarterly rolling programme of items to be entered on the agenda from 7 June to 27 September.

**2. WEEKLY MEETING OF CHEFS DE CABINET
(SEC(2005)1704)**

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 30 May.

**3. MINUTES OF 1703rd MEETING (25 May)
(PV(2005)1703 and /2)**

The Commission approved the minutes of its 1703rd meeting.

4. MONITORING THE APPLICATION OF COMMUNITY LAW

**4.1. STATE AID
(SEC(2005)697/3)**

The Commission adopted the decisions in SEC(2005)697/3.

**4.2. INFRINGEMENTS: SPECIFIC CASE
(SEC(2005)740)**

The Commission adopted the decision in SEC(2005)740.

5. WRITTEN PROCEDURES AND EMPOWERMENT

5.1. WRITTEN PROCEDURES APPROVED

(SEC(2005)713 et seq.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 23 and 27 May.

5.2. SENSITIVE WRITTEN PROCEDURES

(SEC(2005)714)

The Commission took note of written procedures initiated between 23 and 27 May for the adoption of decisions with political implications.

5.3. EMPOWERMENT

(SEC(2005)715 et seq.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 23 and 27 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 23 and 27 May, as archived on the "Greffé 2000" (Registry) website.

6. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2005)716)

ADMINISTRATIVE MATTERS

(PERS(2005)77)

6.1. DG TAXUD/C - A*14 POST OF DIRECTOR (EU-10)

(PERS(2004)214 to /5)

The Commission had before it applications for the post of Director of Directorate C (Customs policy) in the Taxation and Customs Union DG, published under Article 29(2) of the Staff Regulations (PERS(2004)214 and /2) and reserved for a national of one of the new Member States.

The Commission took note of the opinions of the Consultative Committee on Appointments of 1 March and 14 April (PERS(2004)214/3 and /4).

The Commission proceeded to compare the candidates' qualifications for the post. On a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr KOVÁCS, it then decided to appoint Mr Miroslaw ZIELINSKI to the post.

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

6.2. DG RELEX - A*14-A*15 POST OF HEAD OF DELEGATION IN NICARAGUA

(PERS(2004)225 to /4)

The Commission had before it applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Head of Delegation in Nicaragua in the External Relations DG (PERS(2004)225 and /2).

The Commission took note of the opinions of the Consultative Committee on Appointments of 11 and 24 February (PERS(2004)225/3 and /4).

The Commission proceeded to compare the applicants' qualifications for the post. Having considered their ability, efficiency and conduct in the service, the Commission, on a proposal from Mr KALLAS, in agreement with the

(1 June 2005)

PRESIDENT and Ms FERRERO-WALDNER, decided to appoint Ms Francesca MOSCA to the post.

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

6.3. *DG RELEX - A*14-A*15 POST OF HEAD OF DELEGATION IN KENYA (PERS(2004)209 to /3)*

The Commission had before it applications under Article 29(1)(a) (i) and (iii) of the Staff Regulations for the post of Head of Delegation in Kenya in the External Relations DG (PERS(2004) 209).

The Commission took note of the opinions of the Consultative Committee on Appointments of 13 February and 17 March (PERS(2004)209/2 and /3).

The Commission proceeded to compare the applicants' qualifications for the post. Having considered their ability, efficiency and conduct in the service, the Commission, on a proposal from Mr KALLAS, in agreement with the PRESIDENT and Ms FERRERO-WALDNER, decided to appoint Mr Eric VAN DER LINDEN to the post.

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

6.4. *DG RTD/B - A*14-A*15 POST OF DIRECTOR (PERS(2004)170 to /3)*

The Commission had before it an application under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Director of the Directorate Structuring the European research area in the Research DG (PERS(2004) 170).

The Commission took note of the opinions of the Consultative Committee on Appointments of 17 February and 21 April (PERS(2004)170/2 and /3).

The Commission proceeded to consider the applicant's qualifications for the post. Having considered his ability, efficiency and conduct in the service, the

(1 June 2005)

Commission, on a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr POTOČNIK, decided to appoint Mr Robert-Jan SMITS to the post.

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

6.5. *DG ECFIN - A*14-A*15 POST OF DIRECTOR OF THE SECRETARIAT OF THE ECONOMIC AND FINANCIAL COMMITTEE AND THE ECONOMIC POLICY COMMITTEE*
(PERS(2004)142 to /5)

The Commission had before it applications under Article 29(1)(a)(i) and (iii) and (b) and Article 29(2) of the Staff Regulations for the post of Director of the Secretariat of the Economic and Financial Committee and the Economic Policy Committee in the Economic and Financial Affairs DG (PERS(2004) 142 and /2).

The Commission took note of the opinions of the Consultative Committee on Appointments of 4 and 15 October 2004 (PERS(2004)142/3 and /5).

The Commission proceeded to compare the applicants' qualifications for the post. Having considered their ability, efficiency and conduct in the service, the Commission, on a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr ALMUNIA, decided to appoint Ms Odile RENAUD-BASSO to the post.

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

OTHER MATTERS

6.6. *ACTIVITIES OF Mr NIELSON AFTER LEAVING THE COMMISSION*
(SEC(2005)730)

The Commission adopted the communication in SEC(2005)730.

**6.7. ACTIVITIES OF Mr PATTEN AFTER LEAVING THE COMMISSION
(SEC(2005)731)**

The Commission adopted the communication in SEC(2005)731.

**7. I2010 – A EUROPEAN INFORMATION SOCIETY FOR GROWTH AND
EMPLOYMENT
(COM(2005)229 to /3; SEC(2005)717/2; SEC(2005)729)**

The Commission:

- approved the communication from Ms REDING as set out in COM(2005) 229/4;
- decided to transmit it to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, accompanied by the in-depth impact analysis in staff paper SEC(2005) 717/2, the contents of which were noted.

**8. COMMUNICATION FROM THE COMMISSION TO THE COUNCIL AND
THE EUROPEAN PARLIAMENT: PUBLIC FINANCES IN EMU – 2005
(COM(2005)231 to /3; SEC(2005)723; SEC(2005)727)**

The Commission approved the communication in COM(2002)231/3 for transmission to Parliament, the Council, the Economic and Social Committee, the Committee of the Regions and the European Central Bank. The Commission also took note of the report accompanying this communication (cf. SEC(2005) 723), which would be transmitted to these institutions as a staff working paper.

**9. NON-DISCRIMINATION AND EQUAL OPPORTUNITIES FOR ALL - A
FRAMEWORK STRATEGY**

(COM(2005)224 and /2; SEC(2005)689; SEC(2005)691; SEC(2005)728)

The Commission:

- approved the communication in COM(2005)224/2 for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions;
- took note of the impact assessment (cf. SEC(2005) 689), which would also be transmitted to these institutions as a staff working paper.

**10. PROPOSAL FOR A DECISION OF THE EUROPEAN PARLIAMENT AND
THE COUNCIL DESIGNATING 2007 THE EUROPEAN YEAR OF EQUAL
OPPORTUNITIES FOR ALL**

(COM(2005)225 to /3; SEC(2005)690; SEC(2005)691; SEC(2005)728)

The Commission:

- adopted the proposal in COM(2005)225/3 for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions;
- took note of SEC(2005) 690 (containing an *ex ante* evaluation and impact assessment) which would be transmitted to these institutions as a staff working paper.

11. INTERINSTITUTIONAL RELATIONS

(SEC(2005)694)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group held on Friday 27 May (SEC(2005)694).

It paid particular attention to the following:

11.1. RELATIONS WITH PARLIAMENT

i) Part-session from 25 to 26 May

(SP(2005)2255)

The Commission took note of the information supplied relating to Parliament's part-session of 25 to 26 May (SP(2005)2255).

ii) Action to be taken on Parliament's opinions

(SP(2005)2176)

The Commission approved the proposed empowerment decisions relating to action to be taken on the amendments presented by Parliament under the codecision and consultation procedures in SP(2005)2176.

iii) Codecision procedure

(point 1.1 of the record)

Financing instruments for external relations (EXPOL instruments)

- Development cooperation and economic cooperation (DCECI)
- Pre-accession aid (IPA)
- Neighbourhood policy (ENPI)
- Instrument for stability (IS)

The Commission authorised the Members concerned to participate in the next political dialogue in order to ratify the compromise reached at technical level with Parliament and the Council, following the line set out in SPI(2005) 39/3, particularly as regards:

- a) amending the legal basis of the proposal for a Regulation establishing an instrument for stability (cf. COM(2004) 630 final) to Articles 179 and 181a; the proposal would then have to be adopted under the codecision procedure, on the understanding that this amendment of the legal basis could under no circumstances be extended to the pre-accession aid instrument;
- b) introducing a date of expiry and a standard revision clause into the text of the four proposals for regulations, where necessary;
- c) the proposal that the Commission establish multiannual indicative frameworks for each instrument (according to its specific characteristics), containing the strategic and financial aspects of the activities carried out. This would enable the other institutions to express a view annually on the political and financial strategies to be pursued in this area;
- d) amending the content of the proposal to establish a financing instrument for development cooperation and economic cooperation (cf. COM(2004) 629 final) in order to distinguish between aspects relating to the industrialised countries and those relating to the developing countries;
- e) pursuing any other appropriate avenues for compromise.

iv) Preparations for June I part-session – legislation

(point 1.2.1 of the record)

The Commission, in accordance with the rules in force, authorised the Commission Members responsible, in agreement with the PRESIDENT, Ms WALLSTRÖM and any other Members associated, to take a position on Parliament's amendments to its proposals.

It paid particular attention to the following:

Codecision procedure - 2nd reading

- PEILLON report - Controls on cash movements - COM(2002) 328, 02/0132 (COD)

The Commission adopted the line set out in SP(2005)2275/2.

Codecision procedure - 1st reading

- LAPERROUZE report - Trans-European energy networks - COM(2003) 742, 03/0297 (COD)

The Commission adopted the line set out in SP(2005)2251.

- ROTHER report - Energy end-use efficiency and energy services - COM(2003) 739, 03/0300 (COD)

The Commission adopted the line set out in SP(2005)2266.

- ADAMOUC report - Polycyclic aromatic hydrocarbons in extender oils and tyres - COM(2004) 98, 04/0036 (COD)

The Commission adopted the line set out in SP(2005)2269/2.

- BREPOELS report - Infrastructure for spatial information in the Community (INSPIRE) - COM(2004) 516, 04/0175 (COD)

The Commission adopted the line set out in SP(2005)2260 and /2.

Other dossiers

- KARAS report - Surveillance of budgetary positions and surveillance and coordination of economic policies - COM(2005) 154, 05/0064 (SYN)

- KARAS report - Excessive deficits - COM(2005) 155, 05/0061 (CNS)

The Commission adopted the line set out in SP(2005) 2270 and SP(2005) 2271 and authorised Mr ALMUNIA to pursue the efforts

needed to reach an agreement with Parliament and the Council following the line set out in the documents referred to above.

- SCHIERHUBER report - Support for rural development by the ERDF - COM(2004) 490, 04/0161 (CNS)

The Commission adopted the line set out in SP(2005) 2278 subject to the clarification to the effect that, while remaining open to any compromise that might facilitate an agreement, it continued to favour the minimum percentages set out in its initial proposal.

v) *Empowerment*

Under Article 13 of its Rules of Procedure, the Commission empowered the Member concerned, in agreement with the PRESIDENT, Ms WALLSTRÖM and any other Members associated, to adopt its opinion on the amendments, together with any amended proposals, on the basis of the line set out in SP(2005)2275/2, once Parliament had given its opinion, and transmit it to the Council in accordance with Article 251(2)(c) of the EC Treaty, for the following:

- PEILLON report - Controls on cash movements.

**vi) *Participation of Members of Parliament in international conferences:
6th Ministerial Conference of the World Trade Organisation - Hong Kong, 13 to 18 December 2005***
(point 3.5 of the record)

The Commission decided to approve the request from President BORRELL to President BARROSO concerning the participation of 16 Members of Parliament in this conference.

11.2. STATE OF RATIFICATION OF THE CONSTITUTION

The PRESIDENT referred to the key points conveyed in the joint statement by the Presidents of Parliament, the Council and the Commission following the announcement of the result of the French referendum on 29 May.

Emphasising the positive dimension of a joint response by the three Institutions, he stated that he had approached Presidents BORRELL and JUNCKER with a view to adopting a common position that evening (Wednesday) following the referendum that was taking place that day in the Netherlands. He also informed Members that he had had talks with Mr CHIRAC and Mr JUNCKER to take stock of the current situation and reported that Mr JUNCKER planned to put the matter on the agenda of the European Council on 16 and 17 June. In view of this, and bearing in mind that the Commission would have time to re-examine the dossier before the forthcoming European Council, the PRESIDENT asked the Commission to engage in an initial open debate to try to pinpoint the current difficulties and identify possible avenues for action.

On this basis, the Commission had a very broad exchange of views, in which it reviewed the prevailing situation in the various Member States, the different reasons underlying the difficulties in the way of the ratification process, the attribution of responsibility, the challenges of the current situation and the prospects for the future.

At the end of the debate, the PRESIDENT thanked the Commission Members for their contributions, which would contribute to shape the position to be taken by the Commission in the joint statement by the three Institutions on the results of the Dutch referendum. He emphasised the importance of the Council, the Commission, Parliament and the individual Commission Members speaking with one voice on the results.

11.3. RELATIONS WITH THE COUNCIL **(SI(2005)483)**

***vii) Outcome of the Education, youth, culture and audiovisual policy
Council (Brussels, 23 and 24 May)***

(SEC(2005)748)

The Commission took note of the information note distributed by Mr FIGEL' and Ms REDING.

***viii) Preparations for the Council meeting on Competitiveness
(Luxembourg, 6 and 7 June)***

Space policy: preparation of the Space Council of 7 June

(point 2.4 of the record)

The Commission authorised Mr VERHEUGEN to convey to the Space Council on 7 June the Commission's willingness to consider any future guidelines that the Council might adopt as a basis for preparing future European space policy and the associated programme, both of which are due to be adopted by the end of this year, according to the line and the arrangements set out in note SI(2005) 471.

***ix) Preparations for the Council meeting on Employment, social policy,
health and consumers (Luxembourg, 2 and 3 June)***

Proposal for a Parliament and Council Directive amending Directive
2003/88/EC concerning certain aspects of the organisation of working
time

Mr ŠPIDLA reported on the thrust of the revised proposal for a Directive he had adopted on 31 May 2005, in agreement with the PRESIDENT and Ms WALLSTRÖM, following the empowerment granted to him by the Commission on 18 May (cfr. PV(2005) 1702, item 6.1.ii). In view of the substantive difficulties this item raised within the two branches of the legislative authority, Mr ŠPIDLA outlined the reasons why the Commission should table an amended proposal for a directive, as far as possible incorporating the amendments sought by Parliament, at the

Employment, social policy, health and consumers Council on 2 and 3 June. He emphasised that referring this compromise proposal to the Council was intended to enable the Commission to play its role of broker, mediating between the two branches of the legislative power in the relevant codecision procedure. Mr ŠPIDLA then explained the scope of the three main points of the Commission's initial proposal that had been amended, which related to the concept of on-call time, the extension of the reference period and the possibility of an opt-out.

The Commission held an exchange of views on the procedural aspects of the adoption of the revised proposal for a directive, against the background of the extreme political sensitivity of the dossier, the criteria to be applied when using the empowerment procedure and the timetabling constraints that had dictated the choice of procedure. In view of the problems that the dossier would probably continue to cause after the Council meeting in question, it was agreed that the matter would be included on the Commission agenda at the latest in two weeks' time, so that Members could debate the substance of the proposal. Any Commission Members wishing to do so were welcome to send comments to Mr ŠPIDLA bilaterally, ahead of the discussions on this matter at the Council meeting of 2 and 3 June.

x) *Financial perspective (2007-13)*

Ms GRYBAUSKAITĖ reported on the latest state of the discussions on the next financial perspective. She indicated that the Luxembourg Presidency (which was currently holding bilateral meetings with the Member States' delegations) would shortly present the delegations and the Commission with a new proposal containing figures for each budget heading. Noting that this proposal was supposed to entail major reductions in the amounts earmarked for most budget headings (the commitment appropriations were not to exceed 1.05% of GNI according to the new proposal), Ms GRYBAUSKAITĖ pointed out the difficulties an

agreement on this basis would pose for the Commission, while at the same time reminding Members of the negative consequences of any failure to reach an agreement. She stressed that the Presidency seemed to be applying a strictly arithmetic method to drafting its new proposal, the intention being for the Member States to specify the amounts for each heading, leaving the Commission the job of allocating the revenue between the various policy areas concerned. Ms GRYBAUSKAITĖ drew her colleagues' attention to the importance to the Commission of adopting a firm stance, clearly indicating to the Member States what the consequences of the proposed reductions would be.

Having taken note of this information, the Commission held an exchange of views on the dossier, focusing particularly on questions relating to recent developments and a number of strategic aspects and questions relating to the timetable.

12. AN ANALYSIS OF A POSSIBLE CONTRIBUTION BASED ON AIRLINE TICKETS AS A NEW SOURCE OF FINANCING DEVELOPMENT (SEC(2005)732 to /5; SEC(2005)733 to /4; SEC(2005)734)

Following an exchange of views on the subject, the Commission noted that the possible introduction of a compulsory or optional contribution based on airline tickets raised complex questions requiring more detailed consideration and asked Mr KOVÁCS to communicate these to the Economic and Financial Affairs Council. Notwithstanding this position, the Commission confirmed its desire to find a solution to the problems of financing development aid, particularly from alternative and innovative sources, and expressed its willingness to continue the debate within the Commission and with the Member States in order to identify the best possible ways and means of doing so.

13. RELATIONS WITH THIRD COUNTRIES

13.1. VISIT BY Mr PIEBALGS TO AZERBAIJAN (25 MAY)

(SEC(2005)754)

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

13.2. VISIT BY Mr ALMUNIA TO THE INTERNATIONAL MONETARY INSTITUTIONS IN WASHINGTON (27 MAY)

(SEC(2005)753)

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

13.3. AIRBUS/BOEING

Mr MANDELSON reported on the current state of play relating to the dispute between the European Union and the United States concerning state aid to the aircraft manufacturers Boeing and Airbus, with particular reference to the approaches being made by both parties to the World Trade Organisation. He also referred to the letter he had sent on Monday 30 May to the PRESIDENT and the Commission Members.

The Commission noted this information.

14. OTHER MATTERS

14.1. THE BOLOGNA PROCESS – BERGEN MINISTERIAL CONFERENCE

(BERGEN, 19-20 MAY)

(SEC(2005)749)

(1 June 2005)

Referring to his information note on the subject, Mr FIGEL' expressed his satisfaction with the positive results of the conference of ministers of education held in Bergen on 19 and 20 May and stressed the exemplary and attractive nature of the Bologna process, which now had 45 signatories.

The Commission also took note of the information note distributed by Mr FIGEL'.

14.2. RECENT DEVELOPMENTS IN THE MICROSOFT CASE

Ms KROES reported on the state of negotiations in progress with Microsoft concerning the implementation of the Commission decision of March 2004 (C(2004) 900/5). This being the final phase of the negotiations, it would be closely monitored by the Legal Service, and Ms KROES undertook to keep the Commission informed.

The Commission noted this information.

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

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The meeting closed at 14.05.