



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2006)1747 final

Brussels, 7 June 2006

MINUTES

of the 1747th meeting of the Commission

held in Brussels

(Berlaymont)

on Wednesday 31 May 2006

(morning)

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PV(2006)1747 final

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Single sitting: Wednesday 31 May 2006 (morning)

The sitting opened at 9h06 chaired by Ms WALLSTRÖM in the absence of President BARROSO.

Present:

Ms WALLSTRÖM Vice-President

Mr VERHEUGEN Vice-President

Mr KALLAS Vice-President

Mr FRATTINI Vice-President

Ms REDING

Mr DIMAS

Mr ALMUNIA

Ms HÜBNER

Mr BORG

Ms GRYBAUSKAITĖ

Mr POTOČNIK

Mr FIGEL'

Mr KYPRIANOU

Mr KOVÁCS Items 1 to 12 (in part)

Ms KROES

Ms FISCHER BOEL

Ms FERRERO-WALDNER

Mr McCREEVY

Mr ŠPIDLA

Mr MANDELSON Items 8 (in part) to 12

Mr PIEBALGS Items 8 (in part) to 12

Absent:

Mr BARROSO

President

Mr BARROT

Vice-President

Mr REHN

Mr MICHEL

The following sat in to represent absent Members of the Commission

Mr LE BRET	Chef de cabinet to Mr Barrot	Items 11 (in part) and 12
Ms ÅSENIUS	A member of Mr Rehn's staff	
Ms ARNOULD	A member of Mr Michel's staff	

The following also sat in

Mr VALE DE ALMEIDA	Chef de cabinet to the President	
Mr PETITE	Director-General, Legal Service	
Mr CARVOUNIS	Deputy Director-General, DG Communication	Items 1 to 11
Mr LAITENBERGER	Commission Spokesman	
Ms CARVALHO	Acting Director-General, Bureau of European Policy Advisers (BEPA)	Items 8 (in part) to 12
Mr KESTERIS	Chef de cabinet to Mr Piebalgs	Items 1 to 8 (in part)

Secretary: Ms DAY, Secretary-General, assisted by Mr AYET PUIGARNAU, Director in the Secretariat-General.

1. AGENDAS

(OJ(2006)1747/3; SEC(2006)671/2)

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(2006)1747)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 29 May.

3. MINUTES OF 1746th MEETING (24 May)

(PV(2006)1746 and /2)

The Commission approved the minutes of its 1746th meeting.

4. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

4.1. WRITTEN PROCEDURES APPROVED

(SEC(2006)672 et seq)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 22 and 24 May.

4.2. SENSITIVE WRITTEN PROCEDURES

(SEC(2006)673)

The Commission took note of written procedures initiated between 22 and 24 May for the adoption of decisions with political implications.

4.3. EMPOWERMENT

(SEC(2006)674 et seq)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 22 and 24 May.

4.4. DELEGATION AND SUBDELEGATION OF POWERS

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation procedure between 22 and 24 May, as archived on the "Greffé 2000" (Registry) website.

5. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2006)675)

ADMINISTRATIVE MATTERS

(PERS(2006)67)

5.1. JRC – APPOINTMENT OF AN AD14 DIRECTOR (EU-25)

(PERS(2005)102 to /5)

The Commission had before it applications for the post of Director of the Joint Research Centre's Institute for Health and Consumer Protection (Ispra), published under Article 29(2) of the Staff Regulations (PERS(2005) 102 to /3).

The Commission took note of the opinions of the Consultative Committee on Appointments of 10 February and 20 April (PERS(2005)102/4 and /5).

(31 May 2006)

The Commission proceeded to compare the applicants' qualifications for the post. On a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr POTOČNIK, it then decided to appoint Ms Elke ANKLAM to the vacant post in question.

This decision would take effect on a date to be determined.

5.2. *DG SANCO – LEAVE ON PERSONAL GROUNDS FOR A DEPUTY DIRECTOR-GENERAL*

Having noted the information in item 2 of PERS(2006)67, the Commission, on a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr KYPRIANOU, decided to approve the request for leave on personal grounds, under Article 40 of the Staff Regulations, presented by Ms Jaana HUSU-KALLIO, an AD16 official who is currently Deputy Director-General in the Health and Consumer Protection DG, for a period of one year.

This Decision would enter into force on 1 August 2006.

5.3. *DG SANCO – INTERNAL PUBLICATION OF A VACANCY NOTICE FOR AN AD15/16 DEPUTY DIRECTOR-GENERAL (PERS(2006)68)*

On a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr KYPRIANOU, the Commission decided to authorise the publication, under Article 29(1)(a)(i) and (iii) of the Staff Regulations, of the vacancy notice in PERS(2006)68 for the post of Deputy Director-General in grade AD15/16 in the Health and Consumer Protection DG.

This decision would take effect immediately.

5.4. DG MARKT – INTERINSTITUTIONAL (GRADE AD15/16) AND EXTERNAL (EU-25, GRADE AD15) PUBLICATION OF A VACANCY NOTICE FOR A DIRECTOR-GENERAL (PERS(2006)69)

Having noted the information in item 4 of document PERS(2006)67, the Commission, on a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr McCREEVY, decided to authorise the publication, under Article 29(1)(b) and (2) of the Staff Regulations, of the vacancy notice in PERS(2006)69 for the post of Director-General of the Internal Market and Services DG.

This decision would take effect immediately.

6. COMMUNICATION TO THE COMMISSION ON GUIDELINES FOR THE ESTABLISHMENT AND OPERATION OF EXECUTIVE AGENCIES FINANCED BY THE GENERAL BUDGET OF THE EUROPEAN COMMUNITIES (SEC(2006)662 to /4); SEC(2006)663 and /2; SEC(2006)664; SEC(2006)669)

The Commission adopted the guidelines on the establishment and operation of executive agencies financed by the general budget of the European Communities, set out in the communication distributed as COM(2006)662/4. These new guidelines replaced the Commission Decision C(2003)4645 of 12 December 2003.

It took note of the Annexes in the staff papers distributed as SEC(2006) 663/2 and SEC(2006) 664.

**7. COMMISSION DECISION UNDER ARTICLE 81 OF THE EC TREATY
AND ARTICLE 53 OF THE EEA AGREEMENT (CASE COMP/F/38.645 –
METHACRYLATES)
(C(2006)2098 to /9; SEC(2006)721)**

The Commission

- took note of the opinion of the Advisory Committee on Restrictive Practices and Dominant Positions of 15 and 29 May in C(2006)2098/3 and /6;
- took note of the final report of the Hearing Officer of 19 May in C(2006)2098/4;
- adopted, in the authentic languages (English and French), the decision set out in C(2006)2098/7 and /8 finding that the undertakings to which the decision was addressed had infringed Article 81 of the EC Treaty and Article 53 of the Agreement on the European Economic Area and imposing fines on some of these undertakings totalling €344 562 500;
- decided to notify the decision in C(2006)2098/7 and /8 to the companies concerned, together with the final report of the Hearing Officer;
- decided that the most important parts of the decision, together with the opinions of the Advisory Committee and the final report of the Hearing Officer, would be published in the official languages in the Official Journal (with business secrets removed);
- decided to publish the decision (with business secrets removed) on the Internet.

8. INTERINSTITUTIONAL RELATIONS

(SEC(2006)647)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group held on Wednesday 24 May (SEC(2006)647).

It paid particular attention to the following points:

8.1. LEGISLATIVE MATTERS

i) Codecision procedure

(point 1.1.1 of the record)

- CERCAS ALONSO report – organisation of working time – COM(2004)607 – 2004/0209 (COD) – SI(2006)468

The Commission confirmed the empowerment granted to Mr ŠPIDLA at its 1725th meeting on 7 December 2005 (PV(2005)1725, item 11.2.iii, and SI(2005)1158/3, item 7), particularly with a view to the meeting of the Employment, Social Policy, Health and Consumers Council to be held on 1 and 2 June.

ii) Preparations for May II part-session

(point 1.2 of the record)

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

It paid particular attention to the following:

Codecision – 2nd reading

- GROSSETÊTE report – Medicinal products for paediatric use – COM(2004)599 – 2004/0217(COD)

The Commission approved the line set out in SP(2006)2299 and /2, in order to secure agreement at second reading.

Empowerment

- GROSSETÊTE report – Medicinal products for paediatric use – COM(2004)599 – 2004/0217(COD)

The Commission empowered Mr VERHUEGEN under Article 13 of its Rules of Procedure, in agreement with the PRESIDENT, Ms WALLSTRÖM and any other Members concerned, to adopt its opinion on the amendments, together with any amended proposal, on the basis of the line set out in SP(2006)2299 and /2, once Parliament had given its opinion, and transmit them to the Council in accordance with Article 251(2)(c) of the Treaty.

Codecision – 1st reading

- HENNICOT-SCHOEPGES report – European Year of Intercultural Dialogue 2008 – COM(2005)467 – 2005/0203 (COD)

The Commission approved the line set out in SP(2006)2279 and /2.

- MARTIN report – Business registers used for statistical purposes – COM(2005)112 – 2005/0032(COD)

The Commission approved the line set out in SP(2006)2313.

iii) Preparations for the Employment, Social Policy, Health and Consumers Council, 1 and 2 June

(point 1.3 of the record)

- Proposal for a Parliament and Council Decision establishing a Community programme for employment and social solidarity (PROGRESS) - COM(2004)488 – 2004/0158 (COD)

The Commission authorised Mr ŠPIDLA to accept the Council Presidency's compromise on Article 17 (financing) at the meeting of the Employment, Social Policy, Health and Consumers Council of 1 and 2 June, in order to reach political agreement on a common position which could be accepted by Parliament without amendment, following the line set out in SI(2006)460.

iv) Preparations for the Justice and Home Affairs Council (1 and 2 June)

(point 1.4 of the record)

- Proposal for a Council Decision on the establishment, operation and use of the second generation Schengen Information System (SIS II) – COM(2005)230 – 2005/0103 (CNS)
- Proposal for a European Parliament and Council Regulation on the establishment, operation and use of the second generation Schengen Information System (SIS II) – COM(2005)236 – 2005/0106(COD)
- Proposal for a European Parliament and Council Regulation regarding access to the second generation Schengen Information System (SIS II) by the services in the Member States responsible for issuing vehicle registration certificates – COM(2005) 237 – 2005/0104 (COD).

The Commission authorised Mr FRATTINI to support the line set out in SI(2006)477/2.

8.2. RELATIONS WITH THE COUNCIL

(SI(2006)483)

v) Results of the informal meeting of Foreign Ministers on the future of Europe (Klosterneuburg, 27 and 28 May)

Ms WALLSTRÖM and Ms FERRERO-WALDNER reported on the informal meeting of Foreign Ministers on the future of Europe, which had taken place the previous week.

Ms FERRERO-WALDNER noted that in order to resolve the situation created by the results of the French and Dutch referenda on the draft Constitution last year, the PRESIDENT had stressed the need to demonstrate the added value of European integration by specific measures, along the lines of a “Europe of Projects”. This analysis by the Commission, which had been set out in its communication of 10 May entitled “A Citizens’ Agenda – Delivering results for Europe” (COM(2006)211 final), had been widely shared by the Member States. Ms FERRERO-WALDNER said that this did not mean, however, that the debate on the draft Constitution had stopped; it was possible that there might be certain developments under the German Presidency of the Council during the first half of 2007.

Ms FERRERO-WALDNER also mentioned the exchanges of views that had taken place at the informal meeting, particularly on international financial mechanisms and the Iranian nuclear dossier.

Ms WALLSTRÖM concluded this short presentation of the results of the meeting by indicating that the period of reflection introduced after the French and Dutch referenda would be extended. It was therefore more important than ever for the Commission to make greater efforts to explain its strategic programme, its priorities and its specific measures to Europe’s citizens more effectively.

The Commission took note of this information.

vi) Results of the Competitiveness Council (Brussels, 29 May)
(SI(2006)493 and /2)

Mr McCREEVY briefly presented the political agreement reached at the Competitiveness Council on Monday 29 May on the future directive on services in the internal market. He emphasised that the text that had been agreed closely resembled the Commission's amended proposal and, consequently, the political compromise resulting from Parliament's first reading. The main change in the text concerned the obligation on the Member States to notify the Commission of any current or future measures imposed on service providers that were likely to be covered by the exemptions on the freedom to provide services laid down in Article 16.

Mr McCREEVY also noted with satisfaction that there had been very little evidence during the debate in the Council of any divide between "old" and "new" Member States. He emphasised that this should facilitate the second reading in Parliament.

As regards the timetable for the final adoption of the directive, Mr McCREEVY said that the Austrian Presidency and the future Finnish Presidency wanted to maintain the political momentum favourable to achieving rapid progress in this matter. Contacts were therefore being made with Parliament to examine the possibility of unofficially starting work on the second reading without waiting for the formal announcement of the Council common position.

Finally, Mr McCREEVY thanked the PRESIDENT and all the Commission Members for their contributions to this dossier, which was an area where the outlook had radically altered over the past year.

On behalf of the Commission, Ms WALLSTRÖM congratulated Mr McCREEVY on this excellent result.

The Commission took note of this information.

**9. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – A STRATEGY FOR A SECURE INFORMATION SOCIETY: DIALOGUE, PARTNERSHIP AND EMPOWERMENT
(COM(2006)251 to /3); SEC(2006)656; SEC(2006)668)**

Ms REDING presented the communication she was tabling for approval. She pointed to the crucial importance of security for the information society, particularly as regards information networks and communication. This was an issue that affected all EU policies and all citizens and economic operators, particularly in terms of combating cybercrime and protecting consumer and company interests. She reminded the meeting of the scale of the economic losses due to *phishing* and other fraudulent and criminal practices. She referred to the need for a campaign to raise awareness among public administrations, companies and individual users to highlight the risks, and to the importance of a strategy to limit these risks and create a climate of confidence.

Ms REDING then reviewed the Commission's initiatives in this area, including those concerning the implications of radio frequency identification (RFID), and confirmed her intention of continuing these measures. She welcomed the good cooperation with Parliament and the decision of the Court of Justice concerning the European Network and Information Security Agency (ENISA). She expressed optimism in the light of the priority given to IT security by the Finnish and German Presidencies of the Council.

Finally, she emphasised the need to take account of the international dimension of cybercrime and asked Commission Members to include the subject on the agenda of their bilateral and multilateral meetings with the authorities of non-member countries.

The Commission approved the communication in COM(2005)251/3 for transmission to Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, together with the impact assessment in the staff paper SEC(2006)656, the contents of which were noted.

**10. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS ON THE NEED TO DEVELOP A COORDINATED STRATEGY TO IMPROVE THE FIGHT AGAINST TAX FRAUD
(COM(2006)254 to /4); SEC(2006)659; SEC(2006)667)**

Mr KOVÁCS gave a brief outline of the initiative he was tabling. He stressed the need for a Community approach as a means of coordinating more effectively the efforts of the Member States, and the importance of improving administrative cooperation both between the Member States and the Commission and with the non-member countries used to conceal the proceeds of fraud. The communication presented the Commission as open to discussion on the methods to be adopted. The meeting of the Council (Economic and Financial Affairs) on 7 June would mark the launch of discussions aimed at setting out guidelines for future work.

The Commission approved the communication in COM(2006)254/4 for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, together with the impact assessment in the staff paper SEC(2006)659, the contents of which were noted.

11. OTHER BUSINESS

11.1. IMPLICATIONS OF THE SPRING 2006 FORECASTS FOR BUDGETARY SURVEILLANCE

(SEC(2006)688)

Mr ALMUNIA presented the most important data in the spring economic forecasts published by the Commission on 8 May and the implications of these forecasts for budgetary surveillance and the excessive deficit proceedings in progress. This topic would be discussed at the Eurogroup meeting in the week of 5 June.

As regards the economic forecasts, Mr ALMUNIA highlighted the growth expected for the EU as a whole and for the euro area. While Commission departments were relatively optimistic on prospects for growth in 2006 (2.3% for the Union as a whole and 2.1% for the euro area), other public and private analysts were even more so. The difference between these forecasts stemmed among other things from their interpretation of the expected impact of the VAT increase in Germany announced for the beginning of 2007. In Mr ALMUNIA's view, this increase would, on the whole, have a neutral impact, but it also explained in part why the growth rates forecast for 2007 were slightly lower than for 2006.

Mr ALMUNIA cited the main figures relating to jobs (less than 1% employment growth in 2006 and 2007, which nevertheless represented four million new jobs in two years), inflation (stable at around 2.2% during the period 2006-07) and government deficits (also quite stable over the two years, at between 2.2% and 2.4%, both in the Union as a whole and in the euro area). However, there was a certain margin of uncertainty concerning government deficits in 2007, pending adoption of national budgets for the 2007 financial year. On inflation, Mr ALMUNIA noted that a debate was currently under way regarding the impact of oil price rises and in particular the medium-term effects on inflation of these prices stabilising at a high level.

Mr ALMUNIA then outlined briefly the factors, both within and outside the Union, which might result in differences compared with the forecasts presented (“risks to the forecast”), whether positive or negative.

Lastly, Mr ALMUNIA reviewed the prospects for the twelve Member States that were currently in excessive deficit and reminded the Commission that it would be presented in June with a communication dealing with public finances in the economic and monetary union, and in particular the experience of the first year of implementation of the revised stability and growth pact.

Following Mr ALMUNIA’s presentation, the Commission held an exchange of views, during which it discussed in particular the following aspects:

- the need to develop a culture of discipline in budgetary policy so as to achieve - in the medium term - budgets that were in balance or in surplus, and to take advantage of periods of economic recovery to reduce government debt in preparation for difficulties later in the cycle; in this connection, it noted the lack of appropriate instruments for encouraging Member States to anticipate future difficulties;
- the current situation in the euro area regarding budget deficits and government debt compared with the criteria for joining the single currency laid down in the Treaty;
- the relationship between growth and budgetary and monetary policies on the one hand and, on the other, structural reforms such as those recommended in the Lisbon Strategy;
- the differences observed between the impact of the present rise in oil prices and that of the rise during the first oil crisis in the 1970s, and the factors explaining these differences, such as secondary effects, the assimilation capacity of companies in an environment of worldwide competition, and energy efficiency.

The Commission took note of the information note from Mr ALMUNIA in SEC(2006)688.

**11.2. SIGNING OF THREE MEMORANDA OF UNDERSTANDING ON THE JASPERS, JEREMIE AND JESSICA INITIATIVES UNDER THE COHESION POLICY (BRUSSELS, 30 MAY 2006)
(SEC(2006)728)**

Ms HÜBNER reported on the signing on 30 May of three memoranda of understanding marking the formal launch of the JASPERS, JEREMIE and JESSICA joint initiatives under European cohesion policy for the period 2007-13.

She stressed that the three new instruments had been set up thanks to the assistance of a number of European financial institutions, such as the European Investment Bank, the European Bank for Reconstruction and Development, the European Investment Fund and the Council of Europe Development Bank.

Ms HÜBNER briefly presented the objectives of each of these initiatives, viz.:

- JASPERS (*Joint Assistance in Supporting Projects in European Regions*): technical assistance to national and regional authorities for the preparation of major infrastructure projects;
- JEREMIE (*Joint European Resources for Micro to Medium Enterprises*): improving access to financing for micro, small and medium-sized enterprises, particularly through microcredit, capital risk and other innovative financing instruments;
- JESSICA (*Joint European Support for Sustainable Investment in City Areas*): financing urban renovation and development projects using innovative solutions combining loans and subsidies.

Ms HÜBNER noted that the legal bases of the three instruments were to be found in the new Structural Fund regulations currently being adopted by Parliament and the Council for the next programming period (2007-13). She stressed that greater participation by European financial institutions would undoubtedly help improve the quality of aid and technical expertise supplied, thereby increasing the number of projects that could be implemented, making investments more profitable and contributing to growth and job creation.

Ms HÜBNER thanked the Members of the Commission, and in particular Mr ALMUNIA and Mr ŠPIDLA, for their cooperation in setting up the three new financial instruments for European cohesion policy.

Following this presentation, the Commission held a brief exchange of views on the following aspects:

- the importance and exemplary nature of these initiatives, which combined various sources of financing in such a way as to optimise the use of Community resources available, and their contribution to achieving the goals of cohesion policy;
- the need to make Community action more visible to final beneficiaries, particularly in this type of initiative;
- the opportunity to evaluate the operation and results of these innovative instruments in due course.

The Commission took note of these observations and of the briefing note SEC(2006)728.

12. RELATIONS WITH NON-MEMBER COUNTRIES

12.1. EU-RUSSIA SUMMIT (SOTCHI, 25 MAY)

SEC(2006)730

Ms FERRERO-WALDNER reported on the outcome and content of the discussions at the EU-Russia Summit in Sochi on 25 May, attended by the PRESIDENT, Mr MANDELSON and herself.

The talks had taken place in a convivial atmosphere and discussion had been frank and open, particularly on controversial topics such as energy and Iran, but also on human rights, the situation in Chechnya and the European neighbourhood policy.

Ms FERRERO-WALDNER highlighted the signing of the agreements concluded in October on the granting of visas and the readmission of illegal immigrants, and the progress made by both partners in creating four “common spaces”.

As regards the future structure of relations between the EU and Russia when the current partnership and cooperation agreement expired in 2007, it had been agreed that negotiations would start soon on a new and more ambitious agreement, while taking care not to create a legal void in bilateral relations. Ms FERRERO-WALDNER announced that the Commission should be able to present the Council with a draft negotiating mandate before the summer break.

After emphasising the value of these high-level, direct contacts, Mr MANDELSON mentioned the ongoing negotiations on Russia’s possible accession to the World Trade Organisation at the beginning of 2007, and the setting-up of a bilateral working party to consider convergence between the two parties in economic and regulatory matters.

The Commission held a very brief exchange of views, during which mention was made of the lack of any technical justification for the ban on the export to

Russia of certain agricultural products from Poland, in place since November 2005.

The Commission took note of this information and of the note from Ms FERRERO-WALDNER, in agreement with the PRESIDENT and Mr MANDELSON, under SEC(2006)730.

12.2. COURT OF JUSTICE JUDGMENT CONCERNING THE AGREEMENT BETWEEN THE EUROPEAN COMMUNITY AND THE UNITED STATES ON THE PROCESSING AND TRANSFER OF THE PERSONAL DATA OF AIR PASSENGERS

Mr FRATTINI reported on the judgment handed down by the Court of Justice the previous day - following an application by Parliament - annulling the Council decision on the conclusion of an agreement between the European Community and the United States on the processing and transfer of personal data, and the Commission decision on the adequate protection of such data ("decision on adequacy"), for want of an appropriate legal basis.

Since the agreement remained applicable for a period of 90 days from notification of its termination, the Court had decided, for reasons of legal certainty and in order to protect the persons concerned, to preserve the effect of the decision on adequacy until 30 September.

Mr FRATTINI stressed that, in its judgment, the Court had called into question neither the substance of the agreement nor the relevance of the level of protection, but only the legal basis chosen. However, he expressed concern at the serious consequences the judgment might have for security and anti-terrorist investigations and for the landing rights of European airlines if no legal instrument were in force in good time after 30 September.

Mr FRATTINI intended to inform the Member States - at the Council meeting (Justice and Home Affairs) on 1 and 2 June - of the need to confirm the principle of the transfer to the United States of personal data concerning air

passengers; he also intended to express this principle in concrete terms in a new legislative proposal, which he would be laying before the Commission very soon and which would have a legal basis under the third pillar, without, however, calling into question the substance of the agreement in force.

The Commission held a brief exchange of views, covering the following points:

- the importance of ensuring that this matter did not open up a new dispute with the United States;
- the fact that entry into force of a new instrument based on the third pillar might be delayed by the ratification process in certain Member States;
- the importance of finding a stable solution, also in view of the agreements in force with Canada and Australia;
- the need to strike a sound balance between protection of individuals with regard to the processing of personal data under the first pillar and security concerns under the third pillar;
- the case for involving other bodies, such as Parliament and the European Data Protection Supervisor, at an appropriate stage in the discussions;
- the need to take into account the interests of airline companies operating transatlantic services.

Following this exchange of views, the Commission:

- took note of this information;
- authorised Mr FRATTINI to address the Council (Justice and Home Affairs) in the terms outlined above;
- asked Mr FRATTINI to lay before it, where necessary, the legislative proposals mentioned.

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The meeting closed at 11.56 hours.