



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

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Strasbourg, 18 November 2008

MINUTES
of the 1851st meeting of the Commission
held in Brussels
(Berlaymont)
on Wednesday 12 November 2008
(morning)

PV(2008)1851final

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Single sitting: Wednesday 12 November 2008 (morning)

The sitting opened at 10.08 in the Jean Monnet room with Mr BARROSO, President, in the chair. The discussion of item 25 (in part) was chaired by Mr VERHEUGEN.

Present:

Mr BARROSO	President	Items 1 to 25 (in part)
Mr VERHEUGEN	Vice-President	
Mr BARROT	Vice-President	
Mr KALLAS	Vice-President	Items 1 to 25 (in part)
Mr TAJANI	Vice-President	Items 1 to 12/24 (in part)
Ms REDING		
Mr DIMAS		
Mr ALMUNIA		
Ms HÜBNER		Items 1 to 11 and 25 (in part)
Mr BORG		
Ms GRYBAUSKAITĖ		Items 12/24 (in part) and 25
Mr POTOČNIK		
Mr REHN		Items 1 to 11 (in part)
Mr MICHEL		Items 1 to 12/24 (in part)
Mr KOVÁCS		
Ms KROES		Items 1 to 11 (in part) and 25
Ms FISCHER BOEL		Items 1 to 25 (in part)
Ms FERRERO-WALDNER		
Mr McCREEVY		Items 1 to 12/24 (in part)
Mr ŠPIDLA		
Mr PIEBALGS		Items 1 to 24 and 25 (in part)
Ms KUNEVA		
Mr ORBAN		
Ms VASSILIOU		Items 1 to 25 (in part)
Baroness ASHTON		Items 11 to 25

Absent:

Ms WALLSTRÖM
Mr FIGEL'

Vice-President

The following sat in to represent absent Members of the Commission:

Mr LEFFLER	Chef de cabinet to Ms WALLSTRÖM
Mr ADAMIS	Chef de cabinet to Mr FIGEL'

The following also sat in:

Mr VALE DE ALMEIDA	Chef de cabinet to the PRESIDENT	Items 1 to 25 (in part)
Mr SANTAOLALLA	Legal Service	
Mr DUMORT	DG Communication	
Mr LAITENBERGER	Commission Spokesman	Items 1 to 12/24 (in part)
Ms AHRENKILDE	DG Communication – Commission Spokesman's Service	Items 12/24 (in part) and 25
Mr GASPAR	Acting Director-General, Bureau of European Policy Advisers	Items 11 to 25
Mr THEBAULT	Deputy Chef de cabinet to the PRESIDENT	Items 12 to 25
Mr BALDWIN	Adviser in the PRESIDENT's office	Items 12 to 24
Mr PRETO	Chef de cabinet to Mr TAJANI	Items 1 to 10
Mr SLOWIK	A member of Ms GRYBAUSKAITĖ's staff	Items 1 to 12/24 (in part)
Mr PESONEN	Chef de cabinet to Mr REHN	Items 11 (in part) to 25
Ms BOIX ALONSO	Deputy Chef de cabinet to Ms KROES	Items 1 to 10
Mr KESTERIS	Chef de cabinet to Mr PIEBALGS	Items 12/24 (in part)
Mr JONES	Deputy Chef de cabinet to Mr PIEBALGS	Items 12 to 24
Ms SPANOU	Deputy Chef de cabinet to Ms VASSILIOU	Item 25 (in part)
Mr RUETE	Director General, DG Energy and Transport	Items 12 to 24

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

1. AGENDAS

(OJ(2008)1851/3; SEC(2008)2772/2)

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(2008)1851)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 10 November.

3. MINUTES OF 1850TH MEETING (5 NOVEMBER)

(PV(2008)1850)

The Commission approved the minutes of its 1850th meeting.

4. MONITORING THE APPLICATION OF COMMUNITY LAW

STATE AID – INDIVIDUAL CASES – RECAPITULATIVE LIST

(SEC(2008)2815; SEC(2008)2814)

The Commission adopted the decisions in SEC(2008)2815.

5. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

5.1. WRITTEN PROCEDURES APPROVED (SEC(2008)2774 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 3 and 7 November.

5.2. EMPOWERMENT (SEC(2008)2775 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 3 and 7 November.

5.3. DELEGATION AND SUBDELEGATION OF POWERS (SEC(2008)2776 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 3 and 7 November, as archived in e-Greffe.

5.4. SENSITIVE WRITTEN PROCEDURES (SEC(2008)2777 AND /2)

The Commission took note of the sensitive written procedures for which the time limit expired between 10 and 14 November and of the "finalisation" written procedures initiated following the weekly meeting of Chefs de cabinet on 10 November.

6. ADMINISTRATIVE AND BUDGETARY MATTERS
(SEC(2008)2773/3)

ADMINISTRATIVE MATTERS
(PERS(2008)137/3)

**6.1. DG ENLARGEMENT – INTERNAL (GRADE AD14/15) AND
EXTERNAL (GRADE AD14, EU-27) PUBLICATION OF VACANCY
NOTICES FOR A DIRECTOR**
(PERS(2008)138)

On a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr REHN, the Commission decided to authorise the publication, under Article 29(1)(a)(i) and (iii) and (29)(2) of the Staff Regulations, of the vacancy notices in PERS(2008) 138 relating to the post of Director, Financial Instruments and Regional Programmes, in the Directorate-General for Enlargement.

This decision would take effect immediately.

**6.2. DG PERSONNEL AND ADMINISTRATION – COMMISSION
DECISION LAYING DOWN RULES ON THE SECONDMENT OF
NATIONAL EXPERTS AND ON NATIONAL EXPERTS IN
PROFESSIONAL TRAINING**
(C(2008)6866 TO /3; SEC(2008)2726/2)

The Commission noted the information in point 2 of PERS(2008)137/3 and, on a proposal from Mr KALLAS, in agreement with the PRESIDENT, adopted the Decision in C(2008)6866/3.

This decision would take effect on 1 January 2009.

6.3. DG PERSONNEL AND ADMINISTRATION – SPECIAL ADMINISTRATIVE PROVISIONS ON THE RECRUITMENT OF EXPERTS TO TACKLE THE FINANCIAL CRISIS

The Commission noted the information in point 3 of PERS(2008)137/3 and, on a proposal from Mr KALLAS, in agreement with the PRESIDENT, decided on the basis of a derogation from Article 2 of Commission Decision C(2004)1597 of 21 April 2004:

- to authorise the Director-General for Personnel and Administration and persons to whom his powers have been subdelegated to award temporary staff contracts under Article 2 (a) of the Conditions of Employment of Other Servants of the European Communities at grades other than those specified at points (a) and (b) of Article 2 of Commission Decision C(2004)1597 of 21 April 2004;
- to authorise the Director-General for Personnel and Administration and persons to whom his powers have been subdelegated to award temporary staff contracts under Article 2 (a) of the Conditions of Employment of Other Servants of the European Communities to persons who did not meet the criteria of the selection procedure laid down in point (c) of Article 2 of Commission Decision C(2004)1597 of 21 April 2004.

These derogations would be limited to exceptional cases of experts recruited solely to tackle the current financial crisis.

These decisions would take effect immediately.

6.4. PUBLICATIONS OFFICE – 2008 PROMOTIONS ROUND FOR OFFICIALS ASSIGNED TO THE OFFICE FOR OFFICIAL PUBLICATIONS OF THE EUROPEAN COMMUNITIES (C(2008)6867; C(2008)6868)

On a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr ORBAN, the Commission:

- adopted the decision on the award of appeal priority points, priority points in recognition of work undertaken in the interests of the institution and transitional priority points in the 2008 promotions round, to officials assigned to the Office for Official Publications of the European Communities, as set out in C(2008)6867;
- adopted the decision listing officials assigned to the Office for Official Publications of the European Communities who were to be promoted in 2008, as set out in C(2008)6868.

6.5. *LEGAL SERVICE – INTERNAL (GRADE AD14/15) AND EXTERNAL (GRADE AD14, EU-27) PUBLICATION OF VACANCY NOTICES FOR PRINCIPAL LEGAL ADVISER (PERS(2008)139)*

On a proposal from Mr KALLAS, in agreement with the PRESIDENT, the Commission decided to authorise the publication, under Article 29(1)(a)(i) and (iii) and 29(2) of the Staff Regulations, of the vacancy notices in PERS(2008)139 for the post of Principal Legal Adviser in charge of the "AID – State Aid and Dumping" team in the Legal Service.

This decision would take effect immediately.

6.6. *PROPOSAL FOR A COUNCIL REGULATION AMENDING THE CONDITIONS OF EMPLOYMENT OF OTHER SERVANTS OF THE EUROPEAN COMMUNITIES – PARLIAMENTARY ASSISTANTS (SEC(2008)2604 AND /2)*

The Commission took note of the information set out in point 6 of PERS(2008)137/3 and, on a proposal from M. KALLAS, in agreement with the PRESIDENT, adopted the proposal for a Council Regulation amending Conditions of Employment of Other Servants of the European Communities, as set out in SEC(2008)2604/2, for transmission to the European Parliament, the Council, the Court of Justice of the European Communities and the European Court of Auditors.

7. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS - GLOBAL MONITORING FOR ENVIRONMENT AND SECURITY (GMES): WE CARE FOR A SAFER PLANET

(COM(2008)748 TO /4; SEC(2008)2808 AND /2; SEC(2008)2809 AND /2; SEC(2008)2810; SEC(2008)2812)

The Commission approved the communication in COM(2008)748/4 for transmission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions and to the national parliaments, together with the impact assessment and the related executive summary in staff papers SEC(2008)2808/2 and SEC(2008)2809/2, respectively, the contents of which were noted.

It also took note of the opinion of the Impact Assessment Board on the above communication, as set out in SEC(2008)2810.

8. RELATIONS WITH NON-MEMBER COUNTRIES

REGIONAL SUMMIT ON THE SITUATION IN THE EAST OF THE DEMOCRATIC REPUBLIC OF CONGO (NAIROBI, 7 NOVEMBER)
(SEC(2008)2836)

The Commission took note of the information note from Mr MICHEL in SEC(2008)2836.

9. OTHER BUSINESS

9.1. DIRECTIVE 94/57/EC ON AN AUTHORISATION SYSTEM FOR CLASSIFICATION SOCIETIES (HELLENIC REGISTER OF SHIPPING)

(SEC(2008)2818 AND /2)

The Commission took note of SEC(2008)2818/2.

9.2. DEVELOPMENTS LINKED TO THE ITER PROJECT

(SEC(2008)2824 AND /2)

The Commission took note of the information note from Mr POTOČNIK in SEC(2008)2824/2.

9.3. EUROPEAN DEVELOPMENT DAYS (STRASBOURG, 15-17 NOVEMBER)

(SEC(2008)2834)

The Commission took note of the information note from Mr MICHEL in SEC(2008)2834.

9.4. THIRD MEETING OF THE EUROPEAN NUCLEAR ENERGY FORUM (BRATISLAVA, 3 AND 4 NOVEMBER)

(SEC(2008)2837)

The Commission took note of the information note from Mr PIEBALGS in SEC(2008)2837.

9.5. BUDGETARY IMPLICATIONS OF THE AUTUMN 2008 ECONOMIC FORECASTS

(SEC(2008)2841)

The Commission took note of the information note from Mr ALMUNIA in SEC(2008)2841.

**10. COMMISSION DECISION ON A PROCEEDING UNDER ARTICLE 81 OF THE EC TREATY AND ARTICLE 53 OF THE EEA AGREEMENT (CASE COMP/39.125 – CARGLASS)
(C(2008)6815 TO /9; SEC(2008)2839)**

The Commission briefly discussed the background to this decision. It underlined the potential significance and impact of the decision to impose on a number of companies fines which, given the exceptional economic and financial circumstances currently facing the industry, amounted to large sums. It also highlighted the importance of competition policy for defending the interests of consumers, workers and companies, hence the need for a consistent, predictable and objective approach by the Commission in this field and the need for appropriate communication on this decision in view of the current economic climate.

At the end of these presentations, the Commission:

- took note of the opinion of the Advisory Committee on Restrictive Practices and Dominant Positions of 1 July in C(2008)6815/3;
- took note of the final report of the Hearing Officer of 3 July in C(2005)6815/4;
- adopted, in the authentic languages (English, French and Dutch), the decision in C(2008)6815/5 finding that the companies 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 these companies totalling €1 383 896 000;
- decided that the decision in C(2008)6815/6 to /9 would be notified 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 opinion of the Advisory Committee and the final report of the Hearing Officer, would be published in the official languages in the Official Journal of the European Union (with all business secrets removed);

- decided to publish the decision (with business secrets removed) on the Internet.

**11. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT
AND OF THE COUNCIL ON CREDIT RATING AGENCIES
(COM(2008)704 TO /4; SEC(2008)2745; SEC(2008)2746; SEC(2008)2747;
SEC(2008)2753)**

The PRESIDENT began by congratulating Mr McCREEVY and his departments for the proposal, which was being tabled at a very opportune moment, a few days before the G20 summit in Washington. He referred to the other measures adopted recently in the financial sector and noted that others would follow soon.

He pointed out that this proposal was an ambitious response to one of the most serious problems posed by the current financial crisis. Although credit rating agencies did not bear sole responsibility for the current difficulties, they had helped make them significantly worse by issuing over-optimistic ratings and failing to adapt them promptly.

The PRESIDENT noted that no legislature had yet gone as far as this and the Commission itself had never intervened so markedly in the internal organisation of companies. He stressed the need for rules in this area because of the conflicts of interests inherent in the existing model, whereby rating agencies were paid by the companies they rated rather than by those who used the ratings.

In view of Europe's commitment to work towards global rules at the forthcoming G20 summit, this proposal would allow the EU to lead the way in this field. Negotiations with its partners, in particular the USA, should enable European standards to take on a global dimension. He acknowledged that the EU's partners would still have to be persuaded of the need to restore confidence in credit rating agencies and in the ratings themselves by imposing very strict rules that forced agencies to manage their conflicts of interests, by demanding greater transparency in the rating process and by subjecting them to tighter supervision by market

regulation authorities.

The PRESIDENT reminded the meeting that the Council Presidency and the European Parliament wanted the proposal to be adopted quickly and he stressed that Mr McCREEVY had the full support of all Members of the Commission on this. He also pointed out that the Commission's 2009 work programme would be presented to Parliament on 18 November and asked for as many Members as possible to be present on that occasion.

He ended by stressing the importance for the Commission of stimulating debate on this issue and of leading the movement for tighter rules in order to deliver a reasonable and effective response to a very serious problem.

Mr McCREEVY then presented the proposal, reminding the meeting that back in September 2006, when one of the main US high-risk lenders was giving off certain very strong signals, he had said that credit rating agencies should rapidly be subjected to a major credibility test, and that in 2007 the value of the most hazardous securitised US debts had started to fall. Under the securitisation system some of the most dubious assets had been bundled up in packages, for which the rating agencies had given an AAA rating on a par with the highest ratings for government bonds.

Mr McCREEVY explained that the proposal was the fruit of efforts that had begun in August 2007, right at the beginning of the financial crisis. He also noted that the main credit rating agencies had accepted a voluntary code of conduct which, he felt, constituted a very light touch. Against this background his aim was the adoption of measures to ensure that the conflicts of interest inherent in the system were properly managed or that the risks of such conflicts were sufficiently alleviated. He mentioned the consultations with stakeholders and various other advisory bodies held ahead of the proposal, which had resulted in a balanced text that safeguarded the independence of rating agencies to carry out their analyses, while at the same time ensuring that they were subject to effective supervision in order to check that professional standards were applied in practice, that the integrity of the rating

process was guaranteed and that conflicts of interests were properly managed and mitigated.

With this proposal, he argued, the EU was playing a leading role. The aim was to apply these standards globally; as the PRESIDENT had pointed out, this matter would be discussed shortly with the EU's partners in the G20. Under the proposal, credit rating agencies would have to be authorised in accordance with new rules and overseen by European supervisors and, if necessary, their authorisation could be withdrawn. Mr McCREEVY also explained that ratings not requested by companies would be restricted to cases where agencies had enough reliable information and that agencies would have to have on their boards at least three independent directors, appointed for a non-renewable five-year term and responsible for monitoring the development of the agency's rating policy and the effectiveness of its internal control system and ensuring that potential conflicts of interests were avoided.

Mr McCREEVY announced that other proposals were being drafted, as the rating agencies did not bear sole responsibility for the current problems in the financial markets. He ended his presentation by stressing the importance of a consistent Commission approach both towards the markets and in the discussions it would take up with partner countries outside the EU in its role as the lead body on these issues.

The Commission then held a brief discussion which brought to the fore the following points:

- the need for the proposals not to dilute or limit the responsibility of other operators, in particular the various bodies that sold financial products;
- the observation that the proposal would not entirely avoid conflicts of interests in credit rating agencies and that, in time, this issue would have to be dealt with more specifically;
- a question about the possibility of invoking the civil liability of credit rating agencies.

Winding up the item, the PRESIDENT noted that the first meeting of the group of experts on financial supervision chaired by Mr Jacques de Larosière would be held that day (12 November) and expressed his expectations regarding the recommendations the group might make, particularly as a contribution to the debate on cross-border financial supervision.

Following this discussion, the Commission adopted the proposal for a Regulation of the European Parliament and of the Council in COM(2008)704/4 for transmission to Parliament, the Council, the European Economic and Social Committee and the European Central Bank, and to the national parliaments, together with the impact assessment and the summary thereof in staff papers SEC(2008)2745 and SEC(2008)2746 respectively, the contents of which were noted.

It also took note of the opinion of the Impact Assessment Board on the above proposal for a Regulation, as set out in SEC(2008)2747.

**12. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS - SECOND STRATEGIC ENERGY REVIEW - AN EU ENERGY SECURITY AND SOLIDARITY ACTION PLAN
(COM(2008)744 TO /5; SEC(2008)2794; SEC(2008)2795 AND /2; SEC(2008)2838; SEC(2008)2791)**

Mr PIEBALGS introduced all the 13 energy policy initiatives (items 12 to 24 of these minutes) which he was tabling by thanking the Commission Members and departments involved for the excellent spirit of cooperation that had characterised the preparation of this important dossier.

He referred to the key points of this set of initiatives by placing the action plan in the context of the EU's renewable energy policy, which must be based on the principles of sustainability, competitiveness and security of supply. He reviewed the

previous initiatives, particularly the one relating to liberalisation of the energy market, the 1st Strategic Energy Review and the "20-20-20" strategy aimed at reducing greenhouse gas emissions by at least 20% and increasing the share of renewable in energy consumption to 20% by 2020. He was optimistic that implementation of the proposals could get under way before the end of the present Commission's term of office and drew attention to the anticipated results of implementing the target for 2020, which could contribute to a substantial reduction in energy demand and imports in Europe.

Mr PIEBALGS explained the main aspects of the set of measures, namely infrastructure, the external dimension, energy efficiency, crisis response mechanisms and making the best use of the EU's energy resources.

With regard to infrastructure, Mr PIEBALGS considered that the European electricity grid would have to be renewed in the coming decades in order to implement the internal energy market. Regarding energy imports, the most important of the proposed measures for energy diversification purposes were to ensure an independent supply network from the Caspian Sea, to complete the Euro-Mediterranean energy ring, to develop any liquefied natural gas capacities, to establish the link between the Baltic region and the rest of the EU, to increase the capacity of offshore wind farms and to develop the links between Central and South-East Europe. The European Union must have the necessary technical and financial instruments to achieve these objectives and to this end it was necessary to review the Trans-European Energy Networks (TEN-E) programme and transform it into a European instrument for energy security and infrastructure.

With regard to the external aspects of energy policy, Mr PIEBALGS said that it was important for the European Union to speak with one voice on issues such as relations with Russia, the South-East Europe energy community, the Caspian Sea, the Organisation of Petroleum Exporting Countries (OPEC) and Africa. The Union should develop relations with its energy suppliers, in particular Russia, and make these relations more legally binding in order to make external energy policy as a whole more coherent.

He went on to address the issue of energy efficiency, highlighting its link with security of supply. He pointed out that the initiatives presented by the Commission as part of the 1st Strategic Energy Review were now being supplemented by a second set of initiatives, among which he mentioned the proposed directives on the energy performance of buildings and the labelling of energy-using products, as well as the proposal to combine the resources of various different players such as the Commission, the European Investment Bank and the European Bank for Reconstruction and Development, and the Covenant of Mayors bringing together the mayors of several major European cities. In particular, he thanked Mr ALMUNIA and the departments under his responsibility for their support in this field. These energy efficiency initiatives set an example for other regions of the world.

Moving on to crisis response mechanisms, Mr PIEBALGS pointed out that the Commission proposed to increase transparency between the Union and the Member States as regards supply by reviewing the directive on oil stocks and making it obligatory to publish data on commercial oil stocks. He referred also to the consultation held on improving security and crisis management mechanisms in the field of natural gas with the aim of reviewing the rules in force in 2010.

Turning to how to make the best use of European energy sources, Mr PIEBALGS highlighted the significant contribution not only of renewable energy and low-carbon technologies but also of nuclear energy, bearing in mind the need to ensure nuclear security, and the measures to improve the performance of fossil fuels given the European Union's specific needs as regards diesel fuel refining and supply levels.

Lastly, he pointed to the contribution which this set of initiatives would make to the strategy for growth and jobs, as the sectors in question represented an important part of the European economy. He referred also to the long-term aspects, emphasising not only the target of reducing greenhouse gas emissions by 30% by 2020 following the conclusion of an international agreement on climate change, but also the additional obligations that could result from such an agreement, including reducing greenhouse gas emissions by 80% by 2050.

Following this presentation, the PRESIDENT thanked Mr PIEBALGS and all the Commission members and departments involved for their efforts and for the quality and balance that had been achieved in this important set of initiatives. He outlined the main signals that the Commission wished to send, in particular the importance it attached to EU energy security and to solidarity between the Member States in energy matters, as well as its determination to reinforce the role of the "20-20-20" strategy in the context of environmental policy and measures to combat climate change. By way of an example, he referred to the Baltic Interconnection Plan and its importance for the energy security of all the Member States in the Baltic, pointing out that the issues involved in implementing the plan would be studied by a high-level coordination group which had been set up under the aegis of the Director-General for Energy and Transport.

The PRESIDENT pointed out that the initiatives were based on a comprehensive strategy which combined measures in the field of energy, environmental policy and the fight against climate change with aspects relating to technology and innovation, the strategy for growth and jobs and global factors. He noted the contribution these initiatives would make to innovation and the development of new technologies, to strengthening numerous sectors of the European economy and to job creation. Lastly, he referred to the significant international dimension of the measures, particularly as regards climate change, a matter which would be discussed in a policy debate at the Commission's 1853rd meeting on 26 November. He also pointed out that, while the core objective of these initiatives was to develop the security of the EU's and Member States' energy supply, they were also aimed at increasing cooperation in the EU's energy relations with its partners, particularly Russia.

The Commission then held an in-depth exchange of views, during which the following points were raised:

General considerations

- the cross-border nature of all the initiatives and the importance of their launch, the boost they could give to growth and job creation in many sectors of the

European economy, their positive effects for research and technological development and the contribution they could make to mitigating the effects of the financial and economic crisis;

- the interdependence of the Member States in energy matters and the importance of transparency and hence of the initiatives aimed at more and better exchanges of information on Member States' fuel stocks;
- the importance of increased interconnection of the Member States' networks for ensuring energy security;
- the links between energy policy and environmental policy and the need to develop the greenhouse gas emission allowance trading scheme;
- the links with the "green tax" initiative, in particular the review of the Directive on energy taxation, which would be tabled in December;
- the essential contribution to be made by public-private partnerships to the construction of new infrastructure and the development of existing infrastructure;
- support for the long-term dimension of the initiatives and the need for an ambitious and sustainable time horizon going beyond 2020 up to 2050;

Concerning external relations in the energy field

- the need for the European Union to speak with one voice on energy matters, given the common interests of all the Member States in this field and the importance of energy-related questions for the EU's external relations;
- consequently, the importance of consistency between the EU's external relations as a whole and the external dimension of its energy policy, and also between the internal and external aspects of this energy policy;
- with regard to the Green Paper, support for an open approach as regards the interdependence between the internal and external dimensions of energy policy,

particularly concerning the means of financing;

- the mutual benefits that could result from increased cooperation between the European Union and its partners, including Russia;
- the need for a strategy aimed at maximum diversification of energy sources and suppliers;
- with regard to external infrastructure, the importance of an effective system of gas pipelines, in particular the Nabucco project;
- also with regard to external infrastructure, issues relating to the measures that could be taken to support projects considered by private investors to pose excessive risks of a non-commercial nature;

Concerning energy efficiency and making the best use of European resources

- the significant potential in terms of energy-saving measures in buildings and the possibilities opened up to the construction industry and the building trades;
- the significant medium- and long-term returns on all investments aimed at increasing energy efficiency;
- the significant potential of cogeneration;
- the importance of initiatives to develop new technologies and the links with the European Strategic Energy Technology (SET) Plan;
- with regard to the communication on offshore wind farms, the considerable potential of offshore energy-generating facilities, including tidal barrages and thermal power plants, and the links with an initiative currently being prepared on maritime spatial planning;
- with regard to nuclear energy, the differences between Member States in their preferred energy mix, with some States favouring other forms of energy (particularly renewable energy), while others highlighted the significant contribution of nuclear energy in reducing greenhouse gas emissions.

The PRESIDENT concluded the exchange of views by noting the Commission's support for all the measures (items 12 to 24 of these minutes).

Consequently, the Commission approved in principle the communication set out in COM (2008)744/5.

It empowered Mr ŠPIDLA, in agreement with the PRESIDENT, to formally approve the communication for transmission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, and to the national parliaments, together with staff papers SEC(2008)2794, SEC(2008)2795/2 (volumes I and II) and SEC(2008)2838, the contents of which were noted.

13. GREEN PAPER ON EUROPEAN ENERGY NETWORKS – TOWARDS A SECURE, SUSTAINABLE AND COMPETITIVE EUROPEAN ENERGY NETWORK

(COM(2008)737 TO /4; SEC(2008)2791)

The Commission approved in principle the Green Paper set out in COM(2008)737/4.

It empowered Mr PIEBALGS, in agreement with the PRESIDENT, to formally approve the Green Paper for transmission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, and to the national parliaments.

14. REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS ON THE IMPLEMENTATION OF THE TRANS-EUROPEAN ENERGY NETWORKS

PROGRAMME IN THE PERIOD 2002-2006

(COM(2008)743 TO /3; SEC(2008)2799; SEC(2008)2791)

The Commission approved in principle the report set out in COM(2008)743/3.

It empowered Mr PIEBALGS, in agreement with the PRESIDENT, to formally approve the report for transmission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, and to the national parliaments, accompanied by the staff paper in SEC(2008)2799, the contents of which were noted.

**15. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF REGIONS ON COUNCIL DIRECTIVE 2004/67/EC CONCERNING MEASURES TO SAFEGUARD SECURITY OF NATURAL GAS SUPPLY
(COM(2008)735 AND /2; SEC(2008)2791)**

The Commission approved in principle the communication in COM(2008)735.

It empowered Mr PIEBALGS, in agreement with the PRESIDENT, to formally approve the communication for transmission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, and to the national parliaments, and to submit it to a public consultation exercise lasting four months.

**16. PROPOSAL FOR A COUNCIL DIRECTIVE IMPOSING AN OBLIGATION ON MEMBER STATES TO MAINTAIN MINIMUM STOCKS OF CRUDE OIL AND/OR PETROLEUM PRODUCTS
(COM(2008)739 TO /3; SEC(2008)2783; SEC(2008)2784; SEC(2008)2785; SEC(2008)2791)**

The Commission adopted in principle the proposal for a Council Directive set out in COM(2008)739/3.

It empowered Mr PIEBALGS, in agreement with the PRESIDENT, to formally adopt the proposal for a Directive for transmission to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the European Data Protection Supervisor, and to the national parliaments, together with the impact assessment and the summary thereof in staff papers SEC(2008)2783 and SEC(2008)2784, the contents of which were noted.

It also took note of the opinion of the Impact Assessment Board on the above proposal for a Directive, as set out in SEC(2008)2785.

**17. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – ENERGY EFFICIENCY: DELIVERING THE 20% TARGET
(COM(2008)742 TO /3; SEC(2008)2791)**

The Commission approved in principle the communication in COM(2008)742/3.

It empowered Mr PIEBALGS, in agreement with the PRESIDENT, to formally approve the communication for transmission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, and to the national parliaments.

**18. PROPOSAL FOR A DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON THE ENERGY PERFORMANCE OF BUILDINGS
(COM(2008)755 TO /4; SEC(2008)2820; SEC(2008)2821; SEC(2008)2822; SEC(2008)2791)**

The Commission adopted in principle the proposal for a Directive set out in COM(2008)755/3 and /4.

It empowered Mr PIEBALGS, in agreement with the PRESIDENT, to formally adopt the proposal for a Directive for transmission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, and to the national parliaments, together with the impact assessment and the summary thereof in staff papers SEC(2008)2820 and SEC(2008)2821, the contents of which were noted.

It also took note of the opinion of the Impact Assessment Board on the above proposal for a Directive, as set out in SEC(2008)2822.

**19. PROPOSAL FOR A DIRECTIVE OF THE EUROPEAN PARLIAMENT
AND OF THE COUNCIL ON THE INDICATION BY LABELLING AND
STANDARD PRODUCT INFORMATION OF THE CONSUMPTION OF
ENERGY AND OTHER RESOURCES BY ENERGY-RELATED
PRODUCTS (RECAST)**

**(COM(2008)745 TO /3; SEC(2008)2800; SEC(2008)2801; SEC(2008)2802;
SEC(2008)2791)**

The Commission adopted in principle the proposal for a Directive set out in COM(2008)745/3.

It empowered Mr PIEBALGS, in agreement with the PRESIDENT, to formally adopt the proposal for a Directive for transmission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, and to the national parliaments, together with the impact assessment and the summary thereof in staff papers SEC(2008)2800 and SEC(2008)2801, the contents of which were noted.

It also took note of the opinion of the Impact Assessment Board on the above proposal for a Directive, as set out in SEC(2008)2802.

20. PROPOSAL FOR A DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON LABELLING OF TYRES WITH RESPECT TO FUEL EFFICIENCY AND OTHER ESSENTIAL PARAMETERS (COM(2008)746 TO /3; SEC(2008)2803; SEC(2008)2804; SEC(2008)2805; SEC(2008)2791)

The Commission adopted in principle the proposal for a Directive set out in COM(2008)746/3.

It empowered Mr PIEBALGS, in agreement with the PRESIDENT, to formally adopt the proposal for a Directive for transmission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, and to the national parliaments, together with the impact assessment and the summary thereof in staff papers SEC(2008)2803 and SEC(2008)2804, the contents of which were noted.

It also took note of the opinion of the Impact Assessment Board on the above proposal for a Directive, as set out in SEC(2008)2805.

21. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS - EUROPE CAN SAVE MORE ENERGY BY COMBINED HEAT AND POWER GENERATION (COM(2008)734 TO 3; SEC(2008)2791)

The Commission approved in principle the communication in COM(2008)734.

It empowered Mr PIEBALGS, in agreement with the PRESIDENT, to formally approve the communication for transmission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the

Regions, and to the national parliaments.

**22. COMMISSION DECISION ESTABLISHING DETAILED GUIDELINES FOR THE IMPLEMENTATION AND APPLICATION OF ANNEX II TO DIRECTIVE 2004/8/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON THE PROMOTION OF COGENERATION BASED ON A USEFUL HEAT DEMAND IN THE INTERNAL ENERGY MARKET AND AMENDING DIRECTIVE 92/42/EEC
(C(2008)6703 AND 2; SEC(2008)2791)**

The Commission adopted in principle the decision in C(2008)6703.

It empowered Mr PIEBALGS, in agreement with the PRESIDENT, to formally adopt the decision for notification to the Member States.

**23. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS - OFFSHORE WIND ENERGY: ACTION NEEDED TO DELIVER ON THE ENERGY POLICY OBJECTIVES FOR 2020 AND BEYOND
(COM(2008)736 TO /3; SEC(2008)2791)**

The Commission approved in principle the communication in COM(2008)736/3.

It empowered Mr PIEBALGS, in agreement with the PRESIDENT and Mr BORG, to formally approve the communication for transmission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, and to the national parliaments.

**24. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL AND THE ECONOMIC AND SOCIAL COMMITTEE – UPDATE OF THE NUCLEAR ILLUSTRATIVE PROGRAMME IN THE CONTEXT OF THE SECOND STRATEGIC ENERGY REVIEW
(COM(2008)738 TO /3; SEC(2008)2791)**

The Commission approved in principle the communication in COM(2008)738/3.

It empowered Mr PIEBALGS, in agreement with the PRESIDENT, to formally approve the communication for transmission to the European Parliament, the Council and the European Economic and Social Committee, and to the national parliaments.

**25. INTERINSTITUTIONAL RELATIONS
(SEC(2008)2781)**

The Commission took note of the record of the meeting of the Interinstitutional Relations Group held on Friday 7 November (SEC(2008)2781).

It paid particular attention to the following points.

25.1. LEGISLATIVE MATTERS

i) Preparation of agreement at first reading

(point 1.2.1 of the IRG record)

- Type-approval of motor vehicles and engines with respect to emissions from heavy duty vehicles (Euro VI) and access to vehicle repair and maintenance information (Regulation) – GROOTE report – 2007/0295 (COD)

The Commission authorised Mr VERHEUGEN to pursue contacts with Parliament and the Council in order to reach agreement at first reading

following the line set out in SI(2008)88.

ii) Preparation of Parliament's November part-session

(Point 1.3 of the IRG 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 associated, to take a position on Parliament's amendments to its proposals.

It considered the following in particular:

Codecision

- Cross-border enforcement of legislation in the field of road safety – AYALA SENDER report – 2008/0062 (COD)

The Commission approved the line set out in SP(2008)6475 and /2.

- European statistics (Regulation) – SCHWAB report – 2007/0220 (COD)

The Commission approved the line set out in SP(2008)6476.

- Amendment of Regulation (EC) No 1073/1999 concerning investigations conducted by the European Anti-Fraud Office (OLAF) (Regulation) – GRÄSSLE report – 2006/0084 (COD)

The Commission approved the line set out in SP(2008)6481 and /2.

Consultation

- General arrangements for excise duty – LULLING report – 2008/0051 (CNS)

The Commission approved the line set out in SP(2008)6482 and /2.

- Common rules for direct support schemes for farmers under the common agricultural policy and establishment of certain support schemes for

farmers (Council Regulation) / Amendment of Regulations (EC) 320/2006, 1234/2007, 3/2008 et .../2008 with a view to adapting the common agricultural policy (Council Regulation) / Amendment of Regulation (EC) 1698/2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) (Council Regulation) / Amendment of Decision 2006/144/EC on the Community strategic guidelines for rural development (programming period 2007-2013) (Council Decision) – CAPOULAS SANTOS reports – 2008/0103 (CNS) / 2008/0104 (CNS) / 2008/0105 (CNS) / 2008/0106 (CNS)

The Commission approved the line set out in SP(2008)6483/2.

iii) Preparation of Council meeting (Agriculture and Fisheries)
(Brussels, 18 to 20 November)
(point 1.4 of the IRG record)

- Amendment of Regulation (EC) No 423/2004 as regards the recovery of cod stocks and amending Regulation (EEC) No 2847/93 (Council Regulation) – BUSK report – 2008/0063 (CNS)

The Commission authorised Mr BORG to support a Presidency compromise with a view to reaching a common position at the Agriculture and Fisheries Council meeting on 18, 19 and 20 November, following the line set out in SI(2008)1359/3.

- Article 3(2) of Council Regulation (EC) No 338/2008 providing for the adaptation of cod fishing quotas to be allocated to Poland in the Baltic Sea (Subdivisions 25-32, EC Waters) from 2008 to 2011

The Commission took note of the oral statement which Mr BORG would make at the Agriculture and Fisheries Council meeting on 18, 19 and 20 November following the line set out in SI(2008)1360.

25.2. RELATIONS WITH THE COUNCIL

iv) Programming of Council business

(SI(2008)1362)

The Commission took note of the information in SI(2008)1362 on the Council meetings between 6 and 19 November.

v) Results of the informal meeting of Heads of State or Government of the European Union (Brussels, 7 November)

The PRESIDENT reported on the discussions between the Heads of State or Government over lunch on 7 November, which had focused on two main themes: the preparations for the summit in Washington and the latest analysis of the financial crisis and economic slowdown.

He informed the meeting that he had, at the outset, stressed the need for a coordinated response to the economic crisis, as had been the case for the financial crisis. He was pleased to note that the message that it was in everyone's interests to work together had been understood and that a real commitment had been made to do so.

The PRESIDENT spoke of the fears that had been expressed on the eve of the Washington summit that the question of attendance at the summit might divert attention from the substantive discussion. However, this had not been the case, and there was general recognition of the importance of the participants in the meeting in Washington going there with a clear European platform. The final document produced by the Heads of State or Government was not a formal mandate, but a genuine consensus had nevertheless emerged as to the need for a European approach.

In his view, therefore, the preparations for the Washington summit were well under way and the summit would be an opportunity to show that political leadership was being exercised at the highest level and on a global scale in these difficult times. He also pointed out that the European Union had been

present from the start of the process, at the Camp David meeting.

He emphasised the need to ensure that at the next stage the summit produced tangible results, and mentioned the now widely accepted idea of a 100-day action programme, linking the financial crisis to a number of other issues.

As regards the economic crisis, the PRESIDENT referred to the concern about the impact on the real economy that had been voiced in the discussions. In this connection, growing – and in some cases excessive – expectations were being pinned on the solutions which the communication on the Lisbon strategy, due on 26 November, might offer. It was important to be both realistic and creative as regards the way the available instruments could be used to tackle the crisis.

He welcomed the fact that the principle of European coordination had also been accepted in the context of the response to the economic crisis, while stressing that the content of this coordinated approach still remained to be decided. The role of the Commission in this process would be crucial. He referred in this connection to the desire in some Member States to stimulate demand in order to curb unemployment and avert recession, and the risk that the change in public spending policies might undermine the Stability and Growth Pact. The Commission therefore needed to propose an action plan that was both ambitious and compatible with the rules of the Pact, the Lisbon strategy and the internal market, while also taking account of the differences in the economic situations of the Member States and the exceptional nature of the current situation.

The PRESIDENT reported that in the course of the meeting several Heads of State or Government had also reiterated their commitment to reaching an agreement next month on the package of measures on climate change and energy. He felt that this objective would be easier to achieve if the measures in question were presented as part of the solution to the crisis.

He concluded by stressing the unprecedented nature of the request from the

Member States, which expected the Commission to come up with solutions to the crisis, and the importance of producing a solid package of proposals to respond to this request. He reiterated his appeal to all Members to contribute to this effort, in order to provide an appropriate framework for the action by the Member States and thus avoid contradictory economic policy measures that would be detrimental to the European Union.

During a brief exchange of views, the Commission also mentioned the following aspects:

- the question of participation in the follow-up to the Washington summit and the importance of standing firm on maintaining the "G20 + 1" format;
- in the light of the pessimistic forecasts by the International Monetary Fund for 2009, the temptation for certain Member States to stimulate demand through tax incentives; the latitude allowed by the Stability and Growth Pact in this regard, but also the fact that it was vital that this should be used only by Member States whose budgetary situation allowed it;
- at the same time, the risks that a bad decision here could be detrimental to the euro;
- the opportunities provided by the revision of state aid policy to assist industries in difficulty, but also the need to ensure that such assistance was aimed particularly at industrial renewal;
- in view of the collapse of public finances in certain Member States, the need for vigilance and the importance of maintaining cohesion and clarifying what measures were possible.

The PRESIDENT stressed the importance of providing a framework appropriate to the current exceptional circumstances without delay, given that certain Member States had already announced spending programmes. The

goal was to show that the Stability and Growth Pact could be compatible with tackling economic problems, while at the same time avoiding an economic depression or recession. This was a formidable challenge. He concluded by referring to the need for an in-depth discussion of this point.

The Commission noted this information.

**vi) Results of the General Affairs and External Relations Council –
External Relations session (Brussels, 10-11 November)**

Ms FERRERO-WALDNER gave a brief account of the debate in the General Affairs and External Relations Council on 10 November. She reported that a very large majority of the Member States had supported the line proposed in the communication adopted at the Commission meeting on 5 November (see PV(2008)1850, agenda item 11, pages 22 to 26) in favour of reopening negotiations with a view to concluding a new agreement with Russia, an objective that she recognised would be time-consuming and far from straightforward.

She made it clear that returning to the negotiating table did not in any way mean that the European Union was resuming everyday business with Russia and reneging on the firm position it had taken on the events of the summer; on the contrary, she repeated that Russia's actions had been unacceptable and reaffirmed support for the Geneva process and the restoration of Georgia's territorial integrity, principles which were indeed reiterated in the Council's closing statement.

Ms FERRERO-WALDNER said that no new field of negotiation would be opened for the time being, and that the discussions would have first to resume on the basis of the existing agreement, before the scope for further progress could be evaluated. Finally, regarding the date for the resumption of talks, she explained that it would in any case be after the second series of discussions about the Georgian crisis which were starting in Geneva on 18 November.

The Commission noted this information.

25.3. RELATIONS WITH THE EUROPEAN PARLIAMENT

vii) Action taken on Parliament's non-legislative resolutions

(point 3.4.2 of the IRG record)

The Commission approved documents SP(2008)6486 and /2 on the action taken on Parliament's non-legislative resolutions adopted at its September I part-session, for transmission to Parliament.

viii) Participation by Members of Parliament in international conferences

(point 3.6 of the IRG record)

- Internet Governance Forum (IGF) (Hyderabad, 3-6 December 2008)

The Commission decided to approve the request from Mr PÖTTERING, President of Parliament, to the PRESIDENT concerning the participation of five Members of the European Parliament at the above meeting.

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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 12.44.