



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2013) 2032 final

Strasbourg, 5 February 2013

MINUTES

of the 2032nd meeting of the Commission

held in Brussels

(Berlaymont)

on Wednesday 30 January 2013

(morning)

—

PV(2013) 2032 final

TABLE OF CONTENTS

Attendance list	6-8
1. AGENDAS (OJ(2013) 2032/FINAL; SEC(2013) 64/2).....	9
2. WEEKLY MEETING OF CHEFS DE CABINET (RCC(2013) 2032).....	9
3. MINUTES OF 2031ST MEETING (23 JANUARY) (PV(2013) 2031).....	9
4. INTERINSTITUTIONAL RELATIONS (RCC(2013) 6)	9
4.1. LEGISLATIVE MATTERS	9
4.2. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL	11
4.3. RELATIONS WITH PARLIAMENT	11
5. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS.....	12
5.1. WRITTEN PROCEDURES APPROVED (SEC(2013) 65 ET SEQ.).....	12
5.2. EMPOWERMENT (SEC(2013) 66 ET SEQ.)	12
5.3. DELEGATION AND SUBDELEGATION OF POWERS (SEC(2013) 67 ET SEQ.).....	12
5.4. SENSITIVE WRITTEN PROCEDURES (SEC(2013) 68 AND /2)	12
6. COMMISSION DECISION CONCERNING A PROCEEDING UNDER ARTICLE 8(3) OF COUNCIL REGULATION (EC) 139/2004 ON THE CONTROL OF CONCENTRATIONS BETWEEN UNDERTAKINGS AND ARTICLE 57 OF THE EEA AGREEMENT (CASE COMP/M.6570 – UPS/TNT EXPRESS) (C(2013) 431 TO /5; RCC(2013) 8).....	13
7. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS ON THE FOURTH RAILWAY PACKAGE – COMPLETING THE	

SINGLE EUROPEAN RAILWAY AREA TO FOSTER EUROPEAN COMPETITIVENESS AND GROWTH (COM(2013) 25; RCC(2013) 2)	14
8. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AMENDING REGULATION (EC) 1370/2007 AS REGARDS THE OPENING OF THE MARKET FOR DOMESTIC PASSENGER TRANSPORT SERVICES BY RAIL (COM(2013) 28 AND /2; SWD(2013) 10; SWD(2013) 11; SEC(2013) 75; RCC(2013) 2)	17
9. PROPOSAL FOR A DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AMENDING DIRECTIVE 2012/34/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 21 NOVEMBER 2012 ESTABLISHING A SINGLE EUROPEAN RAILWAY AREA, AS REGARDS THE OPENING OF THE MARKET FOR DOMESTIC PASSENGER TRANSPORT SERVICES BY RAIL AND THE GOVERNANCE OF THE RAILWAY INFRASTRUCTURE (COM(2013) 29 AND /2; SWD(2013) 10; SWD(2013) 11; SWD(2013) 12; SWD(2013) 13; SEC(2013) 72; RCC(2013) 2)	17
10. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON THE EUROPEAN UNION AGENCY FOR RAILWAYS AND REPEALING REGULATION (EC) 881/2004 (COM(2013) 27 AND /2; SWD(2013) 8; SWD(2013) 9; SEC(2013) 71; RCC(2013) 2)	18
11. PROPOSAL FOR A DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON THE INTEROPERABILITY OF THE RAIL SYSTEM WITHIN THE EU (RECAST) (COM(2013) 30; SWD(2013) 8; SWD(2013) 9; SEC(2013) 71; RCC(2013) 2)	18
12. PROPOSAL FOR A DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON RAIL SAFETY (RECAST)	

(COM(2013) 31; SWD(2013) 8; SWD(2013) 9; SEC(2013) 71; RCC(2013) 2).....	18
13. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL REPEALING REGULATION (EEC) 1192/69 OF THE COUNCIL ON COMMON RULES FOR THE NORMALISATION OF THE ACCOUNTS OF RAILWAY UNDERTAKINGS (COM(2013) 26 AND /2; RCC(2013) 2).....	19
14. REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS ON THE PROGRESS MADE TOWARDS ACHIEVING INTEROPERABILITY OF THE RAIL SYSTEM (COM(2013) 32; RCC(2013) 2).....	19
15. REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS ON THE PROFILE AND TASKS OF OTHER TRAIN CREW MEMBERS (COM(2013) 33; RCC(2013) 2)	20
16. REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS ON THE IMPLEMENTATION OF THE PROVISIONS OF DIRECTIVE 2007/58/EC ON THE OPENING OF THE MARKET OF INTERNATIONAL RAIL PASSENGER TRANSPORT ACCOMPANYING THE COMMUNICATION TO THE COUNCIL AND THE EUROPEAN PARLIAMENT ON THE FOURTH RAILWAY PACKAGE (COM(2013) 34; RCC(2013) 2).....	20

17. REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL ON PROGRESS IN ROMANIA UNDER THE COOPERATION AND VERIFICATION MECHANISM (COM(2013) 47 AND /2).....	20
18. RELATIONS WITH NON-MEMBER COUNTRIES.....	22
<i>THE EU RESPONSE TO THE DEVELOPMENTS IN THE SOUTHERN NEIGHBOURHOOD (INFO(2013) 6).....</i>	<i>22</i>

Single sitting: Wednesday 30 January 2013 (morning)

The sitting opened at 10.12 with Mr BARROSO, President, in the chair.

Present:

Mr BARROSO	President	
Baroness ASHTON	High Representative/ Vice-President	
Mr ALMUNIA	Vice-President	Items 1 to 17
Mr KALLAS	Vice-President	Items 1 to 18 (in part)
Ms KROES	Vice-President	
Mr TAJANI	Vice-President	
Mr REHN	Vice-President	Items 7/16 (in part) to 18
Mr BARNIER	Member	Items 1 to 18 (in part)
Mr ŠEMETA	Member	
Mr DE GUCHT	Member	
Ms GEOGHEGAN-QUINN	Member	
Mr LEWANDOWSKI	Member	Items 1 to 18 (in part)
Ms DAMANAKI	Member	
Mr OETTINGER	Member	Items 1 to 18 (in part)
Mr HAHN	Member	Items 7 to 18 (in part)
Ms HEDEGAARD	Member	Items 1 to 17
Mr FÜLE	Member	
Mr ANDOR	Member	
Ms MALMSTRÖM	Member	
Mr CIOLOŞ	Member	
Mr BORG	Member	Items 7 to 18

Absent:

Ms REDING	Vice-President
Mr ŠEFČOVIČ	Vice-President
Mr POTOČNIK	Member
Mr PIEBALGS	Member
Ms VASSILIOU	Member
Ms GEORGIEVA	Member

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

Ms HOFFMANN	Deputy Chef de cabinet to Ms REDING	
Mr NOCIAR	Chef de cabinet to Mr ŠEFČOVIČ	
Mr VANDENBERGHE	Chef de cabinet to Mr POTOČNIK	
Mr KARHUNEN	Deputy Chef de cabinet to Mr PIEBALGS	Items 1 to 7/16 (in part)
Mr ROSA	A member of Mr PIEBALGS's staff	Items 7/16 (in part) to 18
Mr ASIMAKIS	Chef de cabinet to Ms VASSILIOU	
Ms KAMILAROVA	A member of Ms GEORGIEVA's staff	

The following also sat in:

Mr SOBRAL	Deputy Chef de cabinet to the PRESIDENT	
Mr ROMERO REQUENA	Director-General, Legal Service	
Mr PAULGER	Director-General, DG Communication	
Mr DOENS	Head of the Commission Spokesperson Service	
Mr THEBAULT	Head of the Bureau of European Policy Advisers	
Ms MARTÍNEZ ALBEROLA	Adviser in the PRESIDENT's Office	Items 1 to 17
Ms DE RICHEMONT	Adviser in the PRESIDENT's Office	Items 7 to 16
Mr MORRISON	Chef de cabinet to Baroness ASHTON	Item 18 (in part)
Mr HOLOLEI	Chef de cabinet to Mr KALLAS	Items 7 to 16
Mr FITCH	Deputy Chef de cabinet to Mr KALLAS	Items 7 to 16
Mr VIS	Chef de cabinet to Ms HEDEGAARD	Item 18
Mr RUETE	Director-General, DG Mobility and Transport	Items 7 to 16

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

1. AGENDAS

(OJ(2013) 2032/FINAL; SEC(2013) 64/2)

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

2. WEEKLY MEETING OF CHEFS DE CABINET

(RCC(2013) 2032)

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

3. MINUTES OF 2031ST MEETING (23 JANUARY)

(PV(2013) 2031)

The Commission approved the minutes of its 2031st meeting.

4. INTERINSTITUTIONAL RELATIONS

(RCC(2013) 6)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group held on Friday 25 January (RCC(2013) 6).

It paid particular attention to the following points.

4.1. LEGISLATIVE MATTERS

i) Ordinary legislative procedure

(point 1.2 of the IRG record)

Dossiers at Parliament first reading

- Conferring on the European Central Bank of specific tasks concerning policies relating to the prudential supervision of credit institutions (Council Regulation) / Amendment of Regulation (EU) 1093/2010 establishing a European Supervisory Authority (European Banking Authority) as regards its interaction with Council Regulation (EU) .../... conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions (Regulation) – THYSSEN / GIEGOLD reports – 2012/0242 (CNS) / 2012/0244 (COD)

The Commission approved the line set out in SI(2013) 14/3.

- Access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms and amendment of Directive 2002/87/EC on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate (Directive) / Prudential requirements for credit institutions and investment firms – Part I – (Regulation) – KARAS reports – 2011/0203 (COD) / 2011/0202 (COD)

The Commission approved the line set out in SI(2013) 15/2.

- Serious cross-border threats to health (Decision) – PARGNEAUX report – 2011/0421 (COD)

The Commission approved the line set out in SI(2013) 19.

ii) Preparation of Parliament's February part-session

(point 1.3 of the IRG record)

Ordinary legislative procedure – First reading

- Sound level of motor vehicles (Regulation) – OUZKÝ report – 2011/0409 (COD)

The Commission approved the line set out in SP(2013) 67 and /2.

- Specific measures for agriculture in the outermost regions of the Union (Regulation) – MATO ADROVER report – 2010/0256 (COD)

The Commission took note of the document in SP(2013) 68, further to note SI(2012) 487, which it had already approved on 14 November 2012.

- Specific measures in favour of agriculture in the smaller Aegean islands (Regulation) – PAPASTAMKOS report – 2010/0370 (COD)

The Commission took note of the document in SP(2013) 69, further to note SI(2012) 488, which it had already approved on 14 November 2012.

Special legislative procedure

- Amendment of Directive 2006/112/EC on the common system of value added tax concerning a quick reaction mechanism against VAT fraud (Council Directive) – CASA report – 2012/0205 (CNS)

The Commission approved the line set out in SP(2013) 70 and /2.

4.2. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL

iii) Programming of Council business

(SI(2013) 20)

The Commission took note of the information in SI(2013) 20 on the Council meetings between 31 January and 13 February.

4.3. RELATIONS WITH PARLIAMENT

iv) Action taken on the legislative opinions and non-legislative resolutions adopted by Parliament at its November part-session.

(point 3.4.4 of the IRG record)

The Commission approved document SP(2013) 73 on the action taken on the legislative opinions and non-legislative resolutions adopted by Parliament at its November part-session, for transmission to Parliament.

5. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

5.1. WRITTEN PROCEDURES APPROVED

(SEC(2013) 65 ET SEQ.)

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

5.2. EMPOWERMENT

(SEC(2013) 66 ET SEQ.)

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

5.3. DELEGATION AND SUBDELEGATION OF POWERS

(SEC(2013) 67 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 21 and 25 January, as archived in e-Greffe.

5.4. SENSITIVE WRITTEN PROCEDURES

(SEC(2013) 68 AND /2)

The Commission took note of the sensitive written procedures for which the time limit expired between 28 January and 1 February and of the finalisation written procedures initiated following the weekly meeting of Chefs de cabinet on 28 January.

**6. COMMISSION DECISION CONCERNING A PROCEEDING UNDER ARTICLE 8(3) OF COUNCIL REGULATION (EC) 139/2004 ON THE CONTROL OF CONCENTRATIONS BETWEEN UNDERTAKINGS AND ARTICLE 57 OF THE EEA AGREEMENT (CASE COMP/M.6570 – UPS/TNT EXPRESS)
(C(2013) 431 TO /5; RCC(2013) 8)**

The Commission:

- took note of the opinion of the Advisory Committee on Concentrations of 18 January in C(2013) 431/3;
- took note of the final report of the Hearing Officer of 24 January in C(2013) 431/4;
- adopted, in the authentic language (English), the decision in C(2013) 431/5, declaring the notified operation to be incompatible with the common market and with the functioning of the agreement on the European Economic Area;
- decided to notify the decision set out in C(2013) 431/5 to the firm concerned, together with the final report of the Hearing Officer and the opinion of the Advisory Committee;
- decided that the key parts of the decision, together with the Advisory Committee's opinion and the Hearing Officer's report, would be published in the official languages of the Union in the Official Journal of the European Union (with business secrets and other confidential information removed);
- decided also to publish the decision on the internet (with business secrets and other confidential information removed).

**7. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS ON THE FOURTH RAILWAY PACKAGE – COMPLETING THE SINGLE EUROPEAN RAILWAY AREA TO FOSTER EUROPEAN COMPETITIVENESS AND GROWTH
(COM(2013) 25; RCC(2013) 2)**

The PRESIDENT opened the discussion on the fourth railway package (items 7-16 of these minutes) by highlighting the amount of work done by Mr KALLAS and his departments so that this important set of proposals could be tabled; he thanked him for his efforts and praised the high standard of the work. There had been extensive support for the package during the Commission's policy debate on 9 January, which had also allowed those parts of the package that needed further work to be identified in preparation for the later interinstitutional stages.

He explained that this package was very much in line with the central theme of competitiveness in Europe to which the Commission's policy seminar of 18 January had been devoted, and showed that the Commission was suiting its actions to its words by tabling this key initiative for growth and jobs in the Union.

He praised the efforts made to produce a draft that achieved a balance between the elements that were essential to a robust integrated strategy. He mentioned the compromise reached on the question of resources for the European Railway Agency to allow it to carry out the new tasks to be conferred upon it under the proposals in the areas of common standards, interoperability and safety. He went on to refer to the agreement on the opening of domestic rail passenger markets and on respect for public service obligations. He concluded by reminding the meeting that a final consensus still had to be reached on governance, which had given rise to a large amount of work upstream.

On this point the PRESIDENT pointed out that, despite transposition problems, the existing legislation already provided for the legal, organisational and decision-making independence of the operations of providing track access and

allocating train paths, but it did not prevent conflict of interest or discrimination against new market entrants, and it did nothing to encourage intermodal cooperation. He therefore felt that the time had come to take another major step forward by proposing the institutional unbundling of infrastructure management and transport activities. Nevertheless, he pointed out that it was also a matter of taking account of certain realities by allowing Member States that so wished to maintain holding structures and introducing in return strict safeguards to protect the independence of the infrastructure manager, accompanied by a process of verification by the Commission from 2019, so that all these measures guaranteed truly efficient conditions of competition that were fair for all railway companies.

Mr KALLAS stressed the large amount of work that had been done since the Commission's policy debate, especially with regard to governance and the principle of unbundling infrastructure management and transport services. He explained the proposed compromise, which left open the possibility of an alternative to the model of segregation of duties, namely the option of maintaining holding structures counterbalanced by robust safeguards and supervisory powers in the hands of the Commission; he pointed out that this solution also had the merit of putting the principle of subsidiarity into practice.

He also highlighted the substantial scope for flexibility contained in this important legislative package, as well as the fact that it would allow considerable progress to be made in terms of interoperability within the EU.

He concluded by saying that, while compromises had been worked out in order to reach a consensus, they had been on the means, and not the end, i.e. the creation in due course of a Single European Railway Area.

In the discussion which ensued the Members of the Commission focused on the following issues:

- the support shown for the proposed package of initiatives, which gave the EU the means of achieving an important milestone in the creation of a Single European Railway Area, while ensuring that this area formed part of a balanced

framework taking account of the wide range of realities and sensitivities that existed in the Member States;

- the visionary and ambitious scale of the package in terms of competitiveness, growth and jobs in Europe as a result of the opening up of competition and the search for greater economic efficiency;
- the regret expressed by some that, despite the satisfactory compromise, the Commission had not been able to be more proactive on the matter of the separation of infrastructure management and transport operations; doubts were expressed as to how effective the proposed alternative to the principle of complete unbundling would be in reality;
- the soundness, nonetheless, of the efforts made to ensure that the Commission's proposals were politically and socially acceptable, while allowing the Member States a degree of latitude in deciding on the model to be used for opening their railway sector to competition;
- the need in this connection to take account of the actual situation in the Member States and to ensure a degree of consistency with the legal precedent in the field of energy;
- finally, a reminder of the importance of taking proper account of public service obligations.

At the end of the discussion, Mr KALLAS thanked the Members of the Commission for their support for this politically very important set of initiatives which, in his view, embodied the concept of European added value. He welcomed the opportunity to present these proposals and said that they were eagerly awaited by all those involved in the sector.

The PRESIDENT also thanked all the Members of the Commission for their constructive and collegiate approach, which had helped to bring to successful conclusion this ambitious undertaking which had far-reaching implications for the competitiveness of the EU and its strategy for growth and jobs. He called on all the

Members of the Commission to be resolute in its defence.

The Commission approved the communication in COM(2013) 25 for transmission to Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, and, for information, to the national parliaments.

**8. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AMENDING REGULATION (EC) 1370/2007 AS REGARDS THE OPENING OF THE MARKET FOR DOMESTIC PASSENGER TRANSPORT SERVICES BY RAIL
(COM(2013) 28 AND /2; SWD(2013) 10; SWD(2013) 11; SEC(2013) 75; RCC(2013) 2)**

The Commission adopted the proposal for a Regulation in COM(2013) 28/2 for transmission to Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the national parliaments, together with the impact assessment and the summary thereof in staff working documents SWD(2013) 10 and SWD(2013) 11, 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(2013) 75.

9. PROPOSAL FOR A DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AMENDING DIRECTIVE 2012/34/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 21 NOVEMBER 2012 ESTABLISHING A SINGLE EUROPEAN RAILWAY AREA, AS REGARDS THE OPENING OF THE MARKET FOR DOMESTIC PASSENGER TRANSPORT SERVICES BY RAIL AND THE GOVERNANCE OF THE RAILWAY INFRASTRUCTURE

(COM(2013) 29 AND /2; SWD(2013) 10; SWD(2013) 11; SWD(2013) 12; SWD(2013) 13; SEC(2013) 72; RCC(2013) 2)

The Commission adopted the proposal for a Directive in COM(2013) 29/2 for transmission to Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the national parliaments, together with the impact assessments and the summaries thereof in staff working documents SWD(2013) 10, SWD(2013) 12, SWD(2013) 11 and SWD(2013) 13 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 Directive, as set out in SEC(2013) 72.

10. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON THE EUROPEAN UNION AGENCY FOR RAILWAYS AND REPEALING REGULATION (EC) 881/2004

(COM(2013) 27 AND /2; SWD(2013) 8; SWD(2013) 9; SEC(2013) 71; RCC(2013) 2)

11. PROPOSAL FOR A DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON THE INTEROPERABILITY OF THE RAIL SYSTEM WITHIN THE EU (RECAST)

(COM(2013) 30; SWD(2013) 8; SWD(2013) 9; SEC(2013) 71; RCC(2013) 2)

12. PROPOSAL FOR A DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON RAIL SAFETY (RECAST)

(COM(2013) 31; SWD(2013) 8; SWD(2013) 9; SEC(2013) 71; RCC(2013) 2)

The Commission adopted the proposal for a Regulation and the proposals for Directives in COM(2013) 27/2, COM(2013) 30, and COM(2013) 31 respectively for transmission to Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the national parliaments, together

with the impact assessment and the summary thereof in staff working documents SWD(2013) 8 and SWD(2013) 9, 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 and proposals for Directives, as set out in SEC(2013) 71.

**13. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL REPEALING REGULATION (EEC) 1192/69 OF THE COUNCIL ON COMMON RULES FOR THE NORMALISATION OF THE ACCOUNTS OF RAILWAY UNDERTAKINGS
(COM(2013) 26 AND /2; RCC(2013) 2)**

The Commission adopted the proposal for a Regulation in COM(2013) 26/2 for transmission to Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the national parliaments.

**14. REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS ON THE PROGRESS MADE TOWARDS ACHIEVING INTEROPERABILITY OF THE RAIL SYSTEM
(COM(2013) 32; RCC(2013) 2)**

The Commission approved the report in COM(2013) 32 for transmission to Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and, for information, to the national parliaments.

15. REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS ON THE PROFILE AND TASKS OF OTHER TRAIN CREW MEMBERS (COM(2013) 33; RCC(2013) 2)

The Commission approved the report in COM(2013) 33 for transmission to Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and, for information, to the national parliaments.

16. REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS ON THE IMPLEMENTATION OF THE PROVISIONS OF DIRECTIVE 2007/58/EC ON THE OPENING OF THE MARKET OF INTERNATIONAL RAIL PASSENGER TRANSPORT ACCOMPANYING THE COMMUNICATION TO THE COUNCIL AND THE EUROPEAN PARLIAMENT ON THE FOURTH RAILWAY PACKAGE (COM(2013) 34; RCC(2013) 2)

The Commission approved the report in COM(2013) 34 for transmission to Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and, for information, to the national parliaments.

17. REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL ON PROGRESS IN ROMANIA UNDER THE COOPERATION AND VERIFICATION MECHANISM (COM(2013) 47 AND /2)

The PRESIDENT began by noting the Members' agreement to the Commission

report presented that day, which evaluated the progress made by Romania under the Cooperation and Verification Mechanism (CVM). However, Mr FÜLE would be making a number of comments, not on the report's conclusions, which he fully endorsed, but on the wider context of this Mechanism.

Mr FÜLE explained that, over and above this individual case, he was considering using the occasion of the publication of the next report on Romania, due in autumn 2013, to launch an in-depth debate within the College about the possibility of endowing the Commission with instruments to ensure respect for democratic principles within the Union as a whole. These instruments, which would be in addition to its powers to deal with infringements of European law, might be comparable to those it already used to monitor the establishment in candidate countries of institutions that complied with the fundamental principles of the Union. The aim would be threefold: (i) to ensure that all Member States permanently complied with the founding values of the European Union, that is respect for the principles of democracy, the rule of law and fundamental freedoms; (ii) in the event of non-compliance, to require the Member States to adopt all the measures necessary to re-establish respect for these principles; and (iii) to develop the current mechanism of quantified and measurable targets as a basis on which to draw up a clearly formulated exit strategy.

In the course of the brief exchange of views that followed, general comments were made about the effectiveness of the Cooperation and Verification Mechanism, which had proved its worth by promoting positive changes and fundamental reforms, particularly in the operation of the judiciaries and in areas such as freedom of the press. It was important to preserve its credibility and to guard against the danger of governments that were targeted by such a mechanism deflecting the criticism and using it to tarnish the image of the European institutions in the eyes of their citizens.

The PRESIDENT concluded the discussion by distinguishing between the general issue of Member States' adherence to democratic principles, on the one hand, and the cooperation mechanism on the other, pointing out that the Commission, as the guardian of the Treaties, had an obligation to apply the CVM. He stressed the

effectiveness of this mechanism, which was intended to deal with serious situations and was used with restraint by the Commission.

He also said that in his State of the Union address to the European Parliament in September 2012 he had already raised the idea of strengthening the political foundations of European integration in the light of the situation in several Member States where the rule of law and democracy had recently been undermined, exposing the limits of the current European institutional system. He had accordingly suggested at the time that the Union needed to equip itself with a more finely calibrated range of tools, so that it was not limited to a choice between exerting influence through the power of political persuasion and the option of last resort in the form of Article 7 of the Treaty on European Union, which entailed the suspension of certain rights deriving from the application of the Treaties. He concluded by saying that he was prepared to organise a debate in the Commission in the autumn on the idea of setting up a ‘democracy watch’ across the entire European Union, with a view to a possible future amendment of the Treaties, and to evaluate the CVM in this context.

Subject to a final general clean-up of the text, the Commission approved the report in COM(2013) 47/2 for transmission to Parliament and the Council and, for information, to the national parliaments.

18. RELATIONS WITH NON-MEMBER COUNTRIES

THE EU RESPONSE TO THE DEVELOPMENTS IN THE SOUTHERN NEIGHBOURHOOD

(INFO(2013) 6)

The PRESIDENT introduced the discussion on the follow-up to measures taken by the European Union in the aftermath of the Arab Spring, which was to be on the agenda of the European Council on 7 and 8 February. By way of context he spoke about the political events that had unfolded over the last two years in a number of

countries in the EU's southern neighbourhood, while stressing that the individual circumstances varied widely. He pointed out that the Commission and the High Representative had responded swiftly to these events, from the very first months of 2011, in the form of a 'Partnership for Democracy and Shared Prosperity', which defined the areas into which the EU intended to channel its aid in order to support political and economic reform in the countries concerned. This strategy had been developed further as part of the review of the neighbourhood policy, when the principle of 'more for more' (more reforms for more assistance) had been established. This principle ensured that European Union aid was more consistent and more closely targeted at those countries which had embarked on the process of democratisation.

He noted that, among the international community, it was the European Union that had presented the most comprehensive and ambitious strategy to meet these challenges. Its strategy prioritised financial assistance, the development of trade, increased mobility, sectoral cooperation and technical support across many fields. He referred here to the information note circulated ahead of that day's discussion, which highlighted the progress made by the countries in the southern neighbourhood and the Commission's political resolve to forge closer relations with their recently elected governments.

Nevertheless, the PRESIDENT acknowledged that there had been gaps and delays in implementing the strategy in a number of areas, due in part to the political transition processes under way in the countries concerned, which made it difficult for them to make medium and long-term commitments, but also because, on the Union's side, there was less awareness of the urgent need for a response to help these countries meet the challenges of such processes.

He ended by stressing the importance of maintaining the Union's commitment towards these partner countries, of stepping up implementation of the various instruments at its disposal and of looking closely at what could be done in the various fields. While insisting that free and fair elections were still an essential precondition for driving the partnership forward, the EU had made it clear from the very first days of the Arab Spring that respect for political freedoms and

fundamental rights remained an absolute priority.

Baroness ASHTON explained that, although their individual circumstances differed widely, what the Arab Spring countries had in common was the difficulty and complexity of the transition processes they were undergoing; these were far from over and there might well be alternating periods in which democracy gained and then lost ground before becoming well and truly established. Because of this, the EU found itself confronted with new sets of leaders, new social visions, new balances of political power and a certain degree of instability. She referred also to the serious turmoil currently affecting Egypt, which had just established a state of emergency, the enormous security challenges facing Libya, where armed militias were still operating, and the tragic consequences of the Syrian conflict, with an influx of refugees in neighbouring countries and fears that borders might be closed.

On the economic front, Libya's oil and gas production was virtually back to normal, although its economy was still vulnerable and short of skilled labour. Baroness ASHTON noted with satisfaction the economic growth and relatively encouraging prospects in Tunisia. By contrast she painted a sombre picture of the economic situation in Egypt; given that Egypt's economic health was a key balancing factor for the whole region, this might have a negative impact on its neighbours.

Mr FÜLE also welcomed the fact that the EU's response to the Arab Spring had been rapid and comprehensive and had targeted all sections of society in the countries concerned. He praised the release of financial resources and the new strategic platform that had been set up with the European External Action Service and the Union's delegations, allowing for more effective action and better cooperation with the other organisations working on the ground.

He conceded, however, that there were still difficulties to be overcome in implementing this European response, as the southern Mediterranean countries in transition seemed to find Europe's offers of trade or mobility partnerships unattractive or below their expectations. He therefore called on the Commission to launch a major effort to explain more effectively the advantages of closer mutual ties, which could have an immediate economic impact as well as beneficial political

effects in the longer term.

Mr FÜLE stressed that it was important for the Union to forge closer links with this region and encouraged the Members of the Commission in particular to build up their personal contacts there. He outlined a number of actions which were already under preparation and could be completed or launched in the near future, i.e. by the end of 2013, covering the following areas: (i) trade (the opening of negotiations on full and deep free-trade agreements); (ii) mobility (the signature of partnerships); (iii) education (an increase in the number of Erasmus Mundus/Tempus scholarships); (iv) agriculture (the launch of rural development and agricultural pilot projects); (v) energy (draft roadmap for establishing an EU-Mediterranean Energy Community); and (vi) the launch of pilot projects in regional development.

He concluded by highlighting two major challenges for the Commission: to stick firmly to its 'more for more' strategy, and to make Europe's proposals more attractive to the people of the transition countries in the southern Mediterranean by explaining what they stood to gain in their daily lives from the long-term ambition of integrating these economies into the European internal market.

In the course of the discussion which ensued, the following points were also mentioned:

- the need for the European Union to demonstrate its political will to sustain its commitment to partner countries in the southern neighbourhood and, with that in mind, to make Member States assume their responsibilities;
- similarly, the need to spare no effort in ensuring that the European neighbourhood policy, as revised following events in the southern Mediterranean, attained its full potential; the importance of the EU making full use of the instruments and resources available to it in order to exert influence on its neighbours' development;
- the importance, against such a backdrop, for Europe to recognise the major shift under way in the world's geostrategic balance, with the relegation of the Middle East from its former position of prominence in United States foreign

policy in general, and in its energy policy in particular, owing notably to increased exploitation of shale gas resources which could, in time, cover US energy requirements in full; and the consequent importance of factoring in this development, which was bound to increase Europe's responsibility for the wider Middle East and thus bring with it a new interpretation of the 'more for more' principle of enhanced conditionality;

- the necessity, with respect to democratic transition and institution building in partner countries in the southern Mediterranean, of avoiding a prescriptive approach and of taking care not to impose a purely European view of democracy;
- the emphasis to be placed on the vital role of trade in entrenching democracy and stability; the advantage of fostering trade and encouraging the economic integration of the countries of the southern neighbourhood with the European Union, *inter alia* through full and deep free trade agreements;
- mention was made of the major expectations tied to trade policy and the need for Member States to go further in opening up their markets; at the same time, it was noted that a certain degree of caution was required in this area, particularly on issues concerning the access of agricultural products to the European Union market;
- the importance of helping Mediterranean countries to establish a real regional common market among themselves to stabilise their economies and to strengthen their relations with the European Union;
- the fact that free-trade agreements were not an end in themselves, but had to be in the interests of each country and help foster sustainable development;
- the advantage of backing up such trade liberalisation by significant technical assistance to partner countries and their undertakings; the need to target assistance programmes more on small and medium-size enterprises;

- the importance of enhancing social inclusion, improving working conditions and developing education and mobility programmes for young people;
- the suggestion was made to highlight the role of agriculture and the importance of rural development in the economic and social stabilisation of the countries concerned, particularly through support to help local producers organise themselves;
- the importance of avoiding any form of social or environmental dumping in the countries concerned by the European Union;
- the need for the co-legislators to make progress on the proposal for the EU Macro-Financial Assistance instrument and to remove the remaining obstacles concerning purely procedural and interinstitutional issues, given the important role of the instrument in fostering political and social stability and in the implementation of economic reforms in the partner countries of the southern neighbourhood;
- the need to recognise the essential role played by non-governmental organisations, academia and broader civil society on the road towards democratic transition.

Following this discussion, Mr FÜLE emphasised the importance of the initiatives taken within the framework for joint action established between the Commission's departments and the European External Action Service, arguing that more could be made of the outcome of such initiatives, of which the Commission as a whole could be proud.

While regretting the fact that all of the commendable efforts made by the European Union would never prove sufficient or rapid enough in view of the extent of the needs of the partner countries in the southern neighbourhood, Baroness ASHTON called on the European Union vigorously to pursue closer ties with the countries concerned, which were in dire need of such support, and to which Europe owed a part of its future.

The PRESIDENT concluded by commenting that Europe could not sit on the sidelines in the struggle for freedom and democracy taken up by the peoples of the region. In his view, it had to seize the historic opportunity before it to strengthen its ties with those peoples, to remain engaged, to step up the implementation of its policies and to explore the areas in which it might be able to do more by considering the options put forward in the note issued that day. It was his deep-seated wish that the European Union would rise to this unique challenge to try to make the southern neighbourhood a more stable region, with better living conditions for its inhabitants, and he urged everyone to make their contribution to that noble mission.

The Commission took note of this information and of the note from the PRESIDENT, Baroness ASHTON and Mr FÜLE, distributed as INFO(2013) 6.

*

* *

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

*

* *

The meeting closed at 12.21.