



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

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Brussels, 18 July 2001

MINUTES
of the 1531st meeting of the Commission
held in Brussels
(Breydel)
on Wednesday 11 July 2001
(morning)

These minutes were approved by the Commission at its 1532nd meeting, held in Brussels on 18th July 2001.

They contain 20 pages.

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Single sitting: Wednesday 11 July (morning)

The sitting opened at 0925 hours with Mr Prodi, President, in the chair.

Present:

Mr PRODI	President
Mr KINNOCK	Vice-President
Ms de PALACIO	Vice-President
Mr MONTI	
Mr FISCHLER	Items 1 to 13
Mr LIIKANEN	
Mr BOLKESTEIN	
Mr BUSQUIN	
Mr SOLBES	
Mr NIELSON	
Mr VERHEUGEN	
Mr PATTEN	
Mr BYRNE	
Mr BARNIER	
Ms REDING	
Ms SCHREYER	
Ms WALLSTRÖM	
Mr VITORINO	
Ms DIAMANTOPOULOU	

Absent:

Mr LAMY

The following sat in to represent absent Members of the Commission

Mr PIRZIO-BIROLI	Chef de cabinet to Mr Fischler	Items 14 to 16
Mr DEFRAIGNE	Chef de cabinet to Mr Lamy	

The following also sat in

Mr PETITE	Director-General, Legal Service	
Mr MANSERVISI	Chef de cabinet to the President	
Ms GROEBNER	A member of the President's staff	Item 11
Mr FAULL	Commission Spokesman	
Mr FIELDING	Spokesman	
Mr HAUGAARD	Press and Communication DG	Item 11
Ms CORUGEDO STENEBOERG	Press and Communication DG	
Mr LOWE	Chef de cabinet to Mr Kinnock	
Mr KOOPMAN	Deputy Chef de cabinet to Mr Kinnock	
Mr JEAN	Deputy Chef de cabinet to Mr Liikanen	Item 11
Mr ITALIANER	Chef de cabinet to Mr Verheugen	Item 14
Mr POWER	Chef de cabinet to Mr Byrne	
Mr TERRITT	A member of Mr Byrne's staff	Item 11

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

1. AGENDAS

(OJ(2001)1531/3; SEC(2001)1116/2)

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

2. WEEKLY MEETING OF CHEFS DE CABINET

(SEC(2001)1531)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 9 July.

3. APPROVAL OF MINUTES AND SPECIAL MINUTES OF 1530th MEETING

(3 July)

(PV(2001)1530; PV(2001)1530, Part II)

The Commission approved the minutes of its 1530th meeting.

4. PARLIAMENT

4.1. JULY PART-SESSION

(SP(2001)2271)

The Commission took note of the record of Parliament's part-session held in Strasbourg from 2 to 5 July.

**4.2. ACTION TO BE TAKEN ON PARLIAMENT'S OPINIONS
(SP(2001)2275)**

The Commission approved the proposed empowerment decisions relating to action to be taken on the amendments presented by Parliament under the codecision and consultation procedures.

**5. PERMANENT REPRESENTATIVES COMMITTEE
(SI(2001)814)**

The Commission took note of the Secretariat-General's reports on recent meetings of the Permanent Representatives Committee.

It paid particular attention to the following:

Proposal for a Parliament and Council directive on the resale right for the benefit of the author of an original work of art
(SI(2001)814)

The Commission took note of the agreement reached between the co-legislators and was informed that, at the conciliation meeting, its representative had wished to make a unilateral statement, to be published in the Official Journal, pointing out that the deadline for full implementation of the Directive was still excessively long. In spite of the practice of publishing statements made in conciliation meetings, this request had been opposed in the Permanent Representatives Committee by certain delegations. The Commission had confirmed its request for publication in the Official Journal (PV(2001)1526) by letter from Mr Bolkestein to the President of the Council and the President of Parliament, but Coreper had repeated its opposition on formal grounds, two Member States even being against simple publication in the C series, though in fact the Commission could do this autonomously. It was also noted

that the Council's Legal Service had argued that unanimity was required for the Commission statement to be accepted.

The Commission noted that this attitude on the part of the Council called into question the Commission's right, as guardian of the Treaties, to make its position known by a statement accompanying the agreed text, a right which it had already exercised in the past, for instance for the LIFE and GMO dossiers.

The Commission therefore decided to publish the statement in the C series of the Official Journal, and at the same time to emphasise that it disputed that the Council's decision in the conciliation process in any way constituted a precedent, that it also disputed the position of the Council's Legal Service concerning the unanimity "rule" and that, lastly, it reserved the right to make use of all the legal means at its disposal. It also decided to give additional publicity to this statement, for instance by distributing a press release (which could also cover the scope of the Directive) when the act was adopted.

6. MONITORING THE APPLICATION OF COMMUNITY LAW: STATE AID

STATE AID

(SEC(2001)1177)

The Commission adopted the decisions in SEC(2001)1177.

7. WRITTEN PROCEDURES AND DELEGATION OF POWERS

7.1. WRITTEN PROCEDURES APPROVED

(SEC(2001)1117 to /5)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted by written procedure between 2 and 6 July.

7.2. SENSITIVE WRITTEN PROCEDURES

(SEC(2001)1119)

The Commission took note of the following written procedures initiated between 2 and 6 July for the adoption of decisions with political implications:

Time limit: 09.07.2001

E/2001/1288 - C(2001)1775

DG EMPL

Commission decision setting up a committee in the field of supplementary pensions

Time limit: 10.07.2001

E/2001/1307 - COM(2001)388

DG JAI

Proposal for a Council Directive relating to the conditions in which third-country nationals shall have the freedom to travel in the territory of the Member States for periods not exceeding three months, introducing a specific travel authorisation and determining the conditions of entry and movement for periods not exceeding six months

Time limit: 11.07.2001

E/2001/1309 - C(2001)1843

DG TREN

Commission decision setting up a consultative committee to be known as the European Energy and Transport Forum; to authorise the Member responsible for energy and transport policy to appoint the members of the Forum.

E/2001/1348 - COM(2001)398

DG SANCO

Commission communication on European contract law

Time limit: 13.07.2001

E/2001/1356 -C(2001)1897

DG AUDIT

Report for 2000 by the Commission's Financial Controller

E/2001/1357 - C(2001)1899

DG AUDIT

Commission report on audit internal for 2000

7.3. EMPOWERMENT

(SEC(2001)1121 to /5; SEC(2001)1122 to /4)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the empowerment procedure between 2 and 6 July.

8. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2001)1123/2)

ADMINISTRATIVE MATTERS

(PERS(2001)210)

8.1. APPLICATION OF ARTICLE 50 OF THE STAFF REGULATIONS - SECOND STAGE

The Commission continued its discussions on this matter, begun on 23 May (PV(2001)1524).

The Commission, on a proposal from Mr KINNOCK, in agreement with the PRESIDENT and Mr LIIKANEN, adopted the decision in PERS(2001)216 to apply the second stage of the procedure laid down in Article 50 of the Staff

Regulations with respect to Mr Lorimer MACKENZIE, A2 official and Director in the Enterprise DG.

This decision would take effect on 16 September.

8.2. *DG RTD - REQUEST FOR PUBLICATION OF THE A1 POST OF DEPUTY DIRECTOR-GENERAL*

The Commission, in agreement with the PRESIDENT and Mr BUSQUIN, approved the vacancy notice in PERS(2001)215 and asked DG ADMIN to publish it under Article 29(1)(a) of the Staff Regulations.

8.3. *AMENDMENT OF COMMISSION DECISION CONCERNING THE EXERCISE OF THE POWERS CONFERRED BY THE STAFF REGULATIONS ON THE APPOINTING AUTHORITY AND BY THE CONDITIONS OF EMPLOYMENT OF OTHER SERVANTS ON THE AUTHORITY RESPONSIBLE FOR CONCLUDING CONTRACTS OF EMPLOYMENT*
(PERS(2001)214)

The Commission adopted the decision delegating certain disciplinary powers to a single authority - the Director-General for Personnel and Administration - irrespective of the assignment of the official or agent concerned by the disciplinary proceedings and the budget from which he or she is paid, as set out in PERS(2001)214.

9. *APPLICATION OF COUNCIL REGULATION (EC) No 4064/89 ON THE CONTROL OF CONCENTRATIONS BETWEEN UNDERTAKINGS*
(C(2001)1856 to /4; SEC(2001)1145)

The Commission:

- took note of the final report of the Hearing Officer in C(2001)1856/2;
- took note of the opinion of the Advisory Committee on Concentrations of 25 June, as set out in C(2001)1856;
- adopted, in the authentic language (English), the decision in C(2001)1856/4.

The decision would be published in the Official Journal (with all business secrets deleted) in all the official Community languages.

**10. NEGOTIATIONS ON THE FUNDING OF THE WORLD ANTI-DOPING AGENCY (WADA)
(SEC(2001)1131)**

The Commission took note of the information note distributed by Ms REDING in SEC(2001)1131.

In view of the context, the Commission noted that this matter would require particularly careful presentation to the outside world.

**11. PEDESTRIAN PROTECTION: COMMITMENT BY THE EUROPEAN AUTOMOBILE INDUSTRY
(COM(2001)389 to /5; SEC(2001)1141)**

Mr LIIKANEN referred to the communication relating to the protection of pedestrians approved by the Commission on 21 December 2000 (SEC(2001)2283 final) under which it was responsible for starting negotiations with the European Automobile Manufacturers Association (ACEA) on a draft voluntary commitment, and, in parallel, to continue preparatory work on a draft Directive.

He presented the text of a draft commitment negotiated with the ACEA concerning improving the safety of pedestrians and other road users.

Negotiations with the manufacturers' associations in Japan and Korea were already at an advanced stage.

He outlined the key points in the commitment which ACEA was prepared to make and noted that it met the objectives set in the communication of 21 December.

He gave details of the timetable for implementing the various elements and the arrangements for the annual monitoring of progress in achieving the objectives.

He emphasised the advantages, in terms of speed of implementation, of a voluntary commitment by the motor manufacturers rather than a legislative instrument such as a Directive. Legislative instruments had not routinely been used in health and safety matters in the past.

Nevertheless, he proposed giving Parliament and the Council an opportunity to state their views on the text of the commitment before taking any decision on the next stage of the procedure or on the choice of instrument to be used (voluntary commitment or Community Directive).

The Commission held an in-depth discussion on the scope of the commitments proposed by the industry, and on the choice of the most suitable instrument to secure the achievement of the objectives set and to safeguard pedestrians' and other users' rights of redress.

Following this discussion, the Commission noted that the mandate laid down in the communication of 21 December had been duly fulfilled and that the text of the commitment was satisfactory.

The Commission therefore approved the communication to Parliament and the Council in COM(2001)389/5, and as regards the next stage of the procedure it chose option No 2, subject to the following amendment:

On page 6 of the document, under option 2, the following text was added to the final paragraph of the conclusions:

*"However, before taking a decision on whether to accept the Commitment, the Commission would like to consult the European Parliament and the Council about the content of the ACEA Commitment and the Commission's assessment in the Communication, and give them the opportunity to express their views. Therefore, the Commission will defer until no later than December 2001 the decision on whether to accept the Commitment, by means of a recommendation to the industry, or to propose a Directive based on the contents of the Commitment, which may be in the form of a framework Directive or a Directive based on the traditional approach. **Meanwhile, work on the preparation of draft legislation will continue.**"*

The Commission decided to transmit the communication as thus amended to Parliament and the Council, accompanied by the text of the ACEA commitment as set out in the annex to COM(2001)389/3.

**12. PROPOSAL FOR A COUNCIL DIRECTIVE ON THE CONDITIONS OF ENTRY AND RESIDENCE OF THIRD-COUNTRY NATIONALS FOR THE PURPOSE OF PAID EMPLOYMENT AND SELF-EMPLOYED ACTIVITIES
(COM(2001)386 to /4; SEC(2001)1142)**

The Commission approved the proposal in COM(2001)386/3 and /4 for transmission to the Council, Parliament, the Economic and Social Committee and the Committee of the Regions.

The Commission noted that this matter would require particularly careful presentation to the outside world.

**13. AN OPEN METHOD OF COORDINATION FOR THE COMMUNITY
IMMIGRATION POLICY
(COM(2001)387 to /4; SEC(2001)1142)**

Mr VITORINO presented a communication on an open method of coordination for Community immigration policy.

He reminded the meeting that the Treaty of Amsterdam had given the Community powers in the field of immigration and the right of asylum, and that the Tampere European Council had called for a common asylum and immigration policy to be developed.

At the heart of this policy would be a common legislative framework whose principles had already been agreed by the Member States and for which the Commission had already put forward a series of proposals.

To supplement the existing legal instruments, and in order to take account of the number of subject areas in which responsibility remained at national level, he proposed making use of an open coordination method.

In implementing this method, the Commission would continue to play a central role by proposing annual guidelines, monitoring their implementation, and securing consistency between immigration policy and social policy (particularly in employment).

Following a brief exchange of views on the conditions for the use of the open coordination method, the Commission approved the communication in COM(2001)387/4 for transmission to the Council, Parliament, the Economic and Social Committee and the Committee of the Regions.

14. PRIORITIES FOR THE ACCESSION NEGOTIATIONS UNDER THE BELGIAN PRESIDENCY

(SEC(2001)1134 to /5)

Mr VERHEUGEN introduced an information note on priorities for the accession negotiations during the Belgian Presidency, emphasising the progress made under the Swedish Presidency and the ambitious nature of the Belgian Presidency's targets in this matter for the second half of 2001.

He reviewed the various topics covered in the note and, in view of the constraints imposed by the need to comply with the "road map" proposed by the Belgian Presidency, pointed to the importance of close cooperation between all departments.

The Commission held an exchange of views on the question of transitional periods - particularly in the field of taxation - and on the state of public opinion towards enlargement in the fifteen Member States.

Following this exchange of views, the Commission:

- took note of the information supplied by Mr VERHEUGEN;
- took note that, while safeguarding the conditions for the smooth operation of the internal market, it would be desirable to consider, case by case, possible requests from the applicant countries for transitional periods;
- noted that a briefing paper would be distributed to all Members on the problem of enlargement.

15. COUNCIL MEETINGS

(SI(2001)819)

15.1. ECONOMIC AND FINANCIAL AFFAIRS

(BRUSSELS, 10 JULY)

(SI(2001)838)

Mr SOLBES reported on the Eurogroup's discussions, covering the economic situation in the United States, Japan and Europe, the situation of public finances in the Member States, the euro, and the follow-up to the conclusions of the Gothenburg European Council.

Mr BOLKESTEIN reported that the Commission had presented its communication on EU tax policy, and that a work schedule for consideration of the tax package had been updated and adopted.

As regards the draft Directive on takeover bids, which Parliament had voted down on 4 July (273 for, 273 against and 22 abstentions) and which had been discussed by the ministers over lunch, Mr BOLKESTEIN proposed to table a new proposal quickly with a view to adoption at the beginning of 2002.

15.2. INFORMAL COUNCIL MEETING (EMPLOYMENT)

(LIÈGE, 6-7 JULY)

(SI(2001)815)

The detailed record of the discussions of the Ministers for employment and social policy at their informal meeting in Liège (6-7 July) were set out in SI(2001)815.

15.3. PREPARATIONS FOR COUNCIL MEETING (BUDGETS)

(BRUSSELS, 20 JULY)

Ms SCHREYER reported on preparatory work in the Council for the draft budget that the Council was expected to adopt at first reading on 20 July.

She drew particular attention to the linkage being made in Council discussions between requests for new Commission posts and the proposal for a Regulation on an early retirement scheme, and to the horsetrading that the budgetary authority would have to undertake, in view of the impossibility of satisfying all the institutions' requests while keeping within the ceiling for heading 5 of the financial perspective.

16. RELATIONS WITH NON-MEMBER COUNTRIES

16.1. MEETING OF G7 FINANCE MINISTERS

(ROME, 7 JULY)

(SEC(2001)1185)

Mr SOLBES referred to the information note distributed to Members (SEC(2001)1185) and provided some additional information orally on the economic situation in Russia.

16.2. VISIT BY THE TROIKA TO AUSTRALIA AND JAPAN

(9-10 JULY)

Ms WALLSTRÖM reported on the visit to Australia and Japan by the members of the Troika (Mr DELEUZE, Belgian Secretary of State for Energy; Ms HJELM-WALLEN, Deputy Prime Minister of Sweden; and Ms WALLSTRÖM herself) on climate change and the ratification of the Kyoto protocol.

She confirmed that these meetings had not succeeded in convincing the partners to embark on ratification of the protocol, in view of the negative position adopted by the United States.

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The meeting closed at 1250 hours.

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