



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2002)1550 final

Brussels, 15 January 2002

MINUTES
of the 1550th meeting of the Commission
held in Brussels
(Breydel)
on Wednesday 9 January 2002
(morning)

These minutes have been adopted by the Commission at its 1551th meeting held in Strasbourg on 15th January 2002.

They comprise 17 pages.

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Single sitting: Wednesday 9 January (morning)

The sitting opened at 0915 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	
Mr BOLKESTEIN	
Mr BUSQUIN	
Mr SOLBES	
Mr VERHEUGEN	
Mr PATTEN	
Mr LAMY	
Mr BYRNE	
Mr BARNIER	
Ms REDING	
Ms SCHREYER	
Ms WALLSTRÖM	
Mr VITORINO	
Ms DIAMANTOPOULOU	

Absent:

Mr LIIKANEN
Mr NIELSON

The following sat in to represent absent Members of the Commission

Mr REHN	Chef de cabinet to Mr Liikanen
Mr MØRCH	A member of Mr Nielson's staff

The following also sat in

Mr PETITE	Director-General, Legal Service	
Mr MANSERVISI	Chef de cabinet to the President	
Mr DE LECEA	A member of the President's staff	Item 9
Mr GUSSETTI	A member of the President's staff	Item 8
Mr FAULL	Commission Spokesman	
Mr VERON	Spokesman	Item 8
Mr CALLEJA	Chef de cabinet to Ms de Palacio	Item 8
Mr SCHINAS	Deputy Chef de cabinet to Ms de Palacio	Item 8
Mr LOWE	Chef de cabinet to Mr Kinnock	
Mr CARVOUNIS	Press and Communication DG	
Mr VIGNON	Secretariat-General	Item 8
Mr SAGREDO	Secretariat-General	Item 8
Mr MASSANGIOLI	Secretariat-General	Item 8

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

**1. AGENDAS AND QUARTERLY ROLLING PROGRAMME
(OJ(2002)1550/2; SEC (2002)2/2; SEC(2002)9)**

The Commission took note of its agenda as set out in OJ(2002)1550/2, tentative agendas for future meetings (SEC(2002)2/2), and the rolling programme for 15 January to 27 March (SEC(2002)9).

**2. WEEKLY MEETING OF CHEFS DE CABINET
(SEC(2002)1550)**

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Friday 4 January.

**3. APPROVAL OF MINUTES OF 1549th MEETING (21 December)
(PV(2002)1549 and /2)**

The Commission approved the minutes of its 1549th meeting.

It noted that the special minutes of its 1549th meeting would be tabled for approval at the meeting on 15 January.

4. PARLIAMENT

PARLIAMENTARY AFFAIRS GROUP

(SP(2001)4269)

The Commission took note of the record of the meeting of the Parliamentary Affairs Group held on Thursday 20 December.

It paid particular attention to the following:

a) Preparations for January part-session

(point 2 of the record)

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

It paid particular attention to the following:

2nd reading

- MYLLER report, Sixth Community environment action programme, COM(2001)31 - 2001/0029 (COD)

The Commission adopted the line set out in SP(2001)4249 involving the rejection of some amendments.

Empowerment

Under Article 13 of its Rules of Procedure, the Commission empowered Ms WALLSTRÖM, Ms de PALACIO and Mr LIIKANEN, in agreement with the PRESIDENT, the Member responsible for relations with Parliament and any other Members associated, to adopt and transmit to the Council, in accordance with

Article 251(2)(c) of the Treaty, once Parliament had given its view, its opinion on the amendments, together with any amended proposals, on the basis of the line set out previously, or on the basis of the line set out in SP(2001)4231, 4249, 4238, 4232 and 4250, for the following:

- JACKSON report, NGOs primarily active in the field of environmental protection,
COM(2001)337 - 2000/0139 (COD)
- MYLLER report, Sixth Community environment action programme,
COM(2001)31 - 2001/0029 (COD)
- HATZIDAKIS report, Maximum authorised dimensions and weights for certain road vehicles,
COM(2000)137 - 2000/0060 (COD)
- VAN DAM report, Uniform driver attestation,
COM(2000)751 - 2000/0297 (COD)
- PALACIO report, Amendment of Council Directive 92/61/EEC relating to the type-approval of two- or three-wheeled motor vehicles,
COM(1999)276 - 1999/0117 (COD) (2nd reading)

b) Action taken on Parliament's opinions and resolutions

(point 5 of the record)

The Commission adopted the replies to own-initiative resolutions adopted by Parliament for which the Commission had undertaken to give a reply (SP(2001)4108), subject to the amendments distributed in the Parliamentary Affairs Group meeting concerning the SUDRE report, for transmission to Parliament.

**5. MONITORING THE APPLICATION OF COMMUNITY LAW:
INFRINGEMENTS**

(SEC(2002)7; SEC(2002)10)

INFRINGEMENTS

**A) *REPORT A2/2001 - DOSSIERS HELD OVER FOR UNAVAILABILITY
OF TEXT - REGULARISATION***

(SEC(2002)7)

The Commission adopted the decisions in SEC(2002)7.

**B) *SPECIFIC CASE - DOSSIER HELD OVER AT 1549TH MEETING
(20 DECEMBER)***

(SEC(2002)10)

The Commission adopted the following decision:

1999/5162 FINLAND

International maritime transport services in the Baltic Sea area

Decision: letter of formal notice

**6. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF
POWERS**

6.1. *WRITTEN PROCEDURES APPROVED*

(SEC(2002)3 to /9)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted by written procedure between 17 December and 4 January.

6.2. EMPOWERMENT

(SEC(2002)5 to /10)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the empowerment procedure between 17 December and 4 January.

6.3. DELEGATION OF POWERS

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation procedure between 17 December and 4 January, as archived on the "Grefte 2000" (Registry) website.

6.4. EMPOWERMENT FOR FINANCING DECISIONS NEEDED FOR THE IMPLEMENTATION OF JOINT ACTIONS, OF OTHER COUNCIL DECISIONS IN THE CFSP FIELD, OR OF PREPARATORY AND EVALUATION MEASURES

(SEC(2001)2052 and /2)

The Commission approved the empowerment decision in SEC(2001)2052 and /2.

7. DRAFT AMENDMENT OF THE STAFF REGULATIONS: EARLY RETIREMENT AND ELIGIBILITY OF OFFICIALS CURRENTLY AT GRADE A6 FOR MIDDLE-MANAGEMENT POSTS

(SEC(2001)2030 to /12)

The Commission adopted the amendments to the text of the proposals to amend the Staff Regulations concerning early retirement for officials aged 55 to 60 and the

eligibility of officials currently at grade A6 for middle-management posts, as set out in SEC(2001)2030/11 and /12.

It asked Mr KINNOCK to finalise, on this basis, the draft proposal for a Council Regulation on the amendment of the Staff Regulations, with a view to the continuation of the procedure (conciliation with the trade unions and staff associations and consultation of the Interinstitutional Staff Regulations Committee).

As regards the proposals on early retirement, the Commission noted that as a general rule it did not encourage early retirement systems or measures and that, in its capacity as Appointing Authority, it would use this instrument only in situations where the system's lack of flexibility did not allow it to defend the interests of the service by other means at its disposal.

8. PARLIAMENT

(CONTINUED FROM ITEM 4)

PRACTICAL ARRANGEMENTS FOR DIALOGUE WITH THE OTHER INSTITUTIONS FOR THE PRESENTATION OF THE COMMISSION'S WORK PROGRAMME

(SP(2002)16)

The PRESIDENT introduced a debate on the practical arrangements, to be included in Parliament's Rules of Procedure, for dialogue with the other institutions with a view to the presentation of the Commission's work programme.

The amendments introduced by the Commission in its strategic planning cycle for activities under the reform of its internal procedures called for particular consideration of their effects on relations with the other institutions.

The dialogue with the other institutions and the arrangements for the presentation of the Commission's work programme must preserve the Commission's right of initiative, and comply with the principle of collective responsibility governing the Commission's decision-making process.

Ms de PALACIO reported on her meeting on 19 December on this subject with Ms MALMSTRÖM, Member of Parliament and rapporteur for the Commission's work programme.

She set out the planned timetable and arrangements for the dialogue with Parliament and the presentation of the Commission's work programme, in SP(2002)16.

Ms de PALACIO announced that this item would be entered on the agenda for Parliament's February part-session.

The Commission held an exchange of views on the practical arrangements and the precautions to be taken for the implementation of this procedure at each stage.

In this connection, it noted the need to ensure an institutional balance in a dialogue which was the equivalent of the procedure for presenting the Commission's work programme to Parliament.

Following this exchange of views, the PRESIDENT drew the following conclusions:

- the rationalisation of the setting of priorities and the planning of its work was in the Commission's own interest;
- the general approach proposed in SP(2002)16 was approved, and Ms de PALACIO was empowered to continue her parliamentary contacts on this basis;
- the proposed practical arrangements should comply with the limits already laid down in the framework agreement on relations between the Commission and

Parliament, and maintain full control by the Commission over its work programme;

- involvement by the Council in this process should be sought. Accordingly, the communication on the annual policy strategy for 2003, which the Commission would have to approve in February 2002, would be addressed jointly to Parliament and the Council, and would contain indications on how this process of dialogue with the two institutions could be carried out (scope and limits).

The Commission adopted these conclusions.

It noted that it would be desirable to maintain a link between the outcome of the planned process and that of the annual budgetary procedure.

9. INITIAL REPORT ON THE CHANGEOVER TO THE EURO

Mr SOLBES commented on the introduction of the euro as legal tender in twelve Member States of the Union.

He drew particular attention to the vital role played by the Commission in the coordination and supervision of this process, and paid tribute to the quality of the preparatory work, including that carried out by his predecessor, Mr de SILGUY.

There was a high degree of acceptance of the euro by the European public.

He reported on various technical aspects of the operation (speedy adaptation of cash dispensers; isolated problems in supplying traders during the first week; absence of significant inflationary effects, etc.).

The process had been viewed quite favourably in certain non-participating Member States (United Kingdom and Sweden).

On the other hand, he regretted the absence of any official communication from the United States on this subject.

The Commission once again thanked and congratulated Mr SOLBES, his Office and all the departments concerned, in particular the Economic and Financial Affairs and Press and Communication DGs and the Translation Service, for the scale and success of the work carried out.

10. RELATIONS WITH NON-MEMBER COUNTRIES

10.1. SITUATION IN ARGENTINA

Mr PATTEN drew the Commission's attention to the implications of the political and economic situation in Argentina for the EU, which was involved in a dialogue with a structure for regional integration in Latin America (MERCOSUR) and also had major investments in Argentina.

He would be putting before the Commission on 15 January a draft communication to secure the position of the Council (General Affairs) at its meeting on 28 and 29 January.

The Commission took note of this information.

10.2. ASSISTANCE FOR THE RECONSTRUCTION OF AFGHANISTAN

Mr PATTEN reported on the work of the steering group for assistance in the reconstruction of Afghanistan, which had met in Brussels on 20 and 21 December under the joint chairmanship of the European Union, the United States, Japan and Saudi Arabia.

With a view to the Ministerial Conference of donors (Pledging Conference) to be held in Tokyo on 21 and 22 January, he would be putting a guideline note before the Commission on 15 January.

The Commission noted that as the Tokyo meeting would be taking place before the next Council meeting (General affairs) (28 and 29 January), it would be desirable to secure an initial guideline from Coreper in good time.

10.3. RESTRUCTURING OF THE STEEL INDUSTRY IN CERTAIN NON-MEMBER COUNTRIES

Mr LAMY reported on the problems faced by the steel industry in various non-member countries (United States, Russia, countries of Eastern Europe) which had not completed the necessary restructuring. In the event of restrictive measures against imports by these countries - particularly the United States - the structure of international trade could be affected: there could be disruption of trade flows to the Community market, which could harm the Community steel industry.

Trade negotiations were in progress between the EU and the United States, but it was also important to tackle this problem in all its aspects (consequences for the European steel industry; encouragement for restructuring in the East European applicant countries and Russia).

He therefore proposed setting up a working party consisting of Mr MONTI, Mr LIIKANEN, Mr SOLBES, Mr VERHEUGEN, Mr PATTEN, Ms DIAMANTOPOULOU and himself to define an overall approach to this problem.

The Commission took note of this information and agreed to set up such a working party.

11. OTHER BUSINESS

PROPOSAL FOR A PARLIAMENT AND COUNCIL DIRECTIVE ON COMPANY LAW CONCERNING TAKEOVER BIDS

Mr BOLKESTEIN pointed out that the proposal for a Directive to harmonise national arrangements for takeover bids, after 12 years of negotiations and despite a positive conciliation procedure between the Council and Parliament, had not been adopted by Parliament, its vote in July 2001 being tied (273 for; 273 against).

In September, before putting forward a revised version of the proposal, he had decided to set up a group of independent experts, chaired by Mr Jaap WINTER (Legal Adviser to UNILEVER), and this group had produced a report proposing solutions to the problems raised by Parliament (equivalent protection of shareholders in all Member States; definition of the "fair price" to be paid to minority shareholders; right of majority shareholders to buy back the shares of minority shareholders).

In the light of the conclusions of this report, and following a fresh internal and external consultation process, a revised proposal for a Directive would be put before the Commission in the spring.

The Commission took note of this information.

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The meeting closed at 1050 hours.