



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

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Brussels, 23 January 2002

MINUTES
of the 1551st meeting of the Commission
held in Strasbourg
(Winston Churchill Building)
on Tuesday 15 January 2002
(afternoon)

These minutes have been adopted by the Commission at its 1552nd meeting held in Brussels on 23th January 2002.

They comprise 21 pages.

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Single sitting: Tuesday 15 January (afternoon)

The sitting opened at 1320 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 LIIKANEN	
Mr BOLKESTEIN	
Mr BUSQUIN	
Mr SOLBES	
Mr NIELSON	
Mr VERHEUGEN	
Mr PATTEN	
Mr LAMY	
Mr BYRNE	
Mr BARNIER	
Ms REDING	
Ms SCHREYER	
Ms WALLSTRÖM	
Ms DIAMANTOPOULOU	

Absent:

Mr VITORINO

The following sat in to represent absent Members of the Commission

Mr CAVACO Chef de cabinet to Mr Vitorino

The following also sat in

Mr PETITE	Director-General, Legal Service
Mr MANSERVISI	Chef de cabinet to the President
Mr ABOU	A member of the President's staff
Mr DE LECEA	A member of the President's staff
Mr GUSSETTI	A member of the President's staff
Mr VERON	Spokesman
Mr CALLEJA	Chef de cabinet de Ms de Palacio
Mr SCHINAS	Deputy Chef de cabinet to Ms de Palacio
Mr PLANAS	Chef de cabinet to Mr Solbes
Mr GLYNOS	Chef de cabinet to Ms Diamantopoulou
Ms QUINTIN	Director-General for Employment
Mr MASSANGIOLI	Director in the Secretariat-General

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

1. AGENDAS

(OJ(2002)1551/3; SEC(2002)16/2)

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(2002)1551)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 14 January.

**3. APPROVAL OF MINUTES OF 1550th MEETING (9 January) AND
SPECIAL MINUTES OF 1549th MEETING (20 December)**

(PV(2002)1550 and /2; PV(2001)1549, Part II and /2)

The Commission approved the minutes of its 1550th meeting and the special minutes of its 1549th meeting.

4. PARLIAMENT

PARLIAMENTARY AFFAIRS GROUP

(SP(2002)76)

The Commission took note of the record of the meeting of the Parliamentary Affairs Group held on Friday 11 January.

It paid particular attention to the following:

Interinstitutional relations

(point 1 of the record)

Codecision procedure - Article 251 EC

Environmental noise, 2000/0194 (COD)

The Commission adopted the line set out in SP(2002)77 with a view to possible agreement at the triologue on 22 January or, possibly, at a meeting of the conciliation committee that might be held on 24 January.

**5. MONITORING THE APPLICATION OF COMMUNITY LAW: STATE AID
AND INFRINGEMENTS**

(SEC(2002)11/4; SEC(2002)26; SEC(2002)34)

5.1. STATE AID

(SEC(2002)11/4)

The Commission adopted the decisions in SEC(2002)11/4, subject to the following clarification:

N 826/2001 IRELAND

Alternative energy requirements I to IV

(C(2002)5 to /6)

Decision: to raise no objection, considering the scheme to be compatible with the EC Treaty, in accordance with the letter in C(2002)5/6.

5.2. *INFRINGEMENTS - URGENT OR DEFERRED CASES*
(SEC(2002)26)

Subject to the following clarification, the Commission adopted the decisions in SEC(2002)26:

2001/2235 FRANCE

Failure to attach enforcement order

Decision: Held over

5.3. *INFRINGEMENTS - DOSSIERS HELD OVER FOR UNAVAILABILITY*
OF TEXT - REGULARISATION
(SEC(2002)34)

The Commission adopted the decisions in SEC(2002)34.

6. *WRITTEN PROCEDURES AND EMPOWERMENT*

6.1. *WRITTEN PROCEDURES APPROVED*
(SEC(2002)17 to /5)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted by written procedure between 7 and 11 January.

6.2. *SENSITIVE WRITTEN PROCEDURES*
(SEC(2002)18)

The Commission took note of the following written procedures initiated between 7 and 11 January for the adoption of decisions with political implications.

6.3. EMPOWERMENT

(SEC(2002)19 to /7)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the empowerment procedure between 7 and 11 January.

6.4. DELEGATION OF POWERS

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation procedure between 14 and 18 January, as archived on the "Grefte 2000" (Registry) website.

7. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2002)20/3)

ADMINISTRATIVE MATTERS

(PERS(2002)3/2)

7.1. LEGAL SERVICE - RESIGNATION OF AN A1 OFFICIAL

On a proposal from Mr KINNOCK and in agreement with the PRESIDENT, the Commission accepted the resignation of Mr Allan ROSAS, A1 official and Deputy Director-General in the Legal Service, following his appointment as a judge at the Court of Justice of the European Communities.

This decision would take effect from 17 January.

7.2. VACANCY NOTICE

Legal Service - A1 post of Deputy Director-General

On a proposal from Mr KINNOCK, in agreement with the PRESIDENT, the Commission approved the vacancy notice annexed to PERS(2002)3/2 and asked DG ADMIN to publish it.

7.3. APPOINTMENTS

Legal Service - A2 post of Principal Legal Adviser

The Commission had before it applications under Article 29(1)(a) of the Staff Regulations for the A2 post of Principal Legal Adviser in the Legal Service (PERS(2001)143 and /4).

The Commission took note of the opinions of the Consultative Committee on Appointments of 13 June and 24 July (PERS(2001)143/2 and /3).

The Commission proceeded to compare the applicants' qualifications for the post. It also examined the reports on their ability, efficiency and conduct in the service. On a proposal from Mr KINNOCK, in agreement with the PRESIDENT, the Commission then decided to appoint Ms Marie-José JONCZY-MONTASTRUC to the post.

This decision would take effect from a date to be fixed later.

Legal Service - A2 post of Principal Legal Adviser

The Commission had before it applications under Article 29(1)(a) of the Staff Regulations for the A2 post of Principal Legal Adviser in the Legal Service (PERS(2001)144 and /4).

The Commission took note of the opinions of the Consultative Committee on Appointments of 13 June and 24 July (PERS(2001)144/2 and /3).

The Commission proceeded to compare the applicants' qualifications for the post. It also examined the reports on their ability, efficiency and conduct in the service. On a proposal from Mr KINNOCK, in agreement with the PRESIDENT, the Commission then decided to appoint Mr Pieter Jan KUIJPER to the post.

This decision would take effect from 15 April.

DG INFO.SD - A2 post of Director

The Commission had before it applications under Article 29(1)(a) of the Staff Regulations for the A2 post of Director of Directorate D (Information society technologies: content, multimedia tools and markets) in the Information Society DG (PERS(2001) 219).

The Commission took note of the opinions of the Consultative Committee on Appointments of 17 October and 22 November (PERS(2001)219/2 and /3).

The Commission proceeded to compare the applicants' qualifications for the post. It also examined the reports on their ability, efficiency and conduct in the service. On a proposal from Mr KINNOCK, in agreement with the PRESIDENT and Mr LIIKANEN, it then decided to appoint Mr Horst FORSTER to the post.

This decision would take effect from 1 March.

DG MARKT.B - A2 post of Director

The Commission had before it applications under Article 29(1)(a) of the Staff Regulations for the A2 post of Director of Directorate B (Public procurement policy) in the Internal Market DG (PERS(2001)289 and /2).

The Commission took note of the opinions of the Consultative Committee on Appointments of 23 October and 4 December (PERS(2001)289/3 and /4).

The Commission proceeded to compare the applicants' qualifications for the post. It also examined the reports on their ability, efficiency and conduct in the service. On a proposal from Mr KINNOCK, in agreement with the PRESIDENT and Mr BOLKESTEIN, the Commission decided to appoint Mr Guido BERARDIS to the post.

This decision would take effect from a date to be fixed later.

7.4. SDT - SECOND INTERIM A2 APPOINTMENT

On a proposal from Mr KINNOCK, in agreement with the PRESIDENT, the Commission decided that, in accordance with Article 7 of the Staff Regulations, Mr Georges VLACHOPOULOS, LA3 official, should again temporarily occupy the post of thematic adviser to department SDT/TR/AB, from 1 July 2001 until the new Director takes up his post, subject to a maximum of twelve months.

This decision would take effect immediately.

**7.5. MIDDLE-MANAGEMENT POSTS AND ORGANISATION CHARTS
(PERS(2002)6)**

The Commission took note of the decisions adopted by Mr KINNOCK in December.

7.6. OTHER BUSINESS

PROGRESS REPORT ON THE ACTIVITIES OF THE ANTI-FRAUD
OFFICE AND REVIEW OF THE LEGAL FRAMEWORK GOVERNING
ITS ACTIVITIES
(SEC(2002)33 and /2)

The Commission approved the proposal presented by Ms SCHREYER, in agreement with the PRESIDENT, Mr KINNOCK and Mr VITORINO, as set out in SEC(2002)33/2.

8. COMMISSION COMMUNICATION TO THE BARCELONA EUROPEAN COUNCIL *THE LISBON STRATEGY - MAKING CHANGE HAPPEN* (COM(2002)14 to /4; SEC(2002)29 to /4)

The PRESIDENT presented a draft Commission communication for the Barcelona European Council *The Lisbon strategy - Making change happen*, reviewing progress in meeting the various objectives set by the Lisbon European Council, noting the successes already achieved, and identifying key proposals that were stalled.

There was a need to send the European Council a clear political message that it should give new impetus to maintaining the momentum set at Lisbon, and to specify the areas calling for priority action (further development of employment policies; continuing the reforms aimed at opening up, liberalising and integrating markets; increasing investment in knowledge).

The Commission held an exchange of views on various aspects of the communication, after which it adopted a number of amendments concerning the provision of services of general interest (second indent, page 3), the taxation of

savings (table under item 2 "Progress towards the Lisbon goals", page 9, deadline 2004), the employment strategy (item 3.2.1, page 19) and economic policy coordination (item 3.3.1, page 27, second indent).

Subject to these amendments, the Commission approved the communication in COM(2002)14/4 and took note of the staff working paper distributed as SEC(2002)29/2 and /4, both for transmission to Parliament, the Council, the Economic and Social Committee, the Committee of the Regions and the ECSC Consultative Committee.

The PRESIDENT confirmed that he would be addressing this communication to the European Council with a covering letter setting out the Commission's expectations for the crucial meeting in Barcelona.

The Commission decided that the communication would be publicised to the press and the general public before the European Council meeting.

**9. ANTICIPATING AND MANAGING CHANGE: A DYNAMIC APPROACH
TO THE SOCIAL ASPECTS OF CORPORATE RESTRUCTURING - FIRST
PHASE OF CONSULTATION OF THE COMMUNITY CROSS-INDUSTRY
AND SECTORAL SOCIAL PARTNERS
(SEC(2002)22 to /5)**

Ms DIAMANTOPOULOU presented a communication on the consultation, in accordance with Article 138 of the Treaty, of the Community cross-industry and sectoral social partners on the social aspects of corporate restructuring.

The proposed consultation focused at this stage on the advisability of establishing a certain number of principles at Community level for action to support good practice

by businesses undergoing restructuring, and on the method for developing and fixing these principles.

She outlined the four main categories of questions to be considered by the social partners with an eye to the establishment of principles at Community level:

- support for employability and adaptability;
- streamlining the legal and regulatory frameworks;
- external responsibilities of companies;
- implementation of socially responsible restructuring.

The Commission held a brief exchange of views on the timetable for presentation of the communication, emphasising that the document supplemented the summary report concerning the follow-up to the Lisbon strategy (see item 8 above), and therefore the advisability of adopting both documents simultaneously.

The Commission therefore approved the communication launching the first consultation stage with the social partners as regards the social aspects of corporate restructuring (SEC(2002)22/5).

**10. COMMISSION RECOMMENDATIONS FOR A COUNCIL OPINION ON
UPDATED STABILITY PROGRAMMES (BELGIUM, NETHERLANDS,
LUXEMBOURG, AUSTRIA, FINLAND) AND CONVERGENCE
PROGRAMMES (SWEDEN) (1ST SERIES)
(SEC(2002)36; SEC(2002)37; SEC(2002)38; SEC(2002)39; SEC(2002)40;
SEC(2002)41)**

Mr SOLBES presented a series of recommendations on the updated stability programmes presented by five Member States (Belgium, Finland, Austria, Luxembourg and the Netherlands) and on the convergence programme presented by Sweden, so that the Council, in accordance with Article 5 of Regulation (EC) No 1466/97, could deliver an opinion on these updated programmes, after consulting the Economic and Financial Committee.

He reviewed the key characteristics of the programmes submitted by these Member States and noted that they all satisfied the requirements of the stability and growth pact.

The Commission approved the recommendations for a Council opinion on the updated stability programmes of Belgium (SEC(2002)36), Finland (SEC(2002)37), Austria (SEC(2002)38), Luxembourg (SEC(2002)39) and the Netherlands (SEC(2002)40) and on the updated convergence programme of Sweden (SEC(2002)41), for transmission to the Council.

11. RELATIONS WITH NON-MEMBER COUNTRIES

***11.1. ESTABLISHMENT OF COMMISSION OFFICE IN AFGHANISTAN
(SEC(2002)31 to /4)***

The Commission:

- approved the establishment of a Commission Office in Kabul in the terms set out in SEC(2002)31/4 and asked the RELEX, AIDCO, BUDG and ADMIN DGs to take the necessary budgetary and administrative measures to bring this office gradually into operation from 1 February 2002;
- authorised Mr PATTEN to conclude a headquarters agreement and a protocol laying down the provisions for the immunity and privileges of members of the Commission Office;
- authorised the use of €1.8 million committed in 2001 under item B7-300A to cover the administrative costs of the office and agreed to ask the budgetary authority to increase the ceiling of item B7-300A in the 2002 budget so as to be able to transfer from item B7-300 the €2 million required.

**11.2. EU CONTRIBUTION TO THE RECONSTRUCTION OF
AFGHANISTAN: PREPARATIONS FOR THE TOKYO MINISTERIAL
CONFERENCE
(SEC(2002)43 and /2)**

Mr PATTEN, in agreement with Mr NIELSON and Ms SCHREYER, presented a communication on the EU contribution to the reconstruction of Afghanistan, with a view to the conference of donors in Tokyo (21 and 22 January).

To enable the Commission and the EU to keep their promise to play an important role in Afghanistan's reconstruction and economic recovery, he suggested unblocking an amount of around EUR 200 million for 2002, and proposing that the budgetary authority supply aid of a broadly equivalent amount for the following four years (2003-06).

The announcement of this Community contribution would be made at the donors conference in Tokyo only after consultation of the two arms of the budgetary authority.

In this connection, Ms SCHREYER reported that the proposal had already been considered by the Chairman of Parliament's Committee on Budgets at a meeting with the coordinators of the various political groups.

The Commission:

- took note of the communication in SEC(2002)43/2;
- authorised Mr PATTEN, in agreement with Mr NIELSON and Ms SCHREYER, to finalise the terms of the Commission's pledge to the Tokyo Donor's Conference in accordance with the provisions of this communication, taking into account the results of discussions with Parliament and in the light of the discussion in Coreper on 17 January.

11.3. *CRISIS IN ARGENTINA* ***(SEC(2002)51 and /2)***

Mr PATTEN, in agreement with Mr SOLBES and Mr LAMY, presented an information note on the crisis in Argentina.

The Commission held an exchange of views on this basis, after which it decided:

- to approve the general analysis of the situation set out in the note;
- to ask the relevant departments, under the authority of Mr LAMY, Mr PATTEN and Mr SOLBES, to consider the implications of the crisis for Commission political positions in various bodies and subject areas, particularly:

- . the IMF, where the Commission could encourage adoption of a common position of all the Member States;
- . in negotiations between the EU and Mercosur: possible acceleration of the negotiations following the crisis, taking account of the fact that the exchange rate of the peso would facilitate trade between Argentina and Mercosur; identification of other possible effects on the negotiations;
- . in the field of plant and animal health standards between Argentina and the EU: confirmation of the prospects for lifting restrictive measures on the export of meat from Argentina to the EU, imposed following the outbreak of foot-and-mouth disease; identification of any other possibility of making progress in the negotiations;
- . in other trade sectors.

This would enable the Commission to table concrete proposals at the Council meetings at the end of January (Economic and Financial Affairs on 22 January, General Affairs on 28 January).

In this connection, the Commission noted that the Standing Veterinary Committee had that day delivered an opinion in favour of lifting the embargo on imports of meat from Argentina, except for meat produced in two specific regions that were not yet free of disease.

11.4. WTO - SETTLEMENT OF DISPUTES - AMERICAN LEGISLATION ON THE TAX REGIME APPLICABLE TO EXPORTING COMPANIES

Mr LAMY reported on the verdict delivered on 14 January by World Trade Organisation's appeal body confirming the illegality of the new American legislation on the tax treatment of exporting companies which the American

administration had substituted for the "Foreign sales corporations" scheme, which in 2001 had likewise been declared illegal by the WTO.

He reminded the meeting that, throughout the WTO dispute procedures and despite the successive decisions of the disputes settlement panel in favour of the European Union, the Commission had refrained from proposing trade sanctions. He proposed, at this stage, to continue along this route, and to pursue the negotiations with the United States to secure conformity of US legislation with the WTO appeal body conclusions.

The Commission took note of this information and approved the approach proposed by Mr LAMY.

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The meeting closed at 1600 hours.