



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2002)1554 final

Brussels, 13 February 2002

MINUTES
of the 1554th meeting of the Commission
held in Strasbourg
(Winston Churchill Building)
on Tuesday 5 February 2002
(afternoon)

These minutes have been adopted by the Commission at its 1555th meeting held in Brussels on 13th February 2002.

They comprise 18 pages.

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Single sitting: Tuesday 5 February (afternoon)

The sitting opened at 1400 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 LIUKANEN

Mr BOLKESTEIN

Mr BUSQUIN

Mr SOLBES

Mr NIELSON

Mr VERHEUGEN

Mr PATTEN

Mr LAMY

Mr BYRNE

Mr BARNIER

Ms REDING

Ms SCHREYER

M_S WALLSTRÖM

Mr VITORINO

Ms DIAMANTOPOULOU

Except part of item 12,
and items 13 and 14

The following sat in to represent absent Members of the Commission

Mr CHANTERIE	A member of Ms Reding's staff	Part of item 12, and items 13 and 14
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The following also sat in

Mr PETITE	Director-General, Legal Service	
Mr MANSERVISI	Chef de cabinet to the President	
Mr FAULL	Commission Spokesman	
Mr VERON	Commission Spokesman	
Mr MAMER	DG Press	
Mr SCHINAS	Deputy Chef de cabinet to Ms de Palacio	
Mr CANGA FANO	A member of Ms de Palacio's staff	Items 11 and 12
Mr CARDANI	Deputy Chef de cabinet to Mr Monti	Item 12
Ms VANNINI	A member of Mr Monti's staff	Item 12
Mr TSCHERNY	Spokesman for Mr Monti	Item 12
Mr POWER	A member of Mr Patten's staff	Item 12
Mr MASSANGIOLI	Secretariat-General	

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

**1. AGENDAS AND QUARTERLY ROLLING PROGRAMME
(OJ(2002)1554/3; SEC (2002)96/2; SEC(2002)132)**

The Commission took note of its agenda as set out in OJ(2002)1554/3, tentative agendas for future meetings (SEC(2002)96/2), and the rolling programme of agenda items (SEC(2002)132).

**2. WEEKLY MEETING OF CHEFS DE CABINET
(SEC(2002)1554)**

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

**3. APPROVAL OF MINUTES AND SPECIAL MINUTES OF 1553rd
MEETING (30 January)
(PV(2002)1553 and /2; PV(2002)1553, Part II and /2)**

The Commission approved the minutes of its 1553rd meeting.

It held over approval of the special minutes of its 1552nd meeting for one week.

4. PARLIAMENT

4.1. PARLIAMENTARY AFFAIRS GROUP

(SP(2002)324)

The Commission took note of the record of the meeting of the Parliamentary Affairs Group held on Friday 1 February.

It paid particular attention to the following:

a) Interinstitutional relations

(point 1 of the record)

Codecision procedure - Article 251 EC

- Exposure of workers to vibrations, 92/0449 (COD)

The Commission adopted the line set out in SP(2002)303 for the conciliation committee meeting to be held on 21 February.

- Equal treatment, 00/0142 (COD)

The Commission adopted the line set out in SP(2002)284 for the conciliation committee meeting to be held on 21 February.

b) Action taken on Parliament's opinions and resolutions

(point 5 of the record)

- The Commission adopted SP(2002)251 on the action taken on Parliament's opinions and resolutions at its December 2001 part-session, for transmission to Parliament.
- The Commission adopted the replies to own-initiative resolutions adopted by Parliament to which the Commission had undertaken to reply (SP(2002)252), for transmission to Parliament.

5. PERMANENT REPRESENTATIVES COMMITTEE
(SI(2002)93)

The Commission took note of the record of the meeting of the Council Affairs Group held on Friday 1 February (SI(2002)93).

It paid particular attention to the following:

Joint Commission and Council report on the work programme on the future objectives of education and training systems
(SI(2002)68)

The Commission authorised Ms REDING to agree to the final version of the report at the Council meeting on 14 February.

6. MONITORING THE APPLICATION OF COMMUNITY LAW:
INFRINGEMENTS
INFRINGEMENTS - URGENT CASE
(SEC(2002)137)

The Commission adopted the following decision:

2000/2064 **BELGIUM**
Restrictions on investment activities of pension endowment funds
(SEC(2002)137)

Decision: Authorisation of contacts

7. WRITTEN PROCEDURES AND EMPOWERMENT

7.1. *WRITTEN PROCEDURES APPROVED*

(SEC(2002)97 to /5)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted by written procedure between 28 January and 1 February.

7.2. *SENSITIVE WRITTEN PROCEDURES*

(SEC(2002)98)

The Commission took note of the following written procedures initiated between 28 January and 1 February for the adoption of decisions with political implications:

Time limit: 05.02.2002

E/2002/152 - COM(2002)57

DG TRADE

Proposal for a Council Regulation amending Regulation (EC) No 772/1999 imposing definitive anti-dumping and countervailing duties on imports of farmed Atlantic salmon originating in Norway.

Time limit: 07.02.2002

E/2002/172 - SEC(2002)130

DG ENTR

Commission working document: preparing for the Euro-Mediterranean Free Trade Area: Elements for Regional Industrial Cooperation 2002-06.

7.3. EMPOWERMENT
(SEC(2002)99 to /5)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the empowerment procedure between 28 January and 1 February.

7.4. DELEGATION OF POWERS

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation procedure between 28 January and 1 February, as archived on the "Greffé 2000" (Registry) website.

8. ADMINISTRATIVE AND BUDGETARY MATTERS
(SEC(2002)100/2)

ADMINISTRATIVE MATTERS
(PERS(2002)22)

8.1. VACANCY NOTICE

JRC - A1 post of Deputy Director-General

On a proposal from Mr KINNOCK, in agreement with the PRESIDENT and Mr BUSQUIN, the Commission approved the vacancy notice in PERS(2002)23 and asked DG ADMIN to publish it.

**8.2. APPLICATION OF ARTICLE 50 OF THE STAFF REGULATIONS
(SECOND STAGE)**

Personnel and Administration DG

The Commission continued its discussions on this matter, begun on 28 November (PV(2001)1546, Part II).

The Commission, on a proposal from Mr KINNOCK, in agreement with the PRESIDENT, adopted the decision in PERS(2002)24 to apply the second stage of the procedure laid down in Article 50 of the Staff Regulations with respect to Ms Kerstin STERNER, A2 official and Chief Adviser in the Personnel and Administration DG.

This decision would take effect from 1 April.

OTHER MATTERS

**8.3. TECHNICAL DESCRIPTION OF THE TRANSITION FOR THE NEW
CAREER STRUCTURE**

The Commission took note of the information in SEC(2002)147.

**9. eEUROPE BENCHMARKING REPORT - eEUROPE 2002
(COM(2002)62 to /3; SEC(2002)134)**

The Commission approved the communication in COM(2002)62/3 for transmission to the Council, Parliament, the Economic and Social Committee and the Committee of the Regions.

10. PARLIAMENT

(continued from item 4)

Relations with Parliament

Ms de PALACIO reported on the most significant recent events in relations with Parliament, viz.:

- the commitments made at the plenary session that day by the PRESIDENT and Mr BOLKESTEIN, on behalf of the Commission, on the arrangements for exercising its executive duty in implementing the recommendations of the Lamfalussy report on the regulation of European transferable securities markets;
- the agreement reached between the Commission and Parliament on the arrangements for the annual presentation of the Commission's work programme and legislative programme, on the basis of the plan proposed by the Commission.

European Company Statute

Ms de PALACIO also reported that the President of Parliament had decided not to exercise the right to challenge in the Court of Justice the Council decision to base the statute of the European company on Article 308 of the Treaty - which provided only for Parliament to be consulted - and not on Article 95, as proposed by the Commission, which gave Parliament a right of codecision.

2000 discharge

The Commission held an exchange of views on the replies to be given to the Committee on Budgetary Control in connection with work on the discharge for 2000, and in particular on the transmission of the list of irregularities observed by the Member States in implementing the Structural Funds.

The Commission decided to finalise during that week the technical arrangements for presenting the information requested, for transmission without delay according to the procedures laid down in the framework agreement on relations between Parliament and the Commission.

11. MONITORING THE APPLICATION OF COMMUNITY LAW: STATE AID
(continued from item 6)

STATE AID - CASES DEFERRED

(C(2002)312 to /3; C(2002)313 to /3; C(2002)314 to /3)

C 24/2001 (ex NN 56/2000)

ITALY

Measures to assist road haulage companies following the rise in oil prices in summer-autumn 2000

(C(2002)312/2 and /3)

C 25/2001 (ex NN 112/2000)

FRANCE

Measures to assist road haulage companies following the rise in oil prices in summer-autumn 2000

(C(2002)313/2 and /3)

C 26/2001 (ex NN 115/2000)

NETHERLANDS

Measures to assist road haulage companies following the rise in oil prices in summer-autumn 2000

(C(2002)314/2 and /3)

The Commission noted that, under Article 88(2), third subparagraph, of the EU Treaty, the three Member States concerned (France, Italy, Netherlands) had on 4 February asked the Council to rule that aid granted in the road haulage sector

(reduction of excise duties on diesel fuel) should be regarded as compatible with the common market.

Under Article 88(2) this request had the effect of suspending the proceedings initiated against these Member States until the Council had taken a decision, subject to a maximum suspension of three months.

Ms de PALACIO drew the Commission's attention to the implications of the approach adopted by these three Member States.

12. DRAFT REGULATION ON THE APPLICATION OF ARTICLE 81(3) OF THE TREATY TO CATEGORIES OF VERTICAL AGREEMENTS AND CONCERTED PRACTICES IN THE MOTOR VEHICLE INDUSTRY (SEC(2002)106 to /8)

Mr MONTI tabled a draft Commission Regulation that would exempt certain categories of vertical agreements and concerted practices in the motor industry (distribution and servicing agreements which satisfy the conditions laid down in Article 81(3) of the Treaty) from the Article 81(1) competition rules.

The arrangements in force (Regulation No 1475/95) would expire on 30 September, and the new proposal, drawn up on the basis of a detailed assessment of the current system and in the light of the results of hearings and debates organised by the Commission, Parliament and the Economic and Social Committee, would, once adopted as a draft by the Commission, be subject to a formal consultation procedure (Advisory Committee on Restrictive Practices and Dominant Positions, parties concerned). Only at the end of this process and in the light of its results would the Commission be called upon to adopt the Regulation.

Experience of the operation of distribution and after-sales servicing markets showed that stricter rules were needed to encourage full achievement of the internal market - and particularly to reduce existing price differentials - by increasing competition on the sales and after-sales markets.

Mr MONTI outlined the key characteristics of the new system and explained in particular why a ban on the "location clause" (allowing a manufacturer to require its distributor to operate exclusively from a certain location, or to agree with its distributor that no other distributor would be authorised to open a showroom or delivery point within a certain geographical area) constituted a key element of the proposed new system.

He proposed adding to the proposal in SEC(2002)106/7 a new Article 3(6) providing for two years' notice of termination for vertical agreements concluded between suppliers and distributors or repairers.

The Commission held an in-depth discussion on the respective advantages of various alternatives:

- to introduce the ban on the location clause straight away in the draft Regulation to be put out to consultation, and to review the situation if necessary in the light of the results of this consultation;
- to introduce the ban on this clause in the draft Regulation while announcing that the new system would be reviewed in the light of experience gained after several years of application ("review clause");
- not to introduce the ban on the location clause in the draft Regulation at this stage, but to state in the Regulation to be adopted before the autumn that the ban would apply in certain circumstances with a fixed time limit, thereby providing a transitional period of several years.

Following this discussion, the Commission was in favour of Mr MONTI's initial proposal and:

- approved the communication and the draft Regulation in SEC(2002)106/7 and /8, subject to the amendment introducing two years' notice of termination for agreements between suppliers and distributors or repairers;
- authorised Mr MONTI:
 - a) to transmit to the Advisory Committee on Restrictive Practices and Dominant Positions, for initial consultation, the draft block exemption Regulation (Annex 3) on the application of Article 81(3) of the Treaty to categories of vertical agreements and concerted practices in the motor industry, annexed thereto, in accordance with Article 6 of Council Regulation (EEC) No 19/65, and
 - b) to carry out the other stages of the procedure laid down in Articles 5 and 6 of Council Regulation (EEC) No 19/65 (publication of the draft in the Official Journal for consultation with interested parties, and second consultation of the Advisory Committee).

13. COUNCIL MEETINGS

(SI(2002)88)

INFORMAL MEETING OF FOREIGN MINISTERS

(CÁCERES, 8 AND 9 FEBRUARY)

Mr VERHEUGEN reported on the first reactions in Coreper to the Commission communication on the overall financial framework for the accession negotiations (agriculture, Structural Funds and budget). Certain Member States had opposed it,

and some others wanted to create a link between this dossier and the reform of the common agricultural policy.

At their informal meeting the Foreign Ministers would be discussing various aspects of the accession negotiations: financial framework, compliance with criteria, potential political obstacles, and institutional problems.

The Council (Economic and Financial Affairs) would consider this matter on 12 February, and the Council (General Affairs) on 18 and 19 February.

The Commission took note of this information.

14. OTHER BUSINESS

RESEARCH CENTRE AT PETTEN

(SEC(2002)153)

Mr BUSQUIN outlined the arrangements for operation of the JRC research centre on the Petten site and explained why the nuclear reactor would be closed down on 8 February for a period of 10 days so that certain safety checks could be carried out.

The Commission took note of this information.

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

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The meeting closed at 1635 hours.