



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2002)1555 final

Brussels, 21 February 2002

MINUTES
of the 1555th meeting of the Commission
held in Brussels
(Breydel)
on Wednesday 13 February 2002
(morning)

These minutes have been adopted by the Commission at its 1556th meeting held in Brussels on 21st February 2002.

They comprise 25 pages.

CONTENTS

Attendance list	5-6
1. AGENDAS (OJ(2002)1555/3; SEC(2002)140/2).....	7
2. WEEKLY MEETING OF CHEFS DE CABINET (SEC(2002)1555 AND /2)	7
3. APPROVAL OF MINUTES OF 1554TH MEETING (5 FEBRUARY) AND SPECIAL MINUTES OF 1552ND AND 1554TH MEETINGS (23 JANUARY AND 5 FEBRUARY) (PV(2002)1554 AND /2; PV(2002)1552, PART II/4; PV(2002)1554, PART II AND /2).....	7
4. PARLIAMENT	8
4.1. FEBRUARY I PART-SESSION (SP(2002)361).....	8
4.2. ACTION TO BE TAKEN ON PARLIAMENT'S OPINIONS (SP(2002)360).....	8
4.3. OTHER MATTERS	8
5. PERMANENT REPRESENTATIVES COMMITTEE (SI(2002)103).....	8
PROPOSAL FOR A DIRECTIVE RELATING TO THE ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL NOISE (SI(2002)103).....	9
6. MONITORING THE APPLICATION OF COMMUNITY LAW: STATE AID (SEC(2002)139 TO /6)	10
7. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS.....	11
7.1. WRITTEN PROCEDURES APPROVED (SEC(2002)141 to /5).....	11
7.2. SENSITIVE WRITTEN PROCEDURES (SEC(2002)142).....	11
7.3. EMPOWERMENT (SEC(2002)7) 143 to /5).....	11

7.4. EMPOWERMENT OF THE COMMISSION MEMBER RESPONSIBLE FOR COMPETITION TO ADOPT CERTAIN PREPARATORY AND CONDITIONAL MEASURES PROVIDED FOR IN THE NOTICE ON IMMUNITY FROM FINES AND REDUCTION OF FINES IN CARTEL CASES (SEC(2002)119)	11
7.5. DELEGATIONS AND SUBDELEGATIONS OF POWERS	12
8. ADMINISTRATIVE AND BUDGETARY MATTERS (SEC(2002)144/2).....	12
ADMINISTRATIVE MATTERS (PERS(2002)30/2)	12
8.1. APPOINTMENTS	12
8.2. EXTENSION OF LEAVE ON PERSONAL GROUNDS FOR AN A2 OFFICIAL	14
8.3. MIDDLE-MANAGEMENT POSTS AND ORGANISATION CHARTS (PERS(2002)25).....	15
8.4. OTHER MATTERS	15
9. COMMUNICATION ON THE REVISION OF THE 1996 NOTICE ON IMMUNITY FROM FINES AND REDUCTION OF FINES IN CARTEL CASES (SEC(2002)150 TO /4)	16
10. OTHER BUSINESS	16
10.1. REFORM OF THE BASLE CAPITAL ACCORD AND MAIN ISSUES FOR THE EUROPEAN UNION (SEC(2002)149).....	16
10.2. JRC RESEARCH CENTRE IN PETTEN.....	16
11. COMMISSION'S ACTION PLAN FOR SKILLS AND MOBILITY (COM(2002)72 TO /5; SEC(2002)178)	17
12. TOWARDS A GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT (COM(2002)82 TO /4).....	19
13. RESPONSES TO THE CHALLENGES OF GLOBALISATION: COMMUNICATION AND REPORT (COM(2002)81 TO /4; SEC(2002)185 AND /2)	19

14. COMMUNICATION AND REPORT ON PREPARATIONS FOR THE INTERNATIONAL CONFERENCE ON FINANCING FOR DEVELOPMENT (MONTERREY, MEXICO, MARCH 2002) (SEC(2002)154 TO /4; COM(2002)87; SEC(2002)182)	19
15. PREPARATIONS FOR EURO-MEDITERRANEAN MINISTERIAL MEETING (VALENCIA, 22 AND 23 APRIL) (SEC(2002)159 TO /3).....	21
16. COUNCIL MEETINGS (SI(2002)126)	23
<i>ECONOMIC AND FINANCIAL AFFAIRS (12 FEBRUARY, BRUSSELS) (SI(2002)138)</i>	<i>23</i>
17. RELATIONS WITH NON-MEMBER COUNTRIES	24
COMMON FOREIGN AND SECURITY POLICY	24
<i>EC/UNITED STATES RELATIONS - STEEL INDUSTRY</i>	<i>24</i>

Single sitting: Wednesday 13 February (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 LIIKANEN	
Mr BOLKESTEIN	
Mr BUSQUIN	
Mr SOLBES	
Mr NIELSON	
Mr VERHEUGEN	
Mr PATTEN	
Mr LAMY	
Mr BYRNE	
Ms REDING	
Ms SCHREYER	
Mr VITORINO	Items 1 to 14
Ms DIAMANTOPOULOU	

Absent:

Mr BARNIER
Ms WALLSTRÖM

The following sat in to represent absent Members of the Commission

Ms GALLO ALVAREZ	A member of Mr Barnier's staff	
A. CARPARELLI	Deputy Chef de cabinet to Ms Wallström	
J. NUNES de ALMEIDA	A member of Mr Vitorino's staff	Items 15 to 17

The following also sat in

Mr PETITE	Director-General, Legal Service	
Mr MANSERVISI	Chef de cabinet to the President	
Mr FAULL	Commission Spokesman	
Mr DE LECEA	A member of the President's staff	Items 15 and 16
Mr ABOU	A member of the President's staff	Items 12 to 14
Mr PLANAS	Chef de cabinet to Mr Solbes	Items 15 and 16
Mr SCHMIDT	A member of Mr Nielson's staff	
Mr CARVOUNIS	Director in the Press and Communication DG	
Mr FIELDING	Spokesman	Item 11
Mr GABRICI	Spokesman	
Mr CURTIS	Spokesman	
Mr MASCHIO	SG.C.2	Items 12 to 14
Ms VAN RIJ-BRIZZI	SG.C.2	Items 12 to 14

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

1. AGENDAS

(OJ(2002)1555/3; SEC(2002)140/2)

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)1555 and /2)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 11 February.

**3. APPROVAL OF MINUTES OF 1554th MEETING (5 February) AND
SPECIAL MINUTES OF 1552nd AND 1554th MEETINGS (23 January and
5 February)**

(PV(2002)1554 and /2; PV(2002)1552, Part II/4; PV(2002)1554, Part II and /2)

The Commission approved the minutes of its 1554th meeting and the special minutes of its 1552nd meeting.

4. PARLIAMENT

4.1. FEBRUARY I PART-SESSION

(SP(2002)361)

The Commission took note of the record of Parliament's part-session held in Strasbourg from 4 to 7 February.

4.2. ACTION TO BE TAKEN ON PARLIAMENT'S OPINIONS

(SP(2002)360)

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 (SP(2002)360).

4.3. OTHER MATTERS

2000 discharge

The Commission took note of the agreement reached between the Members concerned on the arrangements for transmission to Parliament of a list of irregularities declared by the Member States in the implementation of the Structural Funds.

5. PERMANENT REPRESENTATIVES COMMITTEE

(SI(2002)103)

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 DIRECTIVE RELATING TO THE ASSESSMENT AND
MANAGEMENT OF ENVIRONMENTAL NOISE
(SI(2002)103)**

The Commission was informed of progress on this matter within the institutions and particularly of the hardening of Parliament's position on the timetable for presentation by the Commission of specific legislative proposals ("*daughter directives*").

In these circumstances, and in order to facilitate agreement at the conciliation committee meeting on 26 February, the Commission empowered the Commission Member taking part in that meeting, in agreement with the PRESIDENT, to ask that the statement below be published in the Official Journal at the same time as the text of the Directive:

"The Commission takes note of the text agreed for Article 1(2) of the Environmental Noise Directive by the members of the Conciliation Committee for the European Parliament and the Council.

The Commission considers that legislative proposals to reduce noise emissions from all major sources should be made on the basis of robust evidence supporting such proposals. This is in line with the "knowledge-based approach" for policymaking as proposed in the Sixth Environment Action Programme (COM(2001)31) and approved by the European Parliament and the Council.

In this regard, the reports required from Member States under the Directive on the basis of harmonised noise indicators will be an essential element. The provision of such data across the Community will allow the impact and benefits of possible measures to be properly assessed prior to presenting Community legislative proposals.

Therefore, and in accordance with the Treaty establishing the European Community, the Commission will evaluate the need to come forward with new

legislative proposals, reserving its right to decide as and when it would be appropriate to present any such proposals. This is consistent with the Commission's right of initiative, as laid out in the Treaty, while the requirements of Article 1(2) relating to the submission of new proposals within a fixed timeframe appear to be prejudicial to this right."

If this publication were refused, proposals would be laid before the Commission on the action to be taken.

**6. MONITORING THE APPLICATION OF COMMUNITY LAW: STATE AID
(SEC(2002)139 to /6)**

***STATE AID - 463rd FORTNIGHTLY MEETING OF CHEFS DE CABINET
(SEC(2002)139/6)***

The Commission adopted the decisions in SEC(2002)139/6, subject to the following clarifications:

***Multisectoral framework on regional aid for large investment projects and on
rescue and restructuring aid and closure aid for the steel sector
(C(2002)315 to /7)***

Decision:

to approve the thrust of the communication in C(2002)315/7 and the proposals to the Member States for appropriate measures, in line with the letters set out in the same document, and to empower Mr MONTI to adopt the finalised versions for notification and publication.

The Commission agreed that this matter needed to be presented to the outside world with particular care.

7. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

7.1. WRITTEN PROCEDURES APPROVED

(SEC(2002)141 to /5)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted by written procedure between 4 and 8 February.

7.2. SENSITIVE WRITTEN PROCEDURES

(SEC(2002)142)

The Commission took note of written procedures initiated between 4 and 8 February for the adoption of decisions with political implications.

7.3. EMPOWERMENT

(SEC(2002)7) 143 to /5)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the empowerment procedure between 4 and 8 February.

7.4. EMPOWERMENT OF THE COMMISSION MEMBER RESPONSIBLE FOR COMPETITION TO ADOPT CERTAIN PREPARATORY AND CONDITIONAL MEASURES PROVIDED FOR IN THE NOTICE ON IMMUNITY FROM FINES AND REDUCTION OF FINES IN CARTEL CASES

(SEC(2002)119)

The Commission adopted the proposal for an empowerment decision in SEC(2002)119.

7.5. DELEGATIONS AND SUBDELEGATIONS OF POWERS

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation procedure between 4 and 8 February, as archived on the "Grefe 2000" (Registry) website.

8. ADMINISTRATIVE AND BUDGETARY MATTERS **(SEC(2002)144/2)**

ADMINISTRATIVE MATTERS **(PERS(2002)30/2)**

8.1. APPOINTMENTS

DG BUDG.B - A2 post of Director

The Commission had before it applications under Articles 29(1)(a) and 29(1)(c) of the Staff Regulations for the A2 post of Director of Directorate B (Own resources, evaluation and financial programming) in the Budget DG (PERS(2001)220).

The Commission took note of the opinions of the Consultative Committee on Appointments of 16 October and 18 December 2001 (PERS(2001)220/2 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 Ms SCHREYER, it then decided to appoint Mr Jean-Pierre BACHÉ to the post.

This decision would take effect from 16 February.

DG RTD.F - A2 post of Director

The Commission had before it applications under Articles 29(1)(a), 29(1)(c) and 29(2) of the Staff Regulations for the A2 post of Director of Directorate F (Life sciences: research for health) in the Research DG (PERS(2001)242 to /3).

The Commission took note of the opinions of the Consultative Committee on Appointments of 27 November and 12 December 2001 (PERS(2001)242/4 and /5).

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 BUSQUIN, it then decided to appoint Mr Octavi QUINTANA TRÍAS to the post.

This decision would take effect from 1 May.

DG RTD.H - A2 post of Director

The Commission had before it applications under Articles 29(1)(a), 29(1)(c) and 29(2) of the Staff Regulations for the A2 post of Director of Directorate H (Competitive and sustainable growth: research for transport) in the Research DG (PERS(2001)131/2).

The Commission took note of the opinions of the Consultative Committee on Appointments of 27 November and 12 December 2001 (PERS(2001)131/3 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 BUSQUIN, it then decided to appoint Mr Jack METTHEY to the post.

This decision would take effect from 1 March.

DG RTD.J - A2 post of Director

The Commission had before it applications under Articles 29(1)(a), 29(1)(c) and 29 of the Staff Regulations for the A2 post of Director of Directorate J (Preserving the ecosystem: research for energy) in the Research DG (PERS(2001)130/2 and /3).

The Commission took note of the opinions of the Consultative Committee on Appointments of 27 November and 12 December 2001 (PERS(2001)130/4 and /5).

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 BUSQUIN, it then decided to appoint Mr Pablo FERNANDEZ RUIZ to the post.

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

8.2. EXTENSION OF LEAVE ON PERSONAL GROUNDS FOR AN A2 OFFICIAL

On a proposal from Mr KINNOCK, in agreement with the PRESIDENT, the Commission decided to grant the extension of leave on personal grounds

requested by Ms Georgette LALIS, A2 official, from 1 March 2002 to 28 February 2003.

**8.3. MIDDLE-MANAGEMENT POSTS AND ORGANISATION CHARTS
(PERS(2002)25)**

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

8.4. OTHER MATTERS

- 8.4.1. REQUEST FOR EMPOWERMENT CONCERNING THE
FINANCING OF THE CONVENTION ON THE FUTURE OF
EUROPE
(SEC(2002)192 and /2)

The Commission adopted the empowerment decision in
SEC(2002)192/2.

- 8.4.2. DRAFT COMMISSION DECISION PURSUANT TO ARTICLE 19
OF THE STAFF REGULATIONS
(SEC(2002)555)

The Commission adopted the decision in C(2002)555.

**9. COMMUNICATION ON THE REVISION OF THE 1996 NOTICE ON
IMMUNITY FROM FINES AND REDUCTION OF FINES IN CARTEL
CASES**

(SEC(2002)150 to /4)

The Commission adopted the communication concerning immunity from fines and reduction of fines in cartel cases (SEC(2002)150/4).

10. OTHER BUSINESS

***10.1. REFORM OF THE BASLE CAPITAL ACCORD AND MAIN ISSUES
FOR THE EUROPEAN UNION***

(SEC(2002)149)

The Commission took note of the information in SEC(2002)149.

10.2. JRC RESEARCH CENTRE IN PETTEN

Further to the information note on the Petten site distributed by Mr BUSQUIN on 5 February (SEC(2002)153), the Commission noted that the date for the temporary closedown of the reactor had been postponed from 8 to 19 February, in full agreement with the Dutch nuclear safety authorities, in order to minimise the risk of interrupting the supply of radioisotopes for medical use.

11. COMMISSION'S ACTION PLAN FOR SKILLS AND MOBILITY
(COM(2002)72 to /5; SEC(2002)178)

Ms DIAMANTOPOULOU and Ms REDING, in agreement with Mr BOLKESTEIN, tabled a communication to the Council on a Commission action plan for skills and mobility.

Ms DIAMANTOPOULOU reminded the meeting of the origins of this initiative (Commission communication on the new European labour markets in February 2001; Conclusions of the Stockholm European Council, March 2001; report of the high-level task force on skills and mobility, presented in December 2001).

Ms DIAMANTOPOULOU outlined the key principles and objectives of the action plan:

- to boost professional mobility and skill development, particularly by adapting education and training systems to the labour market and removing obstacles to the recognition of education and training;
- to facilitate geographical mobility, particularly by removing the remaining administrative and legal obstacles, the development of linguistic and transcultural skills, improved recognition of qualifications, and the development of an immigration policy at EU level;
- to improve information and transparency concerning job opportunities.

Among the remaining administrative and legal obstacles were social security provisions, which must be modernised and simplified (particularly by the introduction of a European health card), and problems in connection with the transferability of pension rights.

The plan included concrete proposals on 25 actions requiring intervention by the Commission, the Member States and the two sides of industry, and in some cases the Council and Parliament.

Ms REDING emphasised that the aim was not to make mobility compulsory but to remove the obstacles faced by those who wished or needed to exercise it.

Many of the 25 proposed actions concerned teaching and training, because of the scale of the shortfall in mastering key aptitudes (reading, writing, mathematics, information technology, languages) and the percentage of the population who did not complete their training.

In this connection, lifelong learning systems would be encouraged by the creation of "European prizes" to be granted to companies; in the field of the recognition of qualifications and skills, it was planned to create a genuine European training passport.

The Commission approved the communication in COM(2002)72/5 for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions.

- 12. TOWARDS A GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT**
(COM(2002)82 to /4)
- 13. RESPONSES TO THE CHALLENGES OF GLOBALISATION: COMMUNICATION AND REPORT**
(COM(2002)81 to /4; SEC(2002)185 and /2)
- 14. COMMUNICATION AND REPORT ON PREPARATIONS FOR THE INTERNATIONAL CONFERENCE ON FINANCING FOR DEVELOPMENT (MONTERREY, MEXICO, MARCH 2002)**
(SEC(2002)154 to /4; COM(2002)87; SEC(2002)182)

The PRESIDENT suggested that these three dossiers be taken together, since they all, in different ways, dealt with the consequences of the growing interdependence of world economies and the need to meet the various challenges with concerted action in as broad a framework as possible.

He summarised the contents of each document, noting in particular the worrying trend in the statistics on the level of public development aid, which fell far short of the objective of 0.7% of GNP (present Community average: 0.33% of GNP).

The Commission held an in-depth discussion on the three communications and the two reports.

Firstly, it welcomed the high quality of these contributions, which would enable the Commission to present a solid, argued and coherent position on the international scene and at important political gatherings such as the UN Conference on the financing of development (Monterrey, Mexico, March 2002) and the world summit on sustainable development (Johannesburg, September 2002).

In order to deploy these communications and reports to best effect, and to ensure the quality and uniformity of the messages to be given out at various events, it decided to ask the author departments, under the authority of the PRESIDENT, to draw up a summary briefing paper for the use of Commission Members, which would be widely distributed, including in the Commission's delegations to non-member countries.

As regards the communication *Towards a global partnership for sustainable development* (COM(2002)82/4), the Commission decided to make the following additions:

- in item 3.2 *Fighting poverty and promoting social development*, to add the following paragraph:

"Investing in health will bring huge rewards, not only in economic development terms but also in reducing poverty. It has been estimated that approximately 8 million lives could be saved by 2010 - mainly in the low-income countries - through key interventions against infectious diseases and nutritional deficiencies.";

- under the same item, in the box headed *European Union action*, to add the following:

"Raise the level of investment in health and heighten its important role in sustainable development, in conjunction with other donors and organisations."

Following this discussion, the Commission:

- approved, subject to the above amendments, the communication *Towards a global partnership for sustainable development* set out in COM(2002)82/4, for transmission to Parliament and the Council and, for an opinion, to the Economic and Social Committee and the Committee of the Regions;

- approved the communication *Responses to the challenges of globalisation* in COM(2002)81/4 for transmission to the Council, Parliament, the Economic and Social Committee and the Committee of the Regions;
- took note of the report in SEC(2002)185/2, *Responses to the Challenges of Globalisation: A study on the International Monetary and Financial System and on Financing for Development*, and noted that it would be transmitted as a staff working paper to the same institutions and bodies as the communication on the same subject;
- approved the communication on the preparations for the UN Conference on financing for development in COM(2002)87, for transmission to the Council, Parliament, the Economic and Social Committee and the Committee of the Regions;
- took note of the report on preparations for the Monterrey conference on financing for development as set out in SEC(2002)154/3 and /4, and noted that it would be transmitted as a Commission staff working paper to the same institutions and bodies as the communication on the same subject.

**15. PREPARATIONS FOR EURO-MEDITERRANEAN MINISTERIAL MEETING
(VALENCIA, 22 AND 23 APRIL)
(SEC(2002)159 to /3)**

Mr PATTEN, in agreement with Mr LAMY, presented a communication on preparations for the Euro-Mediterranean ministerial meeting to be held in Valencia (Spain) on 22 and 23 April.

This was to be seen not only in the context of the Barcelona process, relaunched by the Commission in 2000 with its communication *Reinvigorating the Barcelona process* (COM(2000)497), but also against the backdrop of the events of 11 September, which had increased the urgency and importance of such efforts.

The EU had already played a major role at the ministerial meeting held in Marseille at the end of 2000, and should continue to do so at the Valencia meeting.

Mr PATTEN outlined the various recommendations proposed for strengthening the Euro-Mediterranean partnership in its various aspects (policy and security; freedom, justice and governance; social, cultural and human partnership; economic and financial partnership; civil society and partnership).

It was important to conclude association agreements with the countries of the region, and the delays on the European side in ratifying some of these were to be deplored.

As regards cooperation structures, he drew attention to the recommendation concerning the creation of a Euro-Mediterranean foundation aimed at promoting dialogue between cultures and civilisations, and the one announcing a Commission proposal on the possibilities of improving the availability of long-term bank loans in the region.

The Commission held a wide-ranging exchange of views and agreed the following guidelines:

- to be credible, the Euro-Mediterranean partnership process must lead to concrete achievements, which meant setting priorities;
- as regards economic cooperation, improvements in the disbursement rate for Community aid reflected in part a rationalisation of the procedures for aid for projects, but also a shift towards types of assistance that could be disbursed

rapidly (budgetary aid and structural adjustment aid), which justified the creation of a specific framework;

- the serious problems facing the Mediterranean countries as a result of climate change and demographic pressure (overexploitation of water resources) called for cooperation in the field of research and technology transfers;
- dialogue with civil society should involve the general public more widely.

During the discussion, the Commission adopted the following amendment:

- on page 1, the third paragraph of the introduction to the communication was deleted.

Subject to this amendment, the Commission adopted the communication in SEC(2002)159/3 for transmission to Parliament and the Council.

16. COUNCIL MEETINGS

(SI(2002)126)

ECONOMIC AND FINANCIAL AFFAIRS

(12 FEBRUARY, BRUSSELS)

(SI(2002)138)

The PRESIDENT and Mr SOLBES reported on the Council meeting as regards the updated stability or convergence programmes submitted by certain Member States.

They reminded the meeting that the Council had:

- adopted the opinions on the updated stability programmes of seven Member States (France, Germany, Greece, Ireland, Italy, Portugal and Spain) and on the updated convergence programme of the United Kingdom;

- adopted unanimously, with respect to Germany and Portugal, not the "early warning" recommendations proposed by the Commission, but two statements on the budgetary situation of these two Member States. These statements confirmed that the early warning system was an essential element of the stability and growth pact and that, when the Commission had recommended the Council to adopt an early warning recommendation, it had acted in line with the provisions of the stability and growth pact; they also took account of the undertakings made by the two governments concerned, which were described as meeting the concerns expressed in the Commission recommendations, and concluded that the early warning procedure could therefore be declared closed.

The Commission had had a unilateral statement entered in the Council minutes taking note of the two statements relating to the budgetary situation of Germany and Portugal, recognising that the undertakings made by these two Member States met, in substance, the concerns expressed by the Commission in its early warning recommendations, and confirming that it would make use of the early warning procedure in all appropriate cases, in line with the rules laid down in the stability and growth pact.

The Commission discussed the situation created by the solution adopted by the Council.

17. RELATIONS WITH NON-MEMBER COUNTRIES

COMMON FOREIGN AND SECURITY POLICY

EC/UNITED STATES RELATIONS - STEEL INDUSTRY

Mr LAMY reported on the latest developments in negotiations with the US administration on the conditions for access to the US market for steel products. The

EU had to make sure that any import restriction measures imposed by the United States did not cause massive imports into the European market.

In this connection, he asked that a meeting of the group of Commission Members concerned with the steel industry be organised very quickly so as to be able to react before the end of February to any trade measures that the US administration might adopt.

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The meeting closed at 1315 hours.