



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2002)1582 final

Brussels, 2 October 2002

MINUTES
of the 1582nd meeting of the Commission
held in Strasbourg
(Winston Churchill Building)
on Tuesday 24 September 2002
(afternoon)

These minutes were approved by the Commission at its 1583nd meeting, held in Brussels on 2nd October 2002.

They contain 14 pages.

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Single sitting: Tuesday 24 September (afternoon)

The sitting opened at 1325 hours with Mr KINNOCK, Vice-President, in the chair.

Present:

Mr KINNOCK Vice-President

Mr MONTI

Mr LIIKANEN

Mr BOLKESTEIN

Mr BUSQUIN

Mr SOLBES

Mr NIELSON

Mr BYRNE

Mr BARNIER

Ms REDING

Ms SCHREYER

Ms WALLSTRÖM

Mr VITORINO

Ms DIAMANTOPOULOU

Absent:

Mr PRODI President

Ms de PALACIO Vice-President

Mr FISCHLER

Mr VERHEUGEN

Mr PATTEN

Mr LAMY

The following sat in to represent absent Members of the Commission

Mr SCHWAIGER	A member of Ms de Palacio's staff
Mr DANIELSSON	Deputy Chef de cabinet to Mr Verheugen
Mr POWER	A member of Mr Patten's staff
Mr THERY	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
Mr DE LECEA	Adviser in the President's Office
Mr MAMER	Spokesman
Mr LUCHNER	Deputy Chef de cabinet to Mr Kinnock
Ms RUSSO	A member of Mr Busquin's staff
Mr PLANAS	Chef de cabinet to Mr Solbes
Ms FLORES	A member of Mr Solbes's staff
Mr THOMAS	DG Press

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

1. AGENDAS

(OJ(2002)1582/3; SEC(2002)988/2)

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)1582)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 23 September.

3. APPROVAL OF MINUTES AND SPECIAL MINUTES OF 1581st MEETING

(18 September)

(PV(2002)1581; PV(2002)1581, Part II)

The Commission approved the minutes of its 1581st meeting.

4. PARLIAMENT

PARLIAMENTARY AFFAIRS GROUP

(SP(2002)3053)

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

It paid particular attention to the following:

Interinstitutional relations (point 1 of the record)

Codecision procedure - Article 251 EC

- Draft resolution - Postponement of the ban on the marketing of cosmetics tested on animals

The Commission adopted the line set out in SP(2002)3048.

**5. PERMANENT REPRESENTATIVES COMMITTEE
(SI(2002)1029)**

COUNCIL AFFAIRS GROUP (CAG)

The Commission took note of the record of the meeting of the Council Affairs Group held on Friday 20 September (SI(2002)1029).

**6. WORK OF THE CONVENTION
(SEC(2002)993)**

The Commission took note of the information distributed by Mr BARNIER and Mr VITORINO (SEC(2002)993) concerning the work of working party No 1 (Subsidiarity) set up under the Convention.

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

(C(2002)2606/6 and /7; C(2002)3349/5)

7.1. STATE AID - CASE DEFERRED

(C(2002)2606/6 and /7)

The Commission adopted the decision in C(2002)2606/7 (Case C 89/2001 - Aid for SMEs in Saxony).

**7.2. STATE AID - CORRIGENDUM TO A PREVIOUS COMMISSION
DECISION**

(C(2002)3349/5)

The Commission adopted the corrigendum to its decision C(2002)3349 final of 18 September in C(2002)3349/5 (Case N 143/2002 - Financial assistance to farmers following the storms in November 2001 - January 2002 - Greece).

8. WRITTEN PROCEDURES AND EMPOWERMENT

8.1. WRITTEN PROCEDURES APPROVED

(SEC(2002)989 to /5)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted by written procedure between 16 and 20 September.

8.2. SENSITIVE WRITTEN PROCEDURES
(SEC(2002)990)

The Commission took note of the following written procedures initiated between 16 and 20 September for the adoption of decisions with political implications:

Time limit: 24.09.2002

E/2002/1817 - COM(2002)532 DG TRADE

Commission report on steel rebalancing action.

Time limit: 25.09.2002

E/2002/1825 - C(2002)3553 DG AIDCO

EXPEDITED

Commission decision on projects and programmes to be financed under Article B7-701 of the EU budget: Project for the support of the civil society in the Gaçaça process in Rwanda: Surviving together (B7-701/2002/3037).

Time limit: 27.09.2002

E/2002/1819 - C(2002)3544 DG TRADE

Commission Regulation terminating certain safeguard proceedings, and establishing a system of monitoring in relation to certain steel products and providing for the refund of certain duties.

E/2002/1820 - C(2002)3545 DG TRADE

Commission Regulation imposing definitive safeguard measures against imports of certain steel products.

8.3. EMPOWERMENT

(SEC(2002)991 to /5)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the empowerment procedure between 16 and 20 September.

8.4. DELEGATION AND SUBDELEGATION OF POWERS

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation procedure between 16 and 20 September, as archived on the "Greffé 2000" (Registry) website.

**8.5. GENERAL EMPOWERMENT IN THE FIELD OF IMPORTS OF
CERTAIN TEXTILE PRODUCTS FROM NON-MEMBER COUNTRIES
(SEC(2002)1001)**

The Commission approved the empowerment decision set out in section IV of SEC(2002)1001.

9. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2002)992/3)

ADMINISTRATIVE MATTERS

(PERS(2002)136)

**INITIATION OF THE PROCEDURE LAID DOWN IN ARTICLE 50 OF THE
STAFF REGULATIONS**

The Commission decided to initiate the procedure laid down in Article 50 of the Staff Regulations in respect of two officials.

**10. STATE OF PROGRESS OF THE GALILEO PROGRAMME
(COM(2002)518 to /3; SEC(2002)1003)**

The Commission approved the communication in COM(2002)518/3 for transmission to Parliament, the Council and the Economic and Social Committee.

**11. PROPOSAL FOR A REGULATION ON INSURANCE REQUIREMENTS
FOR AIR CARRIERS AND AIRCRAFT OPERATORS
(COM(2002)521 to /4; SEC(2002)1003)**

The Commission adopted the proposal for a Regulation on insurance requirements (COM(2002)521/3 of 23 September) for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions.

The Commission also referred to its communication of 2 July (COM(2002)320 final), in which it had authorised the extension to 31 October of the guarantee systems put in place by certain Member States in respect of insurance for air transport.

In the light of recent developments in this sector, the Commission agreed that it was not appropriate to extend these guarantees beyond 31 October, and authorised Ms de PALACIO so to inform the Council.

**12. PERMANENT REPRESENTATIVES COMMITTEE (continued from item 5)
(SI(2002)1029)**

COUNCIL AFFAIRS GROUP (CAG)

**Specific programmes implementing the sixth RTD framework programme
(SI(2002)1003)**

Mr BUSQUIN reported on progress in the adoption by the Council of the specific programmes to implement the 6th framework programme.

He reported on the draft compromise drawn up in July 2002 that could secure majority support in the Council on the question of research involving stem cells derived from supernumerary embryos (ethical questions), and further exchanges of views on this subject with Parliament on 24 September.

In the light of the latest developments, he proposed to encourage the search for a solution which, without calling into question the substance of the compromise reached in July, would stipulate that the implementing rules for research on stem cells derived from embryos would be adopted in legislative form. This would enable Parliament's rights to be preserved in the procedure for adopting them.

The Commission empowered Mr BUSQUIN, in agreement with the PRESIDENT, to promote this solution at the Council meeting on 30 September.

**13. EXCESSIVE DEFICIT IN PORTUGAL - REPORT PREPARED IN
ACCORDANCE WITH ARTICLE 104(3) OF THE EC TREATY
(SEC(2002)1009/2 and /3)**

Mr SOLBES presented a report drawn up pursuant to Article 104(3) of the Treaty concerning Portugal's excessive public deficit in 2001.

He reminded the meeting of the chronology of the events: the notification by the Portuguese authorities that the public deficit for 2001 had reached 4.1% of GNP, followed by the announcement the same day by the Commission that the excessive deficit procedure had been initiated, in strict application of the European Council resolution on the stability and growth pact.

He summarised the various stages of this procedure as laid down in Article 104 of the Treaty: Commission report; opinion of the Economic and Financial Committee; Commission opinion to the Council if it considered that there was an excessive deficit; Council decision, on the basis of a Commission recommendation, on whether or not there was an excessive deficit and, in parallel, Council recommendation to the Member State concerned that the Member State bring this situation to an end by a stated deadline.

He set out the key points in the report on the level of the deficit and its causes.

The report was purely factual in nature, and was intended for the Economic and Financial Committee, which would have to give an opinion.

Mr SOLBES, in agreement with the PRESIDENT, also presented a communication to the Commission on the budgetary challenges in the euro area, giving an update on the economic prospects for the euro area and the likely repercussions on the budgetary programmes of the Member States.

The Commission held an in-depth exchange of views on these two subjects, following which it:

- approved the thrust of the report drawn up in accordance with Article 104(3) of the Treaty concerning Portugal (SEC(2002)1009/2), and authorised Mr SOLBES, in agreement with the PRESIDENT, to finalise the text in the light of the comments made during the meeting;

- took note of the communication in SEC(2002)1009/3 *Budgetary challenges in the euro area*.

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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 1530 hours.