EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2003)1627 final

Brussels, 1st October 2003

MINUTES

of the 1627th meeting of the Commission

held in Strasbourg

(Winston Churchill Building)

on Tuesday 23 September 2003

(afternoon)

These minutes were approved by the Commission at its 1628th meeting, held in Brussels on 1st October 2003.

They contain 15 pages.

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Single sitting: Tuesday 23 September (afternoon)

The sitting opened at 1300 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 LAMY	
Mr BARNIER	
Ms REDING	
Ms SCHREYER	
Ms WALLSTRÖM	
Mr VITORINO	
Ms DIAMANTOPOULOU	

Absent:

Mr NIELSON

Mr VERHEUGEN

Mr PATTEN

Mr BYRNE

The following sat in to represent absent Members of the Commission

Mr MØRCH	A member of Mr Nielson's staff	
Ms PROUT	A member of Mr Verheugen's staff	
Mr POWER	Assistant in Mr Patten's Office	
Mr KERSTENS	A member of Mr Byrne's staff	

The following also sat in

Mr PETITE	Director-General, Legal Service	
Mr MANSERVISI	Chef de cabinet to the President	
Mr KEMPPINEN	Commission Spokesman	
Mr KREUZHUBER	Spokesman	
Mr VINCENT	Spokesman	
Mr STROHMEIER	Adviser in the President's Office	Items 8 to 10
Mr KOOPMAN	Chef de cabinet to Mr Kinnock	Item 7
Mr CALLEJA CRESPO	Chef de cabinet to Ms de Palacio	
Mr SCHINAS	Deputy Chef de cabinet to Ms de Palacio	Item 4
Mr CARDANI	Deputy Chef de cabinet to Mr Monti	Item 6
Ms MAUPERON	A member of Mr Fischler's staff	
Mr NØRLUND	Chef de cabinet to Mr Bolkestein	
Mr PLANAS	Chef de cabinet to Mr Solbes	Items 7 to 10
Mr BEKX	Deputy Chef de Cabinet to Mr Solbes	
Mr SPENCE	Deputy Chef de cabinet to Ms Schreyer	
Mr AZEMOPOULOS	A member of Ms Diamantopoulou's staff	

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

1. AGENDAS

(OJ(2003)1627/3; SEC(2003)1017/2)

The Commission took note of that day's agenda and of the tentative agendas for forthcoming meetings.

2. WEEKLY MEETING OF CHEFS DE CABINET

(SEC(2003)1627)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 22 September.

3. MINUTES OF 1626th MEETING (17 September)

(PV(2003)1626 and /2)

The Commission approved the minutes of its 1626th meeting.

4. PARLIAMENT

PARLIAMENTARY AFFAIRS GROUP

(SP(2003)3176 and /2)

The Commission took note of the record of the meeting of the Parliamentary Affairs Group held on 18 September (SP(2003)3176 and /2).

It paid particular attention to the following:

i) **Interinstitutional relations**

(point 1 of the record)

Codecision procedure - Article 251 EC

– JARZEMBOWSKI report, Market access to port services

The Commission adopted the line set out in SP(2003)3177 for the conciliation committee meeting on 29 September.

ii) **Preparations for September II and October I part-sessions**

(point 2 of the record)

The Commission paid particular attention to the following:

Non-legislative matters

– Debate on the EU general budget - 2004

The Commission took note of SP(2003)3175 concerning the general budget of the European Union for 2004.

– PERRY report, Lloyds petitions

The Commission took note of SP(2003)3158.

iii) **Action taken on Parliament's opinions and resolutions**

(point 5 of the record)

The Commission adopted the replies to non-legislative opinions and own-initiative resolutions adopted by Parliament to which the Commission had undertaken to reply (SP(2003)3098), for transmission to Parliament.

It also adopted SP(2003)2339/3 on the action taken on Parliament's opinions and resolutions adopted at its June I and II part-sessions (missing pages), for transmission to Parliament.

5. WRITTEN PROCEDURES AND EMPOWERMENT

5.1. WRITTEN PROCEDURES APPROVED
(SEC(2003)1018 et seq.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 15 and 19 September.

5.2. SENSITIVE WRITTEN PROCEDURES
(SEC(2003)1019)

The Commission took note of written procedures initiated between 15 and 19 September for the adoption of decisions with political implications.

5.3. EMPOWERMENT
(SEC(2003)1020 et seq.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 15 and 19 September.

5.4. DELEGATION AND SUBDELEGATION OF POWERS

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation procedure between 15 and 19 September, as archived on the "Greffe 2000" (Registry) website.

6. MONITORING THE APPLICATION OF COMMUNITY LAW

STATE AID - SPECIFIC CASE

NN 70/2003 ***FRANCE***

Aid in favour of Alstom

Mr MONTI referred to the Commission's decisions on this case at its previous meeting (PV(2003)1626, item 9). He reported on developments since then, and on the changes made by the French authorities to the support plan for the company. The conditions laid down by the Commission had been met, so there had been no need to issue the suspension order for which he had been empowered, in agreement with the PRESIDENT. Mr MONTI praised the French authorities for their cooperation and thanked the Commission for its confidence in his handling of this delicate and complex matter.

The Commission expressed satisfaction with the solution reached and noted that the investigation of the substance of the case was going ahead in accordance with the rules in force. Without going into the merits of this particular case, the Commission confirmed that it wished to tackle the various problems confronting European industry. The PRESIDENT had asked Mr LIIKANEN, in coordination with other Members concerned, to make proposals for the presentation of a strategy to the Council (Competitiveness) on 27 November.

The Commission also asked the Secretariat-General and the Legal Service to review the conditions regarding consultations required in exercising an empowerment, bearing in mind the urgent circumstances in which it might have to be exercised.

7. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2003)1021/2)

ADMINISTRATIVE MATTERS

(PERS(2003)124)

7.1. DG ADMIN - CREATION OF A POST OF CHIEF ADVISER AND APPOINTMENT OF AN A2 OFFICIAL TO THE POST FOLLOWING LEAVE ON PERSONAL GROUNDS

On a proposal from Mr KINNOCK, in agreement with the PRESIDENT, the Commission decided:

- to create a post of Chief Adviser, reporting to the Director-General for Personnel and Administration;

- to appoint to this post Mr José ANACORETA CORREIA, an A2 official, currently on leave on personal grounds.

This decision would take effect from 1 December.

OTHER MATTERS

7.2. FOLLOW-UP TO THE EUROSTAT AFFAIR (SEC(2003)1050)

On the basis of a presentation by Ms SCHREYER and Mr KINNOCK, the Commission examined the current state of this affair in detail. The replies by Directors-General to the questionnaire sent to them confirmed that since 2000 no practices of the kind observed or alleged at Eurostat had taken place in their departments. The Commission took note of the analysis of these replies in SEC(2003)1050 and agreed that it would be published.

The Commission also took note of the arrangements made by the PRESIDENT for informing Parliament and of his appearance before the enlarged Conference of Presidents scheduled for Thursday 25 September. It endorsed his wish to report on the situation completely transparently on the basis of a detailed presentation of the facts, the circumstances in which the Commission had become aware of them, and the measures it had taken and would continue to take to deal with this matter.

8. ACCOMPLISHING A SUSTAINABLE AGRICULTURAL MODEL FOR EUROPE THROUGH THE REFORMED CAP: THE TOBACCO, OLIVE OIL, COTTON AND SUGAR SECTORS
(COM(2003)554 to /5; SEC(2003)1022/2; SEC(2003)1023; SEC(2003)1037)

Mr FISCHLER set out the main points of the communication before the Commission. Based on the objectives and approach of the June 2003 reform of the common agricultural policy, the document fulfilled the undertaking given by the Commission to the Council in Luxembourg to present a communication on the reform of the common organisation of the olive oil, tobacco and cotton markets. The communication, which was political in nature, would be followed by the presentation of legislative proposals for the three sectors concerned in November. It was also aimed at launching a political debate on the European sugar regime, and put forward three reform options for discussion.

The Commission took note of this information and considered various implications of the reform schemes proposed, in particular: the budgetary impact of the reform as a whole and its repercussions on the various budget headings; bringing the reforms into line with the results of the Cancun meeting; the production data used for olive oil; the advisability of full decoupling in the tobacco sector and of distinguishing

between different varieties of tobacco; the appropriate degree of decoupling for the cotton sector, and the stronger political message that a more ambitious approach might send internationally; as for the sugar sector, the need for a more exact timetable for the presentation of legislative proposals, and taking into account the implications of the reform for ACP sugar producers.

Following this exchange of views and taking note of additional explanations provided by Mr FISCHLER on various issues raised, the Commission adopted the communication in COM(2003)554/5. This, together with the departmental working papers in SEC(2003)1022/2 and SEC(2003)1023, would be transmitted to the Council and Parliament and, for information, to the Economic and Social Committee and the Committee of the Regions. Legislative proposals on the reform of the sugar sector would be tabled before mid-2004.

9. COUNCIL MEETINGS

(SI(2003)924)

COMPETITIVENESS (INTERNAL MARKET, INDUSTRY AND RESEARCH) (BRUSSELS, 22 SEPTEMBER)

(SI(2003)929)

Mr BUSQUIN reported on the main points of the Council meeting: political agreement had been reached on the signing of the cooperation agreement between the EU and the European Space Agency; 27 November had been chosen as the date for reaching agreement on the choice of the European site for the future international experimental nuclear fusion reactor (ITER); the idea had emerged of a Council of ministers specifically for research; a resolution had been adopted on the research action plan presented by the Commission. Ministers had also discussed the

Commission proposal to define an ethical framework for embryonic stem cell research.

Mr LIIKANEN confirmed that questions relating to competitiveness and the problems of deindustrialisation in Europe were a shared concern and had been brought up at the Council meeting. The Commission would have to present proposals at the next Council meeting in November.

Mr VITORINO reported that the Council had reached political agreement on the proposal for a Directive on freedom of movement for Union citizens and their families.

10. WTO MINISTERIAL CONFERENCE (CANCUN, 10 TO 14 SEPTEMBER) (SEC(2003)1040 and /2)

On the basis of SEC(2003)1040 and further information supplied during the meeting by Mr LAMY and Mr FISCHLER, the Commission held an exchange of views on the reasons, both structural and in terms of the economic outlook, for the failure of the Cancun conference, and on the conclusions to be drawn for the Union's future strategy. It took note of the graphs distributed by Mr FISCHLER showing the levels of tariff protection and subsidies provided for various agricultural products by the Union and by the large world producers, and endorsed his view of the need to make a special effort of communication to bring the true facts back into public focus.

The Commission decided to hold an in-depth discussion on these various questions and on the Union's relations with the United States at a future seminar to be prepared for by the Members concerned.

11. COUNCIL MEETINGS (continued from item 9)

(SI(2003)924)

MINISTERIAL CONFERENCE ON HIGHER EDUCATION
(BERLIN, 18 SEPTEMBER)

Ms REDING reported on the very positive outcome of the ministerial conference on higher education. There had been a period of stalemate but now, thanks to the Commission's active support, fresh impetus had been given to the Bologna process in the shape of firm commitments, with 2005 as the deadline for their achievement.

12. RELATIONS WITH NON-MEMBER COUNTRIES

12.1. VISIT BY Mr LIIKANEN TO CHINA
(13-18 SEPTEMBER)
(SEC(2003)1049)

The Commission took note of the information supplied during the meeting by Mr LIIKANEN on his visit to China and Korea, particularly as to the thrust of his discussions with the Chinese authorities on the granting of licences in China for third-generation mobile communications.

12.2. INTERNATIONAL MONETARY FUND / G7 MEETINGS
(DUBAI, 19-21 SEPTEMBER)
(SEC(2003)1056)

Mr SOLBES reported on the main points discussed at the meetings of the International Monetary Fund and the G7 and G10 Finance Ministers and central bank governors, in which he had taken part.

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The meeting closed at 1620 hours.