



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2003)1636 final

Brussels, 3rd December 2003

MINUTES
of the 1636th meeting of the Commission
held in Brussels
(Breydel)
on Wednesday 26 November 2003
(morning and afternoon)

These minutes were approved by the Commission at its 1637th meeting, held in Brussels on 3 December 2000

They contain 28 pages.

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The 1636th meeting of the Commission took place in two parts:

- Wednesday 26 November, morning
- Wednesday 26 November, afternoon.

First sitting: Wednesday 26 November (morning)

The sitting opened at 0850 hours with Mr Prodi, President, in the chair.

Present:

Mr PRODI	President
Mr KINNOCK	Vice-President
Ms de PALACIO	Vice-President
Mr MONTI	
Mr LIIKANEN	
Mr BOLKESTEIN	
Mr SOLBES	
Mr VERHEUGEN	
Mr LAMY	
Mr BYRNE	
Mr BARNIER	
Ms REDING	
Ms SCHREYER	
Mr VITORINO	
Ms DIAMANTOPOULOU	

Absent:

Mr FISCHLER
Mr BUSQUIN
Mr NIELSON
Mr PATTEN

Ms WALLSTRÖM

The following sat in (morning and/or afternoon) to represent absent Commission

Members

Mr HANIOTIS	Deputy Chef de cabinet to Mr Fischler
Mr CAPOUET	Chef de cabinet to Mr Busquin
Mr MØRCH	A member of Mr Nielson's staff
Mr CHILD	Chef de cabinet to Mr Patten
Mr ANNERBERG	Chef de cabinet to Ms Wallström

The following also sat in (morning and/or afternoon)

Mr MARENCO	Deputy Director-General, Legal Service	
Mr MANSERVISI	Chef de cabinet to the President	
Mr DE OLIVEIRA E SOUSA	Director-General, Press and Communication	
Mr MAMER	Spokesman	
Mr THOMAS	Spokesman	
Mr TODD	Spokesman	Item 12
Ms GONZALEZ-LAYA	Spokesman	Item 12
Ms HOUTMAN	Deputy Chef de cabinet to the President	Items 12 and 14
Mr DE LECEA	Adviser in the President's Office	Item 15
Mr GUSSETTI	A member of the President's staff	Items 12 to 17
Mr SMULDERS	A member of the President's staff	Item 13
Mr CALLEJA	Chef de cabinet to Ms de Palacio	Item 14
Mr VAN HOOFF	Chef de cabinet to Mr Monti	
Ms OLIVI	A member of Mr Monti's staff	Item 13
Mr NØRLUND	Chef de cabinet to Mr Bolkestein	
Mr PAQUET	Deputy Chef de cabinet to Mr Busquin	
Ms BURY	A member of Mr Bolkestein's staff	Items 12 and 13

Mr ROBIN-CHAMPIGNEUL	A member of Mr Busquin's staff	Items 15 to 17
Mr PLANAS	Chef de cabinet to Mr Solbes	Items 1 to 15
Mr MARTINEZ-MONGAY	A member of Mr Solbes's staff	Item 15
Mr REDONNET	A member of Mr Lamy's staff	
Ms VIGNAL	A member of Mr Lamy's staff	
Ms ROGER	Chef de cabinet to Mr Barnier	
Ms CARPARELLI	Deputy Chef de cabinet to Ms Wallström	Items 15 to 17
Mr CAVACO	Chef de cabinet to Mr Vitorino	Items 13 and 14
Mr FONSECA MORILLO	Deputy Chef de cabinet to Mr Vitorino	Items 1 to 13
Ms HELFFERICH	A member of Ms Diamantopoulou's staff	
Mr REGLING	Director-General, Economic and Financial Affairs	Item 15
Mr CARVOUNIS	Press and Communication DG	
Mr BORCHARDT	Secretariat-General	
Mr PONZANO	Secretariat-General	Item 13
Mr BURGHELLE-VERNET	Secretariat-General	Item 12
Mr DAVILA MURO	Secretariat-General	Items 10 to 15

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

1. AGENDAS

(OJ(2003)1636/3; SEC(2003)1329/2)

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)1636)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 24 November, amended as follows:

- on page 17, item 6(e) to read "in the context of **Article III-56 (state aid)**...", instead of "Article III-116".

3. APPROVAL OF MINUTES AND SPECIAL MINUTES OF 1635th MEETING

(18 November)

(PV(2003)1635; PV(2003)1635, Part II to /3)

The Commission approved the minutes of its 1635th meeting.

4. PARLIAMENT

4.1. NOVEMBER II PART-SESSION

(SP(2003)3807/2)

The Commission took note of the information supplied relating to Parliament's part-session held from 17 to 20 November (SP(2003)3807/2).

4.2. ACTION TO BE TAKEN ON PARLIAMENT'S OPINIONS

(SP(2003)3806/2)

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(2003)3806/2).

5. MONITORING THE APPLICATION OF COMMUNITY LAW

5.1. STATE AID - SPECIFIC CASES

(SEC(2003)1290; SEC(2003)1291)

The Commission adopted the decisions in SEC(2003)1291.

5.2. STATE AID - REPORT ON THE IMPLEMENTATION OF THE NOTICE ON THE APPLICATION OF THE STATE AID RULES TO MEASURES RELATING TO DIRECT BUSINESS TAXATION

(SEC(2003)1327 to /3; SEC(2003)1290)

The Commission adopted in principle the report in SEC(2003)1327/3 on the implementation of the notice on the application of the state aid rules to measures relating to direct business taxation. It empowered Mr MONTI, in agreement with the

PRESIDENT, to adopt the report in all the official languages, for transmission to the Member States and for publication on the Europa website.

5.3. FRAMEWORK FOR STATE AID TO SHIPBUILDING
(SEC(2003)1320 to /5; SEC(2003)1290)

The Commission adopted in principle the framework for state aid to shipbuilding in SEC(2003)1320/5. It empowered Mr MONTI, in agreement with the PRESIDENT, to adopt the framework in all the official languages, for transmission to the Member States and for publication in the Official Journal.

The Commission agreed that it would continue to monitor developments on the shipbuilding market and keep the Member States and Parliament informed of its conclusions.

5.4. INFRINGEMENTS - URGENT OR POSTPONED CASES
(SEC(2003)1352; SEC(2003)1252/3; SEC(2003)1359)

The Commission considered the following cases:

Case 1996/2254 France

Non-transposal of Directive 89/48/EEC for the profession of psychologist

The Commission adopted the decision in SEC(2003)1359.

Case 1999/4946 France

Exemption from income tax on savings plans in shares (PEA)

While noting that the PEA scheme provided for the taxation of investments in companies and investment funds established in EEA countries, contrary to Articles 49 and 56 EC and Articles 36 and 40 EEA, the Commission also noted that a question arose as to the applicability of Articles 56 and 58 EC, in view of the exclusion from income tax exemption of certain investments in companies established in non-member countries. It

decided to hold this item over for its meeting on 21 January 2004, in order to take into account the discussions in the Intergovernmental Conference on these questions.

6. WRITTEN PROCEDURES AND EMPOWERMENT

6.1. WRITTEN PROCEDURES APPROVED

(SEC(2003)1330 et seq.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 17 and 21 November.

6.2. SENSITIVE WRITTEN PROCEDURES

(SEC(2003)1331)

The Commission took note of the following written procedures initiated between 17 and 21 November for the adoption of decisions with political implications:

6.3. EMPOWERMENT

(SEC(2003)1332 et seq.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 17 and 21 November.

6.4. DELEGATION AND SUBDELEGATION OF POWERS

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation procedure between 17 and 21 November, as archived on the "Greffé 2000" (Registry) website.

7. ADMINISTRATIVE AND BUDGETARY MATTERS
(SEC(2003)1333/2)

ADMINISTRATIVE MATTERS
(PERS(2003)149)

7.1. SG/D - INTERIM A2 APPOINTMENT

The Commission, on a proposal from Mr KINNOCK, in agreement with the PRESIDENT, decided under Article 7(2) of the Staff Regulations that Mr Philippe BURGHELLE-VERNET, an A3 official, currently Head of Unit D.1 (Relations with the Council I) in the Secretariat-General, should be deemed temporarily to have occupied the post of Director, Directorate SG/D (Relations with the Council) from 1 May to 31 August 2003.

This decision would take effect immediately.

7.2. JCR/SEVILLE - INTERIM A2 APPOINTMENT

The Commission, on a proposal from Mr KINNOCK, in agreement with the PRESIDENT and Mr BUSQUIN, decided under Article 7(2) of the Staff Regulations that Mr Per SØRUP, an A3 official, currently Head of Unit (Technologies for sustainable development) in the Joint Research Centre at Seville, should be deemed temporarily to have occupied the post of Director of the Institute for Prospective Technological Studies from 1 November 2002 to 31 October 2003.

This decision would take effect immediately.

**8. AWARDING A GRANT FOR THE YEAR 2004 TO THE HOST STRUCTURES
OF THE INFO-POINTS EUROPE AND RURAL INFORMATION AND
PROMOTION CARREFOURS**

(C(2003)4446 to /3)

The Commission took note of the results of the budget conciliation meeting of 24 November, at which Parliament and the Council had approved the Commission's intention to take an interim decision to maintain for 2004 the grants to the Info-Points and Rural Carrefours currently receiving financial assistance from the Community budget. Consequently, the Commission adopted the decision in C(2003)4446.

In line with its discussions of 11 November (PV (2003)1634, item 12), the Commission confirmed that it wanted a communication to be submitted to it as soon as possible, preferably before the end of the year, on the implementation of the information and communication strategy beyond 2004. Further work would be done on the possibility of adopting a legislative act to provide a definitive solution for the funding of the Info-Points Europe and Rural Information and Promotion Carrefours.

**9. THE EU ECONOMY: 2003 REVIEW -
SUMMARY AND MAIN CONCLUSIONS**
(COM(2003)729 to /4; SEC(2003)1353)

The Commission approved the communication from Mr SOLBES in COM(2002)729/4 for transmission to the Council and the European Central Bank and, for opinions, to Parliament, the Economic and Social Committee and the Committee of the Regions.

It was noted that the communication was a summarised version of a staff working paper, which dealt with the same questions in more detail.

**10. NOTICE TO IMPORTERS - IMPORTS INTO THE COMMUNITY OF
PRODUCTS FROM SERBIA AND MONTENEGRO
(SEC(2003)1360 and /2)**

The Commission decided to hold this item over for its first meeting in January 2004. It noted that it could reopen this postponement decision if need be, for instance in the light of information supplied following the Taxation and Customs Union DG's mission to Serbia and Montenegro.

**11. COMMUNICATION TO THE COUNCIL AND PARLIAMENT *REVIVING THE
DDA NEGOTIATIONS - THE EU PERSPECTIVE*
(COM(2003)734 to /4; SEC(2003)1358)**

Mr LAMY set out the main points of the draft communication before the Commission. The communication, which was based on an analysis of the collapse of the Cancun talks and on intense consultations with the Member States, Parliament, civil society and non-member countries, was designed to lay the groundwork for a Union strategy for a speedy relaunch of negotiations. While retaining the goal of a multilateral framework both on the opening-up of markets and on better regulation in order to encourage development, it expressed the Union's wish to resume the negotiations on an adjusted and updated basis in certain fields and to send a signal to the Union's other trade partners to act similarly to give the process new impetus.

Mr LAMY also mentioned the Union's negotiations with Mercosur on the possible conclusion of an association and free trade agreement by the end of 2004. He highlighted the connection between these negotiations and those in the WTO, and pointed to the need for the Union to avoid any bilateral concessions that might be granted to Mercosur supplying a pretext for upping the ante within the WTO.

Finally, Mr LAMY reported on the meeting at the beginning of the week with the Israeli Deputy Prime Minister, when the question of products from the Occupied Territories had been raised.

After taking note of this information, the Commission held an exchange of views on the communication tabled by Mr LAMY and Mr FISCHLER, particularly on the scope of the approach suggested for the "Singapore issues", where, as Mr LAMY explained, it was not a question of withdrawing them from the negotiations, but at most removing them from the "single undertaking" of the negotiations by negotiating them if necessary as plurilateral agreements or even if possible as multilateral agreements.

After its discussions, the Commission adopted the communication in COM(2003)734/4 for transmission to the Council, Parliament and the Economic and Social Committee. Mr LAMY would report within a reasonable timescale on the negotiations as a whole and in particular, before taking any plurilateral approach in relation to the four Singapore issues, he would table a detailed recommendation on the question whether such agreements were likely to provide added value.

On the proposal by the Israeli Deputy Prime Minister concerning the rules of origin for products, given that this problem was by nature both technical and political, it was agreed that a further study be made, to be coordinated by Mr PATTEN, Mr LAMY, Mr BOLKESTEIN and Mr VERHEUGEN.

12. PERMANENT REPRESENTATIVES COMMITTEE

COUNCIL AFFAIRS GROUP (CAG)

(SI(2003)1255 and /2)

The Commission took note of the record of the Council Affairs Group meeting held on Friday 21 November.

It paid particular attention to the following:

i) **Proposal for a Council Regulation on the Community patent**

(point 4 of the record)

The Commission authorised Mr BOLKESTEIN to take a position at the Council meeting (Competitiveness) on 26 and 27 November along the lines set out in the note at Annex 1 to the record, as clarified by the comments made in the CAG and in contacts with the Legal Service.

ii) **Proposal for a Parliament and Council Directive amending Council Directives 72/166/EEC, 88/357/EEC and 90/232/EEC and Directive 2000/26/EC relating to insurance against civil liability in respect of the use of motor vehicles**

(point 5 of the record)

The Commission authorised Mr BOLKESTEIN to take a position at the Council meeting (Competitiveness) on 26 and 27 November along the lines set out in the note at Annex 2 to the record.

iii) **Proposal for a Parliament and Council Directive on the harmonisation of transparency requirements with regard to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC**

(point 7 of the record)

The Commission confirmed the agreement given *ad referendum* by Mr BOLKESTEIN at the Council meeting (Economic and Financial Affairs) on 25 November (Annex 3 to SI(2003)1255; SI(2003)1285).

- iv) **Proposal for a Council decision authorising the Member States to sign, ratify or accede to, in the interest of the European Community, the Protocol of 2003 to the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage, 1992, and authorising Austria and Luxemburg, in the interest of the European Community, to accede to the underlying instruments - Commission statement**
(point 8 of the record)

The Commission instructed its departments to communicate the statement set out at Annex 4 to the record to the appropriate Council bodies.

- v) **Proposal for a Council Regulation on the control of concentrations between undertakings**
(point 9 of the record)

The Commission authorised Mr MONTI to take a position at the Council meeting (Competitiveness) on 26 and 27 November along the lines set out in the note at Annex 5 to the record.

- vi) **TEN Financial Regulation**
(point 11 of the record)

The Commission confirmed the agreement given *ad referendum* by Ms de PALACIO at the Council meeting (Economic and Financial Affairs) on 25 November concerning the compromise on the intervention rate for cross-border sections of the trans-European transport networks (cf. SI(2003)1255/2; SI(2003)1285).

vii) **Proposal for a Council Directive amending Directive 90/435/EEC on the common system of taxation applicable in the case of parent companies and subsidiaries of different Member States**

(point 14 of the record)

The Commission confirmed the agreement given *ad referendum* by Mr BOLKESTEIN to the political agreement at the Council meeting (Economic and Financial Affairs) on 25 November.

viii) **Proposal for a Parliament and Council Directive on takeover bids**

(point 6 of the record)

On the basis of a presentation by Mr BOLKESTEIN of the background to the dossier and the latest developments, the Commission considered in depth:

- the various components of the Presidency's compromise proposal, in particular the optional nature of Articles 9 and 11, and the instrument of the revision clause;
- the fact that this compromise represented a step backwards from the objective sought by the Commission proposal;
- the potential added value of a Directive adopted on the basis of this compromise, having regard to the current situation;
- the position of the Member States and Parliament on the Presidency compromise;
- the possibility of securing improvements to the compromise proposal in negotiations in the Council;
- the repercussions that adopting the compromise proposal would have on the internal market and competition conditions;

- the politico-institutional implications of any withdrawal by the Commission of its proposal;
- the prospects (in the light of the maintenance or withdrawal of the proposal) for Community company law;
- the coherence of the positions taken by the Member States, given their statements on the need to encourage a European industrial policy.

After its discussions, the Commission confirmed that it was deeply dissatisfied with the way this issue had developed and that it wished to take a firm stand to this effect. It mandated Mr BOLKESTEIN to continue the negotiations in the light of its exchange of views with a view to securing the best possible result, particularly on an adaptation of the revision clause so as to ensure a speedy re-examination with a view to keeping future options open.

13. INTERGOVERNMENTAL CONFERENCE

(SEC(2003)1351; SEC(2003)1362; SEC(2003)1388; SEC(2003)1392)

Based on a presentation by Mr BARNIER and Mr VITORINO of the results of the work of the Piris Group and the "focal points", and on their analysis of the compromise distributed by the Italian Presidency for the Naples conclave on 28 and 29 November (SEC(2003)1392), the Commission held an in-depth discussion on the position to be taken at that meeting and the strategy to be developed in the run-up to the Brussels European Council.

The Commission noted that an overall assessment of the Italian Presidency compromise showed that there was no major upset in the overall balance that had emerged from the Convention, but discussions on the most sensitive institutional matters remained *de facto* reserved for the European Council. It considered the solutions likely to emerge on the

composition of the Commission and the voting system in the Council, and the potential interaction of any concessions that might be made on these two issues. There had been some encouraging progress, particularly as regards economic governance, but also disappointment over the dilution of the provisions on defence and judicial cooperation in criminal matters, and the Commission pointed to the need to remain vigilant to avoid any backsliding from the existing position. It expressed concern about the effects of giving primacy to the responsibilities to be exercised by the Foreign Minister under instructions from the Council, and on the danger that the Community aspects of foreign policy might be brought under the CFSP. It was also firmly opposed to the amendments proposed to Articles III-56 and III-116 (state aid). The Commission also considered, among other things, the future of Denmark's protocol concerning the third pillar; the amendment presented by the Commission on public health (Article III-179); the European public prosecutor (article III-175); sport (Article III-182); in general, the consolidation of texts and particularly those of the accession treaties.

Having noted that the views expressed during the meeting would be defended at the Naples conclave, the PRESIDENT concluded the discussion by noting the need for the Commission to define its negotiating strategy in good time before the European Council. In the meantime, all necessary efforts would have to be made to promote and defend the Commission's position vis-à-vis the Member States, leaving open the possibility of taking a public initiative, in a form to be determined later, to explain its position.

14. RELATIONS WITH NON-MEMBER COUNTRIES

***TRANSFER OF AIR PASSENGER NAME RECORD (PNR) DATA: THE NEED
FOR A GLOBAL EU APPROACH
(SEC(2003)1357 to /5)***

Mr BOLKESTEIN reported on discussions with the US authorities on the transfer of data on air passengers, and set forth his conclusions as to the action to be taken.

The Commission congratulated Mr BOLKESTEIN and thanked him for the remarkable results of his negotiations, and held an in-depth discussion, in particular on:

- the scope of the various components of the American offer (particularly the nature and number of the data that airlines would be asked to transfer; how long these data would be retained; the purpose of their use (“purpose limitation”, in particular concerning the US authorities' wish to use them for combating "ordinary" crime as well as terrorism);
- the question whether the results of the negotiations were sufficient and maintained proportionality between the security objectives sought and the protection of privacy;
- the choice and nature of the most suitable instrument for legalising the transfer of data (international agreement; alternatively, “adequacy finding” under Article 25(6) of Directive 1995/46/EC on the protection of individuals with regard to the processing of personal data, together with a “light” international agreement);
- in either case, whether with an international agreement or adequacy finding, the temporary nature of this solution (in principle for three and a half years) and the need for it to be part of a wider package including measures to ensure, first, that the transferring of the data would be under the control of the Union (“push” system with filters) and in full transparency vis-à-vis passengers (with their consent) and,

second, the definition of a European approach to the use of personal data for security and law enforcement purposes;

- the need for the “light” international agreement that would complement adequacy finding to include a non-discrimination and reciprocity clause;
- the likely consequences of choosing one or the other instrument (particularly vis-à-vis Parliament, the Member States and the United States);
- the reasons why it was necessary to find a solution that could be implemented quickly;
- the position of the airlines.

Following this debate, the Commission asked Mr BOLKESTEIN to continue his negotiations with the US authorities, particularly on limiting use of the data to combating terrorism and related crime and serious transnational crime (to exclude "ordinary" crime), with a view to temporary adequacy finding subject to the conditions laid down during the meeting. It was agreed that all Commission Members directly concerned should take part in contacts with Parliament and help speed progress in this matter.

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The meeting closed at 1215 hours.

Second sitting: Wednesday 26 November (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 LIIKANEN	
Mr BOLKESTEIN	
Mr SOLBES	
Mr VERHEUGEN	
Mr LAMY	
Mr BYRNE	
Mr BARNIER	
Ms REDING	
Ms SCHREYER	
Mr VITORINO	
Ms DIAMANTOPOULOU	

Absent:

Mr FISCHLER
Mr BUSQUIN
Mr NIELSON
Mr PATTEN
Ms WALLSTRÖM

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

15. COUNCIL MEETINGS

(SI(2003)1244)

***EUROGROUP AND COUNCIL (ECONOMIC AND FINANCIAL AFFAIRS)
MEETING***

(BRUSSELS, 24 AND 25 NOVEMBER)

(SI(2003)1285)

Mr SOLBES commented on the main results of the Council meeting, where the main subject of discussion had been the recommendations presented by the Commission under Article 104(8) and (9) of the Treaty in respect of Germany and France. He reported on the negotiations on the Commission proposals and the circumstances of the votes which had led to their rejection by qualified majority. The Council had instead approved by qualified majority the draft resolution prepared by the Presidency. Mr SOLBES referred to the effects that this purely political decision would have both in institutional terms and as regards compliance with the Stability Pact and more generally with the Treaty.

The Commission took note of this information and held an in-depth discussion, in which it discussed the following in particular:

- the risk of the Community method being pushed aside in favour of an intergovernmental process, and the danger of the use of a political agreement replacing compliance with the existing legislative framework, thereby creating a precedent that could be invoked in other Council bodies;
- the impact of this decision on the application of the Treaty and the rules of the Stability Pact as regards the equal treatment of Member States, present and future;

- the challenges for medium- and long-term monetary and economic stability in the euro area and for the Commission's institutional credibility as guardian of the Treaty;
- the advisability of developing a strategy to re-establish the institutional balance and restore confidence in the legislative instruments underpinning the stability and growth policy.

Following this debate, the Commission agreed on the need:

- to make a political response to this politically grave state of affairs;
- to hold an in-depth analysis of the situation so as to draw up a strategy to renew the commitment to the stability and growth pact and the better to ensure its implementation;
- to study the possibility of bringing an action in the Court of Justice;
- to consider carefully the repercussions that the situation created by the Council decision would have on the multilateral budgetary surveillance for which the Commission was responsible and, particularly, on the excessive deficit procedures, the stability and convergence programmes and the general economic policy guidelines;
- to launch an initiative to improve the Union's economic governance.

The Commission also took note of the PRESIDENT's intention to make a statement on the Council's decision.

**16. SELF-ASSESSMENT OF THE READINESS OF SERVICES TO BE
COMPLIANT WITH THE INTERNAL CONTROL BASELINES
(SEC(2003)1287 to /7)**

Having noted that the report before it was based entirely on a self-assessment of the situation by departments at a given moment and could to a certain extent give rise to an interpretation differing from one Directorate-General to another, the Commission:

- took note of the progress made by departments in their efforts to comply with the internal control baselines before 31 December 2003, as set out in SEC(2003)1287/7;
- asked Directors-General and Heads of Service as well as the departments concerned (Internal Audit Service, DG Budget/ Central Financial Service, Secretariat-General, DG Admin) to implement the detailed follow-up instructions, as set out in the document.

The Commission noted that, although the communication was essentially an internal management tool, in the interests of transparency it would be transmitted at department level to the Court of Auditors, Parliament's Committee on Budgetary Control and the Council's Budget Committee.

17. OTHER BUSINESS

TIMETABLE OF WORK ON THE FINANCIAL PERSPECTIVE POST-2006

The Commission decided to consider its communication on the financial perspective post-2006 at its meeting on Wednesday 21 January 2004 or possibly, depending on the agenda for that meeting, on Tuesday 20 January.

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The meeting closed at 1540 hours.