



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2004)1643 final

Brussels, 3rd February 2004

MINUTES
of the 1643rd meeting of the Commission
held in Brussels
(Breydel)
on Wednesday 28 January 2004
(morning)

These minutes were approved by the Commission at its 1644th meeting, held in Brussels on 3rd February 2004.

They contain 18 pages.

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Single sitting: Wednesday 28 January (morning)

The sitting opened at 0920 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 VERHEUGEN	
Mr PATTEN	
Mr LAMY	
Mr BYRNE	
Mr BARNIER	
Ms REDING	
Ms SCHREYER	
Ms WALLSTRÖM	
Mr VITORINO	
Ms DIAMANTOPOULOU	

Absent:

Mr NIELSON

The following sat in to represent absent Members of the Commission

Mr SCHMIDT Deputy Chef de cabinet to Mr Nielson

The following also sat in

Mr PETITE	Director-General, Legal Service	Items 1 to 9
Mr MARENCO	Deputy Director-General, Legal Service	Items 10 to 16
Mr MANSERVISI	Chef de cabinet to the President	
Mr DE OLIVEIRA E SOUSA	Director-General, Press and Communication	
Mr KEMPPINEN	Commission Spokesman	
Mr THOMAS	Spokesman	
Mr CARVOUNIS	Press and Communication DG	
Mr STROHMEIER	Adviser in the President's Office	Items 11, 12 and 14
Mr GUSSETTI	A member of the President's staff	
Mr CALLEJA	Chef de cabinet to Ms de Palacio	
Mr COZIGOU	Deputy Chef de cabinet to Mr Liikanen	
Mr PLANAS	Chef de cabinet to Mr Solbes	Item 13
Mr MARTINEZ MONGAY	A member of Mr Solbes's staff	Item 13
Ms BARDENHEWER	A member of Mr Byrne's staff	Items 11 and 12
Ms CARPARELLI	Deputy Chef de cabinet to Ms Wallström	Items 11 and 12
Mr ARP	A member of Ms Wallström's staff	Item 14
Ms ALVAREZ CUARTERO	Secretariat-General	Item 5
Ms COLOMBO	Secretariat-General	Items 11 and 12

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

1. AGENDAS

(OJ(2004)1643/3; SEC(2004)74/2)

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(2004)1643)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 26 January.

3. APPROVAL OF MINUTES OF 1642nd MEETING (21 January)

(PV(2004)1642)

The Commission approved the minutes of its 1642nd meeting.

4. PERMANENT REPRESENTATIVES COMMITTEE

SEATS IN THE ROOM AT COUNCIL MEETINGS

The Commission took note of developments in the Council and the fact that the Irish Presidency was not proposing to taken any further action in the immediate future.

5. MONITORING THE APPLICATION OF COMMUNITY LAW

5.1. STATE AID - CASE POSTPONED

(C(2004)11 to /6)

The Commission adopted the decision in C(2004)11/6 relating to
Case CZ 14/2003 - Czech Republic: Česká spořitelna, a.s.

5.2. INFRINGEMENTS - CASES POSTPONED

(SEC(2004)97/2; SEC(2004)59/2)

The Commission adopted the decisions in SEC(2004)97/2, viz.:

Case **FRANCE**

1999/4946

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

Decision: Letter of formal notice for the EEA aspect; for the
non-member countries aspect, held over for 20 April to
consider what further action to take, particularly in the
light of the work of the IGC.

Case **GERMANY**

2001/2154

Restrictions on investment in Volkswagen

Decision: Held over pending contacts with the German authorities.

6. WRITTEN PROCEDURES AND EMPOWERMENT

6.1. WRITTEN PROCEDURES APPROVED

(SEC(2004)75 et seq.)

The Commission took note of the Secretariat-General's memoranda recording
decisions adopted between 19 and 23 January.

6.2. SENSITIVE WRITTEN PROCEDURES

(SEC(2004)76)

The Commission took note of written procedures initiated between 19 and 23 January for the adoption of decisions with political implications.

6.3. EMPOWERMENT

(SEC(2004)77 et seq.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 19 and 23 January.

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 19 and 23 January, as archived on the "Greffé 2000" (Registry) website.

7. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2004)78/2)

ADMINISTRATIVE MATTERS

(PERS(2004)15)

**7.1. INITIAL COMMUNICATION UNDER 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 an A1 official.

7.2. DG ADMIN - RETIREMENT OF AN A2 OFFICIAL

The Commission accepted the request for early retirement from Mr José Miguel ANACORETA CORREIA, an A2 official, currently Chief Adviser attached to the Director-General, Personnel and Administration, and in accordance with Article 52 of the Staff Regulations it set the date from which this decision would take effect at 1 March.

**7.3. DG RTD - AMENDMENT OF ORGANISATION CHART
(C(2004)170)**

On a proposal from Mr KINNOCK, in agreement with the PRESIDENT and Mr BUSQUIN, the Commission approved the amendment of the organisation chart of the Research DG as set out in C(2004)170, to take effect on 1 February.

OTHER MATTERS

**7.4. TRANSMISSION OF THE INTERNAL AUDITOR'S WORK
PROGRAMME 2004 AND STRATEGIC PLAN 2004-06 TO THE
INSTITUTION
(SEC(2004)113)**

The Commission took note of the Internal Auditor's 2004 work programme and strategic plan 2004-06, as presented to the Audit Progress Committee and in SEC(2004)113.

**8. PROPOSAL FOR A COUNCIL DIRECTIVE AMENDING DIRECTIVE
2003/96/EC AS REGARDS THE POSSIBILITY FOR CERTAIN MEMBER
STATES TO APPLY, IN RESPECT OF ENERGY PRODUCTS AND
ELECTRICITY, TEMPORARY EXEMPTIONS OR REDUCTIONS IN THE
LEVELS OF TAXATION
(COM(2004)42 to /3; SEC(2004)115)**

The Commission adopted the proposal for a Council Directive in COM(2004)42 for transmission to Parliament, the Council and the Economic and Social Committee.

9. OTHER MATTERS

**DECREE-LAW No 347/2003 - MARZANO DECREE
(SEC(2004)101)**

The Commission took note of the information note distributed by Mr MONTI.

10. PARLIAMENT

***PARLIAMENTARY AFFAIRS GROUP*
(SP(2004)271)**

The Commission took note of the record of the meeting of the Parliamentary Affairs Group held on 22 January (SP(2004)271).

It paid particular attention to the following:

i) **Interinstitutional relations - Article 251 EC Conciliation procedure**

(point 1.1 of the record)

Second railway package

- AINARDI report - Interoperability - 02/0023 (COD)
- STERCKX report – Railway safety - 02/0022 (COD)
- SAVARY report – European Railway Agency - 02/0024 (COD)
- JARZEMBOWSKI report - Development of the Community's railways - 02/0025 (COD)

The Commission approved the line set out in SP(2004)224 and followed by Ms de PALACIO at the conciliation committee meeting on 27 January. It noted that the committee had not yet reached agreement on the package.

- MAES report - Safety of third countries' aircraft using Community airports - 02/0014 (COD)

The Commission approved the approach taken by Ms de PALACIO at the conciliation committee meeting on 27 January (SP(2004)260) and noted that the committee had reached agreement as an 'A' item on the joint draft.

ii) **Preparations for January II part-session**

(point 2.1 of the record)

The Commission, in accordance with the rules in force, authorised the Commission Members responsible, in agreement with the PRESIDENT, Ms de PALACIO and any other Members associated, to take a position on Parliament's amendments to its proposals.

It paid particular attention to the following:

First reading

- BERENGUER FUSTER report - Electromagnetic compatibility,
COM(2002)759 - 02/0306 (COD)

The Commission adopted the line set out in SP(2004)223.

- BERENGUER FUSTER report - Statistics on the information society,
COM(2003)509 - 03/0199 (COD)

The Commission adopted the line set out in SP(2004)255.

Non-legislative matters

- CASACA report – Follow-up to 2001 discharges,
COM(2003)651

The Commission took note of SP(2004)270 and the information supplied during the meeting by Ms SCHREYER on discussions within the Committee on Budgetary Control, particularly concerning the follow-up to the Eurostat affair.

iii) Other matters

(point 8 of the record)

Hearings of the ten new Commission Members

On Parliament's hearings of the ten designated Commission Members and the likely thrust of the questionnaires to be sent to them, the PRESIDENT, supported by the Commission, pointed to the need to make Parliament's various bodies aware that these ten Members would be without portfolio. There was therefore no call for questions in connection with specific portfolios; rather, the hearings should cover questions of a more general nature to do with their preparation for and initiation in the Commission's operating process.

**11. COMMISSION COMMUNICATION FOR AN ORIENTATION DEBATE ON
GENETICALLY MODIFIED ORGANISMS AND RELATED ISSUES
(SEC(2004)80 to /5)**

The PRESIDENT introduced the communication he was tabling for debate in agreement with Ms WALLSTRÖM, Mr BYRNE, Mr FISCHLER, Mr LAMY, Mr LIIKANEN and Mr BUSQUIN. It met the twin objectives of taking stock of the progress made in recent years in establishing a complete Union regulatory framework for genetically modified organisms (GMOs) and of defining the approach to be taken to ensure compliance with Community legislation.

The Commission discussed in particular: the concerns that GMOs continue to raise in certain Member States and among some consumers; the guarantees made by the Community rules and the need for clear and coherent implementation; the timetable and procedures applicable for marketing authorisations; taking developments in scientific knowledge into account; the situation concerning measures on coexistence; the later stages with a view to the determination of labelling thresholds; the liability aspects.

After this debate, the Commission approved the approach set out in the communication in SEC(2004)80/5.

**12. PROPOSAL FOR A COUNCIL DECISION AUTHORISING THE PLACING
ON THE MARKET OF SWEET CORN FROM GENETICALLY MODIFIED
MAIZE LINE Bt11 AS A NOVEL FOOD OR NOVEL FOOD INGREDIENT
UNDER PARLIAMENT AND COUNCIL REGULATION (EC) No 258/97
(COM(2004)10 to /5; SEC(2004)80/2)**

In line with the conclusions of its general discussion on genetically modified organisms (see item 11 above), the Commission approved the communication from Mr BYRNE in COM(2004)10/5 for transmission to the Council and, for information, to Parliament.

The Commission noted that the authorisation proposal it was putting before the Council already complied with the new rules adopted in 2003, which would enter into force in April.

13. ECONOMIC AND FINANCIAL AFFAIRS

- COMMISSION RECOMMENDATION FOR A COUNCIL OPINION, IN ACCORDANCE WITH THE THIRD PARAGRAPH OF ARTICLE 9 OF COUNCIL REGULATION (EC) No 1466/97 OF 7 JULY 1997, ON THE UPDATED CONVERGENCE PROGRAMME OF THE UNITED KINGDOM
- COMMISSION RECOMMENDATIONS FOR COUNCIL OPINIONS, IN ACCORDANCE WITH THE THIRD PARAGRAPH OF ARTICLE 5 OF COUNCIL REGULATION (EC) No 1466/97 OF 7 JULY 1997, ON THE UPDATED STABILITY PROGRAMMES OF FRANCE, GREECE, ITALY, IRELAND, LUXEMBOURG AND THE NETHERLANDS
(SEC(2004)83 to /3; SEC(2004)84 and /2; SEC(2004)85 and /2; SEC(2004)86 to /3; SEC(2004)87 and /2; SEC(2004)88 and /2; SEC(2004)89 and /2; SEC(2004)98)

On the basis of a presentation by Mr SOLBES setting out the main points of the situation for each of the countries concerned, the Commission adopted the recommendations in SEC(2004)83/3, SEC(2004)84/2, SEC(2004)85/2, SEC(2004)86/3, SEC(2004)87/2, SEC(2004)88/2 and SEC(2004)89/2, for transmission to the Council.

14. STIMULATING TECHNOLOGIES FOR SUSTAINABLE DEVELOPMENT: AN ENVIRONMENTAL TECHNOLOGIES ACTION PLAN FOR THE EUROPEAN UNION

(COM(2004)38 to /6; SEC(2004)82)

The Commission approved the communication presented by Ms WALLSTRÖM and Mr BUSQUIN in COM(2004)38/6, for transmission to Parliament and the Council

and, for opinions, to the Economic and Social Committee and the Committee of the Regions.

15. COUNCIL MEETINGS

GENERAL AFFAIRS AND EXTERNAL RELATIONS

(BRUSSELS, 26 AND 27 JANUARY)

(SI(2004)56; SI(2004)57)

Mr PATTEN reported on the main topics discussed at the Council meeting, particularly: the question of lifting the embargo on weapons exports to China; the latest developments in Iran and the report by the Director-General of the IAEA on Iran's nuclear programme, expected in February; the political situation in Serbia and Montenegro following the general election; the definition of a medium-term EU strategy for Iraq.

On the last point, Mr LAMY drew attention to Iraq's request for observer status at the World Trade Organisation.

Mr BARNIER referred to the Council's discussions on the action to be taken on the Intergovernmental Conference following the failure of the Brussels European Council. Despite a constructive spirit being shown on all sides, the question of a reference basis for the discussions remained unclear. If a basis for agreement could be found before the European Parliament elections, it would constitute a strong positive signal to support them.

The Commission took note of this information.

16. RELATIONS WITH NON-MEMBER COUNTRIES

16.1. VISIT BY Mr LAMY TO SOUTH-EAST ASIA (SEC(2004)116)

The Commission took note of the information note distributed by Mr LAMY.

16.2. VISIT BY Mr PATTEN TO LATIN AMERICA

Mr PATTEN reported on his visit to Brazil, Colombia and Ecuador, from 19 to 23 January. He referred to the various subjects discussed with the political leaders in each of these countries and pointed to the usefulness of these meetings in preparation for the EU-Latin America and Caribbean summit, to be held in Mexico in May.

The Commission took note of this information and held a brief exchange of views on the state of the Union's relations with these countries and on the prospects and conditions for the conclusion of an association agreement with Mercosur.

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

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The meeting closed at 1120 hours.