



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

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Brussels, 7 May 2004

MINUTES
of the 1655th meeting of the Commission
held in Brussels
(Breydel)
on Wednesday 28 April 2004
(morning)

These minutes were approved by the Commission at its 1656th meeting, held in Brussels on 7 May 2004.

They contain 33 pages.

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Single sitting: Wednesday 28 April (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 LIIKANEN	
Mr BOLKESTEIN	
Mr BUSQUIN	
Mr NIELSON	
Mr LAMY	
Mr BYRNE	
Ms REDING	
Ms SCHREYER	
Mr VITORINO	
Mr DIMAS	
Mr BARROT	
Mr ALMUNIA	

Absent:

Mr FISCHLER
Mr VERHEUGEN
Mr PATTEN
Ms WALLSTRÖM

The following sat in to represent absent Members of the Commission

Ms MAUPERON	A member of Mr Fischler's staff
Mr DANIELSSON	Deputy Chef de cabinet to Mr Verheugen
Mr CHILD	Chef de cabinet to Mr Patten
Mr ANNERBERG	Chef de cabinet to Ms Wallström

The following also sat in

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 KEMPPINEN	Commission Spokesman	
Mr THOMAS	Spokesman	
Ms WERNER	Spokeswoman	Item 24
Mr DE LECEA	Adviser in the President's Office	Items 20 to 24
Mr CALLEJA	Chef de cabinet to Ms de Palacio	
Mr SCHINAS	Deputy Chef de cabinet to Ms de Palacio	
Ms PROUT	A member of Mr Verheugen's staff	
Mr LEHNER	Chef de cabinet to Ms Schreyer	
Ms CARPARELLI	Deputy Chef de cabinet to Ms Wallström	
Mr FONSECA	Deputy Chef de cabinet to Mr Vitorino	Item 25
Mr PLANAS	Chef de cabinet to Mr Almunia	
Mr MARTINEZ	A member of Mr Almunia's staff	Items 20 to 23
Mr CARVOUNIS	Press and Communication DG	
Mr BECKERS	Energy and Transport DG	Item 24

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

1. ENTRY INTO SERVICE OF Mr BARROT AND Mr ALMUNIA

The PRESIDENT welcomed Mr BARROT and Mr ALMUNIA and congratulated them on their interviews with the relevant Committees of Parliament.

As he had already announced and pursuant to Article 3 of the Rules of Procedure, the PRESIDENT set out the areas of responsibility of Mr BARROT and Mr ALMUNIA as follows:

- Mr BARROT would take the Regional Policy portfolio previously held by Mr BARNIER, including the coordination of actions for the outermost regions. As regards the Intergovernmental Conference and in the light of its progress, Mr VITORINO would call on Mr BARROT to assist him in his task as representative of the Commission President;
- Mr ALMUNIA would take the Economic and Monetary Affairs portfolio previously held by Mr SOLBES.

The Commission noted that, pending their swearing the oath of office before the Court of Justice, Mr BARROT and Mr ALMUNIA declared that they accepted the obligations arising from their appointment.

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The Commission adjourned between 0930 hours and 1100 hours to meet staff representatives for an exchange of views on progress in administrative reform on the eve of the entry into force of the revised Staff Regulations.

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2. PARLIAMENT

APPROVAL OF THE COMMISSION IN ITS NEW COMPOSITION

The PRESIDENT referred to the initiative being taken by certain Members of Parliament with a view to the adoption of a Parliament decision on approval of the Commission in its new form. Under the draft decision, Parliament would ask the Commission to avoid taking any significant new initiatives covering the period after its term of office. The Member States and the Council would also be asked not to replace any current Commission Members who might resign before the end of their term of office.

The Commission held an exchange of views on the institutional implications of such requests, which would be examined by the Legal Service in the light of the provisions of the Treaty.

3. AGENDAS

(OJ(2004)1655/3; SEC(2004)458/2)

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

**4. WEEKLY MEETING OF CHEFS DE CABINET
(SEC(2004)1655)**

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

**5. APPROVAL OF MINUTES AND SPECIAL MINUTES OF 1654th MEETING
(20 April)
(PV(2004)1654; PV(2004)1654, Part II)**

The Commission approved the minutes of its 1654th meeting.

6. PARLIAMENT (continued from item 2)

**6.1. APRIL PART-SESSION
(SP(2004)1587)**

The Commission took note of the information supplied relating to Parliament's part-session held in Strasbourg from 19 to 22 April (SP(2004)1587).

**6.2. ACTION TO BE TAKEN ON PARLIAMENT'S OPINIONS
(SP(2004)1669)**

The Commission approved the empowerment decisions relating to action to be taken on the amendments presented by Parliament under the codecision and consultation procedures (SP(2004)1669).

7. PERMANENT REPRESENTATIVES COMMITTEE

(SEC(2004)525 and /2; SI(2004)294; SI(2004)315; SI(2004)320; SI(2004)321)

The Commission took note of the information communicated to it relating to the work of Coreper. It paid particular attention to the following:

- i) ***PROPOSAL FOR A PARLIAMENT AND COUNCIL REGULATION ON MAXIMUM RESIDUE LEVELS FOR PESTICIDES IN PRODUCTS OF PLANT AND ANIMAL ORIGIN***
(SEC(2004)525; SI(2004)315)

The Commission confirmed the statement made by Mr BYRNE in support of the Presidency compromise with a view to political agreement in the Council (Agriculture and Fisheries) on 26 and 27 April, in accordance with the line set out in SEC(2004)525.

- ii) ***PROPOSAL FOR A REGULATION ON THE PROTECTION OF ANIMALS DURING TRANSPORT AND RELATED OPERATIONS AND AMENDING DIRECTIVES 64/432/EEC AND 93/119/EC***
(SEC(2004)525; SI(2004)321)

The Commission confirmed the authorisation given to Mr BYRNE to support the Presidency compromise *ad referendum* with a view to possible agreement in the Council (Agriculture and Fisheries) on 26 and 27 April, in accordance with the line set out in SEC(2004)525.

See also item 26.1 below.

iii) ***PROPOSAL FOR A PARLIAMENT AND COUNCIL DIRECTIVE ON THE
PATENTABILITY OF COMPUTER-IMPLEMENTED INVENTIONS
(SEC(2004)525; SI(2004)320)***

In order to facilitate adoption of the Council common position, the Commission authorised Mr BOLKESTEIN to accept the Presidency compromise in accordance with the line set out in SEC(2004)525, as long as the balance of the Commission's initial proposal was maintained.

It was noted that Mr BOLKESTEIN, in agreement with Mr MONTI, would keep a close eye on the content of recital 17, under which the provisions of the Directive, in particular concerning the question of interoperability, would not prejudice the application of Articles 81 and 82 of the Treaty.

iv) ***PROPOSAL FOR A PARLIAMENT AND COUNCIL DIRECTIVE ON THE
RECOGNITION OF PROFESSIONAL QUALIFICATIONS
(SEC(2004)525/2; SI(2004)294)***

The Commission authorised Mr BOLKESTEIN to accept a Presidency compromise in order to facilitate political agreement by qualified majority at the Council meeting (Competitiveness) on 17 and 18 May, in accordance with the line set out in SEC(2004)525/2; it authorised departments to lift certain reservations within the Council in accordance with this line.

**8. MONITORING THE APPLICATION OF COMMUNITY LAW:
INFRINGEMENTS**

***CASE POSTPONED
(SEC(2004)473)***

The Commission decided to hold this item over pending consideration of new information just received from the French authorities.

9. WRITTEN PROCEDURES AND EMPOWERMENT

***9.1. WRITTEN PROCEDURES APPROVED
(SEC(2004)459 et seq.)***

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

***9.2. SENSITIVE WRITTEN PROCEDURES
(SEC(2004)460)***

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

It paid particular attention to the following:

***.EU TOP-LEVEL DOMAIN - RULES FOR IMPLEMENTATION AND
FUNCTIONS***

(E/741/2004; C(2004)1499 to /3)

Having noted that the Mr LIIKANEN's proposal did not concern the European Economic Area and that the question of its extension to the EEA countries would be dealt with by Mr PATTEN in association with the

Commission Members concerned, on its own merits and in accordance with the applicable procedures, the Commission:

- approved the Commission regulation laying down public policy rules concerning the implementation and functions of the .eu top-level domain and the principles governing registration, as set out in C(2004)1499.

9.3. EMPOWERMENT
(SEC(2004)461 et seq.)

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

9.4. 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 April, as archived on the "Grefte 2000" (Registry) website.

**9.5. EMPOWERMENT CONCERNING CERTAIN DECISIONS AND
PROCEDURAL MEASURES TO BE TAKEN PURSUANT TO COUNCIL
REGULATION (EC) No 139/2004 ON THE CONTROL OF
CONCENTRATIONS BETWEEN UNDERTAKINGS**
(SEC(2004)518)

The Commission granted general empowerment for the adoption of certain decisions and procedural measures to be implemented under Council Regulation (EC) No 139/2004 on the control of concentrations between undertakings, along the lines set out in SEC(2004)518.

**9.6. EMPOWERMENT CONCERNING CERTAIN DECISIONS AND
PROCEDURAL MEASURES TO BE TAKEN PURSUANT TO COUNCIL
REGULATION (EC) No 1/2003 ON THE IMPLEMENTATION OF THE
RULES ON COMPETITION LAID DOWN IN ARTICLES 81 AND 82 OF
THE TREATY
(SEC(2004)520 and /2)**

The Commission granted general empowerment for the adoption of certain decisions and procedural measures to be implemented under Council Regulation (EC) No 1/2003 on the implementation of the rules on competition laid down in Articles 81 and 82 of the Treaty, along the lines set out in SEC(2004)520/2.

**10. ADMINISTRATIVE AND BUDGETARY MATTERS
(SEC(2004)462/3)**

**ADMINISTRATIVE MATTERS
(PERS(2004)63)**

**10.1. DG JAI/A - A2 POST OF DIRECTOR
(PERS(2004)27 to /4)**

The Commission had before it applications under Article 29(1)(a) of the Staff Regulations for the A2 post of Director of Directorate A (General affairs) in the Justice and Home Affairs DG (PERS(2004)27 and /2).

The Commission took note of the opinions of the Consultative Committee on Appointments of 17 and 25 March (PERS(2004)27/3 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 VITORINO, it then decided to appoint Mr Tung-Lai MARGUE to the post.

This decision would take effect on 1 May.

10.2. DG JALB - A2 POST OF DIRECTOR
(PERS(2004)28 to /3)

The Commission had before it applications under Article 29(1)(a) of the Staff Regulations for the A2 post of Director of Directorate B (Immigration, asylum and borders) in the Justice and Home Affairs DG (PERS(2004)28).

The Commission took note of the opinions of the Consultative Committee on Appointments of 18 and 25 March (PERS(2004)28/2 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 Mr VITORINO, it then decided to appoint Mr Jean-Louis DE BROUWER to the post.

This decision would take effect on 1 May.

10.3. DG JALC - A2 POST OF DIRECTOR

(PERS(2004)26 to /3)

The Commission had before it applications under Article 29(1)(a) of the Staff Regulations for the A2 post of Director of Directorate C (Civil justice, rights and citizenship) in the Justice and Home Affairs DG (PERS(2004)26).

The Commission took note of the opinions of the Consultative Committee on Appointments of 18 and 25 March (PERS(2004)26/2 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 Mr VITORINO, it then decided to appoint Mr Francisco FONSECA MORILLO to the post.

This decision would take effect on 1 May.

10.4. DG REGIO - A1 POST OF DIRECTOR-GENERAL

(PERS(2003)25 to /7)

The Commission had before it applications under Article 29(1)(a) of the Staff Regulations for the A1 post of Director-General, Regional Policy (PERS(2003)25/4).

The Commission took note of the opinions of the Consultative Committee on Appointments of 11 and 24 June 2003 (PERS(2003)25/5 to /7).

The Commission proceeded to compare the applicants' qualifications for the post. On a proposal from Mr KINNOCK, in agreement with the PRESIDENT,

Mr FISCHLER and Mr BARROT, it then decided to appoint
Mr Graham MEADOWS to the post.

This decision would take effect on 30 April.

10.5. DG REGIO - A1 POST OF DEPUTY DIRECTOR-GENERAL
(PERS(2004)65 to /5)

The Commission had before it applications under Article 29(1)(a) of the Staff Regulations for the A1 post of Deputy Director-General, Regional Policy (PERS(2004)65/2).

The Commission took note of the opinions of the Consultative Committee on Appointments of 13 and 22 April (PERS(2004)65/3 to /5).

The Commission proceeded to compare the applicants' qualifications for the post. On a proposal from Mr KINNOCK, in agreement with the PRESIDENT, Mr FISCHLER and Mr BARROT, it then decided to appoint
Mr Michele PASCA-RAYMONDO to the post.

This decision would take effect on 30 April.

10.6. DG AGRI - A1 POST OF DEPUTY DIRECTOR-GENERAL
(PERS(2004)64 to /4)

The Commission had before it applications under Article 29(2004)(a) of the Staff Regulations for the A1 post of Deputy Director-General, Agriculture and Fisheries (PERS(2004)64/2).

The Commission took note of the opinions of the Consultative Committee on Appointments of 13 and 22 April (PERS(2004)64/3 and /4).

The Commission proceeded to compare the applicants' qualifications for the post. On a proposal from Mr KINNOCK, in agreement with the PRESIDENT

and Mr FISCHLER, it then decided to appoint Mr Lars HOELGAARD to the post.

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

10.7. APPLICATION OF ARTICLE 50 OF THE STAFF REGULATIONS

This item was held over for administrative reasons.

10.8. DG ADMIN - EXEMPTION FROM THE RULES GOVERNING IN-SERVICE TRAINING AT THE COMMISSION, WITH A VIEW TO RECRUITING AUXILIARY STAFF IN THE CONTEXT OF ENLARGEMENT

The Commission decided to make an exception to Article 19 of its decision of 7 July 1997 on the rules governing in-service training and to allow the recruitment as temporary staff of former trainees within twelve months following the end of their in-service training.

This exemption:

- was strictly limited to former trainees from the new Member States who fulfilled the minimum eligibility conditions laid down in the general competitions currently in progress;
- was valid until 31 December 2004 and could be renewed, by a Commission decision, twice for 2005 and 2006, in the light of the Commission's requirements.

This decision would take effect immediately.

**10.9. DG ADMIN – PROVISION OF AN ADDITIONAL PAYMENT FOR
STAFF (FORMER ALATS AND FORMER LOCAL AGENTS)
EMPLOYED BEYOND THE DATE OF ACCESSION TO MANAGE
PRE-ACCESSION PROGRAMMES IN THE TEN NEW
REPRESENTATION OFFICES
(C(2004)1704 and /2)**

The Commission approved the decision in C(2004)1704 with immediate effect.

10.10.DG REGIO - TEMPORARY OCCUPATION OF AN A1-LEVEL POST

The Commission, on a proposal from Mr KINNOCK, in agreement with the PRESIDENT and Mr BARROT, decided under Article 7(2) of the Staff Regulations that Mr Graham MEADOWS, an A2 official, Director of Directorate E (Regional operations in France, Greece and Italy) in the Regional Policy DG, should be deemed temporarily to have occupied the post of Director-General, Regional Policy, from 1 March 2003 to 29 February 2004.

This decision would take effect immediately.

10.11.DG REGIO - TEMPORARY OCCUPATION OF AN A2-LEVEL POST

The Commission, on a proposal from Mr KINNOCK, in agreement with the PRESIDENT and Mr BARROT, decided under Article 7(2) of the Staff Regulations that Mr Robert SHOTTON, an A3 official, currently Head of Unit E/1 (Greece) in the Regional Policy DG, should be deemed temporarily to have occupied the post of Director of Directorate E (Regional operations in France, Greece and Italy) from 1 May 2003 and to 30 April 2004.

This decision would take effect immediately.

BUDGETARY MATTERS

10.12. ESTABLISHMENT OF HIGH-LEVEL GROUP ON THE LISBON

STRATEGY

(SEC(2004)495 and /2)

The Commission:

- took note of the establishment of the high-level group;
- authorised the Secretariat-General to implement all procedures, including budgetary procedures, necessary to ensure the smooth operation of the group, in accordance with the communication and financial statement set out in SEC(2004)495/2.

11. REFORM OF THE STAFF REGULATIONS-THIRD IMPLEMENTING PACKAGE - SECOND READING

(C(2004)1588 to /13; C(2004)1597 to /12; C(2004)1606 to /4; C(2004)1613 to /3; SEC(2004)480 to /4; SEC(2004)481 and /2; SEC(2004)447/4)

Having taken note of the communication from Mr KINNOCK, in agreement with the PRESIDENT, in C(2004)1588/8, the Commission:

- adopted the general implementing provisions on the calculation of the actuarial equivalent on the transfer of pension rights, transitional measures connected with the transfer of pension rights, the reimbursement of annual travel expenses, disciplinary proceedings, the possibility of early retirement without reduction in pension, and the purchase of additional pension rights (C(2004)1588, /7, /9 to /12);

- adopted the decisions on the procedure for adjusting weightings and exchange rates applicable to the payment of remuneration, the recovery of the temporary accommodation allowance and the cost of transport of the personal effects of the spouse and dependants in the event of a probationer official not being established, the reimbursement of certain expenses in connection with their installation (these three decisions applying to staff employed outside the European Union), middle management, temporary staff, the duration of the contracts of non-permanent staff, maintaining individual professional standards (in this case subject to the clarification that the decision entered into force on 1 May 2004; see Article 18, page 8 of C(2004)1597/7), leave on personal grounds, temporary management posts, outside activities, the management of absences as a result of sickness, and the management of leave (C(2004)1597 to /12);
- made the following statement as regards the decision on middle management (C(2004)1597/4): *“the Commission recommends that the operation of the present double appointment system for middle-management posts, which consists of two different procedures for AD9/AD12 and AD13/AD14 posts, as well as the participation of staff representatives in middle management selection procedures, be reviewed after a period of four years from the launch of the career development review system (CDR)”*;
- took note of progress in the procedure for adopting a draft joint Regulation on sickness insurance (SEC(2004)480/4), which had been submitted for the opinion of the Staff Regulations Committee and would be transmitted to the other institutions, particularly the Council;
- took note of two draft conclusions of the Heads of Administration (SEC(2004)481 and /2);

- adopted the decision on the exercise of powers conferred by the Staff Regulations on the appointing authority and by the Conditions of Employment of Other Servants on the authority responsible for concluding contracts of employment (C(2004)1606/3 and /4);
- adopted the decision relating to the transitional measures made necessary by the revision of the Staff Regulations and of the Conditions of Employment of Other Servants (C(2004)1613/3).

**12. FOURTH ACTION PROGRAMME FOR EQUAL OPPORTUNITIES FOR WOMEN AND MEN AT THE EUROPEAN COMMISSION (2004-08)
(SEC(2004)447 to /5)**

The Commission approved the action programme set out in the communication in SEC(2004)447/5.

**13. TRANSLATION OF THE ACQUIS AND LEGISLATIVE ACTIVITY AFTER 1 MAY
(SEC(2004)496 to /3; SEC(2004)447/4)**

The Commission:

- took note of the communication from the PRESIDENT in SEC(2004)496/3;
- decided to publish the Commission opinion set out at item 5 of the same document in the L Series of the Official Journal;

- asked the Legal Service to continue to monitor the provision of secondary legislation in the new official languages, in accordance with the priorities laid down;
- asked the Secretary-General to follow the progress in the Council of temporary exemption measures concerning the drafting of instruments of the institutions in Maltese;
- asked the Secretary-General to continue the coordination efforts with the other institutions and bodies;
- authorised departments, in agreement with the Secretariat-General, to find provisional solutions to meet the requirements of accrued translation as regards the management of Community programmes, without pre-empting the additional resources necessary for dealing with this on a permanent basis.

**14. COMMISSION NOTICE ON A SIMPLIFIED PROCEDURE FOR
TREATMENT OF CERTAIN CONCENTRATIONS
(SEC(2004)516 and /2)**

The Commission approved the draft notice on a simplified procedure for the treatment of certain concentrations, as set out in SEC(2004)516, with a view to the launch of a public consultation.

**15. COMMISSION NOTICE ON RESTRICTIONS DIRECTLY RELATED AND
NECESSARY TO CONCENTRATIONS
(SEC(2004)517; SEC(2004)516/2)**

The Commission approved the draft notice on restrictions directly related and necessary to concentrations, as set out in SEC(2004)517, with a view to the launch of a public consultation.

**16. NOTICE ON THE ALLOCATION OF MERGER CASES BETWEEN THE
COMMISSION AND THE MEMBER STATES
(SEC(2004)515 and /2)**

The Commission approved the draft notice on the allocation of merger cases between the Commission and the Member States, as set out in SEC(2004)515, with a view to the launch of a public consultation.

**17. APPLICATION OF ARTICLE 82 OF THE TREATY
(CASES COMP/D2/32448 & 32450 - COMPAGNIE MARITIME BELGE
(CEWAL))
(C(2004)1670 and /2; SEC(2004)535)**

The Commission:

- took note of the consultation of the Advisory Committee on Restrictive Practices and Dominant Positions in Maritime Transport;
- took note of the final report of the Hearing Officer in C(2004)1670 and /2;

- adopted in the authentic language (Dutch) the decision in C(2004)1670/2, imposing a fine of €3.4 million on the Compagnie Maritime Belge for the infringements referred to in Article 2 of Decision 93/82/EEC;
- decided to publish the decision, with business secrets removed, in the L Series of the Official Journal.

**18. BILATERAL TRADE AND INVESTMENT TREATIES BETWEEN JAPAN
AND THE FUTURE NEW MEMBER STATES AND THE CANDIDATE
COUNTRIES
(SEC(2004)493 to /3)**

The Commission:

- approved the outline of a solution as set out in SEC(2004)493/3, on which there would be a bilateral exchange of verbal notes between the Government of Japan and the future new Member States and the candidate countries;
- empowered Mr LAMY, Mr VERHEUGEN and Mr PATTEN, in agreement with the PRESIDENT, to go ahead with the definitive drafting of these verbal notes;
- authorised Mr LAMY, Mr VERHEUGEN and Mr PATTEN or their Directors-General to recommend that the future Member States and candidate countries sign and exchange these notes with Japan, bearing in mind that the Commission reserved the right to adopt later any measure which it might deem necessary;
- agreed to continue actively to ensure that any bilateral investment agreements concluded by the current Member States with non-member countries were in conformity with the EC Treaty.

19. CLEARING AND SETTLEMENT IN THE EUROPEAN UNION - THE WAY FORWARD

(COM(2004)312 to /5; SEC(2004)492)

The Commission:

- approved the communication from Mr BOLKESTEIN in COM(2004)312/4 and /5, for transmission, for opinions, to Parliament, the Council, the European Central Bank, the Economic and Social Committee and the Committee of the Regions;
- authorised the Internal Market DG to consult the national authorities concerned and any other relevant bodies.

20. RECOMMENDATION UNDER ARTICLE 99(4) OF THE EC TREATY CONCERNING THE SITUATION OF ITALY

(SEC(2004)485 to /4; SEC(2004)487/3)

21. RECOMMENDATION FOR A COUNCIL DECISION REPEALING THE DECISION ON PORTUGAL'S EXCESSIVE DEFICIT

(SEC(2004)497 to /3; SEC(2004)487/3)

22. EXCESSIVE DEFICIT IN THE NETHERLANDS: REPORT DRAWN UP IN ACCORDANCE WITH ARTICLE 104(3) OF THE TREATY

(SEC(2004)486 to /5; SEC(2004)487/3)

**23. EXCESSIVE DEFICIT IN THE UNITED KINGDOM: REPORT DRAWN UP
IN ACCORDANCE WITH ARTICLE 104(3) OF THE TREATY
(SEC(2004)487 to /5)**

Mr ALMUNIA briefly presented the four communications before the Commission. In the light of the development of the public deficit in 2003 and the forecasts for 2004 in the four countries concerned, they proposed new budgetary surveillance measures for Italy, Portugal, the Netherlands and the United Kingdom, in accordance with the provisions of the Treaty and the stability and growth pact and in line with the approach agreed by the Commission on 7 April when the spring economic forecasts were presented (PV (2004)1653, item 18).

Having noted the information supplied by Mr ALMUNIA, the Commission:

- adopted the recommendation for a Council recommendation and the proposal for a Council decision in SEC(2004)485/3, for transmission to the Council;
- adopted the recommendation for a Council Decision in SEC (2004)497/3, for transmission to the Council;
- approved the report in SEC(2004)486/3 and /5, for transmission to the Council for consideration by the economic and financial committee;
- approved the report in SEC(2004)487/5, for transmission to the Council for consideration by the economic and financial committee.

**24. PRELIMINARY DRAFT BUDGET 2005
(SEC(2004)456 to /20; SEC(2004)483)**

Ms SCHREYER introduced the preliminary draft budget for 2005, which would be the first to cover the expenditure of 25 Member States for the whole of a financial

year and would be the penultimate budget to be produced under the current financial perspective. The margin available to cover new initiatives was small, most of the expenditure having been fixed in previous decisions by the Council and Parliament. For payment appropriations, the volume of proposed expenditure came to €109.5 billion or 1.03% of GNI, i.e. below the 1.08% ceiling authorised in the present financial framework. The planned 9.8% increase over the 2004 budget was mainly due to the need to cover expenditure arising from enlargement, improved execution of the Structural Funds, the reform of the common agricultural policy, and changes in the euro/dollar exchange rate. Ms SCHREYER also drew attention to the most significant points under the various headings.

Following observations by Ms de PALACIO on the need to keep to the political undertakings given and the initiatives taken following the ecological disasters caused by the *Erika* and *Prestige* sinkings, the Commission confirmed the allocation of €17.8 million to the European Maritime Safety Agency for vessels capable of dealing with major marine pollution. The paying-out of these funds would be phased as appropriate in cooperation with the Budget DG.

Without prejudice to the solutions adopted in the preliminary draft budget 2005 for dealing with the translation requirements generated by the addition of nine new official languages, the Commission took note of comments by Mr KINNOCK concerning the limited translation capacity for these new languages in 2004 and of his intention to table a communication on this problem shortly.

Subject to the above observations, the Commission:

- approved the expenditure estimates in SEC(2004)456/14 to /16 and /18 as a basis for the preliminary draft budget (PDB) of the European Communities for financial year 2005;

- empowered Ms SCHREYER, in agreement with the PRESIDENT, to make the adjustments necessary to the preliminary draft budget to take account of consultations with the EEA countries on their participation in certain Community policies;
- empowered Ms SCHREYER, in agreement with the PRESIDENT, to finalise the various documents making up the preliminary draft budget, including the statement of revenue, for transmission to the budgetary authority;
- approved the multiannual financial programming for internal policies (heading 3) and external operations (heading 4), as set out in document V, part 2 (SEC(2004)456/19), for transmission to the budgetary authority;
- took note of the indicative financial programming for the other headings, in particular heading 5, as set out in document V, part 1 (SEC(2004)456/19);
- approved the supplementary allocation of human resources for 2004 in line with the principles defined in document III bis (SEC(2004)456/17);
- was prepared, if certain countries in the process of accession were to ask to increase their expenditure under one of the three pre-accession instruments (SAPARD, ISPA, PHARE), to propose transfers of budgetary appropriations to this effect between the three instruments on condition that the overall allocation for the three remained unchanged;
- empowered Ms SCHREYER, in agreement with the PRESIDENT, to adopt the draft decision to mobilise the flexibility instrument for the rehabilitation and reconstruction of Iraq in accordance with item 24 of the Interinstitutional Agreement of 6 May 1999, for transmission to the budgetary authority.

**25. PROPOSAL FOR A COUNCIL FRAMEWORK DECISION ON CERTAIN
PROCEDURAL RIGHTS IN CRIMINAL PROCEEDINGS THROUGHOUT
THE EUROPEAN UNION**

(COM(2004)328 to /5; SEC(2004)491; SEC(2004)514)

Mr VITORINO set out the main points of the framework decision before the Commission. The proposal was the result of detailed, in-depth consultation, and fulfilled a long-standing commitment. It was designed to give practical shape to the justice dimension and compliance with individual rights vis-à-vis security requirements in the implementation of the area of freedom, security and justice. In line with the subsidiarity principle, its objective was enhance rights to a fair trial and to guarantee European citizens a common minimum level of rights in criminal proceedings. By thus helping to strengthen mutual confidence in the legal systems of the Member States, it paved the way for other initiatives to come in the field of defence rights.

Having taken note of this information and the sensitivity of this subject, which remained primarily a matter for the Member States, the Commission adopted the proposal for a framework decision in COM(2004)328/5, for transmission to the Council and Parliament together with the staff working paper in SEC(2004)491.

26. COUNCIL MEETINGS

(SI(2004)364)

26.1. AGRICULTURE AND FISHERIES

(LUXEMBOURG, 22-24 AND 26-27 APRIL)

(SI(2004)362 and /2; SI(2004)369)

Mr BYRNE referred to the proposal for a Regulation on the protection of animals during transport, on which the Council had not succeeded in reaching political agreement. He outlined his concerns as to the prospects for progress on this matter. Matters were not helped by the failure by a large number of Member States to implement the social legislation relating to driving time.

Mr BYRNE also gave an update on the proposal for a Council decision on the marketing authorisation for genetically modified maize Bt11, for which the Council had not mustered a qualified majority, and pointed to the need for the Commission to take a view quickly.

The Commission took note of this information and held a brief exchange of views on the measures to be taken in the light of the outcome of the Council meeting as reported by Mr BYRNE.

26.2. GENERAL AFFAIRS AND EXTERNAL RELATIONS

(BRUSSELS, 23-24 JANUARY)

(SI(2004)372)

Mr VITORINO reported on the timetable announced by the Irish Presidency concerning the follow-up to the work of the Intergovernmental Conference (IGC) with a view to final agreement on the draft Constitution at the European Council on 17 and 18 June in Brussels. A first meeting to discuss basic issues would be held on 4 May in Dublin, and he would be taking stock

of progress in the preparatory work at the Commission meeting on Friday 7 May.

Mr NIELSON reported on the Council's discussions on development policy, particularly concerning the Commission action plan for agricultural commodities, and on the development of the cotton sector, the negotiating mandate for the revision of the Cotonou agreement, and the reform of the management of external assistance.

27. RELATIONS WITH NON-MEMBER COUNTRIES

RUSSIA

The Commission held this item over for a future meeting.

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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 1240 hours.