



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

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Brussels, 13 October 2004

MINUTES
of the 1673rd meeting of the Commission
held in Brussels
(Breydel)
on Wednesday 6 October 2004
(morning)

These minutes were approved by the Commission at its 1674th meeting, held in Brussels on 13 October 2004.

They contain 22 pages.

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Single sitting: Wednesday 6 October (morning)

The sitting opened at 0840 hours with Mr Prodi, President, in the chair.

Present:

Mr PRODI	President
Mr KINNOCK	Vice-President
Ms de PALACIO	Vice-President
Mr FISCHLER	
Mr BOLKESTEIN	
Mr VERHEUGEN	
Mr PATTEN	
Mr LAMY	
Ms REDING	
Ms SCHREYER	
Ms WALLSTRÖM	
Mr VITORINO	
Mr DIMAS	
Mr BARROT	
Mr ALMUNIA	
Mr BALÁZS	
Ms HÜBNER	
Mr KALLAS	
Mr BORG	
Ms KALNIETE	
Ms GRYBAUSKAITE	
Mr POTOČNIK	
Mr FIGEL	
Mr KYPRIANOU	
Mr TELIČKA	

Mr REHN

Absent:

Mr MONTI

Mr NIELSON

Mr BYRNE

Mr MICHEL

The following sat in to represent absent Members of the Commission

Mr VAN HOOFF	Chef de cabinet to Mr Monti
Mr HAMBURGER	Chef de cabinet to Mr Nielson
Ms BENOLIEL	Deputy Chef de cabinet to Mr Byrne
Mr CAPOUET	Chef de cabinet to Mr Michel

The following also sat in

Mr PETITE	Director-General, Legal Service	
Mr DE OLIVEIRA E SOUSA	Director-General, Press and Communication	
Mr KEMPPINEN	Commission Spokesman	
Mr FILORI	Spokesman	
Mr KREUZHUBER	Spokesman	Item 15
Mr THOMAS	Spokesman	
Mr MAMER	Spokesman	
Mr ABOU	Chief Adviser in the President's Office	
Mr SCHWAIGER	Deputy Chef de cabinet to Ms de Palacio	
Mr MØRCH	Deputy Chef de cabinet to Mr Nielson	
Mr TEMPEL	Chef de cabinet to Mr Verheugen	Items 14 and 15
Mr DANIELSSON	Deputy Chef de cabinet to Mr Verheugen	Items 14 to 15
Mr BARBASO	Enlargement DG	Items 14 and 15
Mr RUETE	Enlargement DG	Items 14 and 15

Mr CARVOUNIS

Press and Communication DG

Mr LEVI

GOPA

Item 15

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

1. AGENDAS AND QUARTERLY ROLLING PROGRAMME
(OJ(2004)1673/3; SEC(2004)1190/2; SEC(2004)1212)

The Commission took note of the agenda for that day's meeting, the tentative agendas for future meetings and the quarterly rolling programme.

2. WEEKLY MEETING OF CHEFS DE CABINET
(SEC(2004)1673)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 4 October.

3. MINUTES OF 1672nd MEETING (29 September)
(PV(2004)1672 and /2)

The Commission approved the minutes of its 1672nd meeting.

4. PERMANENT REPRESENTATIVES COMMITTEE
(SI(2004)785)

COUNCIL AFFAIRS GROUP (CAG)
(SI(2004)785)

The Commission took note of the record of the Council Affairs Group meeting held on 1 October (SI(2004)785).

It paid particular attention to the following:

i) **Better regulation – Simplification of legislation**

(point 1 of the record; SI(2004)755/2)

The Commission took note of developments and the need to clarify its position for the Council meeting (Economic and Financial Affairs) on 21 October.

ii) **Proposal for a Council Directive implementing the principle of equal treatment between women and men in the access to and supply of goods and services (Article 13)**

(point 1 of the record; SI(2004)773)

The Commission confirmed the agreement given *ad referendum* to Mr DIMAS to make the statement set out in Annex 1 to SI(2004)784 at the Council meeting (Employment, social policy, health and consumers) on 4 October, with the aim of facilitating unanimous agreement on the dossier.

iii) **Proposal for a Parliament and Council Directive amending Directive 1999/62/EC on the charging of heavy goods vehicles for the use of certain infrastructures (Eurovignette)**

(point 4 of the record; SI(2004)774)

The Commission authorised Ms de PALACIO, at the Council meeting (Transport, Telecommunications and Energy) on 7 October, to support the Presidency compromise with a view to a common position that could be adopted by qualified majority, in accordance with the line set out in the note at Annex 2 to the record.

iv) **Association of Switzerland in the implementation of the Schengen *acquis***

(point 5 of the record)

The Commission instructed the Secretariat-General to ask that this item be entered on Coreper's agenda for discussion and to announce, in the event of

unanimity in favour of a single "mixed" decision, the Commission's intention of having a statement entered in the Council minutes summarising its reasons for opposing such an approach.

5. MONITORING THE APPLICATION OF COMMUNITY LAW: STATE AID

5.1. SPECIAL CASES

(SEC(2004)1205; SEC(2004)1171)

The Commission adopted the decisions in SEC(2004)1171.

5.2. COMMISSION REGULATION ON THE APPLICATION OF ARTICLES 87 AND 88 OF THE EC TREATY TO DE MINIMIS AID IN THE AGRICULTURE AND FISHERIES SECTOR

(C(2004)3643 to /3; SEC(2004)1205)

The Commission adopted the Regulation in C(2004)3643/3 for publication in the Official Journal.

6. WRITTEN PROCEDURES AND EMPOWERMENT

6.1. WRITTEN PROCEDURES APPROVED

(SEC(2004)1191 et seq.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 27 September and 1 October.

6.2. SENSITIVE WRITTEN PROCEDURES

(SEC(2004)1192)

The Commission took note of written procedures initiated between 27 September and 1 October for the adoption of decisions with political implications.

6.3. EMPOWERMENT

(SEC(2004)1193 et seq.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 27 September and 1 October.

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 27 September and 1 October, as archived on the "Greffé 2000" (Registry) website.

7. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2004)1194/2)

ADMINISTRATIVE MATTERS

(PERS(2004)184)

***COMMISSION DECISION AMENDING COMMISSION DECISION OF
28 APRIL 2004 ON A NEW POLICY FOR THE ENGAGEMENT AND USE OF
TEMPORARY STAFF UNDER ARTICLE 2C OF THE CONDITIONS OF
EMPLOYMENT OF OTHER SERVANTS***

(C(2004)3713 to /3)

The Commission adopted the decision in C(2004)3713/3.

**8. COMMISSION DECISION RELATING TO A PROCEEDING UNDER
ARTICLE 8(2) OF COUNCIL REGULATION (EEC) No 4064/89 ON THE
CONTROL OF CONCENTRATIONS BETWEEN UNDERTAKINGS**

(CASE No COMP/M.3099 - AREVA/URENCO/ETC JV)

(C(2004)3676 to /7)

The Commission:

- took note of the opinion of the Advisory Committee on Concentrations of 23 September, as set out in C(2004)3676/3, for publication in the Official Journal;
- took note of the final report of the Hearing Officer in C(2004)3676/4;
- adopted, in the authentic language (English), the decision in C(2004)3676/7, declaring the merger in question to be compatible with the common market and

the EEA Agreement, subject to the fulfilment of certain undertakings given by the parties;

- decided that the versions with business secrets removed, as set out in C(2004)3676/5 and /6, would be notified to Areva and Urenco Ltd respectively.

The most important parts of the decision would be published in the Official Journal (with business secrets removed) in all the official languages. The decision would also be made available on the internet.

**9. COMMISSION DECISION RELATING TO A PROCEEDING UNDER
ARTICLE 8(2) OF COUNCIL REGULATION (EEC) No 4064/89 ON THE
CONTROL OF CONCENTRATIONS BETWEEN UNDERTAKINGS
(CASE No COMP/M.3431 – SONOCO/AHLSTROM)
(C(2004)3678 to /5)**

The Commission:

- took note of the opinion of the Advisory Committee on Concentrations of 23 September, as set out in C(2004)3678/2, for publication in the Official Journal;
- took note of the final report of the Hearing Officer in C(2004)3678/3;
- took note of the opinion of the representatives of the EEA member states of EFTA of 23 September, as set out in C(2004)3678/4;
- adopted, in the authentic language (English), the decision in C(2004)3678/5 declaring the merger in question to be compatible with the common market and the EEA Agreement, subject to the fulfilment of certain undertakings given by the parties.

The most important parts of the decision would be published in the Official Journal (with business secrets removed) in all the official languages. The decision would also be made available on the internet.

**10. COMMISSION RECOMMENDATION ON FOSTERING AN
APPROPRIATE REGIME FOR THE REMUNERATION OF DIRECTORS
OF LISTED COMPANIES
(C(2004)3689; SEC(2004)1188 to /3)**

The Commission:

- approved in principle the recommendation in C(2004)3689;
- empowered the Commission Member responsible for the internal market to adopt the recommendation in all the official languages;
- noted that Parliament, the Council and the Economic and Social Committee would be informed of the adoption of the recommendation, which would be published in the Official Journal.

**11. COMMISSION RECOMMENDATION ON THE ROLE OF NON-
EXECUTIVE OR SUPERVISORY DIRECTORS AND ON THE
COMMITTEES OF THE (SUPERVISORY) BOARD
(C(2004)3690; SEC(2004)1188/3; SEC(2004)1189)**

The Commission:

- approved in principle the recommendation in C(2004)3690;

- empowered the Member responsible for the internal market to adopt the recommendation in all the official languages;
- noted that Parliament, the Council and the Economic and Social Committee would be informed of the adoption of the recommendation, which would be published in the Official Journal.

**12. COMMISSION RECOMMENDATION TO THE COUNCIL CONCERNING
APPROVAL OF TWO COOPERATION AGREEMENTS BETWEEN JAPAN
AND EURATOM**

(SEC(2004)524 to /4)

**COMMISSION DECISION CONCERNING THE CONCLUSION OF TWO
COOPERATION AGREEMENTS BETWEEN JAPAN AND EURATOM**

(SEC(2004)1232; C(2004)1703 and /2)

The Commission:

- approved, for transmission to the Council, the recommendation in SEC(2004)524/4, asking the Council to approve the two agreements negotiated between Euratom and Japan on cooperation in the peaceful uses of nuclear energy and cooperation in the field of nuclear research and development, respectively;
- approved in principle the draft decision on the conclusion of these two agreements (SEC(2004)1232), subject to their approval by the Council;
- empowered the Commission Member responsible for energy policy, in agreement with the PRESIDENT, to adopt the above decision once the Council had given its approval to the conclusion of these agreements.

13. OTHER BUSINESS

***MEASURES TAKEN BY THE DUTCH AUTHORITIES IN RESPONSE TO
THE COUNCIL RECOMMENDATION UNDER THE EXCESSIVE DEFICIT
PROCEDURE***

(SEC(2004)1226)

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

14. REGULAR REPORTS ON BULGARIA'S PROGRESS TOWARDS ACCESSION

(SEC(2004)1999 and /2; SEC(2004)1217; SEC(2004)1211)

REGULAR REPORTS ON ROMANIA'S PROGRESS TOWARDS ACCESSION

(SEC(2004)1200 to /3; SEC(2004)1216 and /2; SEC(2004)1211)

STRATEGY PAPER ON PROGRESS IN THE ENLARGEMENT PROCESS (COM(2004)657 and /2; SEC(2004)1211)

Mr VERHEUGEN briefly introduced the strategy paper on progress in the enlargement process as well as the two regular reports concerning Bulgaria and Romania. As regards Bulgaria and Romania, the European Council's objective was to complete negotiations in December 2004 with a view to signature of the Accession Treaty as soon as possible in 2005; he reported on the progress achieved by these two countries and on their ability to assume all the obligations incumbent on Member States at the moment of their planned accession in January 2007.

In an exchange of views, the Commission confirmed that it would make every effort to meet the European Council's objective of completing negotiations with Bulgaria and Romania in 2004, on the basis of their own merits and bearing in mind that any delay on the part of one of them in satisfying the conditions for accession should not have the effect of holding up the accession of the other. It noted that the approach proposed for the negotiations with Croatia was based on the experience of previous enlargement processes.

In conclusion, the Commission:

- took note of the regular reports on the progress made by Bulgaria and Romania towards accession, together with their respective conclusions (SEC(2004)1199/2 and SEC(2004)1217 for Bulgaria; SEC(2004)1200/2 and /3 and SEC(2004)1216/2 for Romania);
- approved the strategy paper COM(2004)657/2 presented by Mr VERHEUGEN, in agreement with the PRESIDENT, to which would be annexed the conclusions of the regular reports on Bulgaria and Romania (SEC(2004)1217 and SEC(2004)1216/2);
- decided to transmit the strategy paper to the Council and Parliament, together with the regular reports concerning Bulgaria and Romania.

**15. REGULAR REPORT AND COMMISSION RECOMMENDATION ON
TURKEY'S PROGRESS TOWARDS ACCESSION
(COM(2004)656 and /2; SEC(2004)1201 to /3; SEC(2004)1202 to /4;
SEC(2004)1211; SEC(2004)1218)**

Mr VERHEUGEN presented in detail the communications before the Commission, underlining the major political implications. The final decision would be for the

European Council; the Commission's task was to comply with a precise mandate it had received from the December 2002 European Council, asking it to draw up a report on Turkey's compliance with the Copenhagen political criteria and make a recommendation on the opening of accession negotiations with Turkey. The proposed recommendation was based on a critical, objective and documented analysis of the progress made and the reforms undertaken by Turkey, without underestimating the efforts that still needed to be made; it was accompanied by a series of conditions and put forward a negotiating strategy based on three pillars. The accession process was by its very nature an open process whose results could not be guaranteed in advance. While bearing in mind the challenge represented by the accession of Turkey both for Turkey itself and for the Union, as noted in the study accompanying the report and the recommendation, Mr VERHEUGEN was convinced that the accession of Turkey represented important opportunities for both sides.

The Commission took note of this presentation and held an in-depth discussion. It pointed to the political nature of the decision to be taken, consisting, on the basis of the table set out in the regular report, of weighing the progress carried out by Turkey having regard to the questions still to be settled. The Commission noted Turkey's European vocation, recognised repeatedly since the conclusion of the Association Agreement in 1963. Taking into account the scale of the reform efforts made by Turkey, it noted the powerful leverage effect induced by the prospect of accession, and the importance of supporting this process by taking the decisive step to open negotiations. It also noted the impact that Turkey's accession would have on the Union's external role and on the stability of certain regions neighbouring Turkey.

Notwithstanding these points, the Commission also took into account a number of factors causing concern for some Members, including:

- the real situation as regards respect for human rights and fundamental freedoms (abolition of torture on the ground; condition of women; freedom of religion, expression and association; workers' rights and accession to the ILO conventions; rights of defence; situation of minorities; civilian-military relationships);
- bearing in mind that changing a society's values and mindsets was a slow and difficult process, the efforts that Turkey still had to make to lock itself into the Union's values and the need to refocus all the organs of the state on their role as guarantors of individual liberties in accordance with the principles of the rule of law;
- the persistence of major difficulties in Turkey's relations with the Republic of Cyprus, particularly the issue of the recognition by Turkey of the Republic of Cyprus and the timescale for such recognition from the point of view of the negotiation process;
- the need to make sure legislative reform was completed and implemented on the ground and that the reforms undertaken were irrevocable;
- the need for Turkey to make the efforts at reconciliation called for by certain tragic events in its history.

The Commission also considered the Union's capacity to deal with the accession of Turkey, a question to be assessed in the light of realistic forecasts as to the development of the Union in due course. In this connection - and without ruling out other aspects to be considered in an impact study to be carried out - the Commission agreed that, among other things, the following factors would have to be taken into account:

- the impact of Turkey's accession on the European project and the policies underpinning it, and on the Union's financing capacity;

- the perception of Turkey's candidacy by European public opinion, against the backdrop of the challenge represented by the ratification of the Constitutional Treaty;
- the continuation of the enlargement process and the scenario of an enlarged Union made up of some thirty Member States;
- the transitional periods and safeguard mechanisms that could be envisaged while taking into account the importance of not treating Turkey in a discriminatory manner;
- Turkey's compliance, throughout the negotiating process, with the reference indicators that would be laid down for its gradual alignment on the Community *acquis*.

After its discussions, the Commission reached a broad consensus on the communications before it. In the light of the comments made during the meeting, it agreed to make the following amendments to the draft recommendation:

- point 2, first paragraph, fourth line before the end: delete "*and other minorities*";
- point 3, first bullet point, third line: to read "*in line with principles of reconciliation...* ";
- point 4, first paragraph, penultimate sentence: delete "*and other minorities*";
- point 7(2), second sentence: to read "*Despite this, **legislation** and implementation..*"; a reference to compliance with trade union rights and ILO standards would also be added in the third sentence;
- point 7(6), second sentence: to read "*Accession negotiations will take place in the framework of an Intergovernmental Conference where decisions **need unanimity and full participation of all EU Members***";

- point 7(6): add a final sentence, to read "***Furthermore, the Commission will monitor, during the negotiations, the ability of the Union to absorb new members and to deepen integration taking fully into account the treaty objectives as regards common policies and solidarity.***";
- point 7(8), first line: to read "...***the negotiation process...***".

Noting a broad consensus among its Members, the Commission:

- took note of the regular report on the progress made by Turkey towards accession and the conclusions thereof (SEC(2004)1201/3 and SEC(2004)1218/2);
- took note of the document on questions raised by the prospect of the accession of Turkey to the European Union (SEC(2004)1202/4);
- approved, subject to the amendments mentioned above, the recommendation in the communication from Mr VERHEUGEN, in agreement with the PRESIDENT, in COM(2004)656/2 and to which would be annexed the regular report's conclusions regarding Turkey (SEC(2004)1218/2);
- decided to transmit the recommendation to the Council and Parliament, together with the regular report and the document on questions raised by the prospect of the accession of Turkey to the European Union.

The Commission thanked Mr VERHEUGEN and all the departments concerned, in particular the Enlargement DG, for the high standard of the work carried out.

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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 1245 hours.