



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2005)1686 final

Brussels, 26 January 2005

MINUTES
of the 1686th meeting of the Commission
held in Brussels
(Berlaymont)
on Wednesday 19 January 2005
(morning)

These minutes were approved by the Commission at its 1687th meeting, held in Brussels on 26 January 2005.

They contain 20 pages.

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Single sitting: Wednesday 22 January (morning)

The sitting opened at 0907 hours with Mr Barroso, President, in the chair.

Present:

Mr BARROSO	President	Except item 13
Ms WALLSTRÖM	Vice-President	
Mr BARROT	Vice-President	
Mr KALLAS	Vice-President	
Mr FRATTINI	Vice-President	
Ms REDING		
Mr ALMUNIA		Except item 13
Ms HÜBNER		
Mr BORG		
Ms GRYBAUSKAITĖ		
Mr POTOČNIK		
Mr FIGEL		
Mr KYPRIANOU		
Mr REHN		
Mr MICHEL		
Mr KOVÁCS		
Ms KROES		
Ms FISCHER BOEL		
Ms FERRERO-WALDNER		
Mr McCREEVY		
Mr ŠPIDLA		
Mr MANDELSON		
Mr PIEBALGS		

Absent:

Mr VERHEUGEN Vice-President

Mr DIMAS

The following sat in to represent absent Members of the Commission

Mr TEMPEL Chef de cabinet to Mr Verheugen

Ms KONTOU Chef de cabinet to Mr Dimas

The following also sat in

Mr PETITE Director-General, Legal Service

Mr ITALIANER Deputy Chef de cabinet to the President

Ms LE BAIL Commission Spokeswoman

Mr DE OLIVEIRA E SOUSA Director-General, Press and Communication

Mr SMULDERS Chef de cabinet to Ms Kroes Item 9

Mr KESTERIS Chef de cabinet to Mr Piebalgs

Mr CARVOUNIS Press and Communication DG

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

The PRESIDENT informed the Commission that he would have to leave the meeting at about 1030 hours in order to pay his New Year respects to His Majesty the King of the Belgians. Ms WALLSTRÖM would take the chair after his departure.

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1. AGENDAS

(OJ(2005)1686/3; SEC(2005)30/2)

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(2005)1686)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 17 January.

3. MINUTES OF 1685th MEETING (11 January)

(PV(2005)1685)

The Commission approved the minutes of its 1685th meeting.

4. WRITTEN PROCEDURES AND EMPOWERMENT

4.1. WRITTEN PROCEDURES APPROVED

(SEC(2005)31 et seq.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 10 and 14 January.

4.2. SENSITIVE WRITTEN PROCEDURES

(SEC(2005)32)

The Commission took note of the written procedure initiated between 10 and 14 January for the adoption of a decision with political implications.

4.3. EMPOWERMENT

(SEC(2005)33 et seq.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 10 and 14 January.

4.4. DELEGATION AND SUBDELEGATION OF POWERS

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation procedure between 10 and 14 January, as archived on the "Greffé 2000" (Registry) website.

**5. COMMISSION DECISION ON A PROCEEDING UNDER ARTICLE 81 OF
THE EC TREATY AND ARTICLE 53(1) OF THE EEA AGREEMENT
(CASE COMP/C2/37.214 - DFB JOINT SELLING OF MEDIA RIGHTS)
(C(2005)78 to /6; SEC(2005)47)**

The Commission:

- took note of the opinion of the Advisory Committee on Restrictive Practices and Dominant Positions of 6 December 2004 in C(2005)78/3 and /5;
- took note of the final report of the Hearing Officer of 7 December 2004 in C(2005)78/4;
- adopted, in the authentic language (German), the decision in C(2005)78;
- decided to notify the decision, together with the final report of the Hearing Officer, to the *Liga-Fussballverband e.V.*;
- decided that the most important parts of the decision, together with the opinion of the Advisory Committee and the final report of the Hearing Officer, would be published in all official languages in the Official Journal of the European Union (with all business secrets removed);
- decided also to publish the decision (with business secrets removed) on the internet.

**6. COMMISSION DECISION ON A PROCEEDING UNDER ARTICLE 81 OF
THE EC TREATY AND ARTICLE 53 OF THE EEA AGREEMENT**

(CASE COMP/E-1/37.773 - MCAA)

(C(2004)4876 to /20; SEC(2005)59)

The Commission:

- took note of the opinion of the Advisory Committee on Restrictive Practices and Dominant Positions of 6 December 2004 and 17 January 2005 in C(2004)4876/2, /5 and /7;
- took note of the final report of the Hearing Officer of 9 December 2004 in C(2004)4876/6;
- adopted, in the authentic languages (German, English and French), the decision in C(2004)4876/8, noting that *Akzo Nobel NV*, *Akzo Nobel Nederland BV*, *Akzo Nobel Chemicals BV*, *Akzo Nobel Functional Chemicals BV*, *Akzo Nobel Base Chemicals AB*, *EKA Chemicals AB*, *Akzo Nobel AB*, *Clariant GmbH*, *Clariant AG*, *Arkema SA (ex-Atofina SA)*, *Elf Aquitaine SA* and *Hoechst AG* had infringed Article 81 of the EC Treaty and, with effect from 1 January 1994, Article 53(1) of the EEA Agreement, and imposing fines on some of these companies totalling €216 910 000;
- decided that the versions of the decision in C(2004)4876/9 to /20 would be notified to the companies concerned, together with the final report of the Hearing Officer;
- decided that the most important parts of the decision, together with the opinions of the Advisory Committee and the final report of the Hearing Officer, would be published in all official languages in the Official Journal of the European Union (with all business secrets removed);

- decided also to publish the decision (with business secrets removed) on the internet.

7. PROPOSAL FOR A COUNCIL FRAMEWORK DECISION ON THE FIGHT AGAINST ORGANISED CRIME (COM(2005)6 to /3; SEC(2005)51)

The Commission approved the proposal for a framework decision presented by Mr FRATTINI in COM(2005)6/3, for transmission to Parliament and the Council.

8. INTERINSTITUTIONAL RELATIONS

8.1. PARLIAMENT

- i) *Part-session from 10 to 13 January*
(SP(2005)104)

The Commission took note of the information supplied relating to Parliament's part-session held in Strasbourg from 10 to 13 January (SP(2005)104).

- ii) *Action to be taken on Parliament's opinions*
(SP(2005)49)

The Commission took note of SP(2005)49.

8.2. COUNCIL MEETINGS

(SI(2005)17)

Eurogroup and Council (Economic and Financial Affairs)

(Brussels, 17 and 18 January)

Mr ALMUNIA reported on the detailed discussions in the Eurogroup and the Council (Economic and Financial Affairs) on 17 and 18 January on the reform of the stability and growth pact. The atmosphere at the meeting had been excellent and the level of debate high. He was relatively optimistic about the chances of arriving at a balanced agreement in the coming weeks, under the leadership of the President of the Eurogroup and of the Council, Mr JUNCKER, with the active support of the Commission. Mr ALMUNIA reviewed the various issues tackled by the Eurogroup, particularly: incentives to consolidate public finances during periods of strong growth and economic prosperity; whether these incentives should be activated at Member State level or by means of the launching by the Commission of the early warning procedure as a preventive measure; a better definition of the medium-term objectives and the possibility of differentiation according to the Member States, taking account of the economic fundamentals; the trajectories of adjustment and the factors to be considered in the make-up of public expenditure; the implementation of the excessive deficit procedure, given the definition of "exceptional and temporary circumstances"; the criterion of the public debt, paying greater attention to its budgetary surveillance and its evolutionary aspects. After mentioning the timetable planned for the continuation of discussions in the Economic and Financial Committee, the Eurogroup and the Council (Economic and Financial Affairs), Mr ALMUNIA concluded by indicating that the Council had also adopted the Commission proposals concerning the excessive deficit procedures for Greece and

Hungary, involving for the first time the application of Article 104(8) of the Treaty.

The PRESIDENT gave a positive assessment of the debates in the Eurogroup. He endorsed Mr ALMUNIA's view as to the spirit of compromise shown by the great majority of Member States, which should help the prospects for reaching political agreement. It was important for the Commission to continue its efforts in support of the action by Mr JUNCKER and Mr ALMUNIA in this exercise, which was a very technical one but one where the political stakes were high. The Commission must play a part in the definition of a balanced solution and defend a pragmatic and intelligent revision of the stability and growth pact, so as to guarantee its credibility in compliance with the Treaty. Any failure to reach political agreement on the reform of the pact would result in the maintenance of the application of the current rules, which had been the subject of criticism by certain Member States.

The Commission took note of this information. After an exchange of views, particularly on the links between the reform of the pact, the relaunching of the Lisbon agenda and the discussions under way on the financial perspective post-2006, it confirmed the political importance of a credible reform of the stability and growth pact and its desire to contribute to this success.

9. MONITORING THE APPLICATION OF COMMUNITY LAW

9.1. STATE AID - SPECIFIC CASES

(SEC(2005)57; SEC(2005)64)

The Commission adopted the decisions in SEC(2005)64, subject to the following clarifications:

E 7/2002 *United Kingdom*

(ex C/53/2001 and
NN 52/2000)

***Proposal for appropriate measures under Article 88(1) of the EC Treaty
concerning the Exempt Companies regime***

C(2004)2687 to /5

Having taken note of the observations made during the meeting by
Mr ALMUNIA concerning the duration of the transitional period for existing
and new beneficiaries, the Commission adopted the proposal for appropriate
measures in C(2004)2687/5.

9.2. *INFRINGEMENTS: SPECIFIC CASES*

(SEC(2005)36/2; SEC(2005)37)

The Commission adopted the decisions in SEC(2005)36/2 and SEC(2005)37.

10. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2005)34/2)

ADMINISTRATIVE MATTERS

(PERS(2005)10)

10.1. *DG RTD/N - A*14-A*15 POST OF DIRECTOR*

(PERS(2004)141 to /4)

The Commission had before it applications under Article 29(2) of the Staff
Regulations for the post of Director, Directorate N (International scientific
cooperation) in the Research DG (PERS(2004)141 and /2), a post reserved for
a national of one of the new Member States.

The Commission took note of the opinions of the Consultative Committee on Appointments of 11 and 25 November 2004 (PERS(2004)141/3 and /4).

The Commission proceeded to compare the applicants' qualifications for the post. On a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr POTOČNIK, it then decided to appoint Mr András SIEGLER to the post.

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

10.2. DG RELEX/K - TRANSFER IN THE INTEREST OF THE SERVICE OF A DIRECTOR AND CANCELLATION OF THE PREVIOUS PUBLICATION

On a proposal from Mr KALLAS, in agreement with the PRESIDENT and Ms FERRERO-WALDNER, the Commission decided:

- to fill the post of Director, Directorate K (External Service) in the External Relations DG by the transfer, in the interest of the service and with his post, of Mr Thierry DE SAINT MAURICE, an A*15 official, currently Director, Directorate H (General affairs) in the EuropeAid Cooperation Office;
- to cancel the previous publication of this post (COM/2004/10072).

These decisions would take effect immediately.

10.3. DG EMPL - A*15-A*16 POST OF DEPUTY DIRECTOR-GENERAL (PERS(2004)132 to /4)

The Commission had before it applications under Article 29(2) of the Staff Regulations for the post of Deputy Director-General, Employment, Social

Affairs and Equal Opportunities (PERS(2004)132), a post reserved for a national of one of the new Member States.

The Commission took note of the opinions of the Consultative Committee on Appointments of 18 October and 2 December 2004 (PERS(2004)132/2 and /3).

The Commission proceeded to compare the applicants' qualifications for the post. It took note of Mr KALLAS's assessment concerning Mr RUTKOWSKI. Mr KALLAS drew attention to Mr RUTKOWSKI's expertise in the reform of social systems, particularly in the retirement field, as well as his long experience in various bodies, in particular at the World Bank, which underscored his potential for working in the Commission departments.

In the light of this opinion, the Commission, on a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr ŠPIDLA, decided to appoint Mr Michael RUTKOWSKI to the post.

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

**10.4. DG TRADE – CANCELLATION OF PUBLICATION OF POST OF
DEPUTY DIRECTOR-GENERAL (EUR-10) (COM/074/2004) AND NEW
PUBLICATION
(PERS(2004)123 to /5; PERS(2005)11)**

Having noted that, following the publication of this post on 15 April 2004, no candidates had been shortlisted by the Consultative Committee on Appointments (PERS(2004)123 to /5), the Commission, on a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr MANDELSON, decided:

- to terminate selection procedure COM/074/2004;
- to authorise the publication, under Article 29(2) of the Staff Regulations, of the vacancy notice in PERS(2005)11, reserved for a national of one of the new Member States.

These decisions would take effect immediately.

10.5. DG TRADE - POST OF DEPUTY DIRECTOR-GENERAL
(PERS(2005)12)

On a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr MANDELSON, the Commission decided under Article 29(1)(a)(i) and (iii) of the Staff Regulations to publish the vacancy notice in PERS(2005)12.

This decision would take effect immediately.

10.6. DG ECFIN - POST OF DEPUTY DIRECTOR-GENERAL
(PERS(2005)13)

On a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr ALMUNIA, the Commission decided under Article 29(1)(a)(i) and (iii) of the Staff Regulations to publish the vacancy notice in PERS(2005)13.

This decision would take effect immediately.

11. RELATIONS WITH NON-MEMBER COUNTRIES

MACROECONOMIC IMPACT OF THE EARTHQUAKE AND THE TSUNAMI IN SOUTH/SOUTH-EAST ASIA (SEC(2005)58)

Mr ALMUNIA reported that at the Council meeting (Economic and Financial Affairs) on 18 January he had presented initial estimates of the macroeconomic impact on the countries affected by the earthquake and the tsunami in south-east Asia. He referred to the EIB *Indian Ocean Tsunami Facility* project, announced by the President of the Council and President BARROSO at the Jakarta Conference. Given the constraints on the EIB and the fact that the interest rates, grace period and reimbursement period of the new facility could prove less favourable than those offered by the World Bank and the Asian Development Bank, Mr ALMUNIA intended to work actively with the EIB and the Commission departments concerned to seek ways of making these loans more attractive.

The Commission took note of this information and held a brief exchange of views on the constraints and rules governing loans granted by the EIB, the degree of flexibility required in the conception of the new financing facility, the importance of the Union's visibility as an international donor, and the need for participation in other long-term coordinated reconstruction and rehabilitation actions, particularly in the field of education.

The PRESIDENT concluded by emphasising the importance of delivering on the commitments given by the Union in Jakarta, bearing in mind the need to avoid entering into a sterile competition with the World Bank, through which the Union was in any case also intervening. He asked Mr ALMUNIA, in consultation with Ms GRYBAUSKAITĖ and Ms FERRERO-WALDNER, to consider with the EIB and the Finance Ministers the possibility of making the new facility more attractive, taking account of the constraints on the EIB and budgetary availabilities.

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

12. OTHER BUSINESS

PROTECTION OF CONFIDENTIALITY IN THE COMMISSION'S WORK

Ms WALLSTRÖM referred to the leak that had led to the publication in a national newspaper of an article on work in progress within the Commission on the mid-term review of the Lisbon agenda. While she was very committed to transparency, such leaks were regrettable because they were damaging to the smooth and effective operation of collective responsibility, since the dossier had not yet been put before the Commission or discussed by it. As the Commission Member responsible for the communication strategy, she wanted to work on the implementation of appropriate communication plans for each main dossier dealt with by the Commission, and intended to organise a Commission seminar on communication questions.

The PRESIDENT endorsed Ms WALLSTRÖM's concerns and emphasised the need for confidentiality in the Commission's work until the full Commission has taken a decision. He asked Commission Members to do whatever was necessary vis-à-vis their staff and departments to achieve this.

13. RELATIONS WITH NON-MEMBER COUNTRIES (continued from item 11)

***13.1. VISIT BY MS FERRERO-WALDNER TO WASHINGTON (12 AND
13 JANUARY)
(SEC(2005)66)***

Ms FERRERO-WALDNER reported on her visit to Washington, involving many contacts with representatives of government, the press and the academic community. Her main purpose had been to contribute to the preparations for the forthcoming visit by President BUSH to Europe. Emphasising the excellent atmosphere at these meetings and the willingness shown by the US authorities to step up transatlantic relations, Ms FERRERO-WALDNER reviewed the main subjects tackled in the various talks.

The Commission took note of this information. Since this matter would be considered in more detail by the RELEX group of Commission Members on 20 January, it held only a brief exchange of views. It noted the importance of intensifying dialogue with the United States in connection both with the consolidation of transatlantic relations and with political issues involving certain non-member countries and geographical areas, particularly Iran, Iraq, China, the Middle East and the Balkans.

The Commission took note of the information note distributed by Ms FERRERO-WALDNER.

***13.2. UN CONFERENCE ON SMALL ISLAND DEVELOPING STATES
(MAURITIUS, 12-15 JANUARY)
(SEC(2005)65)***

Mr MICHEL reported on his recent visit to Mauritius, where he had taken part in the UN Conference on Small Island Developing States. He gave a brief rundown of the subjects tackled by the conference that were of particular

interest, and mentioned several of his bilateral meetings, particularly with the UN Secretary-General, Mr Kofi Annan, as well as his contacts with the Mauritian authorities and with sugar industry representatives concerning the Union's reform of the sugar sector.

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

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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 1100 hours.