



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

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Strasbourg, 22 February 2005

MINUTES
of the 1690th meeting of the Commission
held in Brussels
(Berlaymont)
on Wednesday 16 February 2005
(morning)

These minutes were approved by the Commission at its 1691st meeting, held in Strasbourg on 22 February 2005.

They contain 18 pages.

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Single sitting: Wednesday 16 February (morning)

The sitting opened at 0905 hours with Mr Barroso, President, in the chair.

Present:

Mr BARROSO	President	
Ms WALLSTRÖM	Vice-President	
Mr VERHEUGEN	Vice-President	
Mr BARROT	Vice-President	
Mr KALLAS	Vice-President	
Mr FRATTINI	Vice-President	Items 9 to 13
Ms REDING		
Mr ALMUNIA		
Ms HÜBNER		
Mr BORG		
Ms GRYBAUSKAITĖ		
Mr FIGEL'		
Mr KYPRIANOU		
Mr REHN		
Mr KOVÁCS		
Ms KROES		Items 9 to 13
Ms FERRERO-WALDNER		
Mr McCREEVY		
Mr ŠPIDLA		
Mr MANDELSON		
Mr PIEBALGS		Items 9 to 13

Absent:

Mr DIMAS

Mr POTOČNIK

Mr MICHEL

Ms FISCHER BOEL

The following sat in to represent absent Members of the Commission

Ms KONTOU	Chef de cabinet to Mr Dimas
Mr DRÖLL	Chef de cabinet to Mr Potočník
Ms WEYAND	Chef de cabinet to Mr Michel
Mr SØRENSEN	Chef de cabinet to Ms Fischer Boel

The following also sat in

Mr WAINWRIGHT	Chief Adviser, Legal Service	
Mr VALE DE ALMEIDA	Chef de cabinet to the President	
Mr DE OLIVEIRA E SOUSA	Director-General, Press and Communication	
Ms LE BAIL	Commission Spokeswoman	
Mr DE RYNCK	Spokesman	Items 9 to 11
Ms MARTINHO	Adviser in the President's Office	Items 12 and 13
Mr ELLIS	A member of the President's staff	Items 9 to 11
Mr MORGAN	A member of Mr Barrot's staff	Items 9 to 11
Ms BENOLIEL	Deputy Chef de cabinet to Mr Frattini	Items 1 to 12
Ms LAMELA	Chef de cabinet to Mr Almunia	Items 7 and 8
Mr SMULDERS	Deputy Chef de cabinet to Ms KROES	Items 1 to 8
Mr KESTERIS	Chef de cabinet to Mr Piebalgs	Items 1 to 8
Ms CORUGEDO STENEBOERG	Press and Communication DG	

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

1. AGENDAS

(OJ(2005)1690/3; SEC(2005)209/2)

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)1690)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 14 February.

3. APPROVAL OF MINUTES AND SPECIAL MINUTES OF 1689th MEETING

(9 February)

(PV(2005)1689; PV(2005)1689, Part II)

The Commission approved the minutes of its 1689th meeting.

4. MONITORING THE APPLICATION OF COMMUNITY LAW

4.1. STATE AID - SPECIFIC CASES

(SEC(2005)238; SEC(2005)261)

The Commission adopted the decisions in SEC(2005)261.

4.2. REFERENCE RATES/RECOVERY RATES IN STATE AID

(SEC(2005)208 and /2; SEC(2005)238)

The Commission:

- adopted the communication on reference rates and recovery rates in the field of state aid, as set out in SEC(2005) 208/2 ;
- instructed the Commission Member responsible for competition to initiate the process of cooperation with the new Member States that did not have interbank swap rates, with a view to adopting adequate reference rates and recovery rates based, in principle, on the method for setting applicable (national) reference rates before accession;
- decided to publish SEC(2005) 208/2 in the Official Journal.

5. WRITTEN PROCEDURES AND EMPOWERMENT

5.1. WRITTEN PROCEDURES APPROVED

(SEC(2005)210 et seq.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 7 and 11 February.

5.2. SENSITIVE WRITTEN PROCEDURES

(SEC(2005)211)

The Commission took note of written procedures initiated between 7 and 11 February for the adoption of decisions with political implications.

5.3. EMPOWERMENT

(SEC(2005)212 et seq.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 7 and 11 February.

5.4. EMPOWERMENT RELATING TO THE MANAGEMENT OF THE INTERNAL MARKET IN ELECTRICITY AND GAS

(SEC(2005)103/2)

The Commission took note of the communication in SEC(2005)103/2 and empowered the Commission Member responsible for energy as specified in that document.

5.5. *DELEGATION AND SUBDELEGATION OF POWERS*

The Commission took note of the Secretariat-General's memoranda recording the delegation and subdelegation of powers between 7 and 11 February, as archived on the "Grefte 2000" (Registry) website.

6. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2005)213)

ADMINISTRATIVE MATTERS

(PERS(2005)19)

6.1. *PMO - A*14/A*15 POST OF DIRECTOR*

(PERS(2004)208 to /3)

The Commission had before it applications for the post of Director of the Office for Administration and Payment of Individual Entitlements, under Article 29(1)(a)(i) and (iii) of the Staff Regulations (PERS(2004)208).

The Commission took note of the opinions of the Consultative Committee on Appointments of 6 and 16 December 2004 (PERS(2004)208/2 and /3).

The Commission proceeded to compare the candidates' qualifications for the post. Having considered the ability, efficiency and conduct in the service of each of the candidates, the Commission, on a proposal from Mr KALLAS in agreement with the PRESIDENT, decided to appoint Ms Dominique DESHAYES to the post.

This decision would take effect immediately.

**6.2. *DG MARKT / DG JLS - AMENDMENT OF ORGANISATION CHARTS
(SEC(2005)251)***

Having noted that the financial implications of this reorganisation concerning administrative appropriations would be settled between the two Directorates-General concerned in agreement with the Budget DG, the Commission, on a proposal from Mr KALLAS in agreement with the PRESIDENT, Mr FRATTINI and Mr McCREEVY, approved the amendment of the organisation charts of the Directorate-General for Justice, Freedom and Security and of the Directorate-General for the Internal Market and Services, as set out in SEC(2005)251.

This decision would take effect on 15 March.

**6.3. *DG SANCO/E - TEMPORARY OCCUPATION OF AN A*14/A*15-LEVEL
POST***

The Commission, on a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr KYPRIANOU, decided under Article 7(2) of the Staff Regulations that Mr Bernard VAN GOETHEM, an A*12 official, currently Head of Unit SANCO/E2, should temporarily occupy the post of Director, Directorate E (Food safety: plant health, animal health and welfare, international questions) in the Directorate-General for Health and Consumer Protection from 1 November 2004 until the post was definitively filled, for up to a maximum of twelve months.

This decision would take effect immediately.

**7. COMMISSION RECOMMENDATIONS FOR COUNCIL OPINIONS,
UNDER ARTICLE 5(3) OF COUNCIL REGULATION (EC) No 1466/97 OF
7 JULY 1997 ON THE UPDATED STABILITY PROGRAMME OF SPAIN,
AND UNDER ARTICLE 9(3) OF COUNCIL REGULATION (EC) No 1466/97
ON THE UPDATED CONVERGENCE PROGRAMMES OF CYPRUS,**

**HUNGARY, LATVIA, LITHUANIA, THE UNITED KINGDOM AND
SLOVENIA**

**(SEC(2005)227 and /2; SEC(2005)228 and /2; SEC(2005)229 and /2;
SEC(2005)230 and /2; SEC(2005)231; SEC(2005)232; SEC(2005)233 and /2;
SEC(2005)236; SEC(2005)240)**

The Commission adopted the recommendations for Council opinions set out in SEC(2005)227/2, SEC(2005)228/2, SEC(2005)229/2, SEC(2005)231, SEC(2005)232, SEC(2005)230/2 and SEC(2005)233/2 for transmission to the Council, for consideration by the Economic and Financial Committee.

**8. COMMISSION RECOMMENDATION FOR A COUNCIL DECISION
UNDER ARTICLE 104(7) OF THE EC TREATY CONCERNING
HUNGARY**

(SEC(2005)226 to /3; SEC(2005)240)

Mr ALMUNIA introduced the communication he was tabling by giving a brief summary of the background. He reminded the meeting that Hungary was the only one of the six new Member States concerned not to have taken effective action by the specified deadline in response to the recommendation made to it by the Council on 5 July 2004 under Article 104(7) of the Treaty. Following the Council decision of 18 January under Article 104(8) of the Treaty, and since the last two stages of the excessive deficits procedure were not applicable to Hungary as it was not a member of the euro area, Mr ALMUNIA proposed to put before the Council new recommendations regarding Hungary under Article 104(7) of the Treaty. After reviewing the specific recommendations made to the Hungarian authorities with a view to bringing the current excessive deficit situation to an end as soon as possible, Mr ALMUNIA concluded by making it clear that the Hungarian authorities had made firm commitments to take the necessary measures.

The Commission took note of these remarks and approved the recommendation for a Council decision in SEC(2005)226/3 for transmission to the Council.

9. **COMMISSION COMMUNICATION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL *STRENGTHENING PASSENGER RIGHTS IN THE EUROPEAN UNION***
(COM(2005)46 to /3; SEC(2005)221 and /2; SEC(2005)239)
10. **PROPOSAL FOR A REGULATION ON THE RIGHTS OF PERSONS WITH REDUCED MOBILITY IN AIR TRANSPORT**
(COM(2005)47 and /2; SEC(2005)221 and /2; SEC(2005)239)
11. **PROPOSAL FOR A REGULATION ON THE INFORMATION OF AIR TRANSPORT PASSENGERS ON THE IDENTITY OF THE OPERATING CARRIER AND ON COMMUNICATION OF SAFETY INFORMATION BY MEMBER STATES**
(COM(2005)48 to /3; SEC(2005)221 and /2; SEC(2005)239)

Mr BARROT introduced all three communications together. They were in line with the target set by the Commission in the White Paper *European transport policy for 2010: time to decide* (COM(2001)370 final) of strengthening and guaranteeing passengers' rights for all modes of transport. With this in view, the communication on passengers' rights within the European Union (COM(2005)46/3) reviewed the measures already taken or currently being taken in the air transport and rail sectors and proposed to extend passengers' rights to all modes of transport, particularly sea transport and international coach transport. Two proposals for regulations accompanied this communication. The first of these proposals (COM (2005)47/2), concerning the rights of persons with reduced mobility when travelling by air, responded to a recognised need and confirmed the social dimension of the European Union. The second proposal for a regulation aimed to guarantee passengers the right to be informed of the identity of the actual air carrier with which they were to travel and to give them the assurance that all information relating to the safety record of carriers was indeed communicated rapidly and effectively between States. With regard to methodology, Mr BARROT pointed out that the approach chosen reflected the Commission's wish to avoid any unnecessary legislation and use other

means, particularly concertation, whenever appropriate. Reminding the meeting that the adoption of the package coincided with the entry into force, on Thursday 17 February, of the Regulation on compensation and assistance to passengers in the event of denied boarding and of cancellation or long delay of flights, Mr BARROT said that he, in cooperation with Ms WALLSTRÖM, would launch an information campaign in certain European airports on the passenger rights strengthened by these measures.

Having taken note of these observations, the Commission held an exchange of views on this item, in which the following aspects were discussed:

- the Union's duty to improve consumer protection, in particular for passengers with reduced mobility; the need not only to strengthen citizens' rights but also to inform them of these rights;
- the positive effect of increased information on competition;
- the role of safety and service quality in competitiveness ;
- the importance of ensuring proportionality of costs, taking into account consumers' interest in travelling at the lowest cost and the role of the low-cost airlines in opening up certain regions.

In conclusion, the PRESIDENT noted the Commission's support for Mr BARROT's proposals and emphasised the importance and balanced nature of these proposals. In view of the significant Community dimension of the transport sector and of the interconnection at European level, which was the case in other fields (e.g. energy, telecommunications, research), as well as the importance of the financial aspects, the PRESIDENT stated that he had asked Mr BARROT, together with the Commission Members concerned, to initiate a debate on the question of the trans-European networks so as to define a common coordinated approach which might form the basis for a Green Paper.

After discussion, the Commission:

- approved the communication in COM(2005)46/3;

- adopted the proposals for Regulations in COM(2005)47/2 and 48/3;
- decide to transmit these documents to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions:

12. RELATIONS WITH NON-MEMBER COUNTRIES

12.1. POLITICAL CRISIS IN NEPAL: RECENT DEVELOPMENTS

Ms FERRERO-WALDNER reported on the latest developments of the political crisis in Nepal, following the decisions taken by King GYANENDRA on 1 February, particularly his dismissal of Mr DEUBA's government, which was regarded as incapable of preparing the elections and initiating talks with the Maoist rebels. Referring to the risk of militarisation of the situation, Ms FERRERO-WALDNER pointed out that King GYANENDRA's decisions raised serious concerns regarding the observance of democratic principles and the respect for human rights and had been condemned both by the European Union (on behalf of which the Presidency had issued a strongly-worded statement on 3 February) and by most of the players in the international community. Without wishing to pre-judge the decisions to be taken, Ms FERRERO-WALDNER commented on the possible repercussions of these events on cooperation between Nepal and its European partners.

The Commission took note of this information.

12.2. BOMB ATTACK IN BEIRUT, 14 FEBRUARY 2005

Ms FERRERO-WALDNER referred to the bomb attack in Beirut on 14 February, in which Mr Rafik HARIRI, former Prime Minister of the Lebanon and leader of the opposition, died together with 15 other people, and in which around a hundred people were injured (among them Mr Basil FULEIHAN, former Minister for the Economy and chief negotiator

of the Association Agreement with the European Union). Noting that it was the most serious attack in Lebanon since the civil war, Ms FERRERO-WALDNER expressed the deep emotion felt at the assassination of Mr HARIRI, who had played a decisive role in furthering peace and the reconstruction of his country, particularly in relation to the 1989 Taëf Agreement and the efforts that followed it. While noting that it was inappropriate to fuel speculations as to who was responsible for the attack, Ms FERRERO-WALDNER underlined the potential consequences in a sensitive region and a country still beset by political and economic difficulties, where peace was still fragile. Given this background, she emphasised the importance of ensuring that the parliamentary elections took place as planned next June and said that she was considering what support the Commission could provide with a view to guaranteeing that these elections were free and democratic. Ms FERRERO-WALDNER also referred to the Union's close links with Lebanon, particularly as part of its policy towards neighbouring countries.

The Commission took note of this information and held a brief exchange of views during which it particularly emphasised the importance of Lebanon as a stabilising force in the Region and the opportunity provided by President BUSH's visit on 22 February to confirm the common position of the Union and of the United States on this question.

The PRESIDENT spoke of his shock on hearing of the death of Mr HARIRI, whom he had met during a visit to Brussels by the then Prime Minister of Lebanon in summer 2004, when the present Commission was being formed. He supported Ms FERRERO-WALDNER's analysis as to the need to conduct an international investigation into the attack and underlined the importance of considering the best means of developing the Union's relations with Lebanon as part of its policy towards neighbouring countries.

**12.3. COOPERATION OF CROATIA WITH THE INTERNATIONAL
CRIMINAL TRIBUNAL IN THE HAGUE (ICTY)
(SEC(2005)262)**

Mr REHN referred to the letter addressed on 11 February 2005 by Ms Carla DEL PONTE to the President of the Council, in which she reported on the insufficient cooperation of the Croatian authorities with the International Criminal Tribunal for the former Yugoslavia, particularly concerning the arrest of General Ante GOTOVINA. He appreciated that the situation gave cause for concern and underlined the importance for Croatia to demonstrate that it is doing everything in its power to cooperate fully with the Hague Tribunal.

The Commission took note of these observations and held a brief exchange of views on the nature and scope of the information available and on the possible implications for the opening of accession negotiations with Croatia planned for 17 March 2005.

13. OTHER MATTERS

VISIT BY MR KYPRIANOU TO RUSSIA (14 AND 15 FEBRUARY)

Mr KYPRIANOU reported on his visit to Russia on 14 and 15 February, during which he had met Mr GORDEYEV, Minister for Agriculture, and Mr STARODUBOV, Deputy Minister for Health. He emphasised the usefulness of these talks, which had taken place in a positive climate of cooperation and had enabled Mr KYPRIANOU to confirm the added value of the Commission's involvement in guaranteeing a coordinated approach between the Union, the Member States and the Russian authorities. Mr KYPRIANOU referred to certain specific aspects discussed in this connection, such as: certain proposals for cooperation on specific aspects of public health, particularly in the field of combating HIV/Aids; in the animal health sector, the specific problems encountered

following the introduction of the single veterinary certificate, particularly concerning milk products from Ireland, as well as the delays and lack of transparency of approval procedures for establishments in the new Member States; as regards plant health, the lifting by the Russian authorities of the ban on imports from certain Member States, the suspension of such bans during the discussions under way with a view to the introduction of a single plant health certificate by 1 April and the need for a transitional period for its implementation after that date. Mr KYPRIANOU concluded by emphasising the importance of a coordinated approach by the Union on these questions in the context of bilateral agreements of the Member States with Russia, since these create a precedent.

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The meeting closed at 1010 hours.