



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2005)1727 final

Brussels, 11 January 2006

MINUTES

**of the 1727th meeting of the Commission
held in Brussels
(Berlaymont)
on Wednesday 21 December 2005
(morning)**

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PV(2005)1727 final

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Single sitting: Wednesday 21 December (morning)

The sitting opened at 10.08 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 1 to 15 in part and 16
Ms REDING		
Mr DIMAS		Items 1 to 16
Mr ALMUNIA		
Ms HÜBNER		
Ms GRYBAUSKAITE		
Mr POTOČNIK		
Mr FIGEL'		
Mr KYPRIANOU		
Mr REHN		
Mr KOVÁCS		
Ms KROES		
Ms FISCHER BOEL		
Ms FERRERO-WALDNER		
Mr ŠPIDLA		Items 1 to 15 in part and 16
Mr MANDELSON		Items 1 to 16
Mr PIEBALGS		

Absent:

Mr BORG

Mr MICHEL

Mr McCREEVY

The following sat in to represent absent Members of the Commission

Mr KÖHLER	Deputy Chef de cabinet to Mr Borg	
Ms WEYAND	Chef de cabinet to Mr Michel	Items 1 to 15 in part
Ms GARDES	A member of Mr Michel's staff	Items 15 in part to 19
Mr POWER	Chef de cabinet to Mr McCreevy	

The following also sat in

Mr PETITE	Director-General, Legal Service	
Mr VALE DE ALMEIDA	Chef de cabinet to the President	
Mr LAITENBERGER	Commission Spokesman	Items 1 to 15 in part
Mr CARVOUNIS	Acting Director-General, Press and Communication	Items 1 to 16 and 19
Mr ITALIANER	Deputy Chef de cabinet to the President	Items 1 to 15 in part and 16
Ms MARTINHO	Chief Adviser in the President's Office	Items 1 to 16
Mr THEBAULT	Chief Adviser in the President's Office	Items 1 to 15 in part
Mr ELLIS	Member of the President's Office	Items 1 to 16
Mr QUEST	Chef de cabinet to Ms Grybauskaitė	Items 1 to 15 in part
Mr FRASER	Chef de cabinet to Mr Mandelson	Items 15 in part and 16
Mr SOLTYK	Spokesman	Items 1 to 15 in part
Mr KREUZHUBER	Spokesman	Items 1 to 15 in part
Mr ROSCAM	Spokesman	Item 16
Ms VON SCHNURBEIN	Spokeswoman	Item 16
Mr ROMERO REQUENA	Director-General, Budget	Items 1 to 15 in part
Ms BUGNOT	Secretariat-General	Item 15 in part
Mr LEARDINI	Secretariat-General	Items 1 to 15 in part
Mr SLEATH	Secretariat-General	Items 1 to 15 in part

Mr LATRICHE

Secretariat-General

Items 1 to 15 in part

Secretary: Ms DAY, Secretary-General, assisted by Mr AYET PUIGARNAU, Director in the Secretariat-General.

1. AGENDAS

(OJ(2005)1727/3; SEC(2005)1673/2)

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)1727)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 19 December.

**3. APPROVAL OF MINUTES AND SPECIAL MINUTES OF 1726th MEETING
(13 December)**

(PV(2005)1726; PV(2005)1726, Part II)

The Commission approved the minutes of its 1726th meeting.

4. MONITORING THE APPLICATION OF COMMUNITY LAW

4.1. STATE AID - RECAPITULATIVE LIST

(SEC(2005)1779; SEC(2005)1770)

The Commission adopted the decisions in the recapitulative list (SEC(2005)1779).

4.2. GUIDELINES ON NATIONAL REGIONAL AID FOR 2007-13

(SEC(2005)1667 to /5)

The Commission adopted, in principle, the guidelines for regional state aid as set out in SEC(2005)1667/5. It empowered the Commission Member

responsible for competition to adopt the text in all the official languages and decided to send it to the Member States, to publish it in the Official Journal and to inform the European Economic Area Surveillance Authority.

The Commission also approved, in principle, the appropriate measures set out in the draft letter annexed to SEC(2005)1667/5. It authorised the Commission Member responsible for competition to send this letter to the Member States and empowered her to open the procedure in accordance with Article 88(2) of the EC Treaty in all cases where a Member State did not confirm its unconditional acceptance of the appropriate measures within the deadline laid down.

**4.3. DRAFT COMMISSION EXEMPTION REGULATION FOR REGIONAL INVESTMENT AID
(SEC(2005)1665 to /2)**

The Commission decided to open the legislative procedure by approving the draft block-exemption regulation for regional investment aid as set out in SEC(2005)1665/2 with a view to the consultation of the Advisory Committee on State Aid, in accordance with Article 8(1)(a) of Regulation (EC) No 994/98. It authorised the Commission Member responsible for competition to continue this procedure and in particular:

- to transmit the draft Regulation to the Member States and to consult them in the Advisory Committee;
- to have the draft regulation published in the Official Journal in accordance with Article 6 of Regulation (EC) No 994/98, taking account of the amendments proposed by the Advisory Committee;
- to consult the Advisory Committee afresh on the text, pursuant to Article 8(1)(b) of Regulation (EC) No 994/98, taking account of the changes proposed at the public consultation.

**4.4. INFRINGEMENTS - CASES POSTPONED BECAUSE OF
UNAVAILABILITY OF DOCUMENTS - REGULARISATION
(SEC(2005)1755)**

The Commission adopted the decisions in SEC(2005)1755.

**5. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF
POWERS**

**5.1. WRITTEN PROCEDURES APPROVED
(SEC(2005)1674 et seq.)**

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 12 and 16 December.

**5.2. SENSITIVE WRITTEN PROCEDURES
(SEC(2005)1675)**

The Commission took note of written procedures initiated between 12 and 16 December for the adoption of decisions with political implications.

**5.3. EMPOWERMENT
(SEC(2005)1676 et seq.)**

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 12 and 16 December.

**5.4. EMPOWERMENT RELATING TO THE DESIGNATION OF
INTERMEDIARY BODIES PROPOSED BY THE MEMBER STATES
FOR THE INDIRECT CENTRALISED MANAGEMENT OF THE
PRIORITY INFORMATION ACTIONS UNDER THE PRINCE
PROGRAMME ("FUTURE OF EUROPE" BUDGET LINE) AND
"PRESS AND COMMUNICATION" OPERATIONAL
APPROPRIATIONS
(SEC(2005)1340)**

The Commission decided to empower the Commission Member responsible for the communication policy to act as set out in SEC(2005)1765.

**5.5. EMPOWERMENT CONCERNING MEASURES TO BE ADOPTED IN THE EVENT OF THE COUNCIL'S FAILING TO ACT, FIXING FOR 2006 THE FISHING OPPORTUNITIES AND ASSOCIATED CONDITIONS FOR CERTAIN FISH STOCKS AND GROUPS OF FISH STOCKS, APPLICABLE IN COMMUNITY WATERS AND, FOR COMMUNITY VESSELS, IN WATERS WHERE LIMITATIONS IN CATCH ARE REQUIRED
(SEC(2005)1753 to /3)**

The Commission empowered the Commissioner for Fisheries and Maritime Affairs to act, in agreement with the PRESIDENT, as set out in SEC(2005)1753/3.

5.6. DELEGATION AND SUBDELEGATION OF POWERS

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation procedure between 12 and 16 December, as archived on the "Greffé 2000" (Registry) website.

**5.7. DELEGATION IN THE FIELD OF INTERMODAL TRANSPORT (MARCO POLO PROGRAMME)
(SEC(2005)1766)**

The Commission decided to delegate to the Director-General, Transport, the adoption, on behalf of the Commission and under its responsibility, of the definitive list of all the proposals agreed, the list of those rejected and the reserve list of proposals agreed with suspensive conditions, for the annual calls for proposals for the Marco Polo programme, as set out in SEC(2005)1766.

**6. PROPOSAL FOR A PARLIAMENT AND COUNCIL REGULATION ON
TYPE-APPROVAL OF MOTOR VEHICLES WITH RESPECT TO
EMISSIONS AND ON ACCESS TO VEHICLE REPAIR INFORMATION,
AMENDING COUNCIL DIRECTIVE 72/306/EEC
(COM(2005)683 to /4; SEC(2005)1745; SEC(2005)1758 and /2)**

The Commission adopted the proposal for a Parliament and Council Regulation in COM(2005)683/4, for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, accompanied by the impact assessment in staff paper SEC(2005)1745, the contents of which were noted.

**7. PROPOSAL FOR A PARLIAMENT AND COUNCIL DIRECTIVE ON THE
PROMOTION OF CLEAN ROAD TRANSPORT VEHICLES
(COM(2005)634 to /4; SEC(2005)1588 and /2; SEC(2005)1740)**

The Commission adopted the proposal for a Parliament and Council Directive in COM(2005)634/4, for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, accompanied by the impact assessment in staff paper SEC(2005)1588/2, the contents of which were noted.

**8. PROGRESS REPORT ON THE REFORM OF THE COMMISSION:
BEYOND THE REFORM MANDATE
(COM(2005)668 to /3; SEC(2005)1759)**

The Commission approved the communication in COM(2005)668/3 for transmission to Parliament, the Council and the Court of Auditors.

**9. TAKING SUSTAINABLE USE OF RESOURCES FORWARD – A
THEMATIC STRATEGY ON THE PREVENTION AND RECYCLING OF
WASTE**

**(COM(2005)666 and /2; SEC(2005)1681; SEC(2005)1682; SEC(2005)1671;
SEC(2005)1664; SEC(2005)1761)**

**10. PROPOSAL FOR A PARLIAMENT AND COUNCIL REGULATION ON
WASTE**

**(COM(2005)667 to /3; SEC(2005)1681; SEC(2005)1671; SEC(2005)1664;
SEC(2005)1761)**

**11. THEMATIC STRATEGY ON THE SUSTAINABLE USE OF NATURAL
RESOURCES**

**(COM(2005)670 to /4; (SEC(2005)1683; SEC(2005)1684; SEC(2005)1664;
SEC(2005)1761)**

The Commission:

- approved the thematic strategy on the prevention and recycling of waste, as set out in COM(2005)666/2;
- adopted the proposal for a Parliament and Council Directive on waste, as set out in COM(2005)667/3;
- approved the thematic strategy on the sustainable use of natural resources, as set out in COM(2005)670/4;
- took note of the impact studies in the staff papers SEC(2005)1682 and SEC(2005)1683;
- took note of the technical annexes in SEC(2005)1682 and SEC(2005)1684;
- decided to transmit all these documents to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions.

**12. COMMISSION DECISION UNDER ARTICLE 81 OF THE EC TREATY
AND ARTICLE 53 OF THE EEA AGREEMENT
(CASE COMP/F/C.38.443 – RUBBER CHEMICALS)
(C(2005)5592 to /12; SEC(2005)1778)**

The Commission:

- took note of the opinions of the Advisory Committee on Restrictive Practices and Dominant Positions of 12 and 19 December in C(2005)5592/3 and C(2005)5592/6;
- took note of the final report of the Hearing Officer of 16 December in C(2005)5592/5;
- adopted, in the authentic languages (German, English and Spanish), the decision in C(2005)5592/7, noting that *Bayer AG*, *Crompton Manufacturing Company Inc.*, *Crompton Europe Ltd.*, *Chemtura Corporation*, *Flexsys N.V.*, *General Química S.A.*, *Repsol Química S.A.* and *Repsol YPF S.A.* had infringed Article 81 of the EC Treaty and Article 53 of the EEA Agreement and imposing on some of these companies fines totalling €75.86 million (more particularly: €13.6 million on *Crompton Manufacturing Company Inc.*, jointly with *Crompton Europe Ltd.*, €12.75 million of which jointly with *Chemtura Corporation*; €58.88 million on *Bayer AG* and €3.38 million on *General Química S.A.*, jointly with *Repsol Química S.A.* and *Repsol YPF S.A.*);
- decided to notify the decision to companies concerned (viz.: C(2005)5592/8 to *Flexsys N.V.*; C(2005)5592/9 to *Chemtura Corporation*, *Crompton Europe Ltd.* and *Crompton Manufacturing Company Inc.*; C(2005)5592/10 and /12 to *Bayer AG*; C(2005)5592/11 to *General Química S.A.*, *Repsol Química S.A.* and *Repsol YPF S.A.*) together with the final report of 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);
- also decided to publish the decision (with business secrets removed) on the internet.

**13. COMMISSION DECISION CONCERNING A PROCEEDING UNDER
ARTICLE 8(2) OF COUNCIL REGULATION No 139/2004
(CASE COMP/M.3696 – E.ON/MOL)
(C(2005)5593 to /7; SEC(2005)1760)**

The Commission:

- took note of the opinion of the Advisory Committee on Concentrations of 6 December in C(2002)5593/4;
- took note of the final report of the Hearing Officer of 7 December in C(2005)5593/5;
- adopted, in the authentic language (English), the decision in C(2005)5593/6, declaring that the operation notified, by which *E.ON Ruhrgas International AG* would acquire control of *MOL*, was compatible with the common market and the operation of the EEA Agreement, subject to compliance by *E.ON Ruhrgas International AG* with the commitments made, as set out in C(2005)5593/2 annexed to the decision;
- decided that the decision in C(2005)5593/7, as well as C(2005)5593/2 annexed thereto, would be notified to the firm concerned, together with the final report of Hearing Officer and the opinion of Advisory Committee;
- 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);
- also decided to publish the decision (with business secrets removed) on the internet.

14. RELATIONS WITH NON-MEMBER COUNTRIES

14.1. FIRST EURO-MEDITERRANEAN MINISTERIAL CONFERENCE ON TRANSPORT (MARRAKESH, 15 DECEMBER) (SEC(2005)1783)

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

14.2. DIALOGUE ON ENERGY QUESTIONS BETWEEN THE EUROPEAN UNION AND RUSSIA (SEC(2005)1782)

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

15. INTERINSTITUTIONAL RELATIONS (SEC(2005)1679)

The Commission took note of the record of the meeting of the Interinstitutional
Relations Group held on Friday 16 December (SEC(2005)1679).

It paid particular attention to the following points:

15.1. LEGISLATION

i) Preparations for January part-session (point 1.2. of the record)

In accordance with the rules in force, the Commission authorised the
Commission Members responsible, in agreement with the PRESIDENT,
Ms WALLSTRÖM and any other Members associated, to take a position on
Parliament's amendments to its proposals. It paid particular attention to the
following:

2nd reading

- KORHOLA report – Application of the provisions of the Aarhus Convention to EC institutions and bodies – COM(2003)622 – 2003/0242 (COD)

The Commission adopted the line set out in SP(2005)5063.

Empowerment

Under Article 13 of its Rules of Procedure the Commission empowered Mr DIMAS, in agreement with the PRESIDENT, Ms WALLSTRÖM and any other Members associated, to adopt its opinion on the amendments, together with any amended proposals, on the basis of the line set out in SP(2005)5063, once Parliament had given its opinion, and transmit them to the Council in accordance with Article 251(2)(c) of the Treaty, for the following.

- KORHOLA report – Application of the provisions of the Aarhus Convention to EC institutions and bodies

1st reading

- COSTA report – Goods transport by inland waterway (Statistics) – COM(2005)366 – 2005/0150 (COD)

The Commission adopted the line set out in SP(2005)5065 with a view to securing agreement at first reading.

- JARZEMBOWSKI report – Market access to port services – COM(2004)654 – 2004/0240 (COD)

The Commission adopted the line set out in SP(2005)5066.

- BREJC report – Local border traffic at the external land borders of the Member States – COM(2005)56 – 2005/006 (COD)

The Commission adopted the line set out in SP(2005)5067 and /2 with a view to securing agreement at first reading.

ii) Preparations for Council meeting (Fisheries), 20, 21 and 22 December
(point 1.3 of the record)

TACs and quotas

The Commission authorised Mr BORG, at the Council meeting (Fisheries) from 20 to 22 December, to support a Council Presidency compromise that would secure a qualified majority along the lines set out in SI(2005)1268/2.

iii) Action to be taken on Parliament's opinions
(SP(2005)4972)

The Commission approved the proposed empowerment decisions relating to action to be taken on the amendments presented by Parliament under the codecision and consultation procedures requiring a single reading, as set out in SP(2005)4972.

15.2. RELATIONS WITH THE COUNCIL
(SI(2005)1281)

iv) Discussions open to the public and public debates in the Council
(point 2.3 of the record)

The Commission took note of the list of dossiers concerning discussions open to the public and public debates in the Council, as revised, and instructed its departments to inform the Council accordingly (SI(2005)1274).

v) Contribution of the Swiss Confederation to reducing economic and social disparities within the enlarged EU
(point 2.4 of the record)

The Commission authorised its departments to support, within the Council, the *ad hoc* solution presented by the Council Presidency, along the lines set out in SI(2005)1280, if a consensus could be reached on it, without setting a precedent.

vi) Preparations for Coreper II (20 December)
(point 2.5 of the record)

Partnership and cooperation agreement with Thailand

The Commission supported the approach advocated by the Council Presidency along the lines set out in SI(2005)1283.

15.3. RELATIONS WITH PARLIAMENT

vii) Action taken on opinions and resolutions adopted at Parliament's November I and II part-sessions
(point 3.3.2 of the record)

The Commission approved the action taken on the opinions and resolutions adopted by Parliament at its November I and II part-sessions (SP(2005)5015), for transmission to Parliament.

viii) December part-session
(SP(2005)5028)

The Commission took note of the information provided on Parliament's part-session from 12 to 15 December (SP(2005)5028).

15.4. OTHER MATTERS

**ix) Results of European Council
(Brussels, 15 and 16 December)**
(point 5.2 of the record)

The PRESIDENT presented the results of the European Council meeting, at which an agreement had been reached without which the European Union would without doubt have been in a very difficult situation. The agreement, in which the level of commitment appropriations for 2007-13 came to 1.05% of GNP, was the best possible in the present circumstances. It was very close to the last proposal of the Luxembourg Presidency but contained a greater degree of flexibility. The agreement also included very important factors, such as the creation of a globalisation adjustment fund and a mandate given to the Commission to propose in 2008-09 a complete revision of all aspects

affecting expenditure (including the common agricultural policy) and revenue (including the British rebate) in the Union budget. Noting that a large number of the measures he had proposed on 12 December to the President of the European Council had been completely or partially endorsed, the PRESIDENT observed that the Commission had played a central role in facilitating the negotiations between Member States, particularly thanks to the work of Ms GRYBAUSKAITĖ, her Office and her departments. The PRESIDENT referred to the contributions of certain key players and emphasised the crucial role of Parliament as a party to the interinstitutional agreement, before turning to the tasks that the Commission would soon have to tackle in this area.

In order to facilitate the final agreement between the three institutions and the establishment of programmes in good time before 1 January 2007, the PRESIDENT felt it would be necessary for the Commission to demonstrate its collegiality and solidarity more than ever, always giving priority to the search for collective solutions to the problems of allocation of reductions (virtual or real). Based on the results of the European Council, the Commission would first have to present to the Council and Parliament a proposal on the new interinstitutional agreement, in the form of a working document. This would incorporate the ceilings agreed by the European Council for each of the headings but would avoid prejudging the results of the negotiations between the three institutions. Planned for adoption by the Commission in the second half of January, this proposal would also include the various components of the European Council agreement, such as the globalisation adjustment fund and proposals concerning the flexibility element.

As regards the allocation of reductions, the PRESIDENT reported that his Office, in cooperation with the Secretariat-General and the Budget DG, would be organising meetings in January with all the Members' Offices in order to explore how to give practical shape to these reductions as well as the other amendments requested by the European Council. This exercise would call for a highly political assessment, and the results of the preparatory work would be submitted to the Commission for collective discussion and decision. They would be communicated to the Council and Parliament at the end of January or the beginning of February in the form of a working document. In order to

have a better overview of the various related questions, the PRESIDENT considered that it would probably be necessary to hold over the general discussion on the annual policy strategy for 2007 for the Commission meeting on 17 January.

Once the new budgetary envelopes for each of the programmes had been determined, the corresponding legislative proposals would have to be revised accordingly. The Commission would reconsider certain of its proposals so as possibly to introduce a range of eligible actions that might be slightly more extended than originally planned, in order to take account, despite any reductions, of the modern and ambitious agenda that the Commission had set itself. The PRESIDENT drew Members' attention to the fact that this process could also be used to ensure that the financial instruments guaranteed that the management of funds would be as healthy and effective as possible. This effort would concern in particular the new initiatives such as the globalisation adjustment fund and certain cases where the European Council had asked the Commission to present proposals even though the Commission had expressed doubts, for instance as regards voluntary modulation. Just as with the revised proposal for a decision concerning own resources, this package of legislative proposals must be ready to be presented in February.

Given that the institutions would probably not be able to adopt a new interinstitutional agreement before March and that the Commission was required to present its Annual Policy Strategy for 2007 in mid-March, the PRESIDENT stated that it would be desirable for the revised legislative proposals to be adopted in parallel with the APS 2007. However, this would depend on the progress of negotiations between the institutions.

Turning to the long term, the PRESIDENT pointed to the enormous effort that the revision of expenditure and revenue of the Union budget would require.

The PRESIDENT concluded by restating the vital importance for the Commission of adopting an approach during the coming months that was marked essentially by collegiality, solidarity and coherence. He warmly thanked the departments, particularly the Budget DG and its Director-General, Mr Luis ROMERO REQUENA, and the Agriculture and Rural Development and Regional Policy DGs as well as the Secretariat-General, for the very high quality of the work carried out and their

undeniable contribution to the conclusion of the agreement in the European Council.

Echoing these thanks, Ms GRYBAUSKAITĖ supplemented the PRESIDENT's remarks by informing the Commission of the assessment she had made of the priorities and probable intentions of Parliament in the negotiations. She pointed to the urgency of the situation (the agreement between the three institutions must be concluded within three or four months) as well as the special importance for all Commission Members of adopting a collegial approach over the coming months as regards the financial perspective.

The Commission took note of this information and held an in-depth discussion, in which it discussed the following points in particular:

- certain communication aspects: the need for the Commission to concentrate, as regards presentation to the outside world, on the positive aspects of the agreement reached in the European Council; the importance for the Commission of emphasising its intention to step up efforts to adopt the most economical approach possible to the use of European taxpayers' money; the measures that should be taken to explain the operation of the Union budget; the advisability of linking work on the revision of the financial framework with efforts to stimulate public debate on the future of Europe; the assessment of the media coverage of the negotiations;
- the effects of the agreement in certain policy areas as well as for individual programmes; its effects on the last enlargement and on future enlargements; the possible existence of a margin for manoeuvre, either qualitatively or quantitatively, as the negotiations went forward; the challenge of fine-tuning the allocation of resources in such a way that the Union's strategic objectives could be realised despite the planned reductions; the fact that the largest reductions would be made in particularly high-profile policy areas with a special importance for the citizen;
- the importance of the work on the revision of the budget; the need for the Commission to prepare these proposals carefully and to reflect on the various methods of financing being planned for the Union budget; whether to explore the possibility of securing a European resource;

- the lessons to be drawn from the negotiations; the importance of explaining better in future why and with what objectives the Commission proposed the allocation of financial resources;
- certain factors of the European Council agreement that in the longer term could present risks as regards financial management, problems of implementation or difficulties in securing budgetary discharge; the advisability of reflecting on the possibilities for remedying these problems;
- the role of Parliament; its likely intentions as the negotiations progressed;
- the attitudes of certain Member States and the implications of these for the European Union;
- the consequences that the outcome and the results of the negotiations would have for the Commission's role and position;
- the approach to be adopted vis-à-vis the Council and Parliament;
- the vital importance for the Commission of showing the collegiality, solidarity and coherence called for by the PRESIDENT and Ms GRYBAUSKAITĖ;
- the contributions and the substantial efforts made by the PRESIDENT and Ms GRYBAUSKAITĖ and by the Commission departments.

Following this debate, the PRESIDENT thanked the Commission Members for their support for the approach he and Ms GRYBAUSKAITĖ had proposed. Emphasising the importance he attached to the development of good relations with the Austrian Presidency, the PRESIDENT took note of the Commission's support for the adoption of a positive and responsible attitude to the European Council agreement, while reiterating the Commission's desire to work for an ambitious, solid and open Europe. He drew the Commission's attention to the question of comparing the amounts in the agreement with those of the 2006 budget. He emphasised the need for the Commission to speak with one voice in the debate on the financial perspective.

The PRESIDENT mentioned the need to keep an open mind in the debate on the own resources system and to involve a large number of players such as

Parliament. He emphasised the importance of collaborating closely forthwith with the various bodies of Parliament.

Finally, the PRESIDENT announced that he intended later that day to distribute a road map detailing the approach to be followed.

Other dossiers

The PRESIDENT also took stock of the outcome of the European Council on a number other dossiers relating to various subject areas, such as migration, the environment, sustainable development, the renewed Lisbon Strategy, Better regulation, the Directive on services in the internal market, reduced VAT rates, external relations, etc.

x) Results of the WTO ministerial meeting on the Doha Development Agenda (Hong Kong, 13 to 18 December)

Mr MANDELSON and Ms FISCHER BOEL reported on the sixth World Trade Organisation ministerial meeting on the Doha Development Agenda. Mr MANDELSON mentioned more particularly, on account of their importance for the European Community, the following aspects:

- as regards industrial goods, the negotiations would now continue on the basis of a formula for the reduction of customs tariffs (sought by the Community) which had been approved, without its main parameters (the coefficients of the formula) having been fixed;
- as regards services, the final ministerial declaration preserved the components identified during the negotiations and offered a procedure that would enable progress to be made in 2006 by means of multilateral negotiations, for which qualitative pointers would from now on be available;
- while highlighting the progress made in favour of the least developed countries, the Community position of granting access free of customs duties and without quantitative restrictions to all products exported by the least developed countries had unfortunately not been supported as expected by certain key partners of the European Community;

- as regards agriculture, small advances had been made in the search for an agreement on the structure of the arrangements for tariff reductions;
- nevertheless, the end of 2013 had been fixed as the date for the elimination of all subsidies for agricultural exports, coinciding with the completion of the present round of reform of the common agricultural policy.

After mentioning the results of the Hong Kong meeting as regards cotton and the next stages in the negotiations, Mr MANDELSON concluded by warmly thanking the Commission officials who, through their devotion to duty, determination and competence, had contributed to averting failure at the end of this arduous stage in the negotiations.

Ms FISCHER BOEL echoed these thanks, emphasising the excellent cooperation between their Members' Offices and respective departments.

After taking note of this information, the Commission held an exchange of views, focusing in particular on the following points:

- the possibility of reaching agreement on the complete arrangements before the end of April 2006, as set out in the final statement, bearing in mind the real factors on the negotiating table in the various subject areas;
- how exactly this related to the agreement secured in the European Council on the new financial framework for 2007-13;
- as regards the CAP, the advisability of starting already a reflection with a view to investing more in the aspects of the policy that supplied particular added value, such as denominations of origin, and with a view to preparing the ground in the longer term, one particular opportunity being the mid-term review of the reform of the CAP;
- the excellent cooperation between the Commission and the Member States of the Union throughout the negotiations;
- the need to draw, for the future, functional, institutional and political lessons on how to tackle and conduct this type of negotiation, bearing in

mind among other things the visibility and added value of Community action;

- the importance of making improved use of the network of Commission delegations to make the Community positions better known;
- the link between the possible next stages in access to agricultural markets and the requirement for concessions on the part of other parties to the negotiations as regards the non-agricultural and industrial aspects (NAMA) and services;
- the role played at the negotiations by certain industrialised countries as well as by groupings such as G20 and G90.

Following this exchange of views, the PRESIDENT noted that the overall results secured at the end of this stage of the negotiations could be regarded as good, that the Commission's credibility and its role as facilitator had certainly been strengthened, and that the Member States' confidence in the Commission had increased. It was necessary now to continue the negotiations on a realistic basis and to persuade the key partners in the negotiations that the Community's positions were well-founded. To this end, he emphasised the importance of increasing European influence and speaking with one voice in the world, using the means and instruments necessary in the subject areas relating to foreign policy, development and international trade.

The PRESIDENT concluded by extending warm thanks to Mr MANDELSON and Ms FISCHER BOEL, and to the Members' Offices and departments under their responsibility, for the excellent work carried out in this important and complex matter.

16. COMMISSION COMMUNICATION TO PARLIAMENT, THE COUNCIL, THE ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS ON THE POLICY PLAN ON LEGAL MIGRATION (COM(2005)669 to /3; SEC(2005)1680 and /2; SEC(2005)1762)

Mr FRATTINI and Mr ŠPIDLA briefly introduced the communication that was before the Commission. After reminding the meeting that it had been produced in response to a request by the European Council, Mr FRATTINI pointed to the underlying political challenges and summarised the main points of the five legislative proposals. He drew the meeting's attention to the complexity of the problem of immigration and to the importance for the Commission of tackling all of its various facets. Mr ŠPIDLA, for his part, indicated that the Commission's approach was aimed at improved and more coherent management of the phenomenon of economic immigration, which corresponded both to a reality and to a need, the objective being to arrive at a predictable, coherent and effective immigration policy.

The Commission approved the communication in COM(2005)669/3 for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, together with the impact assessment in the staff paper SEC(2005)1680/2, the contents of which were noted.

**17. ADMINISTRATIVE AND BUDGETARY MATTERS
(SEC(2005)1677/2)**

**ADMINISTRATIVE MATTERS
(PERS(2005)167/3)**

**17.1. DG RELEX- - A*15/A*16 FUNCTION OF DEPUTY
DIRECTOR-GENERAL
(PERS(2005)151 to /5)**

The Commission had before it applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Deputy Director-General in the External Relations DG (PERS(2005)151 and /4).

The Commission took note of the opinions of the Consultative Committee on Appointments of 5 and 6 December (PERS(2005)151/2, /3 and /5).

The Commission proceeded to compare the applicants' qualifications for the post. It also considered their ability, efficiency and conduct in the service. On a proposal from Mr KALLAS, in agreement with the PRESIDENT and Ms FERRERO-WALDNER, it then decided to appoint Mr Fokion FOTIADIS to the post.

This decision would take effect on 1 January 2006.

**17.2. DG PRESS – A*15/16 FUNCTION OF DIRECTOR-GENERAL
(PERS(2005)148 to /3)**

The Commission had before it applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Director-General in the Press and Communication DG (PERS(2005)148).

The Commission took note of the opinions of the Consultative Committee on Appointments of 5 and 7 December (PERS(2005)148/2 and /3).

The Commission proceeded to compare the applicants' qualifications for the post. It also considered their ability, efficiency and conduct in the service, and took note of Mr KALLAS's assessment concerning the qualifications and experience of the candidate favoured.

In the light of the above, the Commission, on a proposal from Mr KALLAS, in agreement with the PRESIDENT and Ms WALLSTRÖM, decided to appoint Mr Claus SØRENSEN to the post.

This decision would take effect on 16 January 2006.

The Commission expressed its thanks to Mr Panayotis CARVOUNIS for the quality of his work and his commitment during his period as interim Director-General, Press and Communication.

**17.3. DG TREN –A*15/16 FUNCTION OF DIRECTOR-GENERAL
(PERS(2005)150 to /3)**

The Commission had before it applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Director-General, Energy and Transport (PERS(2005)150).

The Commission took note of the opinions of the Consultative Committee on Appointments of 2 and 3 December (PERS(2005)150/2 and /3).

The Commission proceeded to compare the applicants' qualifications for the post. It also considered their ability, efficiency and conduct in the service, and took note of Mr KALLAS's assessment concerning the qualifications and experience of the candidate favoured.

In the light of the above, the Commission, on a proposal from Mr KALLAS, in agreement with the PRESIDENT, Mr BARROT and Mr PIEBALGS, decided to appoint Mr Matthias RUETE to the post.

This decision would take effect on 1 January 2006.

**17.4. SG - A*15/A*16 FUNCTION OF DEPUTY SECRETARY-GENERAL
(PERS(2005)149 to /3)**

The Commission had before it applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Deputy Secretary-General (PERS(2005)149).

The Commission took note of the opinions of the Consultative Committee on Appointments of 2 and 3 December (PERS(2005)149/2 and /3).

The Commission proceeded to compare the applicants' qualifications for the post. It also considered their ability, efficiency and conduct in the service. On a proposal from Mr KALLAS, in agreement with the PRESIDENT, it then decided to appoint Mr Alexander ITALIANER to the post.

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

17.5. 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 with respect to an A*16 official.

17.6. 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 with respect to an A*15 official.

17.7. DG COMP - APPLICATION OF THE ARTICLE 50 PROCEDURE (SECOND STAGE) WITH RESPECT TO AN A*15 OFFICIAL (PERS(2005)171)

The Commission continued its discussions on this matter, begun on 7 December (PV(2005)1725).

The Commission, on a proposal from Mr KALLAS, in agreement with the PRESIDENT, adopted the decision in PERS(2005)171 to apply the second stage of the procedure laid down in Article 50 of the Staff Regulations with respect to Mr Goetz DRAUZ, an A*15 official, currently Deputy Director-General in the Competition DG.

This decision would take effect on 1 January 2006.

17.8. DG COMP - PUBLICATION OF VACANCY NOTICE FOR A*15/16 POST OF DEPUTY DIRECTOR-GENERAL (PERS(2005)168)

On a proposal from Mr KALLAS, in agreement with the PRESIDENT and Ms KROES, the Commission authorised the publication, under Article 29(1)(a)(i) and (iii) of the Staff Regulations, of the vacancy notice in PERS(2005)168 for the function of Deputy Director-General in the Competition DG.

This decision would take effect immediately.

17.9. DG RELEX - AMENDMENT OF ORGANISATION CHART

On a proposal from Mr KALLAS, in agreement with the PRESIDENT and Ms FERRERO-WALDNER, the Commission approved the amendment of the organisation chart of the External Relations DG to take account of the reclassification to grade A*14/15 of the function of Head of the Commission Delegation in Turkey, in the context of the mobility exercise for 2006.

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

**17.10.DG ADMIN – FRAMEWORK AGREEMENT CONCERNING
RELATIONS BETWEEN THE COMMISSION AND THE TRADE
UNIONS AND STAFF ASSOCIATIONS
(SEC(2005)1768)**

On a proposal from Mr KALLAS, in agreement with the PRESIDENT, the Commission decided:

- to repudiate the framework agreement of 27 January 2003 concerning relations between the Commission and the trade unions and staff associations, with effect from 27 January 2006;
- to authorise Mr KALLAS to negotiate and to conclude a new framework agreement with the trade unions and staff associations, to take account of the various factors mentioned in SEC(2005)1768.

OTHER MATTERS

**17.11.PROPOSAL FOR THE APPOINTMENT OF THE INTERIM DIRECTOR
OF THE INTERIM SECRETARIAT OF THE ENERGY COMMUNITY IN
VIENNA
(PERS(2005)172 and /2)**

Following the procedure set out at point 11 of PERS(2005)167/3, the Commission, on a proposal from Mr KALLAS, in agreement with the PRESIDENT, Mr REHN and Mr PIEBALGS, decided:

- to propose the appointment of Mr Slavtcho NEYKOV for the post of interim Director of the interim Secretariat of the Energy Community in Vienna;
- to authorise Mr REHN and Mr PIEBALGS to communicate this proposal to the Permanent High Level Group of the Energy Community.

18. PROPOSAL FOR A COUNCIL REGULATION ON ORGANIC PRODUCTION AND LABELLING OF ORGANIC PRODUCTS

PROPOSAL FOR A COUNCIL REGULATION AMENDING REGULATION (EEC) NO 2092/91 ON ORGANIC PRODUCTION OF AGRICULTURAL PRODUCTS AND INDICATIONS REFERRING THERETO IN AGRICULTURAL PRODUCTS AND FOODSTUFFS (COM(2005)671 to /3; SEC(2005)1757)

Ms FISCHER BOEL presented the two proposals she was tabling. She pointed out that organic production fulfilled a consumer demand and delivered public benefits, not only as regards environmental protection and animal welfare but also in the social and rural development fields, since organic production was, from this point of view, in perfect harmony with the reformed common agricultural policy. Given the importance of this method of production (the sector had seen impressive growth in recent years), it was necessary to ensure that the sector could continue to develop on a sustainable basis. The proposals she was now tabling, drawn up as a follow-up to the 2001 European action plan for organic foodstuffs and agriculture and based on the results of wide public consultations, aimed to contribute to the diversification of European agriculture.

Having taken note of this information, the Commission adopted the two legislative proposals in COM(2005)671/3 for transmission to the Council and Parliament.

**19. THE COMMISSION'S LEGISLATIVE AND WORK PROGRAMME FOR
2005: A *BILAN*
(SEC(2005)1775 and /2)**

In support of her information note, Ms WALLSTRÖM pointed to the excellent implementation rate of the Commission's legislative and work programme for 2005. She drew the Commission's attention to the need to improve the preparation of the dossiers in future, including as regards impact studies. She also mentioned the need for the dossiers submitted to the Commission to be more evenly spread throughout the year so as to avoid overloading its agenda.

Ms WALLSTRÖM thanked all the departments involved in the preparation and the follow-up of the Commission's work, and particularly the Secretariat-General.

The PRESIDENT reviewed the long list of dossiers that had been the subject of Commission decisions in 2005. He also welcomed the excellent results secured in the implementation of the work programme, particularly in comparison with previous years. The PRESIDENT concluded by expressing his best wishes to Commission Members, and to all staff and their families.

The Commission took note of the information note from Ms WALLSTRÖM, in agreement with the PRESIDENT, in SEC(2005)1775/2.

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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 ended at 13.11.