



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2006) 1762 final

Strasbourg, 24 October 2006

MINUTES
of the 1762nd meeting of the Commission
held in Brussels
(Berlaymont)
on Wednesday 18 October 2006
(morning)

PV(2006) 1762 final

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Single sitting: Wednesday 18 October 2006 (morning)

The sitting opened at 09.34 hours with Mr Barroso, President, in the chair.

Present:

Mr BARROSO	President	
Ms WALLSTRÖM	Vice-President	Items 1 to 11
Mr VERHEUGEN	Vice-President	Items 11 to 16
Mr BARROT	Vice-President	
Mr KALLAS	Vice-President	
Mr FRATTINI	Vice-President	
Ms REDING		
Mr DIMAS		
Mr ALMUNIA		
Ms HÜBNER		Items 10 (in part) to 16
Mr BORG		
Ms GRYBAUSKAITĖ		
Mr POTOČNIK		
Mr FIGEL'		
Mr KYPRIANOU		Items 1 to 11
Mr MICHEL		Items 1 to 14 (in part)
Mr KOVÁCS		
Ms KROES		
Ms FISCHER BOEL		
Mr McCREEVY		
Mr ŠPIDLA		
Mr MANDELSON		
Mr PIEBALGS		Items 1 to 15 and 16
Absent:		

Mr REHN

Ms FERRERO-WALDNER

The following sat in to represent absent Members of the Commission

Ms ÅSENIUS	Deputy Chef de cabinet to Mr OREJA
Mr CHILD	Chef de cabinet to Ms FERRERO-WALDNER

The following also sat in

Mr VALE DE ALMEIDA	Chef de cabinet to the President	
Mr PETITE	Director-General, Legal Service	
Mr SØRENSEN	Director-General, DG Communication	
Mr LAITENBERGER	Commission Spokesman	
Ms CARVALHO	Acting Director-General, Bureau of European Policy Advisers (BEPA)	
Mr THEBAULT	Deputy Chef de cabinet to the President	Items 10 (in part) to 14
Ms MARTINHO	Chief Adviser in the President's Office	Items 1 to 10 (in part)
Mr ELLIS 12	Adviser in the President's Office	Items 1 to 10 (in part) and
Ms AG	A member of Ms WALLSTRÖM's staff	Items 12 to 16
Mr MORDUE	Deputy Chef de cabinet to Mr VERHEUGEN	Items 1 to 10
Mr KORTE	Chef de cabinet to Ms HÜBNER	Items 1 to 10 (in part)
Mr ADAMIŠ	Chef de cabinet to Mr FIGEL'	Point
Ms PINHO	A member of Mr KYPRIANOU's staff	Items 12 to 16
Mr GUERSENT	Deputy Chef de cabinet to Mr KROES	Point
Ms QUINTIN	Director-General DG Education and Culture	Point

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

1. AGENDAS

(OJ(2006) 1762/3 ; SEC(2006) 1296/2)

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(2006) 1762)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 16 October.

**3. APPROVAL OF MINUTES AND SPECIAL MINUTES OF 1761ST MEETING
(12 OCTOBER)**

(PV(2006) 1761; PV(2006) 1761, PART II TO /3)

The Commission approved the minutes of its 1761st meeting.

4. ADMINISTRATIVE AND BUDGETARY MATTERS
(SEC(2006) 1300/2)

ADMINISTRATIVE MATTERS
(PERS(2006) 143/2)

**4.1. DG INFSO – PUBLICATION OF INTERNAL VACANCY NOTICE FOR
THE FUNCTION OF DEPUTY DIRECTOR-GENERAL**
(PERS(2006) 142 AND /2)

Having taken note of the information in point 1 of PERS(2006) 143/2, the Commission, on a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mrs REDING, decided to authorise the publication under Article 29(1) and (2) of the Staff Regulations of the vacancy notice in PERS(2006) 142/2, for the post of Deputy Director-General, Information Society DG.

This decision would take effect immediately.

**4.2. DG FISH – TERMINATION OF SELECTION PROCEDURE FOR
FUNCTION OF GRADE AD14 CHIEF ADVISER (EU-10) AND
ABOLITION OF FUNCTION**
(PERS(2004) 211 TO/5)

Having noted the procedure followed as set out in point 2 of PERS(2006) 143/2, the Commission, on a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr BORG, decided:.

- to terminate selection procedure COM/171/2004 for the function of Chief Adviser without appointing anyone to the post;
- to abolish the function in question.

These decisions would take effect immediately.

4.3. *DG COMP – INTERIM APPOINTMENT OF DEPUTY DIRECTOR-GENERAL*

The Commission, on a proposal from Mr KALLAS, in agreement with the PRESIDENT and Ms KROES, decided to grant Mr Emil PAULIS, AD15 Director in Directorate COMP.A (Policy and Strategic Support), an interim appointment under Article 7(2) of the Staff Regulations to the post of Deputy Director-General with particular responsibilities for *Antitrust* activities in the Competition Directorate-General, with effect from 1 February 2006 until a final appointment was made to the post, without the maximum duration laid down in the Staff Regulations being exceeded.

This decision would take effect immediately.

4.4. *DG RELEX – INTERIM APPOINTMENT OF DIRECTOR*

The Commission, on a proposal from Mr KALLAS, in agreement with the PRESIDENT and Ms KROES, decided to grant Michel MAGNIER, AD14 Head of Unit COMP.R.1 (Strategic planning, human and financial resources), an interim appointment under Article 7(2) of the Staff Regulations, for the post of Director in Directorate COMP.R (Strategic Planning and Resources) in the Competition Directorate-General, with effect from 1 January 2006 until a final appointment was made to the post, without the maximum duration laid down in the Staff Regulations being exceeded.

This decision would take effect immediately.

4.5. *SJ – INTERIM APPOINTMENT OF PRINCIPAL LEGAL ADVISER*

The Commission, on a proposal from Mr KALLAS, in agreement with the PRESIDENT, decided to grant Mr Eugenio DE MARCH, a grade AD14 official, an interim appointment under Article 7(2) of the Staff Regulations to the post of Principal Legal Adviser responsible for the Justice and Home Affairs team in the Legal Service for the period from 1 March 2005 to 28 February 2006.

This decision would take effect immediately.

4.6. SJ – INTERIM APPOINTMENT OF PRINCIPAL LEGAL ADVISER

The Commission, on a proposal from Mr KALLAS, and in agreement with the PRESIDENT, decided to grant Mr Theofanis CHRISTOFOROU, a grade AD14 official in the Legal Service, an interim appointment under Article 7(2) of the Staff Regulations, to the post of Principal Legal Adviser responsible for the Competition team in the Legal Service, for the period from 1 July 2005 to 30 June 2006.

This decision would take effect immediately.

4.7. SJ – INTERIM APPOINTMENT OF PRINCIPAL LEGAL ADVISER

The Commission, on a proposal from Mr KALLAS, in agreement with the PRESIDENT, decided to grant Mr Viktor KREUSCHITZ, a grade AD14 official in the Legal Service, an interim appointment under Article 7(2) of the Staff Regulations to the post of Principal Legal Adviser responsible for the Social Affairs team in the Legal Service for the period from 1 March 2006 to 31 July 2006.

This decision would take effect immediately.

**5. PRELIMINARY ANALYSIS ON A PROCEEDING UNDER ARTICLE 21(2) OF COUNCIL REGULATION (EC) NO 139/2004 ON THE CONTROL OF CONCENTRATIONS BETWEEN UNDERTAKINGS (CASE COMP/M.4388 – ABERTIS/AUTOSTRADA)
(SEC(2006) 1310 TO /4 ; SEC(2006) 1325)**

The Commission adopted, in the authentic language (Italian), the preliminary analysis in SEC(2006) 1310/4, and decided to notify the Italian authorities of it.

6. PROPOSAL FOR A PARLIAMENT AND COUNCIL DIRECTIVE AMENDING DIRECTIVE 97/67/EC ON COMMON RULES FOR THE DEVELOPMENT OF THE INTERNAL MARKET OF COMMUNITY POSTAL SERVICES AND THE IMPROVEMENT OF QUALITY OF SERVICE

(COM(2006) 594 TO /5 ; SEC(2006) 1291 AND /2 ; SEC(2006) 1292 ; SEC(2006)1301 ; SEC(2006) 1295 ; SEC(2006) 1324)

The Commission adopted the proposal for a Directive set out in COM(2006) 594/3 to /5 for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, and to national parliaments, together with the impact study and the summary in the staff papers distributed as SEC(2006) 1291/2 and SEC(2006) 1292, the contents of which were noted.

7. REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL ON THE APPLICATION OF THE POSTAL DIRECTIVE (DIRECTIVE 97/67/EC AS AMENDED BY DIRECTIVE 2002/39/EC) ON COMPETITION IN POSTAL SERVICES IN THE COMMUNITY

(COM(2006) 595 ; SEC(2006) 1293 ; SEC(2006) 1295 ; SEC(2006) 1324)

The Commission approved the report in COM(2006) 595 for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, and to national parliaments, together with the staff working paper in the annex, distributed as SEC(2006) 1293, the contents of which were noted.

**8. REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL ON A PROSPECTIVE STUDY ON THE IMPACT ON UNIVERSAL SERVICE OF THE FULL ACCOMPLISHMENT OF THE POSTAL INTERNAL MARKET IN 2009
(COM(2006) 596 ; SEC(2006) 1295 ; SEC(2006) 1324)**

The Commission approved the report in COM(2006) 596 for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions and to national parliaments.

9. RELATIONS WITH THIRD COUNTRIES

**9.1. VISIT TO BRAZIL (9 TO 14 OCTOBER 2006)
(SEC(2006) 1356)**

The Commission took note of the information note from Mr KYPRIANOU in SEC(2006) 1356.

**9.2. SEVENTH EUROPEAN UNION AND INDIA SUMMIT (HELSINKI, 13 OCTOBER 2006)
(SEC(2006) 1359)**

The Commission took note of the information note from Ms FERRERO-WALDNER, in agreement with the PRESIDENT and Mr MANDELSON, distributed as SEC(2006) 1359.

**9.3. INFORMAL EXCHANGE OF VIEWS BETWEEN EUROPEAN
MINISTERS RESPONSIBLE FOR TRADE ON THE COMMUNICATION
ON COMPETING EUROPE ON A GLOBAL ECONOMY
(LUXEMBOURG, 15 OCTOBER 2006)
(SEC(2006) 1364)**

The Commission took note of the information note of M. MANDELSON in SEC(2006) 1364.

**9.4. VISIT TO MALAYSIA AND SINGAPORE (9 AND 10 OCTOBER 2006)
(SEC(2006) 1361)**

The Commission took note of the information note from Ms FERRERO-WALDNER in SEC(2006) 1361.

**10. PROPOSAL FOR A PARLIAMENT AND COUNCIL REGULATION
ESTABLISHING THE EUROPEAN INSTITUTE OF TECHNOLOGY
(COM(2006) 604 TO /4 ; SEC(2006) 1313 TO /3 ; SEC(2006) 1314 AND /2 ;
SEC(2006) 1322)**

The PRESIDENT presented the Commission's initiative for establishing the European Institute of Technology (EIT) in the context of the informal meeting of Heads of State or Government to be held in Lahti on Friday 20 October, when issues concerning innovation and energy but also immigration would be addressed. As regards energy, he emphasised the importance of promoting a common European approach based on coherence and solidarity. As regards immigration, the PRESIDENT reminded the meeting of the need for a policy based on a long-term view. He also mentioned the possibility that at Lahti he might report on his visit to Darfur at the beginning of the month. Lastly, as regards innovation, he emphasised that he needed to have a list of priority actions, including the EIT, and that these actions should be given a strong political booster.

The PRESIDENT then mentioned a number of specific subject areas where the EIT could make a distinguished contribution, and particularly climate change research. He emphasised the importance of this question and the stimulus that Europe should give to action to respond to the challenge, and the utility of an institute creating bridges between research and the needs not only of the economy but also of the planet.

Noting the importance of gaining support for the project from the scientific community, the PRESIDENT noted that most of the resistance encountered at the beginning had been overcome. He specifically highlighted the relevance of the public-private partnership model underlying the project which was now common in initiatives by the Member States. He emphasised in this connection that certain Member States were in a position to conduct ambitious research and innovation projects but that they did not all have the requisite resources, which pointed up the need for the Community dimension and pan-European institutions in order to gain maximum benefit from the existing capacity for innovation in the Union.

By way of conclusion, the PRESIDENT took the view that the presence of Mr Vladimir Putin, President of the Russian Federation, at the Lahti summit should not overshadow the major debate on innovation that he wished to have with the Heads of State or Government of the Member States. He mentioned the need for the 25 Member States to issue a firm, coherent message in the discussion with President Putin, and the importance of raising the question of human rights in Russia, particularly the murder of the journalist Ms Anna Politkovskaya.

Mr FIGEL' then presented the proposal for a Regulation that was up for adoption by the Commission. He emphasised in the first place that the EIT could be one of the practical outcomes of the Lahti meeting and could show that Europe was constructive and capable of producing results. Coming back to the initial frosty reception given to the initiative, he reminded the meeting that the Erasmus programme had been opposed when it was first launched but was now enjoying considerable success.

Mr FIGEL' warmly thanked Commission Members for their cooperation, which had made it possible to ensure perfect coherence between the various aspects of the initiative, and he cited in particular the Education and Culture, Research, Enterprise and Industry and Budgets Directorates-General and the Legal Service. Emphasising the quality of the long preparatory work that had been done, he said that the stage reached that day would at last open the way to establishing the Institute.

Mr FIGEL' briefly mentioned the innovatory concept of the EIT, its lightweight structure which would allow a good geographical breakdown and autonomy in the organisation of knowledge communities, and the importance of the public-private partnership which should be reflected in the Governing Board. He then outlined the budgetary implications and financing arrangements, which should combine public funds – contribution from the Community but also from the Member States or the regions – and private-sector funding. Regarding the question of the qualifications that might be awarded, he reminded the meeting that this would continue to be the responsibility of the Member States but that an additional qualification awarded by the EIT, to be regarded as a quality label, would be set up. He concluded by mentioning the next stages of the legislative process which, if the Member States confirmed their support, would culminate in the Regulation being adopted at the end of 2007 or the beginning of 2008 and EIT activities getting under way in 2009.

Mr POTOČNIK continued the presentation of the initiative. He emphasised that this was a bold proposal which deserved full support since it tackled serious questions and was bound to be profitable for research and innovation. He highlighted the need for all Commission Members to be perfectly equipped to answer all the questions that would be put to them on the project so as to strengthen both political support for the EIT from the Council and Parliament, the latter having already expressed concern at certain aspects of the financing, and support from the business and academic worlds, which should be secured by stressing the fact that the objective pursued was excellence. He concluded by calling for the communication on this initiative to be handled with great care.

In the ensuing discussion Commission Members particularly emphasised the following aspects:

- general support for the proposal for a Regulation establishing the European Institute for Technology;
- the need for the active and committed support of all Commission Members for the EIT, which was a good illustration of European added value;
- the utility of putting forward, when presenting the project, some examples of subject areas in which the EIT could make a major contribution, such as climate change, in compliance with the powers that would be conferred on the Executive Committee and subject always to the guidelines to be defined, and the advisability of pointing to the EIT's potential in relation to *smart growth*;
- the EIT's ability to promote the development of environmentally-friendly technologies, which would also offer financing prospects;
- the EIT's enormous potential for developing synergies between higher education, research and the business world;
- the importance of the informal meeting with President Putin at Lahti, the accent being on the Russian President's pro-European stance but also concerns aroused by tension with Georgia, the problems of high-level corruption, the human rights situation and the recent murders, the need for the 25 Member States to take a harmonised approach in this respect at the dinner;
- developments and adjustments in progress as regards the EU's economic and commercial partnership with Russia, particularly as regards energy, and the positive influence that the new economic and trade relations could have on other questions arising with Russia;
- the value for the economic operators in Europe of a more predictable environment for long-term investments in Russia, which would require a number of reforms on matters such as property rights and accounting standards, the

importance of clearer and more stable rules and the primacy of law in general being underscored;

- the still tricky question of overflights over Siberia and the need for standardisation in compliance with international rules, cooperation with Russia on transport matters being generally satisfactory otherwise;
- the importance of seeing that the Lahti meeting dealt with the question of innovation in depth and that the meeting with President Putin should not be confined to energy issues but also look at the preconditions for development in Russia.

The PRESIDENT concluded the debate. As regards the meeting with President Putin, he referred to the need for a positive but firm engagement with Russia, a coherent European message and a discussion ranging beyond the confines of energy and considering the matter of the rule of law and the market economy. He reminded the meeting of the Russia's role in such delicate geo-political matters as relations with Iran or North Korea and Europe's energy dependence on Russia, but made it clear that Europe could not evade the question of the principle of human rights, and in particular the recent murders. He referred to the expectations of Parliament in this respect and hoped that the President of the Council would raise these delicate points over dinner with President Putin.

The PRESIDENT welcomed the launching of the European Institute for Technology, a strong concept that would arouse great interest. As regards the question of financing, which much remained to be worked out, he mentioned a number of avenues to be explored; a creative approach should be taken. He concluded by emphasising that the EIT should be one of this Commission's great achievements.

After its discussion the Commission adopted the proposal for a European Parliament and Council Regulation in COM(2006) 604/4 for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions and to the national parliaments, together with the impact assessment and its

summary in staff papers SEC(2006) 1313/3 and SEC(2006) 1314/2 respectively, the contents of which were noted.

11. OTHER MATTERS

LOGO FOR THE 50TH ANNIVERSARY OF THE SIGNING OF THE TREATY OF ROME

Ms WALLSTRÖM mentioned briefly the result of the competition that the Commission launched in July to choose the official logo for the 50th anniversary of the Signing of the Treaty de Rome in 2007, the winner having been proclaimed the previous day at a ceremony in Brussels. She reminded the meeting of the various stages of the competition and the selection process, and presented the winning design to Commission Members.

Ms WALLSTRÖM pointed out that the logo would be used for all Commission events and publications relating to the 50th anniversary, but that it would also be made available to other Community institutions and the national, regional and local authorities of the Member States. The logo would be translated into all Community languages.

The Commission welcomed the selection that had been made and took note of this information.

12. INTERINSTITUTIONAL RELATIONS

(SEC(2006) 1305)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group held on Friday 13 October (SEC(2006) 1305).

It paid particular attention to the following points:

12.1. LEGISLATIVE MATTERS

i) Action to be taken on Parliament's opinions

(SP(2006) 4642)

The Commission decided to empower the Members responsible for the areas concerned, in agreement with the PRESIDENT and Ms WALLSTRÖM and any other Commission Members concerned, to adopt the amended proposals for transmission to Parliament and the Council (SP(2006) 4642)

ii) Codecision procedure

(point 1.1.1 of the IRG record)

Codecision 2nd reading

- GRÖNER/SARTORI report - European Institute for Gender Equality - COM(2005) 81 – 2005/0017 (COD)

The Commission authorised Mr ŠPIDLA to continue contacts with the co-legislators with a view to reaching agreement at second reading, following the line set out in SPI(2006) 90/2 providing that, if necessary, the Commission might a statement on the final compromise.

Conciliation procedure

- KLASS report - Protection of groundwater against pollution - COM(2003) 550 - 2003/0210 (COD)

The Commission authorised Mr DIMAS to continue the negotiations with co-legislators in order to promote the approval of a common draft in the Conciliation Committee on 17 October 2006, following the line set out in the SPI(2006) 86 and /2.

iii) Preparations for the October II part-session

(point 1.2 of the IRG record)

In accordance with the rules in force, the Commission authorised the Commission Members responsible, in agreement with the PRESIDENT and Ms WALLSTRÖM and any other Members concerned, to take a position on Parliament's amendments to its proposals.

It paid particular attention to the following:

Codecision 2nd reading

- McCARTHY report - European order for payment procedure – COM(2004) 173 – 04/0055 (COD)

The Commission approved the line set out in SP(2006) 1926.

- Report ISLER BEGUIN – LIFE+ – COM(2004) 621 – 2004/0218 (COD)

The Commission approved the line set out in SP(2006) 4621.

- HIERONYMI report – Support programme for the European audiovisual sector (MEDIA 2007) – COM(2004) 470 - 2004/0151 (COD)

The Commission took note of document SP(2006) 4622 and of the fact that Parliament was proposing no amendment to the common position at this stage and that the procedure would be therefore be closed at second reading.

- GRAÇA MOURA report – Culture 2007 programme – COM(2004) 469 - 2004/0150 (COD)

The Commission approved the line set out in SP(2006) 4623 accepting the three amendments negotiated in advance with the Council, enabling the procedure to be concluded at the second reading.

(18 October 2006)

- GRÖNER report – “Youth in action” programme (2007-2013)
COM(2004) 471 – 2004/0152 (COD)

The Commission took note of document SP(2006) 4624 and of the fact that Parliament was proposing no amendment to the common position at this stage and that the procedure would be therefore be closed at second reading.

- PACK Report – Integrated action programme in the field of lifelong learning – COM(2004) 474 – 2004/0153 (COD)

The Commission took note of document SP(2006) 4625 and of the fact that Parliament was proposing no amendment to the common position at this stage and that the procedure would be therefore be closed at second reading.

- TAKKULA Report – "Citizens for Europe" programme (2007-2013) –
COM(2005) 116 – 2005/0041 (COD)

The Commission approved the line set out in SP(2006) 4626 accepting four amendments negotiated in advance with the Council, enabling the procedure to be concluded at the second reading.

- SACCONI Reports – REACH– European Chemicals Agency (Regulation) and amendment of Directive 67/548/EEC – COM(2003) 644 – 2003/0256 (COD) and 2003/0257 (COD)

The Commission took note of SP(2006) 4711/2 and expressed willingness to continue contacts with Parliament and the Council in order to come to a balanced compromise enabling agreement to be reached at second reading.

Empowerment

- McCARTHY report - European order for payment procedure –
COM(2004) 173 – 2004/0055 (COD)
- ISLER BEGUIN Report – LIFE + – COM(2004) 621 – 2004/0218 (COD)

- HIERONYMI report – Support programme for the European audiovisual sector (MEDIA 2007) – COM(2004) 470 – 2004/0151 (COD)
- GRAÇA MOURA report – Culture 2007 programme COM(2004) 469 – 2004/0150 (COD)
- GRÖNER report – “Youth in action” programme (2007-13) – COM(2004) 471 - 2004/0152 (COD)
- PACK Report – Integrated action programme in the field of lifelong learning – COM(2004) 474 – 2004/0153 (COD)
- TAKKULA Report – "Citizens for Europe" programme (2007-2013) – COM(2005) 116 – 2005/0041 (COD)

The Commission empowered the relevant Commission Members, under Article 13 of its Rules of Procedure, in agreement with the PRESIDENT and Ms WALLSTRÖM and any other Members associated, to adopt and transmit to the Council its opinion on the amendments, in accordance with Article 251(2)(c) of the Treaty, once Parliament had delivered its opinion, opinion together with possibly an amended proposal, on the basis of the line set out in, SP(2006) 4622, SP(2006) 4623, SP(2006) 4624, SP(2006) 4625 and SP(2006) 4626.

Codecision – 1st reading

- COELHO Rapports – Establishment, operation and use of the second generation Schengen information system (SIS II) (Regulation) – Access by the services in the Member States responsible for issuing vehicle registration certificates – COM(2005) 236 and COM(2005) 237 – 2005/0106 (COD) and 2005/0104 (COD)

The Commission approved the line set out in SP(2006) 4627.

- SCHLYTER Report – Restrictions on the marketing and use of perfluorooctane sulfonates – COM(2005) 618 – 2005/0244 (COD)

(18 October 2006)

The Commission authorised Mr VERHEUGEN to pursue contacts with Parliament and the Council in order to reach compromise, following the line set out in SP(2006) 4631.

- GROOTE Report – Type-approval of motor vehicles (emissions and repair information) – EURO 5 – COM(2005) 683 – 2005/0282 (COD)

The Commission authorised Mr VERHEUGEN to pursue contacts with Parliament and the Council in order to reach agreement at first reading, following the line set out in SP(2006) 4628, and expressed willingness to accept inclusion of the EURO 6 standard in the EURO 5 proposal.

Consultation

- COELHO Report – Establishment, operation and use of Schengen information system (SIS II) (decision) – COM(2005) 230 – 2005/0103 (CNS)

The Commission approved the line set out in SP(2006) 4627.

- PAPADIMOULIS Report – Community civil protection mechanism – COM(2006) 29 – 2006/0009 (CNS)

The Commission approved the line set out in SP(2006) 4630, /3 and /4.

- GOEPEL Report – Voluntary modulation of direct payments under the common agricultural policy – COM(2006) 241 – 2006/0083 (CNS)

The Commission approved the line set out in SP(2006) 4632 and noted that Parliament proposed to reject the Commission proposal.

iv) Preparation for the Agriculture and Fisheries Council (24 October) (point 1.4 of the IRG record)

With a view to the Council meeting (Agriculture and Fisheries) of 24 October 2006, the Commission authorised Mr BORG to support a compromise by the

Council Presidency concerning TACs and quotas in the Baltic Sea for 2007, following the line set out in SI(2006) 921/2.

12.2. RELATIONS WITH THE COUNCIL

(SI(2006) 922)

v) Results of the Council meeting « General Affairs and External Relations » – Joint external relations and development part (Luxembourg, 16 and 17 October 2006)

Mr MICHEL gave a brief account of the results of the Council meeting (General Affairs and External Relations) held on 16 and 17 October 2006, and more particularly of the joint external relations and development part. He mentioned the positive and constructive atmosphere at the meeting, and pointed to the Council's unanimous support for the "*Aid for trade*" principle, even though the Member States' financial undertakings remained to be verified in practice. The Council had specifically accented the financing of support for the economic partnership agreements between the European Union and the countries of African, the Caribbean and the Pacific (ACP). This was a major issue on account of the link established by the ACP countries between the negotiation of these agreements and the financial undertakings.

Mr MICHEL further considered that the Council had shown great consistency and convergence of views on illegal immigration. He was planning to propose that the Member States accept a joint development aid programme of the EU and the Member States, particularly in relation to the countries of West Africa, in the form of a consolidated set of measures proposed by the Commission and the various Member States. This approach would represent real progress towards a more rational division of labour between the Commission and the Member States in the development cooperation field.

Mr MANDELSON considered that the Council had confirmed the agreement between the Member States and the Commission not only on the negotiations

on the Doha Development Agenda but also on the various principles underlying development aid policy in general.

Mr MANDELSON also mentioned the Council's renewed commitment in favour of the ACP countries. He drew attention to the need to update a policy strategy for these countries and to take account of the challenges to be taken up in the coming months, in particular the continuation of the Doha round negotiations.

vi) Follow-up to Council meeting « Economic and Financial Affairs » of 10 October 2006 – Renewal of the powers of the European Investment Bank (EIB) to make external loans
(point 2.3 of the IRG record)

With a view to the Council meeting « Economic and Financial Affairs » of 28 November 2006, the Commission authorised Mr ALMUNIA to negotiate the renewal of the powers of the European Investment Bank (EIB) to make external loans for the period 2007-2013, following the line set out in SI(2006) 914/2.

12.3. RELATIONS WITH PARLIAMENT

vii) Results of the October I part-session
(SP(2006) 4712)

The Commission took note of the information supplied in SP(2006) 4712 relating to Parliament's part-session held in Brussels on 11 and 12 October 2006 .

13. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

13.1. WRITTEN PROCEDURES APPROVED

(SEC(2006) 1297 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 9 and 13 October.

13.2. SENSITIVE WRITTEN PROCEDURES

(SEC(2006) 1298 AND /2)

The Commission took note of the sensitive written procedures for which the time limit expired between 16 and 20 October and of the "finalisation" written procedures initiated following the weekly meeting of Chefs de cabinet on 16 October.

13.3. EMPOWERMENT

(SEC(2006) 1299 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 9 and 13 October.

13.4. GENERAL EMPOWERMENT FOR REPLACING MEMBERS AND RENEWING THE APPOINTMENT OF MEMBERS OF THE GROUP OF NON GOVERNMENTAL EXPERTS ON CORPORATE GOVERNANCE AND COMPANY LAW

(SEC(2006) 1311 AND /2)

The Commission granted the empowerment as set out in SEC(2006) 1133 and /2 to the Commission Member responsible internal market.

13.5. DELEGATION AND SUBDELEGATION OF POWERS

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation procedure between 9 and 13 October, as archived on the "Grefte 2000" (Registry) website.

**13.6. DELEGATION OF POWERS FOR THE DECLASSIFICATION OF CLASSIFIED DOCUMENTS IN THE HISTORICAL ARCHIVES
(SEC(2006) 1312)**

The Commission decided to delegate to the Director of the Office for Infrastructure and Logistics – Brussels, on behalf of the Commission and under its responsibility, the power to adopt decisions on the declassification of classified documents in the historical archives, as set out in SEC(2006) 1312.

**13.7. AMENDMENT OF COMMISSION REGULATION (EC) 824/2000 ESTABLISHING PROCEDURES FOR THE TAKING-OVER OF CEREALS BY INTERVENTION AGENCIES AND LAYING DOWN METHODS OF ANALYSIS FOR DETERMINING THE QUALITY OF CEREALS
(C(2006) 4795 TO /4)**

Ms FISCHER BOEL presented the Draft Commission Regulation and briefly described the background. She began by reminding the Commission of its responsibility to protect the Community's financial interests and the criticisms that it would receive from Parliament and the Court of Auditors if no measures were taken.

Ms FISCHER BOEL mentioned more particularly the explosion of Community maize production in recent years, rising from a state of equilibrium before 2004 to the current situation where the quantity of surplus maize bought in for Community intervention was about 5.1 million tonnes in Central Europe, of which 4.7 million in Hungary. She referred to the very high financial cost of this situation for the Community budget – some €140

million annually – and consequently the need to take two measures: Council adoption as soon as possible of an amendment to the Regulation on the common organisation of the market and immediate revision of the intervention criteria, determined by the Commission regulation now up for amendment. According to the draft, maize to be taken into Community intervention would henceforth have to have characteristics permitting long-term storage and comply with certain quality criteria, particularly as regards weight, enabling it to be sold later.

The Commission considered the draft regulation before it in the light of all the relevant factors, including the legitimate expectations of the Community producers concerned. It discussed the possibility of deferring the entry into force of the amendment concerning the specific weight criterion by twelve months so as to enable maize sown in 2006 under the current regulations to be bought in at Community intervention.

Pursuing the objective of ensuring product quality, and above all the need to protect the Community's financial interests, the Commission adopted the draft regulation distributed as C(2006) 4795/4, for entry into force on 1 November 2006.

14. OTHER BUSINESS (CONTINUED FROM ITEM 11)

IMPLEMENTATION OF THE 2006 BUDGET AT THE END OF SEPTEMBER (SEC(2006) 1316 AND /2 ; SEC(2006) 1320)

Ms GRYBAUSKAITĖ presented the position on implementation of the 2006 Budget at the close of accounts in September. She considered that the situation was not good. More than €3.7 billion in payment appropriations could not be expended before the end of the year, according to current forecasts. Ms GRYBAUSKAITĖ drew Members' attention to the link between the problem of under-implementation in 2006 and the budgetary procedure for 2007, pointing out that the budgetary

authority could use the high level of under-implementation of the 2006 Budget to cast doubt on the Commission's management capacities and to confirm its intention of placing part of the 2007 Budget in the reserve. She referred to the damaging effects of such a scenario, particularly with respect to administrative appropriations under heading 5. She indicated her intention of approaching Parliament on this question in the coming weeks, assisted by the Secretary-General in particular.

Ms GRYBAUSKAITĖ asked Members to make sure their departments were aware of the need to implement the 2006 Budget as fully as possible in compliance with the principles of sound financial management. She encouraged them to identify every possible source of political support in the budgetary procedure for 2007. She pointed out that all sources of political support would also be needed in order to block the Council Presidency's intentions regarding its medium-term productivity plans, involving the abolition of 1700 posts on the Commission's establishment plan in the coming years.

Lastly, Ms GRYBAUSKAITĖ mentioned the question of EU-10 recruitment, emphasising that difficulties and delays observed in filling enlargement posts under the 2006 Budget were also making it difficult for the Commission to obtain new appropriations for enlargement posts in the 2007 Budget.

The Commission held a brief exchange of views on the questions raised by Ms GRYBAUSKAITĖ, considering :

- delays attributable to certain Member States in comparison with the initial plan for the implementation of heading 2 appropriations ;
- the large number of successful candidates at EU-10 competitions already available to Commission departments.

The PRESIDENT thanked Ms GRYBAUSKAITĖ for having once again drawn the Commission's attention to problems with implementation of the 2006 Budget and the budgetary procedure for 2007. He highlighted the shortcomings attributable to the Member States in the implementation of the 2006 Budget, but was not sure how

the budgetary authority would react, given that it was ultimately the Commission that was responsible for the implementation of the Community budget. The PRESIDENT acknowledged the potential impact of under-implementation of the 2006 budget on the budgetary procedure for 2007. He reiterated Ms GRYBAUSKAITĖ's call for every effort to be made to reach a level of budgetary implementation as close as possible to 100% by the end of the year following the adoption of the draft amending budget that would be shortly be before it.

The Commission took note of these observations and of the briefing note SEC(2006) 1316/2.

15. MONITORING THE APPLICATION OF COMMUNITY LAW

15.1. INFRINGEMENTS – URGENT OR POSTPONED CASES – RECAPITULATIVE LIST (SEC(2006) 1328 ; SEC(2006) 1330)

Ms KROES reported on the lack of progress so far in the implementation of the Commission decision of 26 September 2006 by the Spanish authorities. She stated that it was important to avoid irreversible situations and to take action forthwith against the failure to give effect to the Commission decision. Ms KROES consequently proposed send a letter of formal notice, setting a very short deadline for an answer from the Spanish authorities.

Without calling into question either the substance of the case or the legal correctness of the Commission's approach since the beginning, the question was whether a five-day deadline should be set for Spain to answer the letter of formal notice, given the contacts that were to take place that week between Commission staff and the Spanish authorities.

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Following a brief exchange of views, the Commission adopted the decisions set out in SEC(2006) 1328, subject to the following clarifications:

2006/2429	<i>Spain</i>
Infringement of the Commission decision of 26 September 2006 on a proceeding under Article 21 of Regulation (EC) 139/2004	
<u>Decision</u> :	Letter of formal notice + press release + deadline for reply 5 working days

The Commission also took note that Ms KROES was authorised to extend the deadline for the Spanish authorities to reply in Case 2006/2429, if that appeared advisable following contacts with those authorities.

15.2. INFRINGEMENTS — CASES POSTPONED BECAUSE OF UNAVAILABILITY OF DOCUMENTS – REGULARISATION (SEC(2006) 1319)

The Commission adopted the decisions in SEC(2006) 1319.

16. OTHER MATTERS (CONTINUED FROM ITEMS 11 AND 14)

PLAN OF ACTION FOR ENERGY EFFICIENCY: REALISING THE POTENTIAL

Mr PIEBALGS presented the main aspects of the plan of action for energy efficiency that he was tabling jointly with the PRESIDENT for approval by finalisation written procedure on Thursday 19 October (E/2094/2006).

Mr PIEBALGS drew attention in the first place to the fact that the plan of action took account of all the observations and suggestions made during the public consultation following publication of the Green Paper on energy efficiency in June

2005, the relevance of the initiative having been confirmed at the highest political level at the European Council on 23 and 24 March 2006.

Mr PIEBALGS was optimistic regarding the admittedly highly ambitious objective of realising potential savings of 20% by 2020, which would have undeniable advantages in terms of energy, environment and competitiveness. He considered that a further reduction in energy consumption would have many beneficial effects: a major contribution to combating climate change, a significant cut in energy prices paid by the general public and businesses, a contribution to cutting public expenditure, considerable opportunities for job creation and incentives for technological innovation.

Regarding the instruments and specific measures provided for by the plan of action to achieve that objective, Mr PIEBALGS more particularly mentioned the new labelling of energy-consuming appliances and equipment and public awareness-raising regarding the importance of energy efficiency, inter alia by means of education and training schemes.

Mr PIEBALGS also mentioned the need to make coherent use of taxation to promote energy efficiency, given that the aim of Community support was to improve energy efficiency in transport and the construction of low-energy housing, and the external dimension of the European energy policy.

Mr PIEBALGS pointed to the monitoring mechanisms in the plan of action, and particularly the 2009 review clause, and to the close link between the initiative and the Lisbon Strategy.

Lastly, Mr PIEBALGS was expecting very wide support for the plan of action at the Council meeting « Transport, Telecommunications and Energy » on 23 November and thanked Commission Members and the departments involved in drawing up the plan for their excellent collaboration.

The Commission welcomed Mr PIEBALGS' initiative. It held a brief exchange of views in which the following aspects were raised in particular :

- the vital importance of energy for the policy agenda of the Commission and the EU, including at international level ;
- the relevance of this initiative in relation to other initiatives, particularly in technology and taxation, qui would be submitted to the Commission in the next few months ;
- the definition of the energy mix, and the Commission's obligation to help develop an integrated and coherent energy policy simultaneously tackling questions of climate change, security of energy supply and international trade ;
- the opportunities offered by the plan of action for innovation, environmental technologies and European exporters of energy products and services.

The PRESIDENT concluded by thanking Mr PIEBALGS and all the departments involved in preparing this initiative for their contributions. He emphasised the relevance of the Green Paper on energy efficiency and its basic principles, viz. competitiveness, sustainability and security of supplies, these being the principles that also governed the plan of action. Given the importance of energy for the EU and the high priority attached to it by the Commission, he asked all Members, in their own areas of responsibility, to participate actively in the coming months in the work of drawing up the European energy policy to be laid before the Commission at the beginning of 2007.

The Commission took note of this information.

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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 11.54 hours.