



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2006)1761 final

Brussels, 18 October 2006

MINUTES

of the 1761st meeting of the Commission

held in Brussels

(Berlaymont)

on Thursday 12 October

(morning)

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PV(2006)1761 final

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Single sitting: Thursday 12 October (morning)

The sitting opened at 1123 hours with Mr BARROSO, President, in the chair.

Present:

Mr BARROSO	President	
Mr VERHEUGEN	Vice-President	Items 13 (in part) to 16
Mr KALLAS	Vice-President	
Ms REDING		
Mr DIMAS		
Mr ALMUNIA		
Ms HÜBNER		
Ms GRYBAUSKAITĖ		
Mr POTOČNIK		
Mr MICHEL		Items 1 to 15
Mr KOVÁCS		
Ms KROES		
Ms FERRERO-WALDNER		
Mr McCREEVY		
Mr ŠPIDLA		
Mr PIEBALGS		Items 14 to 16

Absent:

Ms WALLSTRÖM	Vice-President
Mr BARROT	Vice-President
Mr FRATTINI	Vice-President
Mr BORG	
Mr FIGEL'	
Mr KYPRIANOU	
Mr REHN	
Ms FISCHER BOEL	
Mr MANDELSON	

The following sat in to represent absent Members of the Commission

Ms CARPARELLI	Deputy Chef de cabinet to Ms WALLSTRÖM	
Mr SAGREDO	A member of Mr BARROT's staff	
Mr SIGNORE	A member of Mr FRATTINI's staff	
Mr TABONE	Chef de cabinet to Mr BORG	
Mr. ADAMIŠ	Chef de cabinet to Mr FIGEL'	Items 14 to 15 (in part) and 16
Ms GAMEIRO	Deputy Chef de cabinet to Mr FIGEL'	Items I to 14/15 (in part)
Mr SCHINAS	Chef de cabinet to Mr KYPRIANOU	
Mr PESONEN	Chef de cabinet to Mr REHN	Items 1 to 15
Ms BORCHMANN	A member of Ms FISCHER BOEL's staff	
Mr FRASER	Chef de cabinet to Mr MANDELSON	

The following also sat in

Mr VALE DE ALMEIDA	Chef de cabinet to the President	
Mr PETITE	Director-General, Legal Service	
Mr CARVOUNIS	Deputy Director-General, DG Communication	
Mr LAITENBERGER	Commission Spokesman	
Ms CARVALHO	Acting Director-General, Bureau of European Policy Advisers (BEPA)	
Mr ELLIS	Adviser in the President's Office	Items 14 and 15
Ms MARTÍNEZ ALBEROLA	A member of the President's staff	Items 1 to 13
Ms SCHREIBER	Chef de cabinet to Mr ŠPIDLA	
Mr SERVOZ	Secretariat-General	Items 14 and 15
Mr. VIGNON	DG Employment, Social Affairs and Equal Opportunities	Item 16

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

1. AGENDAS

(OJ(2006)1761/3 ; SEC(2006)1262/2)

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)1761)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Tuesday 10 October.

3. MINUTES OF 1760th MEETING (4 October)

(PV(2006)1760)

The Commission approved the minutes of its 1760th meeting.

4. INTERINSTITUTIONAL RELATIONS

(SEC(2006)1269)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group held on Friday 6 October (SEC(2006)1269).

It paid particular attention to the following points:

4.1. LEGISLATIVE MATTERS

i) Codecision procedure

(point 1.1.1 of the record of the meeting of the Interinstitutional Relations Group)

Dossiers pending a common position

- COSTA report – Common rules in the field of civil aviation security – COM(2005) 429 – 2005/0191 (COD)

With a view to the Council meeting (Transport, Telecommunications and Energy) of 12 October , the Commission authorised Mr BARROT to accept the Council Presidency's compromise concerning the proposal for a Parliament and Council Regulation on the introduction of common rules in the field of civil aviation security, following the line set out in SI(2006)868.

ii) Preparations for the October I part-session:

(point 1.2 of the record of the meeting of the Interinstitutional Relations Group)

Consultation

- Report KACIN – European Agency for Reconstruction – COM(2006)162 – 2006/0057 (CNS)

The Commission adopted the line set out in SP(2006) 4546.

- GÁL and KÓSAÉ KOVÁCS reports – Creation of an Agency for Fundamental Rights and activities of the Agency of fundamental rights – COM(2005)280 – 2005/0124 (CNS) and 2005/0125 (CNS)

The Commission authorised Mr FRATTINI to pursue contacts with Parliament and the Council with a view to finding a compromise following the line set out in the documents distributed as SP(2006)4548, /2 and /3.

iii) Preparations for the Conciliation Committee meeting on 17 October

(point 1.3 of the record of the meeting of the Interinstitutional Relations Group)

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

The Commission authorised Mr DIMAS to support the compromises already agreed between the co-legislators and to continue contacts with them so that the conciliation committee could agree a common draft on 17 October following the line set out in the note SPI(2006)86.

iv) Preparations for Council meeting (Transport, Telecommunications and Energy) of 12 October

(point 1.4 of the record of the meeting of the Interinstitutional Relations Group)

- Council Decision on the signature, on behalf of the European Community, of the protocol on the implementation of the Alpine Convention in the field of Transport (Transport Protocol) – COM(2001)18 – 2001/0017 (ACC)

The Commission authorised Mr BARROT to make the joint Council/Commission statement, in SI(2006)899/2 at the Council meeting (Transport, Telecommunications and Energy) of 12 October.

4.2. RELATIONS WITH THE COUNCIL

(SI(2006)895)

v) Joint report on Implementation of the EU strategy for Africa

(point 2.3 of the record of the meeting of the Interinstitutional Relations Group)

The Commission authorised Mr MICHEL to finalise the text of the joint report with the Secretary-General / High Representative, and to present it to the Council (General Affairs and External Relations) (joint Development and

External Relations meeting on 17 October), following the line set out in SI(2006)869.

4.3. RELATIONS WITH PARLIAMENT

vi) Participation by Members of Parliament in international conferences

(point 3.6 of the record of the meeting of the Interinstitutional Relations Group)

- Meetings of the North-West Atlantic Fisheries Organisation (NAFO) (Halifax, 17 to 22 September) and meeting of the South-East Atlantic Fisheries Organisation (SEAFO) (Windhoek, 2 to 5 October)

The Commission decided to reply to the request from Mr BORRELL, President of Parliament, to the PRESIDENT, concerning the participation of members of Parliament at the above-mentioned conferences, emphasising the importance of complying with the procedures agreed between the institutions for this purpose.

5. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

5.1. WRITTEN PROCEDURES APPROVED

(SEC(2006)1263 et seq.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 2 and 6 October.

5.2. SENSITIVE WRITTEN PROCEDURES

(SEC(2006)1264)

The Commission took note of the sensitive written procedures for which the time limit expired between 9 and 13 October.

5.3. EMPOWERMENT

(SEC(2006)1265 et seq.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 2 and 6 October.

5.4. DELEGATION AND SUBDELEGATION OF POWERS

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation procedure between 2 and 6 October, as archived on the "Greffé 2000" (Registry) website.

6. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2006)1266)

ADMINISTRATIVE MATTERS

(PERS(2006)139/2)

6.1. DGT– APPOINTMENT OF AD14/15 DIRECTOR

(PERS(2006)127 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, Directorate A (Translation) in the Translation DG (PERS(2006)127).

The Commission took note of the opinions of the Consultative Committee on Appointments of 30 August and 7 September (PERS(2006)127/2 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 and Mr FIGEL', it then decided to appoint Ms Inga Margareta ROTH to the vacant post.

This decision would take effect on a date to be determined.

**6.2. *DG RELEX – EXTERNAL PUBLICATION OF A VACANCY NOTICE
FOR AN AD 14 CHEF ADVISER (EU-10)
(PERS(2006)113)***

On a proposal from Mr KALLAS, in agreement with the PRESIDENT and Ms FERRERO-WALDNER, the Commission decided to authorise the publication, under Article 29 (2) of the Staff Regulations, of the vacancy notice in PERS(2006)113, for the post of Chief Adviser to the Deputy Director-General responsible for Asia and Latin America in the External Relations Directorate-General.

This decision would take effect immediately.

**6.3. *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 AD 16 official.

**6.4. *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 AD 15 official.

**7. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE, THE COMMITTEE OF THE REGIONS AND THE EUROPEAN CENTRAL BANK – THE LONG-TERM SUSTAINABILITY OF PUBLIC FINANCES WITHIN THE EUROPEAN UNION
(COM(2006)574 to /3 ; SEC(2006)1247)**

The Commission approved the communication in COM(2006)574/3 for transmission to Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the European Central Bank, and to the national parliaments, together with the annual statement on the euro area in staff paper SEC(2006)1247, the contents of which were noted.

**8. FIRST STAGE CONSULTATION OF EUROPEAN SOCIAL PARTNERS ON RECONCILIATION OF PROFESSIONAL, PRIVATE AND FAMILY LIFE
(SEC(2006)1245 to /4 ; SEC(2006)1250)**

The Commission approved the consultation document distributed as SEC(2006)1245/4, for transmission to the European social partners seeking their opinion on the line that Community action could take in the field of conciliation of professional, private and family life.

**9. REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL ON THE INTERNATIONAL FUND FOR IRELAND PURSUANT TO ARTICLE 5 OF COUNCIL REGULATION (EC)177/2005 OF 24 JANUARY 2005
(COM(2006)563 and 2 ; SEC(2006)1226)**

The Commission approved the report in COM(2006)563 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 annexes in the staff paper distributed as SEC(2006)1226, the contents of which were noted.

10. PROPOSAL FOR A COUNCIL REGULATION ON COMMUNITY FINANCIAL CONTRIBUTIONS TO THE INTERNATIONAL FUND FOR IRELAND (2007-2010).

(COM(2006)564 to /3 ; SEC(2006)1227)

The Commission adopted the proposal for a Council Regulation in the document distributed as COM(2006)564 and /3, for transmission to the European Parliament and the Council, and to the national parliaments, together with the impact study in the staff paper distributed as SEC(2006)1227, the contents of which were noted.

11. RELATIONS WITH THIRD COUNTRIES

11.1. VISIT TO UKRAINE (KIEV, 6 OCTOBER)

(SEC(2006)1321)

The Commission took note of the information note from Ms HÜBNER in SEC(2006)1321.

11.2. FOURTH MINISTERIAL MEETING ON JUSTICE FREEDOM AND SECURITY BETWEEN THE EUROPEAN UNION TROIKA AND UKRAINE (LUXEMBOURG, 4 OCTOBER)

(SEC(2006)1318)

The Commission took note of the information note from Mr FRATTINI in SEC(2006)1318.

12. OTHER BUSINESS

BETTER REGULATION

On the initiative of the PRESIDENT, the Commission held an exchange of views on "better regulation". They highlighted the priority given to this matter and the need for a collective commitment at political and administrative level. In this connection, the PRESIDENT recalled the content of the letter he had send in July to all the Commission Members, with a copy to the Directors-General, indicating the urgent need for a special effort, particularly as regards simplification. The Commission confirmed the priority to be given to "better regulation" and reasserted its confidence in the commitment of staff to this challenge.

13. MONITORING THE APPLICATION OF COMMUNITY LAW

13.1. STATE AID - RECAPITULATIVE LIST

(SEC(2006)1309 ; SEC(2006)1278)

The Commission adopted the decisions in the recapitulative list (SEC(2006)1309).

13.2. INFRINGEMENTS - REPORT B2/2006 – RECAPITULATIVE LIST

(SEC(2006)1209 ; SEC(2006)1212 ; SEC(2006)1213)

The Commission held an exchange of views on the infringement files concerning the nationality condition required for access and exercise of the profession of notary, in which it focused in particular on:

- the objective of the infringement procedures, which did not call into question the Member States' authority as regards the organisation of the profession, but sought only to remove the unjustified nationality requirement;

- the importance of ensuring that the Member States' laws do not set restrictions that are in breach of the Treaty;
- the coherence of these proposals with the action taken under the Lisbon strategy;
- the scope of the exception allowed under Article 45 of the Treaty in relation to the activities of notaries, and the impact of the Court's judgments in this matter;
- the case for continuing the infringement proceedings rather than legislating;
- the need to analyse in depth the replies to the reasoned opinions and letters of formal notice of the Member States concerned.

Mr McCREEVY reminded the meeting that infringement proceedings had been initiated in response to complaints received. He noted that three Member States had already taken steps to comply after the letters of formal notice had been sent. He therefore proposed continuing proceedings in the cases under consideration.

The PRESIDENT drew attention to the evident problem of discrimination posed by the cases. The legal analysis, by the Internal Market and Services Directorate-General and the Legal Service made it clear that the nationality condition was excessive. As this condition breached the provisions of the Treaty, the infringement proceedings should continue.

Following this exchange of views, the Commission adopted the decisions set out in SEC(2006)1213, subject to the following clarifications :

1996/4739	<i>Germany</i>
Conditions required for notaries	
1996/4740	<i>Austria</i>

Conditions required for notaries	
1996/4741	<i>Belgium</i>
Conditions required for notaries	
1996/4743	<i>France</i>
Conditions required for notaries	
1996/4744	<i>Greece</i>
Conditions required for notaries	
1996/4745	<i>Luxembourg</i>
Conditions required for notaries	
1996/4746	<i>Netherlands</i>
Conditions required for notaries	
1996/4747	<i>Portugal</i>
Conditions required for notaries	
<u>Decisions:</u>	Reasoned opinion

2006/2230	<i>Czech Republic</i>
Nationality requirement for notaries	
2006/2231	<i>Estonia</i>
Nationality requirement for notaries	
2006/2232	<i>Hungary</i>
Nationality requirement for notaries	
2006/2233	<i>Latvia</i>
Nationality requirement for notaries	
2006/2234	<i>Lithuania</i>

Nationality requirement for notaries	
2006/2235	<i>Malta</i>
Nationality requirement for notaries	
2006/2236	<i>Poland</i>
Nationality requirement for notaries	
2006/2237	<i>Slovak Republic</i>
Nationality requirement for notaries	
2006/2238	<i>Slovenia</i>
Nationality requirement for notaries	
<u>Decisions:</u>	Letter of formal notice + press release

13.3. INFRINGEMENTS – URGENT CASES

(SEC(2006)1290)

The Commission adopted the decisions in SEC(2006)1290.

14. COMMISSION COMMUNICATION TO THE INFORMAL MEETING OF HEADS OF STATE AND GOVERNMENT AT LAHTI – AN INNOVATION-FRIENDLY MODERN EUROPE

(COM(2006)589 to /3 ; SEC(2006)1317 ; SEC(2006)1279)

15. COMMISSION COMMUNICATION TO THE INFORMAL MEETING OF HEADS OF STATE AND GOVERNMENT AT LAHTI – EXTERNAL ENERGY RELATIONS: FROM PRINCIPLES TO ACTION

(COM(2006)590 to /3 ; SEC(2006)1279)

The PRESIDENT presented the two documents that were intended for the informal meeting of Heads of State and Government to be held at Lahti on 20 October.

The PRESIDENT pointed out that, apart from the dinner that the Heads of State and Government would have with Mr Vladimir Putin, President of the Russian Federation, the event that would no doubt attract most media and general public attention, the agenda of the informal meeting carried two major items: innovation and the external dimension of energy policy. In addition immigration issues would also be tackled. He felt that this agenda would provide an opportunity to show that some of the most important challenges facing the Member States were in fact problems requiring European solutions and that the Commission should be able to play a central role when it came to finding these solutions.

The PRESIDENT pointed out that the two documents he was tabling were in response to a request made by the Finnish Council Presidency, and that they would provide useful input for the debates in Lahti. The Presidency had already expressed its determination to make innovation the main subject of the meeting. The PRESIDENT fully supported this choice, underlining the vital importance of innovation for the economic revival of Europe, provided that the innovation effort translated into practical measures. He referred to the principal initiatives taken recently by the Commission in this area in order to place innovation at the heart of the political debate, particularly in connection with the renewed Lisbon Strategy and the ten-point plan of action adopted in September. He also mentioned the European

Institute of Technology, for which a draft legislative proposal would be tabled the following week. Without prejudice to the Commission's discussions at its next meeting, the PRESIDENT pointed already to the need to explain better to all the interested parties – governments, companies, universities and research community – the real added value of the Institute and the benefits it would provide for everybody.

The PRESIDENT outlined briefly the content and in particular the objectives of the two documents before the Commission. As regards the one on innovation, he highlighted the development of a strategic approach covering the entire innovation chain and hoped that a strong political message would emerge from Lahti in favour of such an approach.

The document on energy focused on the three principal external challenges: relations with Russia, the development of energy relations with the EU's other neighbours and the creation of a network capable of reacting appropriately in the event of an energy crisis. He mentioned the work already done with non-member countries, and pointed to the need to make rapid progress towards a partnership between the Union and Russia. For this, it was essential that the Member States define a coherent and common position with regard to Russia. This coherence could be provided not so much by a "High Representative for Energy" as by the creation of a genuine common energy policy and by the Member States realising that their interests are better served by a common policy than by 27 separate energy policies. The Commission, in close cooperation with the Council bodies, has a role of utmost importance to play in this area. Its responses to the energy challenges would be one of the major achievements of the present Commission. The PRESIDENT asked the Members of the Commission to begin preparing the energy package which would be presented in January 2007.

Lastly, the intentions of the Council Presidency on immigration were not yet clear. The Commission had, however, in recent weeks demonstrated its ambition and its determination to find common solutions to this problem: The PRESIDENT took the opportunity to thank Mr FRATTINI and the other Commission Members concerned. Come what may, the same line would need to be followed in Lahti.

The Commission's discussions focused on the following matters:

- the desire to make the Lahti informal meeting just as much a success as that at Hampton Court in autumn 2005;
- the importance of sending out from Lahti a very strong and very clear message on the need for adequate public and above all private investment in research and innovation, because of the major impact of innovation on the future of Europe, in political, economic and social terms;
- the European paradox as regards innovation: private investment in research was rising (see information note from Mr POTOČNIK, distributed as SEC(2006)1317), but the actual use made of the results in terms of innovation by businesses was still insufficient; to break this paradox, initiatives were suggested such as the creation of the European Institute of Technology, the factors of attractiveness, the development of demand for innovation on one or more lead markets, or standardisation and increase in the supply of risk capital;
- the social aspects of innovation, in relation to the implementation of flexicurity models;
- the importance of establishing close and balanced cooperation on energy with Russia and with a whole series of countries covered by the neighbourhood policy;
- the impact of the achievement of certain major energy projects, particularly the Russian Shtokman gas field and the German-Russian gas pipeline under the Baltic;
- the urgent need to make the necessary financial resources available to energy;
- the subjects to be discussed over dinner with Mr Putin, in particular the development of relations between Russia and the EU, including the negotiations on the future framework agreement, relations between Russia and certain of its

neighbours, in particular Georgia and Azerbaijan, the recent murder of the Russian journalist Ms Anna Politkovskaya, and the situation in North Korea.

After its discussions the Commission adopted the communications distributed as COM(2006)589/3 and COM(2006)590/3, for transmission to the Council, with a view to the informal meeting of Heads of State and Government at Lahti on 20 October, and to the European Parliament and national parliaments.

The Commission also took note of the information note from Mr POTOČNIK distributed as SEC(2006)1317.

The PRESIDENT said that he would inform the Commission of the results of the informal Lahti meeting at its meeting on Tuesday 24 October, in Strasbourg.

16. COMMISSION COMMUNICATION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – THE DEMOGRAPHIC FUTURE OF EUROPE, FROM CHALLENGE TO OPPORTUNITY

(COM(2006)571 to /4 ; SEC(2006)1250)

Mr ALMUNIA and Mr ŠPIDLA presented briefly the communication they were tabling for Commission approval.

Mr ŠPIDLA thanked Mr ALMUNIA for the excellent collaboration of his departments on this matter. He began by emphasising that the ageing of the European population was not a new phenomenon but the result of a development that started several decades earlier; nor was it something inevitable, as a number of adjustments could reverse this tendency in the long term. In this connection he mentioned the five policy directions outlined in the communication: promoting demographic renewal in Europe, encouraging active ageing, increasing the productivity and competitiveness of Europeans at work, making use of the positive

impact of migration and ensuring the sustainability of public finances. He pointed to the usefulness of incorporating the demographic challenge dimension in all Community policies, in order to be better equipped to meet the challenge, and added that a framework had been set up for a regular exchange of experiences to take place between Member States. In conclusion, he reminded the meeting that, while responsibility for demographic issues lay in the first instance on the Member States, the EU was in a position to provide added value.

Mr ALMUNIA supported the content of Mr ŠPIDLA's presentation and acknowledged the good work done by the departments concerned. He referred to the communication on the long-term sustainability of public finances in the EU (see item 7 of these minutes) and said that the conclusion to be drawn from the two matters was that the ageing of the population should be regarded as a positive phenomenon, resulting from European prosperity, and an enormous challenge, especially as it was accompanied by a low fertility rate. He therefore pointed to the need for the Union to organise itself to accommodate this ageing society and at the same time to put in place an environment that would allow couples to have as many children as they wished.

Mr ALMUNIA then considered the economic and financial consequences of the ageing of the population: growth potential that could decline, innovation which could be halted if the demographic tendency was not reversed. He mentioned the need to make all the efforts required to deal with the structural deficits, to do more to increase employment and to look into the ways of balancing public finances. In conclusion he emphasised that while the challenge was appreciable, the means of meeting it and coping with this tendency had been identified, with the result that the general message should be positive, provided the Union stuck to the objectives set.

The PRESIDENT thanked Mr ŠPIDLA and Mr ALMUNIA for the excellent work that had been done. He reviewed the long and rich process begun with the policy debate in June on this subject, and said that everything was now in place for it to be possible to take the demographic challenge into account in all Community policies.

(12 October 2006)

The Commission approved the communication in COM(2006)571/4 for transmission to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, and to the national parliaments.

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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 1231 hours