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SECRETARIAT-GENERAL

PV(2006) 1763 final

Brussels, 8 November 2006

MINUTES
of the 1763rd meeting of the Commission
held in Strasbourg
(Winston Churchill Building)
24 October 2006
(afternoon)

PV(2006) 1763 final

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Single sitting: Tuesday 24 October 2006 (afternoon)

The sitting opened at 13.15 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

Ms REDING

Mr DIMAS

Mr ALMUNIA

Ms HÜBNER

Ms GRYBAUSKAITĖ Items 1 to 11 (in part)

Mr POTOČNIK

Mr FIGEL'

Mr KYPRIANOU

Mr REHN

Mr MICHEL Items 1 to 11 (in part)

Mr KOVÁCS

Ms KROES

Ms FERRERO-WALDNER

Mr McCREEVY

Mr ŠPIDLA

Mr MANDELSON Items 1 to 13 (in part)

Mr PIEBALGS

Absent:

Mr BORG

Ms FISCHER BOEL

The following sat in to represent absent Members of the Commission

Mr SANT	A member of Mr BORG's staff
Ms BORCHMANN	A member of Ms FISHER BOEL's staff

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 JENSEN	Chief Adviser in the President's Office	Items 1 to 10
Ms GEORGIOU	A member of Mr KYPRIANOU's staff	Item 12
Mr SCHWAIGER	Deputy Chef de Cabinet to Ms FERRERO-WALDNER	Item 11
Mr HAUGAARD	A member of Mr MANDELSON's staff	Item 11
Mr LEARDINI	Secretariat-General	Item 10

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

1. AGENDAS

(OJ(2006) 1763/3 ; SEC(2006)1342/2)

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) 1763)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 23 October.

**3. APPROVAL OF MINUTES AND SPECIAL MINUTES OF 1762ND MEETING
(18 OCTOBER)**

(PV(2006) 1762 ; PV(2006) 1762, PART II)

The Commission approved the minutes of its 1762nd meeting.

4. MONITORING THE APPLICATION OF COMMUNITY LAW

4.1. STATE AID - RECAPITULATIVE LIST

(SEC(2006) 1380 ; SEC(2006) 1374)

The Commission adopted the decisions in the recapitulative list SEC(2006)1380.

**4.2. STATE AID – COMMISSION REGULATION ON THE APPLICATION OF ARTICLES 87 AND 88 OF THE EC TREATY TO NATIONAL REGIONAL INVESTMENT AID – EXEMPTION REGULATION
(C(2006) 5071 ; SEC(2006) 1374)**

The Commission adopted the Regulation in C(2006) 5071 and authorised its publication in the Official Journal of the European Union.

**4.3. STATE AID – COMMISSION REGULATION AMENDING REGULATION (EC) 794/2004 AS REGARDS THE STANDARD FORMS FOR NOTIFICATION OF AID
(C(2006) 5080 ; SEC(2006) 1374)**

The Commission adopted the Regulation in C(2006) 5080 and authorised its publication in the Official Journal of the European Union.

**4.4. STATE AID – REVIEW OF THE FRAMEWORK ON STATE AID TO SHIPBUILDING
(SEC(2006) 1337/3 ; SEC(2006) 1374)**

The Commission approved the communication in SEC(2006) 1337/3 on the extension until 31 December 2008 of the framework on state aid to shipbuilding, and authorised its publication in the Official Journal of the European Union.

**4.5. STATE AID – DRAFT COMMISSION REGULATION AMENDING REGULATION (EC) 794/2004 IMPLEMENTING COUNCIL REGULATION (EC) 659/1999 LAYING DOWN DETAILED RULES FOR THE APPLICATION OF ARTICLE 93 OF THE EC TREATY
(SEC(2006) 1339/4 ; SEC(2006) 1374)**

The Commission decided to open the legislative procedure by adopting the draft regulation in SEC(2006) 1339/4 with a view to consulting the Advisory Committee on State Aid in accordance with Article 8(1)(a) of Regulation (EC) 994/98. It authorised the Member of the Commission responsible for

agriculture and rural development to pursue that procedure, and in particular to send the draft to the Member States and consult them in the Advisory Committee and to take into account changes proposed by the Committee in order to prepare a final text to be presented to the Commission for adoption by the end of December 2006.

4.6. *INFRINGEMENTS – CASES POSTPONED BECAUSE OF UNAVAILABILITY OF DOCUMENTS – REGULARISATION*
(SEC(2006) 1362)

The Commission adopted the decisions in SEC(2006) 1362.

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

5.1. *WRITTEN PROCEDURES APPROVED*
(SEC(2006) 1343 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 16 and 20 October.

5.2. *SENSITIVE WRITTEN PROCEDURES*
(SEC(2006) 1344)

The Commission took note of the sensitive written procedures for which the time limit expired between 23 and 27 October.

5.3. *EMPOWERMENT*
(SEC(2006) 1345 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 16 and 20 October.

5.4. *EXTENSION OF EMPOWERMENT FOR THE APPLICATION OF COUNCIL REGULATION (EC) 1/2003 ON IMPLEMENTATION OF THE RULES ON COMPETITION LAID DOWN IN ARTICLES 81 AND 82 OF THE EC TREATY*
(SEC(2006) 1368)

The Commission granted the extension of the empowerment of the Member of the Commission responsible for competition, as set out in SEC(2006) 1368.

5.5. *DELEGATION AND SUBDELEGATION OF POWERS*

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation procedure between 23 and 27 October, as archived on the "Grefte 2000" (Registry) website.

6. ADMINISTRATIVE AND BUDGETARY MATTERS
(SEC(2006) 1346/2)

ADMINISTRATIVE MATTERS
(PERS(2006) 144)

6.1. *DG FISH – EXTERNAL PUBLICATION OF A VACANCY NOTICE FOR AN AD14 DIRECTOR (EU-10)*
(PERS(2006) 145)

On a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr BORG, the Commission decided to authorise the publication, under Article 29(2) of the Staff Regulations, of a vacancy notice in PERS(2006) 145 for the post of Director of the Structural Policy Directorate in the Directorate-General for Fisheries and Maritime Affairs.

This decision would take effect immediately.

**6.2. DG ELARG – APPOINTMENT OF AD15 DEPUTY
DIRECTOR-GENERAL (EU-10)
(PERS(2006) 101 TO /4)**

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, Enlargement (PERS(2006) 101 and /3).

The Commission took note of the opinions of the Consultative Committee on Appointments of 29 June and 28 September 2006 (PERS(2006) 101/2 and /4).

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

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

**6.3. ADMINISTRATIVE STATUS OF BULGARIAN AND ROMANIAN
COMMISSIONERS DESIGNATE AND THEIR CABINETS BETWEEN
THEIR DESIGNATION AND THEIR TAKING-UP OF DUTIES
(PERS(2006) 146/2)**

On a proposal from Mr. KALLAS, in agreement with the PRESIDENT, the Commission adopted the decisions set out in PERS(2006) 146/2.

These decisions would take effect immediately.

7. DRAFT COMMISSION DECISION ON THE CONCLUSION OF THE AGREEMENT FOR COOPERATION IN THE PEACEFUL USES OF NUCLEAR ENERGY BETWEEN THE EUROPEAN ATOMIC ENERGY COMMUNITY (EURATOM) AND THE GOVERNMENT OF THE REPUBLIC OF KAZAKHSTAN
(C(2006) 4992 ; SEC(2006) 1340)

8. COMMISSION RECOMMENDATION TO THE COUNCIL ON THE APPROVAL OF AN AGREEMENT FOR COOPERATION IN THE PEACEFUL USES OF NUCLEAR ENERGY BETWEEN THE EUROPEAN ATOMIC ENERGY COMMUNITY (EURATOM) AND THE GOVERNMENT OF THE REPUBLIC OF KAZAKHSTAN
(COM(2006) 617 ; SEC(2006) 1340)

The Commission :

- approved the recommendation set out in COM(2006) 617, for transmission to the Council ;
- adopted in principle the decision set out in C(2006) 4992 ;
- empowered the Member of the Commission responsible for energy, in agreement with the PRESIDENT, finally to adopt the decision, on behalf of the European Atomic Energy Community, following the Council's approval of the agreement concerned, and to have the agreement published in the Official Journal of the European Union.

9. INTERINSTITUTIONAL RELATIONS
(SEC(2006) 1357)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group held on Friday 20 October (SEC(2006) 1357).

It paid particular attention to the following points :

9.1. LEGISLATIVE MATTERS

i) Codecision procedure

(point 1.1.1 of the record)

- Proposal for a European Parliament and Council regulation amending Regulation (EC) 999/2001 laying down rules for the prevention, control and eradication of certain transmissible spongiform encephalopathies (EST) – COM(2004) 775 – 2004/0270 (COD).

The Commission authorised Mr KYPRIANOU to accept a political agreement, following the line set out in SI(2006) 966.

ii) Preparations for the Council meeting « Employment, Social Policy, Health and Consumers » on 7 November

(point 1.3 of the record)

- Organisation of working time – COM(2005) 246 – 2004/0209 (COD)

The Commission authorised Mr ŠPIDLA to come to a political agreement with the Council Presidency, following the line set out in SI(2006) 965/3.

9.2. RELATIONS WITH THE COUNCIL

(SI(2006) 963)

The Commission took note of the information relating to Council meetings between Thursday 19 October and Wednesday 1 November, set out in SI(2006) 663.

iii) Informal meeting of Heads of State or Government and informal tripartite social summit (Lahti, 20 October)

(SEC(2006) 1382 ; SEC(2006) 1408)

The PRESIDENT reported on the proceedings and main results of the informal meeting in Lahti on 20 October. He began by stressing the positive

atmosphere that had prevailed throughout the discussions between the Heads of State or Government, the favourable reception given to the documents presented by the Commission and the excellent cooperation with the Finnish Presidency.

All the Member States had acknowledged the importance of the energy issue. The action plan on energy efficiency, approved by the Commission the previous week, had been very well received. Many speakers had made the link with climate change.

The PRESIDENT was pleased to announce that the Member States had now given the green light for the European Institute for Technology project and were in favour of a quick decision on that issue, if possible under the German Presidency. However, the question of funding would have to come under very close scrutiny.

There had been fruitful discussions on innovation and it had been generally recognised that action was needed on standards and intellectual property rights, although the Member States still held differing views on these matters.

The Commission's efforts on immigration had been appreciated, but there was a certain degree of frustration at the lack of Community resources and the slow decision-making process in the Council.

The PRESIDENT was pleased that, at the informal meeting, he and the Finnish Presidency had been able to establish a common position with all the Member States vis-à-vis President Putin, making it possible to present a united front on the issues concerning Russia. He hoped that, in their bilateral contacts with Russia, the Member States would adhere to the position adopted by the EU at Lahti.

He cited the positive statements by President Putin, particularly as regards the energy partnership, but noted the very firm stance he had taken on issues raised by the EU, such as the murder of the journalist Anna Politkovskaya, the

situation in Chechnya and the growing tensions with Georgia. Despite the differences of opinion that had emerged, the PRESIDENT was convinced that President Putin wanted close relations with the EU, although negotiations on the new partnership and cooperation agreement were likely to be difficult.

Mr ŠPIDLA welcomed the quality of debate at the tripartite social summit on « flexicurity », which had been held on the fringes of the meeting of Heads of State and Government. This was a particularly sensitive issue, which raised questions regarding the role of the EU and the Commission in that field and the balance between diversity and harmonisation. He stressed the strong support from the Austrian and Finnish Presidencies on this matter and referred to the work in progress with the Member States on establishing a common approach, while recognising the real differences of opinion, given the difficulty in reconciling the needs for greater flexibility and greater security on the labour market. The Commission could contribute added value by identifying the strengths and weaknesses of different systems and supporting social dialogue. Finally, Mr ŠPIDLA noted the high standard of debate at the meeting and the favourable reception given to the Commission's ideas and stressed the work that still lay ahead and the efforts that would have to be made before a coherent document could finally be drawn up.

The following aspects were highlighted during the discussion:

- the positive perception of the Commission that had emerged at the Lahti meeting, the driving role played by the PRESIDENT there and the need to build on this momentum to make progress on innovation and energy ;
- the promising advances made regarding the Community patent ;
- the success of the first stage in setting up the European Institute for Technology, paving the way for the launch of the legislative process ;
- the importance of the united front established at Lahti both on issues relating to Russia and on the items on the agenda of the informal meeting ;

- Russia's extremely firm and unyielding position on the question of Georgia ;
- the difficulty of negotiating a new partnership and cooperation agreement with Russia, particularly as regards commercial aspects, and the partners with whom those negotiations would have to be carried out ;
- the Russian President's recognition of the growing role played by the EU in a number of fields, and the open political dialogue on democracy and human rights issues ;
- the importance of the issue of Kosovo on the agenda of the next summit with Russia ;
- the smooth integration at this meeting of the most recent Member States, their satisfaction at the common position adopted vis-à-vis President Putin, and the positive reactions in public opinion in those Member States.

Winding up the discussion, the PRESIDENT emphasised the general progress made at the informal meeting in Lahti and, as regards Russia, the consolidation of the EU's common position, the mutual recognition of interdependence and the intention of the two partners to press ahead with negotiations on a new agreement, despite the difficulties in prospect.

The Commission took note of this information, of the letter from the PRESIDENT in SEC(2006) 1382, and of the note from Mr ŠPIDLA in SEC(2006) 1408.

9.3. RELATIONS WITH PARLIAMENT

iv) Preparations for the October II part-session

(point 3.1 of the record)

- Statement by the Council and the Commission – Peace process in Spain

The Commission took note of SP(2006) 4776/2.

v) Action taken on Parliament's opinions and resolutions

(point 3.5 of the record)

- Action taken on Parliament's legislative opinions and non-legislative resolutions

The Commission approved SP(2006) 4772 on the action taken on Parliament's legislative opinions and non-legislative resolutions at its September I and II part-sessions, for transmission to Parliament.

10. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – THE COMMISSION'S LEGISLATIVE AND WORK PROGRAMME FOR 2007 (COM(2006) 629 TO /5 ; SEC(2006) 1406 ; SEC(2006) 1365)

The PRESIDENT introduced the proposed legislative and work programme for 2007. He pointed out that the drawing-up of the programme was always a difficult operation but that this year it was even more so on account of Parliament's wish to link the work programme with the negotiations under way on the 2007 budget. He also mentioned Parliament's desiderata as to the presentation of the legislative and work programme. The PRESIDENT described the features of the new approach which would enable most of Parliament's requests to be met:

- adoption of the programme by the end of October ;
- a more policy-based and more tightly structured programme comprising two categories of initiative: first, a short list of 21 strategic initiatives, with a structure-oriented function, which were already at an advanced stage of preparation and which the Commission was undertaking to carry out in 2007, and second, a list of 59 priority initiatives, which would be presented within

twelve to eighteen months, depending on the preparations needed to comply with the « better lawmaking » standards ;

- taking into account the resolution which Parliament was intending to adopt in December as part of the interinstitutional dialogue but under specific conditions acceptable to the Commission ;
- inclusion in the annual work programme of the simplification programme and the withdrawal of pending proposals.

The PRESIDENT then outlined the conditions agreed for the dialogue with Parliament on the Commission's legislative and work programme:

- maintaining the framework agreement on common working methods concluded between the Commission and Parliament for the entire legislative term ;
- full compliance with the Commission's right of initiative ;
- no anticipation of the Constitutional Treaty with respect to interinstitutional programming.

The PRESIDENT stressed the importance of these conditions, which would have to be made clear to Parliament at the highest political level. He emphasised that if the Commission were prepared to take account of the resolution to be adopted by Parliament in December, for instance during the debate on the annual policy strategy, there could be no question at this stage of presenting simply a draft work programme which would not become definitive until after Parliament had voted on its resolution.

He also drew attention to the advantages to be derived by the Commission and Parliament, in terms of flexibility, from the list of priority initiatives to be spread over twelve to eighteen months. This approach showed that the Commission was taking compliance with the « better lawmaking » standards, particularly the impact assessment, very seriously and was moreover giving Parliament the opportunity to

influence the content of its work programme in the medium term, thanks to the rolling nature of the programming process.

Lastly, he referred to the inclusion in the work programme for the first time of the list of priorities relating to communication.

The PRESIDENT thanked Members for their broad support for the new approach, which made it possible to present a work programme that was more policy-based, more coherent and more strategy-oriented than in the past. It was now up to the Commission as a whole to ensure that it was implemented effectively.

During the exchange of views which followed the presentation, the Commission focused on the following aspects :

- the importance of complying with the terms of the current framework agreement, of not anticipating the Constitutional Treaty, and of preserving the Commission's right of initiative ;
- the advisability of providing for a period of twelve to eighteen months for presentation of the actions included in the list of priority initiatives, particularly in relation to the wishes expressed by Parliament and the principles established in the framework agreement ;
- the importance of action by all the Commission Members in the political groups and parliamentary committees in advance of the second reading of the draft 2007 budget in December, and the debate on the annual policy strategy early in the New Year ;
- the need to avoid creating an artificial link between the work programme and the budget, and also to avoid any attempt at turning the debate on the work programme into a sort of annual vote of confidence, which could jeopardize the existing interinstitutional balance ;
- an appropriate way of responding to the concerns that Parliament might express in its December resolution ;

- the advantage of cooperating with the other Community institutions as regards communication, backing the inclusion of the list of priorities relating to communication in the 2007 work programme.

The PRESIDENT concluded by emphasising that the list of priority initiatives was in line with the framework agreement with Parliament, in that it was part of the Commission's annual work programme. Its rolling nature was an added advantage reinforcing flexibility and making it possible to see beyond the strict twelve-month horizon. He reiterated the request to all Members to work closely with Parliament's political groups in the interests of the European venture as a whole. Finally, he reminded the meeting that it was important for as many Members as possible to be present when the 2007 legislative and work programme was presented to Parliament on Tuesday 14 November 2006.

Following its discussions, the Commission adopted its legislative and work programme for 2007 (COM(2006) 629/4) for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, and to the national parliaments.

The Commission also took note of the information note from Ms WALLSTRÖM on the priorities in the field of communication for 2007, distributed as SEC(2006) 1406.

**11. COMMISSION COMMUNICATION TO PARLIAMENT, THE COUNCIL,
THE ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE
OF THE REGIONS – EUROPEAN UNION AND CHINA : CLOSER
PARTNERS, GROWING RESPONSIBILITIES
(COM(2006) 631 TO /4 ; COM(2006) 632 TO /4 ; SEC(2006) 1372)**

Ms FERRERO-WALDNER and Mr MANDELSON presented the communication they were tabling for approval.

Ms FERRERO-WALDNER first reminded the meeting that the aim of the communication was to propose a new overall strategy to strengthen the partnership between the European Union and China. The EU-China summit in September had agreed to negotiate a new partnership and cooperation agreement on a new and extended basis. This new strategy will guide, from now on, the European Union through these negotiations. She indicated her intention to officially open these negotiations on her next trip to Beijing at the beginning of 2007.

Ms FERRERO-WALDNER welcomed the many contributions made to this strategy document by the different Commission services, which had made it possible to arrive at a high-quality end product on a collective basis. She stressed the complexity of the process, which was a measure of the challenge inherent in EU–China relations.

Referring next to the rapidly changing socio-economic situation in China, Ms FERRERO-WALDNER also drew attention to the intrinsic implications of this dramatic growth, particularly for the environment. She pointed out that, while China already played a vital role in world politics, the economy, trade and development, this role would increase even further and the EU would to have to do all it could to face up to the challenges in terms of climate change, employment, migration and security. She admitted that this would be difficult but stressed the need for the Union to mobilise the full potential of its relations with China for this purpose and at the same time to make its views clear on certain values, including human rights, and on certain difficult issues, such as the question of China's role in Africa.

Mr MANDELSON focused on the Commission paper on trade policy accompanying the communication, and reiterated its key messages. He referred to the potential mutual benefits to the EU and China of Chinese growth and the need for the Union to remain open to fair trade with its Chinese partner. He also mentioned the efforts to be made by China, particularly as regards the opening up of its markets, compliance with the obligations stemming from its accession to the World Trade Organisation, and the protection of intellectual property rights. He

announced his intention of raising all these points with his Chinese counterpart on his forthcoming visit to China at the beginning of November.

Mr MANDELSON also highlighted the value of collective reflection on how best to implement the policies presented in the two papers, referring for this purpose to the benefits of a mechanism designed to ensure that all the Members concerned could have joint discussions on China on a regular basis. M. MANDELSON concluded by stressing the need for strengthened political dialogue and contacts between the EU and the Chinese authorities, over and above the existing bilateral relations between the Member States and China.

The PRESIDENT congratulated Ms FERRERO-WALDNER and Mr MANDELSON on the quality of the two papers, the scale of the work carried out and the coherence of the dossier as a whole. He also referred to the need to reflect on how each of the Commission Members could implement the strategy in the area for which they were responsible, and suggested a working breakfast on the Chinese question sometime soon.

The Commission then proceeded to a debate from which the following points emerged :

- general support for the approach advocated in the two papers tabled for approval ;
- the importance of the question of democracy and human rights in China, and in particular the protection of minorities, and the importance in this connection of sending out a strong and coherent signal on EU values in this area ;
- the strong presence of China in Africa, and the need to initiate discussions with China on development policies and to involve it in the major international projects in this area ;
- the value of referring in the communication to the importance of dialogue on competition policy ;

- the question of the exchange rate and the difficulties of dialogue on this issue with the Chinese authorities ;
- the highly problematic nature of cooperation between the EU and China in the field of freedom, security and justice, in particular as regards the fight against organised crime, the management of illegal migratory flows, combating money laundering, and respect for fundamental rights, the fight against drug trafficking being the exception.

The PRESIDENT concluded by emphasising the importance of close cooperation with China as regards security and the fight against organised crime, a point that would have to be reiterated in the course of future contacts between the Members of the Commission and the Chinese authorities.

Following its discussions, the Commission decided to make the following changes to the communication set out in COM(2006) 631/4 :

- in the third paragraph of Chapter 1, « *What is at stake* », to add the words underlined :

« Europe needs to respond effectively to China's renewed strength. To tackle the key challenges facing Europe today – including climate change, employment, migration, security – we need to leverage the potential of a dynamic relationship with China based on our values. » ;

- in the first paragraph of Chapter 3, « *The way forward* », to add the words underlined :

« The EU should continue support for China's internal political and economic reform process, for a strong and stable China which fully respects fundamental rights and freedoms, protects minorities and guarantees the rule of law. » ;

- in the second paragraph of Section 3.1, « *Supporting China's transition towards a more open and plural society* », to add the word underlined :

« Democracy, human rights and the promotion of common values remain fundamental tenets of EU policy and of central importance to bilateral relations. » ;

- in the first paragraph of Section 3.4, « *Strengthening bilateral co-operation* », to add the sentence underlined :

« Bilateral co-operation spans a wide range of issues, including 7 formal Agreements, 22 sectoral dialogues, covering diverse and important issues from aviation and maritime transport to regional and macro-economic policy. Further development of the structured dialogue to exchange experiences and views on competition matters, as well as technical and capacity-building assistance as regards competition enforcement, remains important. ».

Subject to these amendments, the Commission approved the communication set out in COM(2006) 631/4 and the Annex thereto set out in the working document distributed as COM(2006) 632/4, for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, and to the national parliaments.

**12. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – AN EU STRATEGY TO SUPPORT MEMBER STATES IN REDUCING ALCOHOL-RELATED HARM
(COM(2006) 625 TO /4 ; SEC(2006) 1358 SEC(2006) 1411 ; SEC(2006) 1360 AND /2 ; SEC(2006) 1371)**

Mr KYPRIANOU briefly presented the communication he was tabling for approval. He thanked all Commission Members for their cooperation, which had resulted in a document that was both realistic and balanced. He emphasised that the communication was not concerned with alcohol as such, but the harm caused by

excessive consumption. As a response to this complex, European-scale problem, the communication proposed a strategic, multi-faceted approach, based on an exchange of best practices between Member States. The communication would be presented to the Council « Employment, social policy, health and consumers » at the end of November.

Commenting on the statistics set out in the various documents, Mr KYPRIANOU noted on the one hand a decline in overall alcohol consumption, but on the other an increase in the phenomenon of alcoholism.

M. KYPRIANOU rounded off by regretting certain initiatives and approaches made by lobbying organisations, most of them not warranted by what was contained in the draft communication. He did, however, welcome the recent statements by the industry which confirmed its commitment to work with the Commission in order to implement the strategy planned.

In a brief exchange of views, a number of Commission Members congratulated Mr KYPRIANOU for what they considered to be an appropriate and high-quality communication. The following points were mentioned :

- the importance of the resolute action being taken by the Member States with respect to drink and driving, including the need to apply penalties imposed outside national borders ;
- the interest of drawing attention, when presenting the communication, to certain figures on flagrant alcohol abuse, particularly by young people.

Following this exchange of views, the Commission approved the communication set out in COM(2006) 625/4, for transmission to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, and to the national parliaments, together with the report on the implementation of the Council recommendation of 5 June 2001, the impact assessment and the summary, in staff papers distributed as SEC(2006) 1358, SEC(2006) 1411 and SEC(2006) 1360/2, the contents of which were noted.

13. OTHER BUSINESS

13.1. PROGRESS ON IMPLEMENTATION OF THE COMMUNITY LISBON PROGRAMME

(SEC(2006) 1409)

The Commission took note of the information note from Mr VERHEUGEN distributed as SEC(2006)1409.

13.2. RESULTS OF CONSULTATION OF SOCIAL PARTNERS UNDER ARTICLE 138(2) OF THE EC TREATY ON THE STRENGTHENING OF MARITIME LABOUR STANDARDS

(SEC(2006) 1407)

The Commission took note of the information note from Mr BARROT, in agreement with Mr ŠPIDLA, distributed as SEC(2006) 1407.

13.3. PRESENTATION OF THE ANNUAL REPORT OF THE COURT OF AUDITORS FOR THE FINANCIAL YEAR 2005

Mr KALLAS reported briefly on the presentation of the Court of Auditors annual report for 2005 to Parliament's Committee on Budgetary Control, and the replies and observations he had provided, in particular concerning the methodology used by the Court. He was pleased that the event had been given positive coverage in the European press, but stressed that efforts were still needed on the part of the Commission to remedy a number of situations which were the object of the Court's observations.

The PRESIDENT and several Commission Members warmly thanked Mr KALLAS for the clear and firm position he had taken at the presentation of the annual report. The PRESIDENT underlined the importance for the Commission of continuing its objective approach in this matter, by explaining the reasons why the methodology used was not satisfactory and

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correcting if necessary the errors highlighted by the Court in the implementation of the budget. However, the debate on the Court's findings should not turn into sterile disputes between Community institutions.

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 15.16 hours.