



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2006)1770 final

Brussels, 10 January 2007

DRAFT MINUTES
of the 1770th meeting of the Commission
held in Brussels
(Berlaymont)
on Wednesday 20 December 2006
(morning)

PV(2006)1770 final

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Single sitting: Wednesday 20 December 2006 (morning)

The sitting opened at 09.15 with Mr BARROSO, President, in the chair.

Present:

Mr BARROSO	President	
Ms WALLSTRÖM	Vice-President	
Mr VERHEUGEN	Vice-President	Items 1 to 15
Mr BARROT	Vice-President	
Mr KALLAS	Vice-President	
Mr FRATTINI	Vice-President	Items 1 to 14 (in part)
Ms REDING		
Mr DIMAS		Items 1 to 15
Mr ALMUNIA		
Ms HÜBNER		
Ms GRYBAUSKAITĖ		
Mr POTOČNIK		
Mr FIGEL'		
Mr REHN		
Mr KOVÁCS		Items 12 (in part) to 16
Ms FISCHER BOEL		
Mr McCREEVY		
Mr ŠPIDLA		
Mr MANDELSON		
Mr PIEBALGS		

Absent:

Mr BORG

Mr KYPRIANOU

Mr MICHEL

Ms KROES

Ms FERRERO-WALDNER

The following sat in to represent absent Members of the Commission

Mr KÖHLER	Deputy Chef de cabinet to Mr BORG
Mr SCHINAS	Chef de cabinet to Mr KYPRIANOU
Mr LEVIE	A member of Mr MICHEL's staff
Mr SMULDERS	Chef de cabinet to Ms KROES
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	
Mr ELLIS	Adviser in the PRESIDENT's Office	Item 14 (in part)
Ms MARTINEZ ALBEROLA	A member of the PRESIDENT's staff	Items 1 to 14
Ms SIPALA	A member of Ms WALLSTRÖM's staff	Item 16
Mr LE BRET	Chef de cabinet to Mr BARROT	Item 14 (in part)
Ms KONTOU	Chef de cabinet to Mr DIMAS	Items 1 to 14
Ms BARTON	DG Environment	Item 14

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

The PRESIDENT paid tribute to Ms Loyola DE PALACIO, former Vice-President of the Commission and Member with responsibility for transport, energy and relations with Parliament between 1999 and 2004, who died the previous week.

Ms Loyola DE PALACIO was a woman of conviction and commitment, a servant of Europe while still dedicated to her country, who made a substantial and enthusiastic contribution to the cause of European integration throughout her political and professional career, right up to the very end. She would be sorely missed by all who had known her and worked with her.

On behalf of the Commission, the PRESIDENT offered his sincere condolences to Ms Loyola DE PALACIO's family.

1. AGENDAS

(OJ(2006)1770/3; SEC(2006)1691/2)

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)1770)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 18 December.

3. APPROVAL OF MINUTES OF 1769TH MEETING (12 DECEMBER)

(PV(2006)1769)

The Commission approved the minutes of its 1769th meeting.

4. MONITORING THE APPLICATION OF COMMUNITY LAW

4.1. STATE AID – INDIVIDUAL CASES – RECAPITULATIVE LIST (SEC(2006)1797; SEC(2006)1711)

The Commission adopted the decisions in SEC(2006)1797.

4.2. STATE AID – HORIZONTAL DOSSIERS

Commission Regulation amending Regulation (EC) No 794/2004 implementing Council Regulation (EC) No 659/1999 laying down detailed rules for the application of Article 93 of the EC Treaty – Information sheets
(C(2006)6732)

The Commission

- adopted the Regulation, contained in C(2006)6732, amending Commission Regulation (EC) No 794/2004 implementing Council Regulation (EC) No 659/1999 laying down detailed rules for the application of Article 93 of the EC Treaty;
- empowered the Commission Member responsible for Agriculture and Rural Development to add, once they were available, the publication references of the 2007-2013 Community guidelines concerning state aid in the agricultural and forestry sector and of the Commission Regulation concerning the application of Articles 87 and 88 of the EC Treaty to state aid for small and medium-sized enterprises and amending Regulation (EC) No 70/2001, with a view to publication of the Regulation adopted in the Official Journal of the European Union.

**4.3. INFRINGEMENTS - CASES POSTPONED BECAUSE OF
UNAVAILABILITY OF DOCUMENTS - REGULARISATION
(SEC(2006)1668)**

The Commission adopted the decisions in SEC(2006)1668.

**4.4. INFRINGEMENTS - URGENT CASE
(SEC(2006)1669)**

The Commission adopted, in principle, the decision set out in SEC(2006)1669, and empowered the Commission Member responsible for the Information Society and the Media, in agreement with the PRESIDENT, to adopt formally the letter of notice for transmission to the Member State concerned when the new federal German Telecommunications Act had entered into force.

**5. ADMINISTRATIVE AND BUDGETARY MATTERS
(SEC(2006)1695/2)**

**ADMINISTRATIVE MATTERS
(PERS(2006)180/3)**

**5.1. DG RELEX – EXTERNAL PUBLICATION OF A VACANCY NOTICE
FOR AN AD14 DIRECTOR (EU25)
(PERS(2006)179)**

After taking note of the information in point 1 of PERS(2006) 180/3, the Commission, on a proposal from Mr KALLAS, in agreement with the PRESIDENT and Ms FERRERO-WALDNER, decided to authorise the external publication, under Article 29(2) of the Staff Regulations, of the vacancy notice in PERS(2006)179 for the function of Director, Strategy, Coordination and Analysis, in the External Relations Directorate-General.

This decision would take effect immediately.

5.2. OPOCE – CLOSURE OF EXTERNAL SELECTION PROCEDURE FOR AN AD14 DIRECTOR (EU10)

After taking note of the procedure followed as set out in PERS(2006)180/3, the Commission, on a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr FIGEL:

- noted that the appointment decision of 13 June 2006 (PV(2006)1749, item 5.1, page 11) had never taken effect and had therefore lapsed;
- decided to terminate the selection procedure COM/2005/10012.

This decision would take effect immediately.

5.3. DG BUDG – APPOINTMENT OF AD14/AD15 DIRECTOR (PERS(2006)159 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, Resources, in the Budget Directorate-General DG (PERS(2006)159).

The Commission took note of the opinions of the Consultative Committee on Appointments of 9 and 30 November 2006 (PERS(2006)159/2 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 Ms GRYBAUSKAITÉ, it then decided to appoint Mr Eric PARADIS to the vacant post.

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

**5.4. DG MARKT – APPOINTMENT OF AD14/AD15 DIRECTOR
(PERS(2006)175 TO /3)**

The Commission had before it the application under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Director, Free movement of capital, company law and corporate governance, in the Internal Market and Services Directorate-General (PERS(2006)175).

The Commission took note of the opinions of the Consultative Committee on Appointments of 30 November and 14 December 2006 (PERS(2006)175/2 and /3).

The Commission proceeded to examine the applicant's qualifications for the post. It also considered the applicant's ability, efficiency and conduct in the service. On a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr McCREEVY, it then decided to appoint Mr Pierre DELSAUX to the vacant post.

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

5.5. INITIAL COMMUNICATION UNDER ARTICLE 50 OF THE STAFF REGULATIONS

The Commission decided to initiate the procedure laid down in Article 50 of the Staff Regulations with respect to an AD15 official.

**5.6. DG COMP – APPLICATION OF THE ARTICLE 50 PROCEDURE
(SECOND PHASE) TO AN AD15 OFFICIAL
(PERS(2006)177)**

The Commission continued its discussions on this matter, begun on 6 December 2006 (PV(2006)1768).

On a proposal from Mr KALLAS, in agreement with the PRESIDENT and Ms KROES, the Commission adopted the decision in PERS(2006)177 to apply the second stage of the procedure laid down in Article 50 of the Staff

Regulations with respect to Mr Angel TRADACETE COCERA, an AD15 official, currently Chief Adviser in the Competition Directorate-General.

This decision would take effect on 1 January 2007.

**5.7. DG DIGIT/ENTR – ORGANISATION CHART CHANGE
(SEC(2006)1774; SEC(2006)1778; SEC(2006)1784)**

The Commission

- took note of the information note from Mr KALLAS, in agreement with the PRESIDENT, Mr VERHEUGEN and Ms GRYBAUSKAITĖ, distributed as SEC(2006)1774;
- approved the transfer of the e-Government Services Unit in the Enterprise and Industry Directorate-General to the Informatics Directorate-General, together with the corresponding activities and resources;
- approved the organisation charts of the Enterprise and Industry Directorate-General and the Informatics Directorate-General as set out in SEC(2006)1778 and SEC(2006)1784 respectively.

These decisions would take effect on 1 January 2007.

**5.8. DG ELARG/ADMIN – CALL FOR EXPRESSIONS OF INTEREST FOR
THE POST OF ECONOMIC ADVISER IN THE PREPARATION TEAM
FOR THE INTERNATIONAL CIVILIAN MISSION IN KOSOVO
(PERS(2006)178)**

The Commission took note of the call for expressions of interest for the post of economic adviser in the preparation team for the international civilian mission in Kosovo, as set out in the document distributed as PERS(2006)178. This post would be filled by the secondment of an official in the interest of the service.

OTHER MATTERS

5.9. *DG ADMIN – REPORT ON THE PROGRESS OF THE INITIATIVE FOR THE SIMPLIFICATION OF ADMINISTRATIVE PROCEDURES (SEC(2006)1795)*

The Commission took note of the interim report, distributed as SEC(2006)1795, and that a final report would be submitted in February 2007.

6. COMMISSION REGULATION IN APPLICATION OF ARTICLE 37 OF THE ACT OF ACCESSION OF BULGARIA TO THE EUROPEAN UNION – SAFEGUARD MEASURES IN THE FIELD OF AIR TRANSPORT (C(2006)6965 AND /2)

The Commission

- adopted, in principle, the Regulation in C(2006)6965;
- empowered the Commission Member responsible for Transport to formally adopt the Regulation in all the official languages, with a view to publication in the Official Journal of the European Union.

7. PROPOSAL FOR A COUNCIL DECISION ESTABLISHING THE EUROPEAN POLICE OFFICE (EUROPOL) (COM(2006)817 TO /3; SEC(2006)1682; SEC(2006)1683; SEC(2006)1705)

The Commission adopted the proposal for a regulation in COM(2006)817/3 for transmission to the European Parliament, the Council and the European Data Protection Supervisor and to the national parliaments, together with the impact assessment and summary in staff papers SEC(2006)1682 and SEC(2006)1683 respectively, the contents of which were noted.

**8. TRANSLATION IN THE COMMISSION - RESPONDING TO THE
CHALLENGES IN 2007 AND BEYOND
(SEC(2006)1489 TO /4; SEC(2006)1492)**

The Commission approved the communication in the document distributed as SEC(2006)1489/4.

**9. COMMISSION DECISION ON A PROCEEDING UNDER ARTICLE 8(1) OF
COUNCIL REGULATION (EC) No 139/2004 ON THE CONTROL OF
CONCENTRATIONS BETWEEN UNDERTAKINGS (CASE COMP/M.4215 –
GLATFELTER/CROMPTON ASSETS)
(C(2006)6764 TO /6)**

The Commission

- took note of the opinion of the Advisory Committee on Concentrations of 6 December in C(2005)6764/3 and /5;
- took note of the final report of the Hearing Officer of 7 December in C(2006)6764/4 and /5;
- adopted, in the authentic language (English), the decision in C(2006)6764/6, declaring the notified operation to be compatible with the common market and the agreement on the European Economic Area;
- decided to notify the decision set out in C(2006)6764/6 to the undertaking concerned, together with the final report of the Hearing Officer and the opinion of the Advisory Committee;
- decided that the most important parts of the decision, together with the opinion of the Advisory Committee and the final report of the Hearing Officer, would be

published in the official languages in the Official Journal (with all business secrets removed);

- decided to publish the decision (with business secrets removed) on the Internet.

10. COMMISSION DECISION ON A PROCEEDING UNDER ARTICLE 65 OF THE ECSC TREATY (CASE COMP/39.234 – ALLOY SURCHARGE) (C(2006)6765 TO /5)

The Commission

- took note of the opinion of the Advisory Committee on Restrictive Practices and Dominant Positions of 11 December in C(2006)6765/3;
- took note of the final report of the Hearing Officer of 12 December in C(2006)6765/4;
- adopted, in the authentic language (German), the decision in C(2006)6765 and /5, finding that the firm to which the decision was addressed had infringed Article 65(1) of the ECSC Treaty from 16 December 1993 to 31 December 1994, and imposing a fine of EUR 3 168 000;
- decided that the decision would be notified to the company concerned, together with the final report of the Hearing Officer ;
- decided that the most important parts of the decision, together with the opinion of the Advisory Committee and the final report of the Hearing Officer, would be published in the official languages in the Official Journal (with all business secrets removed);
- decided to publish the decision (with business secrets removed) on the Internet.

11. COMMISSION DECISION ON A PROCEEDING UNDER ARTICLE 21 OF COUNCIL REGULATION (EC) No 139/2004 ON THE CONTROL OF CONCENTRATIONS BETWEEN UNDERTAKINGS (CASE COMP/M.4197 – E.ON/ENDESA)
(C(2006)7039 TO /3; SEC(2006)1794)

The Commission adopted, in the authentic language (Spanish), the decision set out in C(2006)7039/3, and decided to notify the Spanish authorities.

12. INTERINSTITUTIONAL RELATIONS

12.1. LEGISLATIVE MATTERS

i) Action to be taken on Parliament's opinions
(SP(2006)5662)

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)5662)

ii) Practical arrangements for codecision – revision of the 1999 joint declaration
(SPI(2006)119)

The Commission authorised Ms WALLSTRÖM to send to Parliament and the Council a letter confirming the Commission's agreement on the revised version of the joint declaration on codecision, following the line set out in SPI(2006) 119.

iii) Council meeting (Agriculture and Fisheries) (19 to 21 December)
(SI(2006)1321)

The Commission authorised Mr BORG, in agreement with the PRESIDENT, to accept a compromise of the Council Presidency concerning TACs and quotas for 2007 which could secure the support of a majority of Member States at the Council meeting (Agriculture and Fisheries) from 19 to 21 December, following the line set out in SI(2006)1321.

12.2. RELATIONS WITH THE COUNCIL

iv) Council proceedings from 14 to 27 December
(SI(2006)1251)

The Commission took note of the information supplied in SI(2006)1251 relating to Council proceedings from 14 to 27 December.

v) Results of European Council (Brussels, 14 and 15 December)
(SI(2006)1000)

The PRESIDENT reported on the results of the European Council of 14 and 15 December. He referred first of all to the exchange of views at the dinner of the Heads of State and Government on the debate on the future of Europe. In this context he mentioned in particular the programme of the future Council Presidency, which opened up prospects for making progress in the coming months in the field of institutional reforms.

The PRESIDENT then went through the main matters discussed by the Heads of State or Government at the Council meeting : enlargement, the area of freedom, security and justice, and innovation, energy and climate change.

The PRESIDENT highlighted the quality of the debate on enlargement and the consensus that had been reached, even though some of the starting positions had diverged widely.. He felt that the decision on the negotiations for the accession of Turkey, that had been adopted before the meeting on the

basis of the recommendation presented by the Commission, had made for a more serene and in-depth debate at the European Council. He mentioned in particular the discussions concerning the western Balkans, which had confirmed the desire to help bring the countries of that region closer to the EU, without, however, forgetting the importance that must continue to be attached to compliance with the accession criteria.

On the area of freedom, security and justice, the PRESIDENT welcomed the progress made by the Member States to arrive at a coordinated approach as regards combating illegal immigration; the Commission's contribution had been decisive, for which he particularly thanked Mr FRATTINI. But he did note that it had not been possible to come to an agreement on the use of the bridge clause (*passerelle*). Without this agreement, extra efforts would be needed to find ways of simplifying the decision-making process.

In the priority areas of innovation, energy and climate change, the PRESIDENT noted with satisfaction that the European Council had taken over the conclusions of the Lahti informal meeting, leaving the way open for operational decisions to be taken at the European Council next spring. In this connection, the PRESIDENT stressed the good cooperation with the Finnish Council Presidency during the second half of 2006, which had in particular produced results on important matters such as the Directive on services in the internal market, REACH, the 7th framework research and development programme and the extension of the Schengen information system.

The PRESIDENT also mentioned the EU contributions to the peace efforts in the Middle East and to the elections in the Democratic Republic of Congo.

The Commission held a brief exchange of views, covering the following points:

- the consensus that had ruled in the European Council on a number of fundamental issues for European integration, particularly enlargement;

- the EU's encouragement to the candidate countries, and the need to ensure that the candidate countries fully respect the accession criteria and their international obligations;
- the importance of the western Balkans for the EU;
- specific matters concerning Serbia and the prospects for Kosovo;
- the significance of the accession of the countries of south east Europe to CEFTA (Central European Free Trade Agreement) with a view to European integration;
- the EU's renewed commitment towards combating climate change and in favour of the greenhouse gas emission allowance trading system;
- the case for stepping up cooperation between the EU and the United States in the fight against terrorism, for instance by facilitating the exchange of data on financial transfers within SWIFT;
- the need to continue work on the transfer of personal data in order to reach an acceptable agreement that is not open to diverging interpretations.

The PRESIDENT concluded by emphasising that the Commission's role must continue to be that of ensuring full compliance with the terms of accession by current and future candidate countries.

The Commission took note of this information.

12.3. RELATIONS WITH PARLIAMENT

vi) December part-session
(SP(2006)5378)

The Commission took note of the information supplied in SP(2006)5378 relating to Parliament's part-session held in Strasbourg from 11 to 14 December.

13. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

13.1. WRITTEN PROCEDURES APPROVED
(SEC(2006)1692 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 11 and 15 December.

13.2. SENSITIVE WRITTEN PROCEDURES
(SEC(2006)1693)

The Commission took note of the sensitive written procedures for which the time limit expired between 18 and 22 December.

13.3. EMPOWERMENT
(SEC(2006)1694 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 11 and 15 December.

**13.4. GENERAL EMPOWERMENT FOR APPOINTING, REPLACING AND
RENEWING THE APPOINTMENT OF MEMBERS OF THE
STANDARDS ADVICE REVIEW GROUP
(SEC(2006)1773)**

The Commission granted the empowerment as set out in SEC(2006)1773 to the Commission Member responsible for the Internal Market.

**13.5. AD HOC EMPOWERMENT FOR MEASURES TO BE ADOPTED, IN
THE EVENT OF THE COUNCIL'S FAILING TO ACT, FIXING FOR
2007 THE FISHING OPPORTUNITIES AND ASSOCIATED
CONDITIONS FOR CERTAIN FISH STOCKS AND GROUPS OF FISH
STOCKS, APPLICABLE IN COMMUNITY WATERS AND, FOR
COMMUNITY VESSELS, IN WATERS WHERE CATCH LIMITATIONS
ARE REQUIRED
(SEC(2006)1779 AND /2)**

The Commission granted the empowerment as set out in SEC(2006)1779 to the Commission Member responsible for Fisheries.

**13.6. AD HOC EMPOWERMENT CONCERNING THE PROPOSAL FOR A
COUNCIL REGULATION TEMPORARILY WITHDRAWING ACCESS
TO THE GENERALISED TARIFF PREFERENCES (GSP) FROM THE
REPUBLIC OF BELARUS
(SEC(2006)1802 AND /2)**

Mr MANDELSON presented very briefly the request for empowerment which he was tabling, in agreement with the PRESIDENT. After presenting some background information, he reminded the meeting of the reasons for the Commission's initiative of 30 November last in proposing to the Council that access to the generalised preferences system be withdrawn from Belarus and of the procedural problems which had so far prevented the Council from adopting the Commission proposal.

During a brief exchange of views, the Commission considered in particular the reasons for the measures that the proposal of 30 November would involve and their effectiveness.

Following this exchange of views, the Commission:

- the Commission approved the line set out in SP(2006)1802;
- empowered the Commission Member responsible for Trade to withdraw the Commission proposal if the Council failed to reach political agreement on 20 December;
- also empowered the Commission Member responsible for Trade to present to the Council again, in January 2007, the proposal adopted on 30 November;
- took note that there would be contacts before January between Mr MANDELSON and Ms FERRERO-WALDNER on the proposal and its presentation.

13.7. DELEGATION AND SUBDELEGATION OF POWERS

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation procedure between 11 and 15 December, as archived on the "Greffé 2000" (Registry) website.

13.8. DELEGATION OF POWERS FOR THE IMPLEMENTATION OF THE MULTIANNUAL COMMUNITY PROGRAMME ON PROMOTING SAFER USE OF THE INTERNET AND NEW ONLINE TECHNOLOGIES (SAFER INTERNETPLUS) (SEC(2006)1780)

The Commission decided to delegate to the Director-General responsible for the Information Society and the Media the power to adopt, on behalf of the Commission and under its responsibility, certain measures on implementation

of the *Safer Internetplus* programme, on the terms laid down in SEC(2006)1780.

**13.9. DELEGATION OF POWERS FOR THE IMPLEMENTATION OF THE
MULTIANNUAL COMMUNITY PROGRAMME TO MAKE DIGITAL
CONTENT IN EUROPE MORE ACCESSIBLE, USABLE AND
EXPLOITABLE (ECONTENTPLUS)
(SEC(2006)1781)**

The Commission decided to delegate to the Director-General responsible for the Information Society and the Media the power to adopt, on behalf of the Commission and under its responsibility, certain measures on implementation of the *eContentplus* programme, on the terms laid down in SEC(2006)1781.

**14. PROPOSAL FOR A DIRECTIVE OF THE EUROPEAN PARLIAMENT AND
OF THE COUNCIL AMENDING DIRECTIVE 2003/87/EC SO AS TO
INCLUDE AVIATION ACTIVITIES IN THE SCHEME FOR GREENHOUSE
GAS EMISSION ALLOWANCE TRADING WITHIN THE COMMUNITY
(COM(2006)818 TO /4; SEC(2006)1684 AND /2; SEC(2006)1685 TO /3;
SEC(2006)1706)**

Mr DIMAS presented the proposal for a Directive which he was tabling for approval, in line with what was agreed at the breakfast on 6 December, and after close collaboration with Mr BARROT. He reminded the meeting of the objective of extending to air transport the Community system of greenhouse gas emission allowance trading, which was to ensure that all the economic sectors concerned contribute equitably to combating climate change, and he mentioned the expectations of Parliament and of the Member States in this connection. Referring to the share of air transport in the emissions produced and the rapid growth, he underlined the importance of including aviation in the system so that the efforts made by other sectors would not be pointless.

Mr DIMAS reviewed the stages in the preparation of the proposal, and noted in particular the support of the Council and Parliament. He referred to the wide-ranging consultation of all the stakeholders and the detailed impact analysis that had been carried out, giving all the necessary guarantees today that the competitiveness of airlines would not be affected. He said that air transport would be subject to the same rules as the other sectors covered by the system, and explained the interest of the two-phase approach that had been adopted, with the system to apply to intra-Community flights one year before its general application to all flights to and from the Community. He restated the importance of continuing work with a view to a global agreement, within the International Civil Aviation Organisation (ICAO), but also drew attention to the need, if such an agreement was ever to exist, for the EU to continue to play its role as the driving force and to pursue the dialogue.

Mr BARROT began by highlighting the difficulty of the exercise, as viewed from his field of responsibility, but underscored the scale of the efforts made by Mr DIMAS to see that the proposal reconciled the various interests involved and in particular preserved the competitiveness of airlines. He welcomed the balance struck on the question of the auctioning of allowances, argued the case for avoiding for the present time any reference to taxation as a possible tool for combating the impact of air transport on the climate, and justified the two-phase approach on the grounds that it enabled work to continue within the ICAO and prepared the EU's partners for application of the system. He admitted that the negotiations with some of these partners might be tough but pointed to the priority to be given to the environmental targets the Commission had set.

The PRESIDENT likewise underscored the major importance of this ambitious proposal, which confirmed the leading role played by the EU and the credibility of its action on the climate change front. He highlighted the balanced nature of the text, which should help in finding a consensus, and referred to the planned revision of the Community system of greenhouse gas emission allowance trading, which must not be prejudiced. He emphasised the interest of gradual implementation, involving the international community in a second phase, while reiterating that a clear political choice had been made to move forward and that the legal aspects of

the proposal had been studied carefully. As regards the communication arrangements to accompany the proposal, he asked for diplomatic presentation of the proposal in the context of the ICAO and the bilateral relations with the Union's partners.

The Commission then held an in-depth discussion from which the following emerged:

- broad support for the proposed Directive and for the two-phase approach, which will give some leverage on the international community;
- the importance of a global approach to the question of climate change involving all partners advancing at a comparable pace, and the interest in continuing to work within the international bodies and pursuing the dialogue at the highest political level;
- the scale of the emissions produced by certain major partners and their foreseeable growth, and the need to do everything to see that the States concerned shoulder their share of responsibility in combating climate change;
- the costs for industry and consumers connected with this extension to air transport of the Community system of greenhouse gas emission allowance trading;
- the interest of envisaging in the future, as part of the revision of the system, the possibility of gradually increasing the proportion of allowances auctioned, in order to enhance the effectiveness of the mechanism;
- some preferences for a single-stage approach, in order not to create distortions between Community and non-Community enterprises, and in the interests of environmental effectiveness;
- the reactions that the initiative had already prompted from certain European industrial organisations, and the importance of being ready to provide a concerted response to the arguments put forward;

- the interest of promoting in parallel other measures that could significantly reduce the emissions produced by air traffic, and particularly the case for not ruling out definitively the possibilities that the taxation tool might offer, even though its use was not currently on the agenda;
- the innovative nature of the environmental policy line taken and the desire for a strong signal and the most effective action possible;
- some doubts about the scope of the proposed Directive, which was confined to civil aviation, excluding military aircraft;
- the positive signal that the EU was sending and the example it was setting by first dealing with its own emissions caused by air transport, and also as the first one to do so;
- the interest of being pioneers using the Community allowance trading system, which had proved to work well;
- the arguments for an initiative that would inevitably promote the development of more environmentally efficient technologies in the aviation sector, and the benefits for European firms in terms of job creation and competitiveness;
- the strong commitment shown by the Council in combating climate change and its support for pursuing the emission allowance trading system;
- the illustration by this initiative of the Commission's plan of action on energy efficiency;
- public expectations, as reported in the press, for effective action against climate change, and the sustainable development objective which was the framework for EU policy;
- the need for a strong political will, commensurate with the EU's economic and trade standing, to secure results at world level in combating climate change;

- the importance of the legal soundness of the proposal, given its impact at international level;
- some encouraging signs of change from major partners whose position on combating climate change could develop favourably in years to come.

Mr BARROT provided some additional information. He said that he had received the agreement of the International Air Transport Association on the proposal presented and confirmed that other initiatives such as those carried out under the SESAR programme could contribute, upstream, to substantial fuel savings. He referred to the strongly symbolic nature and the example-setting aspect of the two-phase approach which, without producing a major time-lag, made it possible to take into account the ICAO timetable and to prepare the international community properly for the change being made.

Mr DIMAS thanked the Commission Members for the interest they had taken in this item. He too referred to the Council's determination to get on with tackling climate change, and to its sturdy support for the Community allowance trading system. He made the connection between the doubts shown by certain organisations and the difficulties encountered with the adoption of certain national allocation plans, but he contrasted this with the public support for the Community's action in the field of climate change. He said that the question of auctioning could be raised at the time of the planned revision of the system, and pointed out that Community legislation does not cover military installations and equipment. As regards the two-phase approach, he felt that with the first phase lasting only one year the impact on competition would be minimal. He agreed on the importance of acting at world level but considered that setting the example was the best way of convincing partners to join in the efforts being made, in particular under the Kyoto Protocol. In conclusion he said that this was a question that concerned the entire Commission because of the various aspects relating to trade, energy efficiency or technology development, and that all Members would have to be involved in the efforts to persuade the partners.

The PRESIDENT in turn mentioned the support of the Member States in the European Council and, more generally, the favourable reception the proposal should receive since it introduced fair treatment for the air transport sector in comparison with the other sectors. He reminded the meeting that climate change would be one of the priorities of the German Presidency, which would be looking for concrete conclusions to be agreed at the 2007 spring European Council. Referring to the question of the two-phase approach, he felt that it would reconcile the different interests and take account of the requirements of international relations, adding that the principle had been accepted by the sector. Lastly, the PRESIDENT thanked and congratulated Mr BARROT and Mr DIMAS for their exemplary collaboration on this difficult matter.

At the end of this discussion, and subject to the replacement, in the last paragraph of the section *General context*, on page 3 of the explanatory memorandum to the proposed Directive, of the expression *be extended or replicated worldwide* by *to promote the development of similar systems worldwide*, the Commission adopted the proposal for a Directive set out in COM(2006)818/4, for transmission to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, and to the national parliaments, accompanied by the impact assessment and summary in the staff papers distributed as SEC(2006)1684/2 and SEC(2006)1685/3 respectively, the contents of which were noted.

15. RELATIONS WITH THIRD COUNTRIES

CONCLUSION OF POSSIBLE BILATERAL PROTOCOLS BETWEEN MEMBER STATES AND RUSSIA TO AVOID RUSSIAN IMPORT BAN ON ANIMAL PRODUCTS FOLLOWING ACCESSION OF BULGARIA AND ROMANIA ***(SEC(2006)1800)***

In the absence de Mr KYPRIANOU, still on mission in Moscow, the PRESIDENT reported on the agreement of principle which had been reached with the Russian authorities on Tuesday 19 December, in order to ensure continuity of exports of animal products to Russia, following the accession of Bulgaria and Romania on 1 January 2007. This verbal agreement now had to be shaped into a protocol between the Commission and the Russian authorities on the veterinary certification of animals and animal products for export to Russia. Technical finalisation of the text was beginning that morning in Moscow, with a view to signing by mid-January. The PRESIDENT noted with satisfaction the solidarity shown by Member States in not negotiating bilateral protocols as initially advocated by the Russian authorities.

During a brief exchange of views, the Commission considered in particular the following aspects:

- the political importance of refusing any bilateral negotiation and the soundness of the common position of the Member States and the Commission;
- the interest of proceeding as quickly as possible with the definitive signing of the agreement, despite the commitment made by the Russian authorities not to suspend imports before the actual signing.

The Commission took note of this information and of the note from Mr KYPRIANOU, in agreement with Ms FISCHER BOEL, Ms FERRERO-WALDNER and Mr MANDELSON, distributed as SEC(2006)1800.

The Commission congratulated Mr KYPRIANOU for the results secured and thanked the Legal Service for the high standard of the work done in this matter.

16. OTHER BUSINESS

16.1. 50TH ANNIVERSARY OF SIGNING THE TREATIES OF ROME (25 MARCH 1957-25 MARCH 2007) (SEC(2006)1775 AND /2)

Ms WALLSTRÖM briefly presented her information note. She underlined the importance of using the commemoration of the 50th anniversary of the signing of the Treaties of Rome to promote a renewed commitment of European citizens, and above all young people, to the process of European integration. The main political messages should concern the many achievements of the past and the challenges the European project is currently facing.

Ms WALLSTRÖM added that the commemoration would bring together many players as well as the Commission. That was the reason why the preparations were being conducted for the most part under partnerships. Ms WALLSTRÖM drew attention to the importance of the role given to young people in the events programmed. She mentioned the Youth Summit to be held in Rome on 24 and 25 March, in parallel with the European Council meeting in Berlin.

Lastly, Ms WALLSTRÖM thanked all the Commission departments for the contributions they had already made to the preparations for the various events programmed. She asked the Commission Members and their departments to involve themselves as much as possible in the commemoration throughout 2007. She also distributed during the meeting a letter to the Commission Members, summarising the advice of communication experts who had recently held a conference in Helsinki.

The PRESIDENT expressed his full support for the initiatives of Ms WALLSTRÖM and underlined the usefulness of these festivities as a

lever for the European project. He gave his backing to Ms WALLSTRÖM's invitation to all the Commission Members to be more closely involved in the 50th anniversary.

The Commission took note of this information and of Ms WALLSTRÖM's note in SEC(2006)1775/2.

16.2. INTRODUCTION OF THE EURO IN SLOVENIA

Mr POTOČNIK referred to the festivities planned in Slovenia to mark the country's adoption of the single currency and welcomed the high degree of serenity surrounding this decisive step in the process of European integration in Slovenia. In particular he thanked the PRESIDENT and Mr ALMUNIA for their personal commitment to this historic event. He distributed to Commission Members sets of the Slovenian euro and cent coins that would be going into circulation on 1 January 2007.

The PRESIDENT congratulated Slovenia on its accession to the euro area and confirmed that he would be attending the ceremony in Ljubljana in mid-January.

The Commission took note of this information.

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Before closing the meeting, the PRESIDENT extended end-of-year greetings to Commission Members, staff and their families.

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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 12.00.