



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2007)1773 final

Brussels, 31 January 2007

MINUTES
of the 1773rd meeting of the Commission
held in Brussels
(Berlaymont)
on Wednesday 24 January 2007
(morning)

PV(2007)1773 final

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Single sitting: Wednesday 24 January 2007 (morning)

The sitting opened at 0906 hours with Mr BARROSO, President, in the chair. Items 15 and 16 were chaired by Ms WALLSTRÖM.

Present:

Mr BARROSO	President	Items 1 to 14
Ms WALLSTRÖM	Vice-President	
Mr VERHEUGEN	Vice-President	Items 1 to 14
Mr BARROT	Vice-President	Items 1 to 13
Mr KALLAS	Vice-President	
Mr FRATTINI	Vice-President	
Ms REDING		Items 8 to 16
Mr DIMAS		
Mr ALMUNIA		
Ms HÜBNER		
Mr BORG		
Ms GRYBAUSKAITĖ		
Mr FIGEL'		
Mr KYPRIANOU		
Mr REHN		
Mr MICHEL		
Mr KOVÁCS		
Ms KROES		Items 8 to 16
Ms FISCHER BOEL		Items 1 to 12 (in part)
Ms FERRERO-WALDNER		
Mr McCREEVY		
Mr MANDELSON		
Ms KUNEVA		
Mr ORBAN		

Absent:

Mr POTOČNIK

Mr ŠPIDLA

Mr PIEBALGS

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The following sat in to represent absent Members of the Commission

Ms VALANT	A member of Mr POTOČNIK's staff	
Ms SCHREIBER	Chef de cabinet to Mr ŠPIDLA	Items 12 (in part) to 16
Mr UEBE	A member of Mr ŠPIDLA's staff	Items 1 to 12 (in part)
Mr GARCÍA PORRAS	A member of Mr PIEBALGS's staff	

The following also sat in

Mr VALE DE ALMEIDA	Chef de cabinet to the PRESIDENT	
Mr SANTAOLALLA	Legal Service	
Mr SØRENSEN	Director-General, DG Communication	
Mr LAITENBERGER	Commission Spokesman	Items 1 to 14
Mr GASPAR	Acting Director-General, Bureau of European Policy Advisers (BEPA)	
Mr THEBAULT	Deputy Chef de cabinet to the PRESIDENT	Items 12 (in part) and 13 (in part)
Mr ELLIS	Adviser in the PRESIDENT's Office	Items 12, 13 (in part) and 15
Mr KLAUS	A member of the PRESIDENT's staff	Item 14
Ms ERLER	Chef de cabinet to Mr VERHEUGEN	Items 12 (in part) to 14
Mr ADAMIŠ	Chef de cabinet to Mr FIGEL	Items 12 (in part) and 13
Ms BRANDTNER	Deputy Chef de cabinet to Ms KROES	Items 12 (in part) and 13 (in part)
Mr CHRISTOFFERSEN	Chef de cabinet to Ms FISCHER BOEL	Items 12 (in part) to 16
Ms NAESAGER	A member of Ms FISCHER BOEL's staff	Items 1 to 8

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

1. AGENDAS

(OJ(2007)1773/3; SEC(2007)48/2)

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(2007)1773)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 22 January.

3. MINUTES OF 1772nd MEETING (16 January)

(PV(2007)1772 AND /2)

The Commission approved the minutes of its 1772nd meeting.

4. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

4.1. WRITTEN PROCEDURES APPROVED

(SEC(2007)49 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 15 and 19 January.

4.2. SENSITIVE WRITTEN PROCEDURES

(SEC(2007)50 AND /2)

The Commission took note of the sensitive written procedures for which the time limit expires between 22 and 26 January and of the "finalisation" written procedures initiated following the weekly meeting of Chefs de cabinet on 22 January.

4.3. EMPOWERMENT

(SEC(2007)51 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 15 and 19 January.

4.4. DELEGATION AND SUBDELEGATION OF POWERS

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation procedure between 15 and 19 January, as archived on the "Greffé 2000" website.

5. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2007)52/2)

5.1. DG AGRI – INTERNAL PUBLICATION OF A VACANCY NOTICE FOR AN AD15/16 DEPUTY DIRECTOR-GENERAL

(PERS(2007)9)

On a proposal from Mr KALLAS, in agreement with the PRESIDENT and Ms FISCHER BOEL, the Commission decided to authorise the publication, under Article 29(1)(a)(i) and (iii) of the Staff Regulations, of the vacancy notice in PERS(2007) 9 for the post of Deputy Director-General in the Directorate-General for Agriculture and Rural Development.

This decision would take effect immediately.

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5.2. DG ENTR – FUNCTION OF ACTING EXECUTIVE DIRECTOR OF EUROPEAN CHEMICALS AGENCY

Having taken note of the information in item 2 of PERS(2007) 10 and /2, the Commission decided, on a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr VERHEUGEN:

- to appoint Mr Geert DANCET, currently Head of the REACH Unit in the Directorate-General for Enterprise and Industry to the post of acting Executive Director of the European Chemicals Agency, with immediate effect;
- to second Mr Geert DANCET, in the interest of the service, to the European Chemicals Agency to assume the function mentioned in the previous indent as a temporary staff member, until the appointment of the definitive Executive Director. This decision would take effect on 1 June 2007.

**5.3. DG ADMIN – COMMISSION DECISION AMENDING DECISION C(2006) 2033 OF 1 JUNE 2006 LAYING DOWN THE RULES APPLICABLE TO NATIONAL EXPERTS ON SECONDMENT TO THE COMMISSION
(C(2007)219)**

On a proposal from Mr KALLAS, in agreement with the PRESIDENT, the Commission adopted the decision in C(2007)219.

This decision would take effect on 1 February 2007.

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**5.4. OPOCE – COMMISSION DECISION ON THE PROMOTION, IN THE 2006 EXERCISE, OF TWO OFFICIALS ASSIGNED TO THE OFFICE FOR OFFICIAL PUBLICATIONS OF THE EUROPEAN COMMUNITIES
(C(2007)220 AND /2)**

Having taken note of the information in point 4 of PERS(2007)10 and /2, the Commission decided, on a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr ORBAN, to add two officials assigned to the Office for Official Publications of the European Communities to the list of officials promoted in the 2006 exercise, as set out in C(2007)220 and /2.

5.5. DG ADMIN – FOLLOW-UP TO THE JUDGMENT OF THE CIVIL SERVICE TRIBUNAL OF THE EU IN CASE F-122/05, PUBLISHED ON 14 DECEMBER 2006

Having taken note of the information in point 5 of PERS(2007)10 and /2, the Commission decided, on a proposal from Mr KALLAS, in agreement with the PRESIDENT, that:

- there would be no more middle management or adviser posts published in grades AD9/AD12. Instead, given the points made in ground 97 of the judgment, the posts in question would be published either in grades AD9/AD10, or grades AD11/AD12;
- the Directorates-General concerned would set the level of the posts either at grades AD9/AD10, or at grades AD11/AD12;
- middle management or adviser posts at grades AD9/AD10 and AD11/AD12 would be published only in accordance with Article 29(1)(a)(i) of the Staff Regulations, as was the case for the publication of middle management or adviser posts at grades AD9/AD12;

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- the eligibility criteria that applied to middle management or adviser posts published at grades AD9/AD12 would apply by analogy to the posts published at grades AD9/AD10 or AD11/AD12.

These decisions would take effect immediately.

6. COMMISSION DECISION ON A PROCEEDING UNDER ARTICLE 81 OF THE EC TREATY AND ARTICLE 53 OF THE EEA AGREEMENT (*CASE COMP/F/38.899 – GAS INSULATED SWITCHGEAR*) (C(2006)6762 to 17; SEC(2007)97)

The Commission

- took note of the opinion of the Advisory Committee on Restrictive Practices and Dominant Positions of 8 December in C(2006)6762/4 and /8;
- took note of the final report of the Hearing Officer of 15 January in C(2006)6762;
- adopted, in the authentic languages (English, French and Italian), the decision set out in C(2006)6762/2 and /9 finding that the undertakings named had infringed Article 81 of the EC Treaty and Article 53 of the Agreement on the European Economic Area and imposing fines on some of these undertakings totalling €750 712 500;
- decided to notify the decision in C(2006)6762/2 and /10 to the companies concerned, together with the final report of the Hearing Officer;
- decided that the most important parts of the decision, together with the opinions of the Advisory Committee and the final report of the Hearing Officer, would be published in the official languages in the Official Journal (with business secrets removed);

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

7. PRELIMINARY RESULTS OF THE SECTOR INQUIRY INTO BUSINESS INSURANCE

(SEC(2007)96)

The Commission took note of the information note from Ms KROES in SEC(2007)96.

8. PROPOSAL FOR A COUNCIL REGULATION LAYING DOWN SPECIFIC RULES AS REGARDS THE FRUIT AND VEGETABLE SECTOR AND AMENDING CERTAIN REGULATIONS

(COM(2007)17 TO /4; SEC(2007)74 AND /2; SEC(2007)75; SEC(2007)39; SEC(2007)76)

Ms FISCHER BOEL introduced the proposal for a Regulation regarding the fruit and vegetable sector, which she was tabling for adoption. She thanked the Members of the Commission and the departments for their excellent collaboration. She intended to present the proposal that day to Parliament's Committee on agriculture and Rural Development. This would be followed, among other things, by a central press conference in Brussels and simultaneous events for the media in fourteen Member States. The proposal would be before the Council (Agriculture and Fisheries) on Monday 29 January.

Ms FISCHER BOEL outlined the principles and objectives of the proposed reform of the common organisation of the market in fruit and vegetables, referring to the link between this proposal and the reform of the common agricultural policy begun in 2003, and to the reforms of the common market organisations for sugar and bananas and, in the near future, wine. The key elements of the proposal were: ending the link between aid and production, including the fruit and vegetable sector

in the single payment scheme and strengthening producer organisations and making them more attractive.

Ms FISCHER BOEL drew particular attention to the provision increasing Community assistance to producer organisations from 50% to 60% in certain cases such as organic production. She referred to the measures proposed to improve crisis management and the measures to promote fruit and vegetable consumption among children and young people, for which the Commission proposed to allocate €6 million per year. Community assistance of €8 million per year would also be available for the free distribution of fruit and vegetables to charitable organisations, schools and hospitals.

Lastly, Ms FISCHER BOEL highlighted the budgetary neutrality of the proposal. Total expenditure on the fruit and vegetable sector would remain the same, with greater efficiency being sought. The proposal was balanced and formed a sound basis for negotiation, and Ms FISCHER BOEL was optimistic about obtaining a Council decision before the end of the present Presidency in June.

The Commission held a brief discussion, covering the following matters in particular:

- the close and fruitful cooperation between Members' Offices and the Commission departments during the drafting of the proposal;
- the importance of the proposal for developing healthy and balanced eating habits, particularly among young people and children, and how it fitted in with the Commission's policy on health;
- the specific situation as regards the red fruit sector in the EU, its high sensitivity to imports from non-member countries, and the role that producer organisations must play in this area;
- whether it would be appropriate, if necessary, to reconsider the provisions on implementing the entry price system in the context of the Doha round negotiations.

The PRESIDENT wound up the discussion by commenting on the high quality of the proposal, for which he particularly thanked Ms FISCHER BOEL and her staff. He stressed how important the reform of the fruit and vegetable sector was to the continuing reform of the common agricultural policy.

The Commission adopted the proposal for a Regulation in COM(2007)17/4 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 impact assessment and its summary in staff papers SEC(2007)74/2 and SEC(2007)75 respectively, the contents of which were noted.

- 9. COMMISSION COMMUNICATION TO PARLIAMENT, THE COUNCIL, THE ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – AN ACTION PLAN FOR AIRPORT CAPACITY, EFFICIENCY AND SAFETY IN EUROPE**
(COM(2006)819 AND /2; SEC(2006)1686 AND /2); SEC(2006)1687 AND /2; SEC(2006)1681; SEC(2007)59)
- 10. PROPOSAL FOR A PARLIAMENT AND COUNCIL DIRECTIVE ON AIRPORT CHARGES**
(COM(2006)820 AND /2; SEC(2006)1688; SEC(2006)1689; SEC(2006)1681; SEC(2007)59)

11. COMMISSION REPORT TO PARLIAMENT, THE COUNCIL, THE ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS ON THE APPLICATION OF COUNCIL DIRECTIVE 96/67/EC OF 15 OCTOBER 1996 ON ACCESS TO THE GROUNDHANDLING MARKET AT COMMUNITY AIRPORTS (COM(2006)821 AND /2; SEC(2006)1681; SEC(2007)59)

Mr BARROT introduced the three items which he was tabling for decision, pointing out that they followed logically on from and complemented the Commission's recent proposals and statements in the field of air transport.

Two facts formed the starting point for the action plan to strengthen airport capacity, efficiency and safety in Europe: the growing number of European airports facing congestion and the likewise growing difficulties with carrying out major airport projects in the urban areas where most passengers were found. Consequently, the primary goal of the plan was to make optimal use of European airport capacity by increasing efficiency and ensuring that the necessary safety requirements were met. An observatory would be set up at Community level, with a view to better understanding and monitoring the development of these issues, while respecting the prerogatives of the Member States as regards town and country planning.

Mr BARROT moved on to the key issue of airport charges, which were the subject of the proposed directive. The proposal had been drawn up following broad consultation of airlines and airport authorities. The purpose of the directive was to establish a framework that would ensure that costs and prices were transparent, and would oblige airports to consult airlines about the level of charges. Independent regulators would also be set up at national level to act as dispute settlement bodies.

Lastly, Mr BARROT briefly presented the report on the implementation of the 1996 Directive on access to the groundhandling market at Community airports. At this stage, the impact of the Directive on the liberalisation of groundhandling services should be assessed, before planning any new legislative initiatives.

Like other initiatives adopted recently by the Commission in the air transport field, the overall goal of the three items on the agenda for this Commission meeting was to contribute to the dynamism of the air transport industry by ensuring high-quality services and reasonable prices for consumers.

The PRESIDENT stressed the quality and political importance of these three initiatives and noted that all the Members of the Commission supported them.

Having taken note of the above, the Commission :

- approved the communication in COM(2006)819/2, and took note of the impact assessment and its summary in staff papers SEC(2006)1686/2 and SEC(2006)1687/2 respectively;
- adopted the proposal for a Parliament and Council Directive in COM(2006)820/2, and took note of the impact assessment and its summary in staff papers SEC(2006)1688 and SEC(2006)1689 respectively;
- approved the report set out in COM(2006)821/2;
- decided to transmit all these documents to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, and to the national parliaments.

12. INTERINSTITUTIONAL RELATIONS

12.1. LEGISLATIVE MATTERS

i) Action to be taken on Parliament's opinions

(SP(2007)150)

The Commission took note of SP(2007)150, drawn up following Parliament's January I part-session.

12.2. RELATIONS WITH THE COUNCIL

(SI(2007)19)

The Commission took note of the information supplied relating to Council meetings held from 18 to 31 January in SI(2006)19.

ii) General Affairs and External Relations (Brussels, 22 and 23 January)

(SEC(2007)116)

External Relations

Ms FERRERO-WALDNER reported on the main results of the "external relations" session of the Council meeting on general affairs and external relations held in Brussels on 22 and 23 January.

The Council Presidency and the Member States broadly supported the Commission proposal of 4 December 2006 on strengthening the European neighbourhood policy, particularly with respect to developing its human dimension. The matter would be discussed in greater depth at the informal Gymnich-type meeting at the end of March.

The Council also broadly supported the Commission's ideas and proposals with respect to the EU's foreign policy in the field of energy, including the need to speak with one voice, the proposal to designate European coordinators and the importance of not separating internal and external aspects in this area.

The Council had adopted negotiating directives with a view to concluding an enhanced agreement with Ukraine.

Lastly, Ms FERRERO-WALDNER briefly reviewed the Council conclusions on certain topical international matters, such as implementation of the United Nations resolution on Iran's nuclear programme, developments as regards the Middle East peace process, Lebanon and Libya.

The Commission took note of these observations and of Ms FERRERO-WALDNER's briefing note in SEC(2007)116.

Situation and prospects in Serbia following the general election

Mr REHN reported on the Council's discussions, held in particular over lunch, on the situation in the western Balkans following the general election in Serbia on 21 January. Although provisional results did not point to a clear victory by pro-reform and pro-European forces, Mr REHN hoped that the new government, whatever the difficulties in forming it, would reflect the pro-European stance of the new parliamentary majority following the elections.

Mr REHN went on to refer to Serbia's prospects for future membership of the EU, confirmed by the Council, while reminding the meeting of the conditions on which negotiations would be resumed with a view to concluding a stability and association agreement with Serbia.

With respect to Kosovo, Mr REHN informed the Members of the Commission of the way in which the special envoy, Mr Martti Ahtisaari, planned to address the question of its status, and of the upcoming visits of the troika to Belgrade, at policy director and ministerial level, after which the Council (General affairs and external relations) would have to review the situation again in February.

The Commission held a brief exchange of views on the political situation in Serbia, covering the following matters in particular:

- the degree of caution which the EU should exercise with respect to Kosovo's final status and the importance of ensuring that the EU was united on the matter when the United Nations adopted a resolution towards the middle of the year;
- the value of maintaining the current conditions, while encouraging Serbian forces for reform to continue their efforts towards normalising relations and cooperating with European and international bodies;

- the advisability for Members of the Commission and other representatives of the EU institutions to appear more often on the political scene in the region in order to support pro-European forces.

The Commission took note of this information.

12.3. RELATIONS WITH PARLIAMENT

iii) January I part-session

(SP(2007)203)

The Commission took note of the information supplied relating to Parliament's part-session held in Strasbourg from 15 to 18 January (SP(2007)203).

12.4. OTHER MATTERS

iv) Commemoration of the 50th anniversary of the signing of the Treaty of Rome – Berlin Declaration

Ms WALLSTRÖM reported on the procedure agreed by the Council Presidency for producing the European Council report on the constitutional Treaty and the Berlin Declaration. The latter was planned for 25 March and would constitute the next major stage on the way to a possible resolution of the institutional issues. She referred in particular to the ideas put forward by the PRESIDENT in his speech to Parliament on 17 January as regards structuring the content of the Declaration around the following five priorities:

- solidarity (an enlarged and open Europe required greater social and economic cohesion);
- sustainable development (including combating climate change through energy policy in particular);

- accountability, transparency, and the right of citizens to access information together with the duty of the European institutions to provide access;
- safety for citizens, while preserving fundamental rights;
- the EU's external dimension, including its role in promoting Europe's values and general interest.

These ideas had been welcomed and future meetings were scheduled to prepare the Declaration.

Without prejudice to the political conclusions it would draw at the meeting on 31 January, at which it would discuss the Berlin Declaration, the Commission briefly examined the following questions:

- reactions in a number of Member States to the working method adopted by the Council Presidency;
- how best to encourage a positive outcome to the debate organised by the Council Presidency in order to meet the expectations of citizens, civil society and other players on the political scene;
- the advisability of discussing the matter at an extraordinary meeting of the European Council;
- the importance of harnessing the momentum which was gathering, and how politically ambitious the Declaration should be;
- the link between improving the functioning of the institutions and prospects for concrete EU policies.

The PRESIDENT pointed out that the European Council on 15 and 16 June 2006 had endorsed the proposal made by the Commission in spring 2006 to the effect that there should be a political declaration by the Member States, Commission and Parliament reaffirming the EU's values and ambitions and

confirming their shared desire to give them practical shape. Credit and responsibility for the initiative therefore belonged to the Commission. The PRESIDENT also reminded the meeting of the Commission's chosen approach: on the one hand, to include policies and projects in a coherent political programme and on the other, gradually to resolve the problems posed by the constitutional Treaty. The aim of this dual approach was in due course to find a solution to the institutional issues that would allow the EU to consolidate a shared vision. The PRESIDENT therefore recommended a Declaration that looked towards the future, rather than one confined merely to listing the EU's achievements. He also emphasised the value of "plan D" in this connection.

Lastly, the PRESIDENT asked the Commission Members, in their contacts with the outside world, to keep to the approach adopted in order to strengthen the solidity of the Commission's arguments and give it more clout in the debate over the coming months.

The Commission took note of this information.

13. MONITORING THE APPLICATION OF COMMUNITY LAW

13.1. STATE AID – INDIVIDUAL CASES – RECAPITULATIVE LIST (SEC(2007)107; SEC(2007)91)

The Commission briefly discussed case C 52/2005 concerning the subsidised purchase or hire of digital decoders in Italy, and raised the following points:

- the question of the transfer of state resources to indirect beneficiaries;
- the possible difficulties in recovering the aid;
- the importance of following the line already taken by the Commission in its *Berlin-Brandenburg* decision and of ensuring technological neutrality

and non-discrimination between sectors in the transition to digital television;

- consistency with the proposed decision for parallel case N 270/2006.

Following the discussion, the Commission decided to amend point 116 of the decision in C(2006) 6634/4 and C(2006)6634/5 in the authentic language (Italian), as follows:

“The Commission deems that the measure in question constitutes indirect aid because the aid scheme has had as main effect to provide an advantage to those indirect beneficiaries, despite the fact that the beneficiaries did not have a direct link with the companies producing the subsidised good.”

Subject to this amendment of the text of the individual decision concerning case C 52/2005, the Commission adopted the decisions set out in the recapitulative list in SEC(2007) 107.

**13.2. INFRINGEMENTS – URGENT OR POSTPONED CASES –
RECAPITULATIVE LIST
(SEC(2007)87; SEC(2007)86)**

The Commission held an exchange of views on the problem raised by case 1998/2308 concerning discrimination in access to Austrian universities for Community students, which included the following points:

- the importance of compliance with the fundamental principle of non-discrimination, enshrined in the Treaty;
- the exclusive competence of the Member States as regards the organisation of higher education and training;
- recognition by the Commission of the problems some Member States face when accepting large numbers of foreign students for certain university courses;

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- the importance for Europe of effective mobility of students within the Community;
- the Commission's readiness to continue the dialogue with the Member State concerned in order to find a solution to this very sensitive issue;
- the importance of how the decision is presented to the public.

Following this exchange of views, the Commission adopted the decisions set out in the recapitulative list in SEC(2007)87 with the following clarification:

1998/2308	<i>Austria</i>
Access to Austrian universities for Community students	
<u>Decision:</u>	Letter of formal notice 228

13.3. INFRINGEMENTS - URGENT CASE

(SEC(2007)82/2; SEC(2007)83)

The Commission adopted the decision in SEC(2007)83.

14. COMMISSION COMMUNICATION TO PARLIAMENT, THE COUNCIL, THE ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – ACTION PROGRAMME FOR REDUCING UNNECESSARY ADMINISTRATIVE BURDENS IN THE EUROPEAN UNION

(COM(2007)23 TO /4; SEC(2007)84 AND /2; SEC(2007)85 AND /2; SEC(2007)89)

Mr VERHEUGEN presented the communication he was tabling for approval. He first of all welcomed the ambitious target of the proposal which was to reduce the administrative burdens on businesses in the EU by 25% over the next five years, he saw a link with the Commission's strategic review of Better Regulation adopted on 14 November 2006. He thanked the Members of the Commission for their clear

support for this action programme, which had made it possible to process the dossier speedily and effectively.

Mr VERHEUGEN outlined the content of the programme, which listed thirteen priority areas where the possibility of reducing unnecessary administrative burdens would be assessed. He emphasised that these priority areas covered both Community law and implementing legislation, and that the Member States were also asked to apply the same assessment to their national legislation, since a joint effort was needed to achieve the 25% objective. The programme did not compromise the underlying purpose of legislation but simply sought to eliminate texts that were no longer necessary. He referred to the lessons that would be drawn from the assessment exercise, which would highlight very different national situations. This could form the basis for an exchange of best practice. Such lessons would be useful for the simplification each of the Commission Members would be called on to apply in their own area of responsibility. He emphasised how important it was for all departments to work in close cooperation throughout the assessment exercise.

Mr VERHEUGEN then referred to the list, contained in the proposal, of measures to be taken in the short term which could, through minor adjustments, bring about a substantial and almost immediate reduction in administrative burdens on businesses. Here again he said that his departments and those of the PRESIDENT would cooperate with the Directorates-General concerned to prepare the corresponding legislative proposals as soon as possible, and he welcomed this first opportunity to demonstrate practical results in this area.

He concluded by stressing that the success of this initiative would depend largely on the support of Member States and on how effectively it was implemented via the various Commission departments. He called on the Commission Members to give their support to the programme and to carry out an awareness-raising and communication campaign in their Member States, believing that the warm welcome received within the Commission for this project reflected the importance everybody now attached to it. He drew attention to the progress made in adopting the proposals

of the simplification programme, and ended by thanking all the Commission Members for their contribution.

The PRESIDENT in turn pointed out that this programme was an important step in the context of the “Better Regulation” initiative the Commission was now putting into practice, and represented a concrete follow-up to the strategy document of November 2006. He expressed his gratitude to all the Commission Members and their departments for their very constructive contribution to this project, and welcomed the collective approach now being taken.

The PRESIDENT pointed out that the 25% objective was highly political in nature, as well being a joint objective, which had to be accepted by the Member States both on an individual basis and also in the Council and Parliament. He welcomed the fact that the programme would be ready for presentation at the spring European Council.

Lastly, he reiterated that the programme was not about deregulation or reducing the level of security in the field of health, social rights, the environment or transport; it was simply about eliminating unnecessary, redundant or obsolete information obligations detrimental to firms, their competitiveness and in the end also citizens. He thanked M. VERHEUGEN for the way he had handled the dossier, and concluded by emphasising the importance attached to the programme by the Council Presidency and the need for the Commission to be active in this area.

There followed a discussion which focused on the following aspects:

- the importance of careful presentation of this dossier and, to mitigate its very technical nature, of highlighting the long-term concrete benefits to consumers, as well as businesses;
- the need to state clearly, in the communication on the programme, the precise nature of the reduction envisaged, so that the objective is properly understood, and to explain the nature of the burdens to be reduced, to ensure better acceptance by the general public;

- the need to establish clearly the role of the Member States and to encourage them to define their national objectives by focusing on the areas identified as priorities;
- the very delicate nature of the exercise at the political level and the risk that it could be demonised as an attempt to deregulate, simply for the benefit of businesses and to the detriment of consumers;
- the importance of combining strong political will in the Council and the involvement of technical experts for better acceptance, particularly within the national administrations;
- the importance of not making this a bureaucratic exercise;
- the importance, therefore, of interaction with firms and Member States, to show that the programme is meeting real needs;
- the need for a sustained, long-term commitment and for continuity in this area;
- the relevance of an approach that enables all Commission Members to take the initiatives required in their area of responsibility;
- the importance, vis-à-vis public opinion, of guaranteeing that standards, particularly with respect to consumer protection, would not be lowered by this programme to reduce burdens.

Mr VERHEUGEN replied. He readily agreed on the importance of careful presentation, making a link with to the Community strategy on growth and employment and the Commission's wish to bring the European institutions closer to citizens, and emphasising the benefits that could eventually be drawn by consumers. He recalled that the Council Presidency intended to move as quickly as possible on this project, which should be one of the priorities of the spring European Council. Finally, he emphasised that, contrary to what some might fear, far from lowering the standards of Community legislation, the project would improve effectiveness while at the same time making for substantial financial savings.

Subject to two minor technical amendments concerning the wording of the footnote on page 16 and the list of priority subject areas, where the title of heading 2, “*Health care*”, was replaced by “*Pharmaceutical legislation*” in point 2.3 of the communication and in the Table in Annex II, the Commission approved the communication in COM(2007)23/4 for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, and to the national parliaments, together with the impact assessment and its summary in staff papers SEC(2007)84/2 and SEC(2007)85/2 respectively, the contents of which were noted.

15. RELATIONS WITH THIRD COUNTRIES

15.1. DOHA DEVELOPMENT PROGRAMME

Mr MANDELSON briefly summed up the state of play on the Doha Development Programme negotiations, which might be revived in the coming months as a result of greater attention on the part of the American administration and a fresh boost expected from the World Economic Forum at Davos beginning this week (24-28 January 2007). However, caution was still in order until the intentions of the US authorities were made clear.

Mr MANDELSON felt that, if a final agreement could be achieved this year, it should cover agriculture, industry and the services sector in a balanced way. In this case, the Commission should probably adapt its offer, while keeping within the limits of the negotiating mandate given by the Council and of common agricultural policy reform.

Mr MANDELSON also reiterated the importance of maintaining unity among the Member States in this new phase of negotiations, which could prove crucial.

The Commission took note of these observations.

15.2. VISIT TO CHINA (BEIJING, 16-18 JANUARY 2007)
(SEC(2007)114)

Commenting on her briefing note, Ms FERRERO-WALDNER outlined briefly the main results of her recent visit to China. She recalled the three key objectives of the trip: to launch negotiations on a future partnership and cooperation agreement between the EU and China, to obtain an agreement for the creation of a Sino-European law school and to promote energy and environmental issues by presenting the European position and European initiatives in these areas to the Chinese authorities. She also mentioned other subjects raised during the visit, such as combating climate change (an issue to which the Chinese authorities are attaching increasing importance), development policy, trade, China's wish to obtain market economy status and the arms embargo.

Mr MANDELSON said that although negotiations on the commercial aspect of the future partnership and cooperation agreement were not yet under way, in the absence of a consensus on the way forward as regards market economy status, the EU must define an overall strategy in this area.

The Commission took note of these observations and of Ms FERRERO-WALDNER's briefing note in SEC(2007)114.

16. TRENDS IN THE MEMBER STATES
(SEC(2007)100)

Ms WALLSTRÖM briefly presented the latest note on trends in the Member States covering the period from 28 November 2006 to 16 January 2007. She referred in particular to the results of the "Eurobarometer" survey on the perception of the euro. There were fairly significant differences between the opinions of men and women on the subject of the euro. She also mentioned issues relating to energy and climate change, which continued to receive a lot of media attention.

Mr ALMUNIA thought that the drop in public support for the euro could be explained in part by opinion on the European Union in general rather than on the economic situation. Although many commentators saw a link between the drop in support for the euro and price rises, inflation rates had in fact stayed in check since the introduction of euro notes and coins in 2002. It was true that there had been recent isolated cases of abuse following the introduction of the euro in Slovenia, but the competent national and European authorities were continuously monitoring the situation and corrected any such unfair price increases. Mr ALMUNIA proposed that these matters should be discussed again in the near future.

The Commission took note of these observations and of Ms WALLSTRÖM's briefing note in SEC(2007)100.

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The Commission's other discussions on certain agenda items are recorded in the special minutes.

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The meeting closed at 11.56.