



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2007)1780 final

Brussels, 21 March 2007

MINUTES
of the 1780th meeting of the Commission
held in Strasbourg
(Winston Churchill Building)
13 March 2007
(afternoon)

PV(2007)1780 final

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Single sitting: Tuesday 13 March (afternoon)

The sitting opened at 13h05 with Mr BARROSO, President, in the chair.

Present:

Mr BARROSO	President
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Ms WALLSTRÖM	Vice-President
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Mr VERHEUGEN	Vice-President
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Mr BARROT	Vice-President
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Mr KALLAS	Vice-President
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Mr FRATTINI	Vice-President
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Ms REDING	
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Mr DIMAS	
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Mr ALMUNIA	
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Mr BORG	
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Ms GRYBAUSKAITĖ	
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Mr POTOČNIK	
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Mr KYPRIANOU	
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Mr REHN	
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Mr KOVÁCS	
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Items 1 to 9

Ms KROES	
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Ms FISCHER BOEL	
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Ms FERRERO-WALDNER	
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Items 1 to 9

Mr ŠPIDLA	
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Items 1 to 10 (in part)

Mr PIEBALGS	
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Ms KUNEVA	
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Mr ORBAN	
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Absent:

Ms HÜBNER

Mr FIGEL'

Mr MICHEL

Mr McCREEVY

Mr MANDELSON

The following sat in to represent absent Members of the Commission:

Mr WATSON	A member of Ms HÜBNER's staff
Mr ADAMIŠ	Chef de cabinet to Mr FIGEL'
Mr KERSTENS	A member of Mr McCREEVY's staff

The following also sat in:

Mr VALE DE ALMEIDA	Chef de cabinet to the President	
Ms DURAND	Deputy Director-General, Legal Service	
Mr CARVOUNIS	Deputy Director-General, DG Communication	
Mr LAITENBERGER	Commission Spokesman	
Mr GASPAR	Acting Director-General, Bureau of European Policy Advisers (BEPA)	
Ms MARTINHO	Chief adviser in the President's Office	
Mr KLAUS	A member of the President's staff	
Ms WENIGOVA	A member of Mr FIGEL's staff	
Ms SCOPPIO	A member of Mr KOVÁCS's staff	Items 1 to 9
Mr BOOGERT	A member of Ms KROES's staff	Items 1 to 7
Mr HEDBERG	Deputy Chef de cabinet to Ms KUNEVA	Item 8
Ms PANTELOURI	DG Health and Consumer Protection	Item 8

Secretary: Ms DAY, Secretary-General, assisted by Mr KERSTING, Unit Head in the Secretariat-General.

1. AGENDAS

(OJ(2007)1780/3; SEC(2007)316/2)

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)1780)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 12 March.

3. APPROVAL OF MINUTES OF 1779TH MEETING (7 MARCH 2007)

(PV(2007)1779)

The Commission approved the minutes of its 1779th meeting.

4. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

4.1. WRITTEN PROCEDURES APPROVED

(SEC(2007)317 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 5 and 9 March.

4.2. SENSITIVE WRITTEN PROCEDURES

(SEC(2007)318 AND /2)

The Commission took note of the sensitive written procedures expiring between 12 and 16 March and of the finalisation written procedure commenced following the weekly meeting of Chefs de cabinet of 12 March.

4.3. EMPOWERMENT

(SEC(2007)319 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 5 and 9 March.

4.4. AMENDMENT OF DECISIONS EMPOWERING THE PRESIDENT TO BRING CERTAIN ACTIONS IN THE COMMUNITY OR NATIONAL COURTS

(SEC(2007)337)

The Commission granted the PRESIDENT the empowerment set out in SEC(2007)337.

4.5. DELEGATION AND SUBDELEGATION OF POWERS

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation procedure between 5 and 9 March, as archived on the "Greffé 2000" (Registry) website.

5. ADMINISTRATIVE AND BUDGETARY MATTERS**(SEC(2007)320)****ADMINISTRATIVE MATTERS****(PERS(2007)31)****5.1. DG RELEX – APPOINTMENT OF GRADE AD14/15 HEAD OF DELEGATION**

On a proposal from Mr KALLAS, in agreement with the PRESIDENT and Ms FERRERO-WALDNER, the Commission decided, under Article 7 of the Staff Regulations, to fill the post of Head of the Delegation in India by the transfer in the interest of the service of Ms Daniele SMADJA, AD15 official currently Director of the Multilateral Relations and Human Rights Directorate. This decision was subject to the agreement of the host country, in accordance with diplomatic practice.

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

5.2. JRC – RESILIATION OF A TEMPORARY STAFF MEMBER CONTRACT

Having taken note of the information at point 2 of document PERS(2007) 31, the Commission, on a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr POTOČNIK, decided to terminate the contract of Mr Manfred GRASSERBAUER, Director of the Sustainable Environment Institute (Ispra) of the Joint Research Centre, with effect from 1 September 2007, following his request dated 27 February 2007.

This decision would take effect immediately.

5.3. DG FISH – INTERIM APPOINTMENT OF DIRECTOR

The Commission, on a proposal from M. KALLAS, in agreement with the PRESIDENT and Mr BORG, decided to grant Mr John MALLET, AD14 Head of Unit FISH.C.3 (Cyprus, France, Greece, Italy, Malta, Portugal,

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Spain), an interim appointment under Article 7(2) of the Staff Regulations, to the function of Director of Directorate FISH.C (Structural Policy) in the Fisheries and Maritime Affairs Directorate-General for the period from 1 October 2006 until the function was filled, without, however, exceeding the maximum one-year duration laid down in the Staff Regulations.

This decision would take effect immediately.

6. OTHER MATTERS

TRIPARTITE SOCIAL SUMMIT FOR GROWTH AND EMPLOYMENT

(BRUSSELS, 8 MARCH 2007)

(SEC(2007)349)

The Commission took note of the information note from Mr ŠPIDLA in SEC(2007)349.

7. INTERINSTITUTIONAL RELATIONS

(SEC(2007)324)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group held on Friday 9 March (SEC(2006)324).

It paid particular attention to the following:

7.1. LEGISLATIVE MATTERS

i) Codecision procedure

(point 1.1.1 of the record)

Conciliation – Preparation of Conciliation Committee, 27 March 2007

- Financial instrument for the environment – LIFE+ (Regulation) –ISLER
BEGUIN Report – 2004/0218 (COD)

The Commission approved the line set out in documents SPI(2007)16/3 and /5, and authorised Mr DIMAS to pursue contacts with Parliament and the Council in order to reach agreement following the line set out in those documents.

ii) March I part-session of Parliament

(point 1.2 of the record)

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

It paid particular attention to the following:

Codecision – 1st reading

- Advanced therapy medicinal products (Regulation) – MIKOLÁŠIK report
– 2005/0227 (COD)

The Commission approved the line set out in SP(2007)991 and /3, and authorised Mr VERHEUGEN to pursue contacts with Parliament and the Council in order to reach agreement at 1st reading following the line set out in the document.

- Common rules in the field of civil aviation and European Aviation Safety Agency (Regulation) – LEICHTFRIED report – 2005/0228 (COD)

The Commission approved the line set out in SP(2007)994 and /2, and authorised Mr BARROT to take a position following the line set out in those documents.

iii) February part-session

(point 1.3 of the record)

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

It paid particular attention to the following:

Codecision – 1st reading

- Revision of the Framework Directive on waste (Directive) – report JACKSON – 2005/0281 (COD)

The Commission approved the line set out in SP(2007)711/2.

iv) Withdrawal of pending proposals – 2006 exercise – Publication of list of withdrawals in the Official Journal of the European Union

(point 1.4 of the record)

The Commission decided to terminate the 2006 withdrawal of pending proposals by confirming its decision to withdraw the ten proposals mentioned in the Annex to its legislative and work programme for 2007 and to publish it in the Official Journal of the European Union, following the line set out in SPI(2007)18/2.

7.2. RELATIONS WITH THE COUNCIL

v) Programming of Council activities

(SI(2007)201)

The Commission took note of the information in SI(2007)201 on Council activities between 8 and 21 March.

vi) Results of European Council (Brussels, 8 and 9 March)

(SI(2007)300)

The PRESIDENT reported on the European Council held in Brussels on 8 and 9 March, which he felt had been a great success both for the EU and for the Commission, as it had culminated in crucial decisions being taken to ratify ambitious Commission proposals on key issues. He was pleased that the Commission had demonstrated its ability to reach a consensus on clear and coherent decisions and noted that a particular feature of this European Council had been the perfect convergence of views between the Commission and the German Presidency.

The PRESIDENT attributed this success in particular to the excellent work by Mr PIEBALGS, Mr DIMAS and their teams, but also to the collaboration of and contributions by many other Members' Offices and departments, which had allowed the Commission to present a solid and coherent set of energy and climate change measures.

He put these results in the wider context of the Lisbon Strategy and the improved economic prospects which were enhancing the Union's credibility and creating the political leeway needed to make ambitious progress on energy and climate change. He also noted that progress had been achieved on "better lawmaking", with Member States more ready to accept the need for certain changes.

From an EU standpoint, the European Council had shown wrong it would be to persist in the view that Europe was in crisis. Indeed, it had demonstrated

Europe's ability to produce results and shown its global partners that the Union was spearheading the search for solutions to the major issues of the day, a role which it also intended to play at forthcoming international summits such as the G8 gathering in Germany in June. Moreover, because of the atmosphere generated at the European Council, the way was now open for an ambitious Berlin Declaration.

From the Commission's point of view, the PRESIDENT believed that the results were evidence of its key role in responding to the major challenges facing Europe today. In a Union of 27 Member States the Commission had greater influence, not less. In addition, the Commission had shown its effectiveness in tackling major cross-cutting issues and reconciling diverging interests and viewpoints.

On the question of energy and climate change specifically now that the political go-ahead had been given for the drafting of detailed proposals, he invited all Members to collaborate and emphasised the value of joined-up policies and an integrated approach that gave special consideration to social and environmental issues.

Finally, on a more general note, he expressed the wish that, in the interests of credibility, any differences of views which might emerge on certain issues should be resolved in future by internal dialogue and not through other channels.

In the discussion which followed the following factors were highlighted:

- the fact that this European Council had been a test for the Union, involving issues that went far beyond energy and climate change;
- the opportunity presented by the energy and climate change package initiative to convey what Europe had to offer and to enhance its image;
- the importance of cooperation between many Members and Commission departments on this matter;

- the prospects for the external dimension of European energy policy and the work to be done on relations in the energy field with certain countries or regions; the role of the European neighbourhood policy in that context;
- the importance of energy and climate issues in relations with certain major partners such as China or India;
- the historic and innovative nature of the agreement reached in the Council from an environmental point of view, but also all the work that lay ahead, particularly in order to make progress on renewable energy and to define the Kyoto framework after 2012;
- with an eye to the Lisbon Strategy, the vital contribution of measures in the energy and climate change measures for the transition to a knowledge-based economy, which also demonstrated that the Commission was acting consistently;
- the importance of having seized the opportunity presented by the emergence of certain concerns over energy supply so as to launch this initiative linking energy and environmental issues, and the importance now of achieving results tangible quickly and implementing the measures recommended;
- the perfect convergence of views between the Commission and the Council Presidency and the equally favourable prospects for the next Presidency.

Winding up, the PRESIDENT reiterated the importance of linking together the various measures and adopting an integrated approach, as a sign of consistency. It was this synergy between combined interests that had achieved success in the energy and climate change dossier. He therefore urged the Members of the Commission to continue down this road and prepare the next stage in the same spirit.

The Commission took note of this information.

7.3. RELATIONS WITH PARLIAMENT

vii) Preparations for March I 2007 part-session – non-legislative dossiers (point 3.1 of the record)

- Corporate social responsibility – HOWITT report – 2006/2133 (INI)

The Commission approved the line set out in SP(2007)1141 and /3.

7.4. RELATIONS WITH THE ECONOMIC AND SOCIAL COMMITTEE, THE COMMITTEE OF THE REGIONS, THE EUROPEAN OMBUDSMAN AND NATIONAL PARLIAMENTS

viii) Addendum to the protocol on cooperation between the Commission and the Committee of the Regions – information policy (point 4.1 of the record)

The Commission approved the addendum - concerning information policy - to the protocol on cooperation between the Commission and the Committee of the Regions, as set out in SR(2007)6, and authorised Ms WALLSTRÖM to sign it on behalf of the Commission.

8. COMMUNICATION FROM THE COMMISSION TO THE COUNCIL, THE EUROPEAN PARLIAMENT AND THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE – EU CONSUMER POLICY STRATEGY 2007-2013 – EMPOWERING CONSUMERS, ENHANCING THEIR WELFARE, EFFECTIVELY PROTECTING THEM (COM(2007)99 TO /4; SEC(2007)321 AND /2; SEC(2007)323 AND /2; SEC(2007)322; SEC(2007)326)

Ms KUNEVA presented the communication she was tabling for approval. She thanked Mr KYPRIANOU in particular, but also all of the Members of the Commission for their own contributions and those of their departments.

Ms KUNEVA first explained that the objective of the new strategy was to strengthen the economic dimension of consumer policy alongside the traditional consumer protection approach, in response to requests by Parliament, the Council and stakeholders.

She laid special emphasis on the need to adapt consumer policy to the rapid developments in the sector - in particular the technological revolution brought about by the Internet and electronic commerce - which were opening up a whole new field of possibilities for consumers but at the same time throwing up new challenges.

For these various reasons the time had come to adopt a broader approach which extended beyond consumer protection and took account of the economic welfare of consumers, which depended on smoothly functioning markets, especially retail markets.

Although Europe's internal market was potentially the biggest retail market in the world, it was still fragmented into 27 national markets with no real cross-border dimension because of a combination of two factors - a lack of consumer confidence and excessive costs for businesses - both of which stemmed from the existence of 27 different systems of rights and obligations.

Ms KUNEVA also mentioned the impact of this situation on the competitiveness of the European economy, particularly in the services sector, which was strongly dependent on retail and distribution.

She then presented the main thrust of the strategy, which was, by 2013, to enable all European consumers to shop in any Union country while enjoying the same guaranteed rights, and to enable all businesses in the Union, particularly SMEs, to sell their products and services on the basis of a single set of rules. She outlined briefly the objectives, priorities and measures contained in the strategy.

Emphasising the need to improve cooperation between the national bodies responsible for implementing these rules and to ensure legal certainty for

consumers, Ms KUNEVA highlighted the role of the network of European Consumer Centres.

She also expressed her gratitude to Mr VERHEUGEN and to the PRESIDENT, who had decided to broaden the mission statement of the "Competitiveness Council" group of Commission Members so that it systematically reviewed political initiatives from a consumer interest angle.

In conclusion, Ms KUNEVA stressed that the strategy was an opportunity to link together two major priorities of this Commission, viz. the "citizens' agenda" defined in the communication of 10 May 2006 and the objectives for growth and employment, as improvements in the operation of the internal market could only boost the Union's economic performance while at the same time increasing consumer satisfaction and strengthening the Union's legitimacy.

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

- the excellent basis which this strategy offered for future work;
- the fact that it cut across areas of responsibility and the contribution which each Member must make;
- the importance of building confidence and showing consumers what the European dimension could do for them;
- the importance of this initiative as a follow-up to growing consumer mobility and online shopping and as a means of eliminating the risks faced by consumers in the new forms of trading created by technological developments.

Following this discussion, the PRESIDENT noted that the initiative enjoyed the enthusiastic support of the Commission Members.

The Commission approved the communication set out in COM(2007)99/4, for transmission to Parliament, the Council and the Economic and Social Committee European and to national parliaments, together with the evaluation report on the

previous strategy (2002-2006), the impact assessment and the summary thereof, which are set out respectively in staff working papers SEC(2007)321/2, SEC(2007)323/2 and SEC(2007)322, the contents of which were noted.

The Commission also took note of the PRESIDENT's decision to extend the mandate of the "Competitiveness Council" (GC2) group of Commission Members in order to ensure consistency in the positions adopted by the Commission for the purposes of integrating consumer interests into all EU policies with a significant impact on consumers in accordance with Article 153 of the Treaty. In particular, the group would monitor implementation of the Community consumer policy strategy 2007-2013.

9. PROPOSAL FOR A COUNCIL DIRECTIVE AMENDING DIRECTIVE 2003/96/EC AS REGARDS THE ADJUSTMENT OF SPECIAL TAX ARRANGEMENTS FOR GAS OIL USED AS MOTOR FUEL FOR COMMERCIAL PURPOSES AND THE COORDINATION OF TAXATION OF UNLEADED PETROL AND GAS OIL USED AS MOTOR FUEL (COM(2007)52 TO /5; SEC(2007)170 TO /3; SEC(2007)171 TO /3; SEC(2007)264)

Mr KOVÁCS presented the two proposals he was tabling. He stressed at the outset that the problems the text was supposed to solve had been known about for many years and that a proposal on the taxation of diesel fuel used for commercial purposes, designed to achieve the same objectives, had already been adopted by the Commission in 2002. However, this first proposal had been considered by the Council to be too ambitious and had subsequently been withdrawn. When the text was withdrawn, and on various subsequent occasions, however, the Commission had promised to table an amended text. Furthermore, the Council, by adopting the energy tax Directive in 2003, had already shown that it agreed with the principles underpinning today's proposal, and in particular the arguments in favour of

successive increases in tax rates on fuel and the gradual alignment of the duties on diesel fuel and unleaded petrol.

Mr KOVÁCS explained his reasons for tabling the current proposal. He said that the rates of excise duty applied to diesel fuel used for commercial purposes varied in the 27 Member States, between € 220 and € 693 for 1 000 litres. This disparity led to differences in operating costs for road haulage companies depending on the extent to which they were able to buy diesel fuel in Member States with low taxation rates. The result was a serious distortion of competition on the transport markets, and companies involved in international road haulage, or established in or sufficiently close to the border with a low-taxation country, conduct a kind of fiscal planning, known as ‘fuel tourism’, by filling up in Member States with the lowest taxes.

Mr KOVÁCS then spoke about the environmental impact of this ‘fuel tourism’ resulting from the numerous detours made in order to buy fuel where it was cheapest. In other words, thousands of kilometres were covered with no other purpose than to fill up more cheaply, with the emission of additional greenhouse gases and consequent damage to the environment.

Finally, ‘fuel tourism’ led to losses in budgetary resources for Member States applying a relatively high excise duty on diesel, since companies preferred to buy their fuel in low taxation countries. The former Member States were therefore paying a heavy price for their environmentally friendly policy.

Consequently, the proposal presented by Mr KOVÁCS called for:

- the minimum level of excise duty on diesel fuel to be brought into line with that applicable to unleaded petrol (€359) by 2012, since the present differentiated system of taxation was unjustified on environmental grounds;
- both minimum rates to increase to €380 in 2014 in the interests of the environment and to take account of inflation;

- Member States to be guaranteed more flexibility with immediate effect, allowing them to apply different rates to diesel fuel used for commercial and non-commercial purposes (uncoupling);
- a two-year transition period between each increase, including for Member States which currently had transitional periods under other legal instruments.

Mr KOVÁCS concluded his introduction by stating that the effect of the proposed measures would be to encourage convergence, which would be bound to reduce the number of detours made solely for reasons related to taxation. He stated that it had been decided not to set a maximum rate of taxation for diesel fuel used for commercial purposes out of respect for the fiscal sovereignty of the Member States and in order not to impede environmentally friendly measures.

During the detailed discussion that followed, the Commission paid particular attention to:

- the background to the case and the need to present a realistic and cautious solution at this stage, given the refusal of the Member States to consider total harmonisation, as proposed in 2002;
- the political advisability of tabling the proposal at this stage, in the light of the outcome of the European Council on 8 and 9 March;
- the importance, as for other legislative proposals, of basing the initiative on an in-depth impact assessment, taking all relevant aspects into account;
- the use made of consultation of interested parties;
- the reasons for not considering, at this stage, the introduction of maximum rates of tax or a freeze on existing maximum rates;
- the benefits of the proposed measures for the environment and the number of road accidents, and their consistency with the ‘polluter pays’ principle;

- the possible consequences of the proposed measures for national greenhouse gas emission allowances;
- the prospects for adoption of the proposal by the Council and the need for careful preparation for the negotiations there, external communication on this matter.

Following these discussions, the Commission adopted the proposal for a Directive set out in COM(2007)52/5, for transmission to Parliament, the Council and the European Economic and Social Committee and to the national parliaments, together with the impact assessment and executive summary contained in the staff working documents distributed as SEC(2007)170/3 and SEC(2007)171/3 respectively, the contents of which were noted.

10. RELATIONS WITH THIRD COUNTRIES

10.1. VISIT TO CROATIA (ZAGREB, 4-6 MARCH 2007)

(SEC(2007)351)

Mr ŠPIDLA gave a brief account of his visit to Croatia from 4 to 6 March, during which he had met a large number of political leaders as well as representatives of the social partners and a number of civil society organisations.

He reported that there was a clear consensus in the political discussions in favour of European integration; public opinion polls had indicated a more ambivalent attitude to this question, however.

Referring to the signing with Croatia of a Joint Memorandum on Social Inclusion and Social Protection, Mr ŠPIDLA pointed out that Croatia was a special case; it was still suffering the after-effects of war and, in addition to problems of unemployment, social exclusion, handicap and equal

opportunities, there was ongoing discrimination, particularly against the Serb and Roma minorities.

Mr ŠPIDLA noted the firm commitment of the political authorities to tripartite social dialogue. He said that he had stressed a number of possibilities as regards the use of the pre-accession instrument. Finally, he mentioned the Croatian authorities' strong support for the plan on the status of Kosovo.

He concluded by emphasising the usefulness of his visit to this complex region and noted in this connection that a favourable situation in Croatia could make a major contribution to stability in the region.

The President thanked Mr ŠPIDLA for this information and said that the Commission was following developments in the region with great interest. He reminded the meeting that the question of the western Balkans would be discussed at an informal Commission meeting over breakfast, scheduled for 18 April, when a policy debate would be held, and he invited all the Members to start preparing for this meeting.

The Commission took note of these observations and of the briefing note SEC(2007)351.

**10.2. VISIT TO THE UNITED STATES (WASHINGTON AND NEW YORK,
1-6 MARCH)
(SEC(2007)348)**

The Commission took note of the information note from Mr KYPRIANOU in SEC(2007) 348.

10.3. VISIT TO THE UNITED STATES (WASHINGTON AND NEW YORK 4-8 MARCH)

(SEC(2007)352)

The Commission took note of the information note from Mr KOVÁCS in SEC(2007)352.

10.4. VISIT TO INDIA (4-10 MARCH)

(SEC(2007)353)

The Commission took note of the information note from Ms FISCHER BOEL in SEC(2007)353.

10.5. TRADE RELATIONS WITH RUSSIA

Mr KYPRIANOU reported on the state of trade relations with Russia in connection with the veterinary inspections currently being carried out in Poland by Russian and Community experts with a view to the possible lifting of the Russian embargo on meat from Poland.

He began by pointing out that the atmosphere was strained and there was a clear lack of willingness to cooperate on the part of the Russian authorities at several levels.

Mr KYPRIANOU reported that the Russians were continuing to raise a number of health protection issues, and that, although weaknesses remained in Poland, in his view none of them were such as to justify a total ban on meat exports to Russia.

Mr KYPRIANOU noted an apparent change of approach on the part of the Russians, who now seemed to be calling into question the entire Community food-chain safety system, with the result that a speedy resolution of the dispute appeared to be impossible.

He raised the question of Latvian fish, the health standards of which were also being challenged by Russian health officials, but considered that the main

problem now was the danger of a total ban on exports of plant products from the EU being threatened by the Russians for the end of the month. Mr KYPRIANOU stated that he would shortly be having a meeting with the competent authorities, but held out little hope of a solution in the near future.

He stressed the need for unwavering solidarity among the Member States, emphasising the potentially dire consequences of concluding bilateral agreements.

Finally, he raised the possibility, that given the deterioration in the situation, the Commission might have to consider trade defence measures once all attempts that technical solutions had been exhausted.

Following this information the Commission noted:

- the difficulty of negotiating with the Russian authorities on such matters;
- the attempts to split the Union on this matter and the difficulty of maintaining solidarity among all the Member States, but also the harmful effects for the Union as a whole of possible bilateral negotiations;
- the urgency, in spite of the problems, of finding a solution to the question of the embargo on Polish meat;
- the importance in this respect of keeping in mind the proven effectiveness of a united approach on flights over Siberia and energy;
- the other areas in which Russia was currently engaging in this type of policy;
- whether this question might be considered against the background of Russia's application for membership of the World Trade Organisation (WTO);

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- the importance of regular information on how the situation was developing and the need for the Commission to adopt a decision before the next summit with Russia.

The President noted the increasing difficulty of reaching an agreement with Russia in several areas. Referring to the EU-Russia Summit, planned for May, and the large number of subjects to be discussed on that occasion, he invited all the Members who so wished to attend the meeting of the External Relations group of Commission Members on the subject of Russia, and said that relations with Russia ought to be included on the Commission's agenda in the near future. On the question of Russian accession to the WTO, the President pointed out that this was not a foregone conclusion and that, ironically, Russia was counting on the EU's help in smoothing out a number of difficulties. He concluded on the need to monitor this matter very closely.

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 15.05.

