



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2007)1785 final

Brussels, 2 May 2007

MINUTES

of 1785th meeting of the Commission

held in Strasbourg

(Winston Churchill Building)

on Tuesday 24 April 2007

(afternoon)

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PV(2007)1785 final

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Single sitting: Tuesday 24 April (afternoon)

The meeting opened at 13.14 hours with Mr BARROSO, President, in the chair.

Present:

Mr BARROSO	President	
Ms WALLSTRÖM	Vice-President	
Mr VERHEUGEN	Vice-President	
Mr BARROT	Vice-President	Items 1 to 9 (in part)
Mr KALLAS	Vice-President	
Ms REDING		
Mr DIMAS		
Mr ALMUNIA		
Ms HÜBNER		
Mr BORG		
Ms GRYBAUSKAITĖ		Items 1 to 9 (in part)
Mr POTOČNIK		Items 1 to 9 (in part)
Mr FIGEL'		
Mr KYPRIANOU		Items 8 to 12
Mr REHN		
Mr MICHEL		Items 1 to 8
Mr KOVÁCS		
Ms KROES		
Ms FISCHER BOEL		
Ms FERRERO-WALDNER		
Mr McCREEVY		Items 1 to 8 (in part)
Mr ŠPIDLA		
Mr PIEBALGS		
Ms KUNEVA		
Mr ORBAN		Items 1 to 9

Absent:

Mr FRATTINI	Vice-President
Mr MANDELSON	

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, Communication DG	
Mr LAITENBERGER	Commission Spokesman	
Ms CARVALHO	Bureau of European Policy Advisers	
Mr THEBAULT	Deputy Chef de cabinet to the President	
Mr PRONK	Adviser in Ms REDING's cabinet	Item 9 (in part)
Mr SEVERIS	A member of Mr KYPRIANOU's staff	Item 9
Mr KERSTENS	A member of Mr McCREEVY's staff	Items 8 (in part) to 12

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

1. AGENDAS

(OJ(2007)1785/3; SEC(2007)497/2)

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)1785)

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

3. MINUTES OF 1783rd MEETING (18 APRIL)

(PV(2007)1784 AND /2)

The Commission approved the minutes of its 1784th meeting.

4. MONITORING THE APPLICATION OF COMMUNITY LAW

4.1. STATE AID – HORIZONTAL DOSSIER

(SEC(2007)513 TO /5; SEC(2007)536)

Draft Commission regulation on the application of Articles 87 and 88 of the EC Treaty declaring certain categories of aid compatible with the common market – General block exemption regulation

The Commission approved the draft regulation in SEC(2007)513/5, for consultation of the Advisory Committee on State Aid, in accordance with

(24 April 2007)

Article 8(1)(a) of Council Regulation (EC) 994/98, and authorised Ms KROES to pursue the procedure as provided for in that Regulation.

**4.2. STATE AID – INDIVIDUAL CASES – RECAPITULATIVE LIST
(SEC(2007)549; SEC(2007)536)**

The Commission adopted the decisions in the recapitulative list (SEC(2007)549).

**4.3. INFRINGEMENTS – CASES POSTPONED BECAUSE OF NON-AVAILABILITY OF DOCUMENTS – REGULARISATION
(SEC(2007)528)**

The Commission adopted the decisions in SEC(2007)528.

5. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

**5.1. WRITTEN PROCEDURES APPROVED
(SEC(2007)498 ET SEQ.)**

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

**5.2. SENSITIVE WRITTEN PROCEDURES
(SEC(2007)499 TO /3)**

The Commission took note of the sensitive written procedures for which the time limit expires between 23 and 27 April and of the "finalisation" written procedure initiated following the weekly meeting of Chefs de cabinet on 23 April

5.3. EMPOWERMENT

(SEC(2007)501 ET SEQ.)

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

5.4. DELEGATION AND SUBDELEGATION OF POWERS

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation/subdelegation procedure between 16 and 20 April, as archived in Greffe 2000.

6. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2007)502)

ADMINISTRATIVE MATTERS

(PERS(2007)53)

6.1. JRC – INTERNAL (GRADE AD14/15) AND EXTERNAL (EU-27, GRADE AD14) PUBLICATION OF A VACANCY NOTICE FOR A DIRECTOR (PERS(2007)51 AND /2)

On a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr POTOČNIK, the Commission decided to authorise the publication, under Article 29(1)(a)(i) and (iii) and 29(2) of the Staff Regulations, of the vacancy notices contained in PERS(2007) 51 and /2 for the function of Director of the Institute for the Environment and Sustainability (Ispra) of the Joint Research Centre.

This decision would take effect immediately.

6.2. DG EMPL – TEMPORARY OCCUPATION OF DIRECTOR POST

On a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr ŠPIDLA, the Commission decided, under Article 7(2) of the Staff Regulations, that Mr Themistoklis GALEROS, an AD12 official and Head of Unit EMPL.H.2 (Budget, Financial Coordination, SPP), would temporarily occupy the function of Director, Resources, Communication (EMPL.H) in the Employment, Social Affairs and Equal Opportunities Directorate-General, for the period from 1 January 2007 until the post was filled but without exceeding the maximum of one year laid down in the Staff Regulations.

This decision would take effect immediately.

6.3. DG EMPL – TEMPORARY OCCUPATION OF DIRECTOR POST

On a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr ŠPIDLA, the Commission decided, under Article 7(2) of the Staff Regulations, that Mr Armindo SILVA, an AD14 official and Head of Unit EMPL.F.2 (Labour Law), would temporarily occupy the function of Director, Social Dialogue, Social Rights, Working Conditions, Adaptation to Change (EMPL.F) in the Employment, Social Affairs and Equal Opportunities Directorate-General, for the period from 1 January 2007 until the post was filled but without exceeding the maximum of one year laid down in the Staff Regulations.

This decision would take effect immediately.

6.4. DG TREN – APPLICATION OF THE ARTICLE 50 PROCEDURE (SECOND STAGE) WITH RESPECT TO AN AD14 OFFICIAL (PERS(2007)52)

The Commission continued its discussions on this matter, begun on 21 March (PV(2007)1781).

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On a proposal from Mr KALLAS, in agreement with the PRESIDENT, Mr BARROT and Mr PIEBALGS, the Commission adopted the decision in PERS(2007)52 applying the second stage of the procedure laid down in Article 50 of the Staff Regulations to Mr Lucas WERRING, an AD14 official and currently Chief Adviser in the Energy and Transport Directorate-General.

This decision would take effect on 1 August.

**7. DRAFT COMMISSION COMMUNICATION ON REMEDIES
ACCEPTABLE UNDER COUNCIL REGULATION (EC) 139/2004 AND
COMMISSION REGULATION (EC) 802/2004 AND DRAFT AMENDMENT
OF COMMISSION REGULATION (EC) 802/2004
(SEC(2007)519 TO /4)**

The Commission approved the draft communication and the draft amendment of Commission Regulation (EC) 802/2004, in SEC(2007)519 and SEC(2007)519/3 and /4 respectively, and decided to submit these drafts to a public consultation.

**8. PLANNING AND OPTIMISING COMMISSION HUMAN RESOURCES TO
SERVE EU PRIORITIES
(SEC(2007)530 TO /3; SEC(2007)531)**

The PRESIDENT presented the report on human resources which he was tabling, in agreement with Mr KALLAS and Ms GRYBAUSKAITĖ, whom he thanked for their commitment in this exercise. He reminded the meeting of the background to this screening operation and described the main lines recommended in the report.

The PRESIDENT began by welcoming the open-minded approach to the screening work carried out, in a short period of time, with the participation of all Commission

departments. He emphasised the soundness and credibility of the choices proposed in the report:

- confirmation of the staffing requirements in connection with enlargement for 2008 and 2009;
- stabilisation of the staff complement and coverage of new requirements exclusively by internal redeployment from 2010 up to 2013;
- concentration on the priority and operational activities and freezing of staffing levels for administrative support and coordination activities.

The PRESIDENT felt that while the screening came in response to a need, it had nonetheless been a salutary exercise. The need for it flowed from the outcome of the budgetary negotiations for the 2007 financial year, following the Finnish Presidency's attempt to reduce the Commission's staff and the condition set by Parliament for freeing the appropriations allocated for the new 2007 posts originally placed in reserve. Its salutary nature derived from the importance of reviewing working methods within the Commission, of looking at things in a more cross-cutting manner, of creating genuine synergies, of rebalancing where required and of giving real content to the notion of priority. The PRESIDENT pointed out in this connection that the challenges the EU was facing were increasingly complex and multidimensional, and this required an increasingly integrated approach and greater flexibility in the use of the human resources allocated to the Commission. For the PRESIDENT it boiled down to converting what might appear to be an external constraint into an opportunity for the Commission to turn into a model modern public administration.

The PRESIDENT insisted that the screening exercise was not to be seen as a break with the annual policy strategy (APS) 2008 and that the resources would be allocated for that year in the light of the priorities already decided.

In conclusion the PRESIDENT emphasised that the choice of a stable staff complement was based on a number of assumptions, namely stability of the

financial framework for 2007-2013, stability of the present language arrangements and stability of the powers assigned to the Union and the Commission. Accordingly the matter would have to be reconsidered if one of these factors were to change during the period in question.

Mr KALLAS and Ms GRYBAUSKAITĖ agreed in full with what the PRESIDENT had said. They drew the attention of the Commission Members to the importance that Parliament attached to the exercise, on the one hand because of the link with the approval of the 890 posts requested for 2008, and on the other because of the productivity gains it should eventually generate within the Commission. They also mentioned the interest that Parliament gave to certain specific matters, such as the use of agencies and benchmarking with other international institutions. They noted the relatively large proportion of Commission staff assigned to coordination and administrative support work, and the large number of Commission officials who supply services to the other Community institutions and bodies. Lastly, they insisted that the Commission should ensure that the present report was implemented in strict compliance with the Commission's institutional prerogatives.

The Commission held an in-depth exchange of views, during which the following points were raised:

- the importance of making it clear that the resources judged necessary for the smooth operation of the Commission in the coming years supposed that the three stability assumptions on which the screening had been based would continue to hold true;
- the value of resource redeployment in order to strengthen the activities considered to have priority in each period;
- the relevance of the priority areas for 2009-2013 listed in item 1.2 of the report, namely climate change, growth, employment and the internal market, enforcement of Community law, the integration of internal and external policies in the face of globalisation, and migration policies;

- to respond effectively to the growing policy integration requirements, the need to change mentalities and internal operating methods, to rationalise structures, to decompartmentalise departments, to promote the use of instruments such as a temporary task force, etc.;
- the arguments in favour of reallocating resources within the Commission in order to strike new balance between a task-oriented administration and an administration that manages, and between tasks of policy formulation and tasks of coordination and administrative support;
- the interest conducting a detailed examination of procedures in force from the angle of rationalisation and simplification, in order to eliminate steps that generate no real added value;
- the need to redefine more carefully within the institution the political and administrative competences of the various players, so as to leave the highly political issues in the hands of the Commission Members;
- the need to promote a new administrative culture within the Commission so that the very high professional competence of its staff can be put to better use and highlighted;
- the importance of including the Commission delegations in the scope of the rationalisation exercise;
- the case for launching specialised competitions to fill posts in certain areas requiring special qualifications;
- how the other institutions could learn from and be inspired by the thinking and commitment the Commission had put into the exercise in order to modernise their own administration.

A matter that was given a great deal of attention during the exchange of views was the prospects for outsourcing and the use of agencies. The following aspects were mentioned:

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- the need to define a general strategy for outsourcing and the use of agencies, combining political considerations with the real needs and the requirements of effectiveness and sound management;
- the scope for outsourcing repetitive tasks performed by Commission departments;
- the real usefulness, as clearly shown, of the action of certain executive agencies;
- the link between the creation of certain executive agencies and the effective implementation of major political commitments or particularly important programmes (for instance, the 7th framework programme for research and development).

In conclusion the PRESIDENT noted the very broad agreement of all the Commission Members on the strategy and approach proposed in the report. In particular he highlighted the strong consensus on the new integration culture to be introduced within the Commission. He gave his total support to the efforts now being made by the Secretary-General. Lastly, he announced that an in-depth and strategic discussion would be held in the coming weeks on the issue of outsourcing and use of agencies.

The Commission approved the report in SEC(2007)530/3, and authorised the PRESIDENT to transmit it to the Presidents of Parliament and the Council.

9. RELATIONS WITH THIRD COUNTRIES

9.1. VISIT TO AUSTRALIA (MELBOURNE AND SYDNEY, 16 TO 19 APRIL) (SEC(2007)548)

The Commission took note of the information note from Mr FIGEL' distributed as SEC(2007)548.

9.2. *TRADE RELATIONS WITH RUSSIA*

Mr KYPRIANOU reported on the negative outcome of the negotiations in Limassol on 21 and 22 April with the Russian veterinary and plant health authorities, on the lifting of the embargo imposed by Russia on imports of meat products from Poland.

Mr KYPRIANOU said that that he had explained in detail to the Russian partners the entire set of measures taken by the Polish authorities in order to appease the concerns expressed by Russia as regards the products covered by the embargo. He considered it important to record at this stage the great efforts made by Poland in recent months to render all processes compliant. He also reminded the meeting that the Commission departments had supplied all the expert opinions and additional information demanded by the Russian veterinary and plant health authorities. He emphasised that the Commission had at all times acted in good faith in seeking to resolve this dispute with Russia.

Mr KYPRIANOU then expressed his amazement at the very negative attitude of the Russian negotiators, who had reopened questions that had already been resolved some time earlier and presented during the meeting a proposal that he termed minimalist as it made no real progress. Mr KYPRIANOU added that all the proposals he had made in a constructive spirit, including those intended to satisfy Russian concerns about possible export frauds, had been rejected by the Russian partners.

Mr KYPRIANOU concluded by informing the Commission that, despite the deadlock of the negotiations in Limassol, the Russian and European sides had agreed to continue the technical discussions on the matter, which would also be watched closely at political level.

Without prejudice to the debate on relations with Russia that the Commission intended to organise shortly, it held a brief exchange of views focusing in particular on:

- the objectiveness of the Commission's assessment of the veterinary and plant health situation in Poland;
- the need to underline Poland's excellent cooperation in this matter, and the scale of the efforts it had already made to break the deadlock;
- the importance of expressing the Union's solidarity with its Member States in situations of this type;
- the real prospects of resolving this trade dispute ahead of the EU/Russia summit on 18 May;
- the relationship between this dispute and the launching of the negotiations for the conclusion of a new cooperation agreement with the Russian Federation, and Poland's intentions in this connection;
- the fundamentally political nature of Russia's position in this trade dispute, and the tactics and tone that the Union should therefore adopt;
- the key role of the Council Presidency, and in particular of Ms Angela MERKEL, in handling the matter at political level.

The PRESIDENT concluded the exchange of views with a reminder of the technical brief the Commission had been given for resolving the problem, the political dimension being monitored by the Council Presidency. He asked Mr KYPRIANOU to transmit as soon as possible to his Russian opposite number the Commission's formal position on the proposal presented by the Russian side at the last round of negotiations, indicating clearly the points of agreement and disagreement, the conditions and the *quid pro quos*.

The Commission took note of this information.

10. INTERINSTITUTIONAL RELATIONS

(SEC(2007)503)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group held on Friday 20 April (SEC(2007)503).

It paid particular attention to the following:

10.1. LEGISLATIVE MATTERS

i) Codecision procedure

(point 1.1.1 of the record of the IRG)

Dossier awaiting a common position

- Television without frontiers (Directive) – HIERONYMI report – 2005/0260 (COD)

The Commission took note of the information sheet in SI(2007)322/2.

Dossier at second reading

- Public passenger transport services by rail and by road (Regulation) – MEIJER report – 2000/0212 (COD)

The Commission approved the line set out in SP(2007)1921, and authorised Mr BARROT to pursue contacts with Parliament and the Council in order to reach agreement at second reading following the line set out in the document.

ii) Preparation of the April 2007 part-session of Parliament

(point 1.2 of the record of the IRG)

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, 2nd reading

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

The Commission approved the line set out in SP(2006)1960.

Empowerment

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

The Commission empowered Mr BARROT, under Article 13 of its Rules of Procedure, in agreement with the PRESIDENT and Ms WALLSTRÖM and any other Members associated, to adopt and transmit to the Council its opinion on the amendments, in accordance with Article 251(2)(c) of the Treaty, once Parliament had taken its position, together with an amended proposal if necessary, on the basis of the line set out in SP(2007) 1960.

Codecision, 1st reading

- Common rules for the provision of basic information on purchasing power parities and for their calculation and dissemination (Regulation) – BOWLES report – 2006/0042 (COD)

The Commission approved the line set out in SP(2007)1685/2.

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

The Commission approved the line set out in SP(2007)991/4.

Consultation

- Compensation for the additional costs incurred in the marketing of certain fishery products from the Azores, Madeira, the Canary Islands, and the French departments of Guiana and Réunion from 2007 to 2013 (Regulation) – FREITAS report – 2006/0247 (CNS)

The Commission approved the line set out in SP(2007)1689/2.

10.2. RELATIONS WITH THE COUNCIL

iii) Programming of Council activities

(SI(2007)360)

The Commission took note of the information in SI(2007)360 on the Council meetings between 19 April and 2 May.

iv) General Affairs and External Relations (Luxembourg, 23-24 April)

Ms FERRERO-WALDNER reported briefly on the results of the External Relations meeting of the Council (General Affairs and External Relations) in Luxembourg on 23 and 24 April, particularly as regards the preparation of the EU/United States summit on 30 April.

Among the questions still open for discussion between the two partners, she mentioned climate change, energy and the visa waiver system. She also highlighted the good progress already made on economic issues. In this connection, she felt that the signing of the framework for advancing transatlantic economic integration, reflecting the convergence of views on regulatory and financial matters and in the field of investments, would no doubt constitute one of the achievements of the summit (see item 11 of these minutes).

Ms FERRERO-WALDNER also referred to the signing, at the ministerial meeting between the EU and Russia on 23 April on the fringe of the Council meeting, of a Protocol to the Partnership and Cooperation Agreement with

Russia in order to take account of the accession of Bulgaria and Romania to the EU.

The Commission took note of this information.

10.3. RELATIONS WITH PARLIAMENT

v) Preparations for the April and May I plenary sessions of Parliament – Attendance / items handled by Commission Members

(point 3.2 of the record of the IRG)

Ms WALLSTRÖM thanked Mr VERHEUGEN, Mr ALMUNIA, Mr BORG and Mr ŠPIDLA for their availability to be present in Parliament on behalf of the Commission on Wednesday 25 and Thursday 26 April.

vi) Action taken on Parliament's non-legislative resolutions

(point 3.5.1 of the record of the IRG)

The Commission approved document SP(2007)1730/3 on the action taken on the non-legislative resolutions adopted by Parliament at its February part-session, for transmission to Parliament.

vii) Participation by Members of Parliament in international conferences

(point 3.8 of the record of the IRG)

- High-level portion of the 15th session of the United Nations Commission on Sustainable Development (New York, 9 to 11 May)

The Commission decided to give a positive answer to the request from Mr POETTERING, President of Parliament, to the PRESIDENT, concerning the participation of three members of Parliament at the above meeting.

**11. FRAMEWORK FOR ADVANCING TRANSATLANTIC ECONOMIC
INTEGRATION BETWEEN THE UNITED STATES OF AMERICA AND
THE EUROPEAN UNION
(SEC(2007)538 AND /2)**

The PRESIDENT briefly introduced the document he was tabling in agreement with Ms FERRERO-WALDNER. He pointed out that transatlantic economic integration was one of the main items on the agenda of the EU – United States summit on 30 April. The PRESIDENT confirmed that the framework, which was the result of a joint effort by the Council Presidency, the American administration and the Commission, would be signed on that occasion by Mr George W. Bush, Ms Angela MERKEL and himself. The objective of the framework was to give a strong boost to transatlantic economic cooperation, in particular by setting up a Transatlantic Economic Council. The PRESIDENT announced his intention of appointing Mr VERHEUGEN to co-chair this Council for the EU side. The PRESIDENT said that the terms of reference would be determined with full respect for the powers of Ms FERRERO-WALDNER as regards foreign policy.

In this connection, the PRESIDENT called on the Enterprise and Industry, External Relations, and Internal Market and Services Directorates-General and the Secretariat-General and other departments concerned to cooperate closely in order to offer their full support to this new initiative; this was made all the more necessary by the fact that the Commission would take on responsibility for handling the Union's relations with the United States on economic matters.

During the ensuing brief exchange of views between the Commission Members, stress was laid on the importance of agreeing a text on energy and climate change that was in line with the conclusions of the March 2007 European Council. Furthermore, as the new transatlantic initiative was intended to deliver tangible results as regards economic integration, protection of intellectual property was given as an example of an area where cooperation between the two partners needed to be strengthened quickly.

In conclusion, the Commission empowered the PRESIDENT, in agreement with Ms FERRERO-WALDNER, to finalise, with the Council Presidency and American administration, the framework in SEC(2007)538/2, for signing at the EU - United States summit on 30 April.

12. OTHER BUSINESS

12.1. PROCESS FOR THE ELECTION OF THE FUTURE PRESIDENT OF THE REPUBLIC OF TURKEY

Mr REHN informed the Commission that the Party for Justice and Development (AKP) had nominated Mr Abdullah Gül, currently Turkish Minister for Foreign Affairs, candidate for the Presidency of the Republic of Turkey.

12.2. 2005 DISCHARGE VOTE

The Commission expressed its satisfaction at Parliament's vote by a very large majority granting discharge in respect of the 2005 financial year. The PRESIDENT extended his sincere congratulations to Mr KALLAS on behalf of the entire Commission for this result and thanked him for the efforts he had made to achieve it.

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The meeting closed at 15.49 hours.