



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2007)1795 final

Strasbourg, 10 July 2007

MINUTES

of the 1795th meeting of the Commission

held in Brussels

(Berlaymont building)

on Wednesday 4 July 2007

(morning)

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PV(2007)1795 final

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Single sitting: Wednesday 4 July 2007 (morning)

The sitting opened at 09.08 hours chaired by Ms WALLSTRÖM in the absence of President BARROSO.

Present:

Ms WALLSTRÖM Vice-President

Mr VERHEUGEN Vice-President

Mr BARROT Vice-President

Mr KALLAS Vice-President

Mr FRATTINI Vice-President

Ms REDING

Mr DIMAS

Mr ALMUNIA

Ms HÜBNER

Item 14

Mr BORG

Ms GRYBAUSKAITĖ

Mr POTOČNIK

Mr FIGEL'

Mr KYPRIANOU

Mr REHN

Mr MICHEL

Item 14 (in part)

Mr KOVÁCS

Ms KROES

Ms FISCHER BOEL

M. Mr ŠPIDLA

Mr PIEBALGS

Ms KUNEVA

Mr ORBAN

Absent:

Mr BARROSO

President

Ms FERRERO-WALDNER

Mr McCREEVY

Mr MANDELSON

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

Mr GUEREND	Deputy Chef de Cabinet to Ms FERRERO-WALDNER	Items 1 to 13
Mr GAMBS	A member of Ms FERRERO- WALDNER's staff	Item 14
Mr POWER	Chef de cabinet to Mr McCREEVY	
Mr FRASER	Chef de cabinet to Mr MANDELSON	Item 14 (in part)

The following also sat in:

Mr THEBAULT	Deputy Chef de cabinet to the PRESIDENT	
Mr PETITE	Director-General, Legal Service	
Mr SØRENSEN	Director-General, Communication DG	
Mr LAITENBERGER	Commission Spokesman	
Mr GASPAR	Acting Director-General, Bureau of European Policy Advisers	
Mr SALAZAR	A member of Mr FRATTINI's staff	Item 14
Mr THOMAS	Chef de cabinet to Mr ALMUNIA	Item 14
Mr KORTE	Chef de cabinet to Ms HÜBNER	Items 1 to 13
Ms WEYAND	Chef de cabinet to Mr MICHEL	Items 1 to 14 (in part)
Mr CHRISTOFFERSEN	Chef de cabinet to Ms FISCHER BOEL	
Ms NAESAGER	A member of Ms FISCHER BOEL's staff	

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

1. AGENDAS

(OJ(2007)1795/3; SEC(2007)898/2)

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)1795)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Friday 29 June.

**3. APPROVAL OF MINUTES AND SPECIAL MINUTES OF 1794th MEETING
(27 JUNE 2007)**

(PV(2007)1794 AND /2; PV(2007)1794, Part II)

The Commission approved the minutes of its 1794th meeting.

4. INTERINSTITUTIONAL RELATIONS

(SEC(2007)891)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group held on Thursday 28 June (SEC(2006)891).

It paid particular attention to the following:

4.1. LEGISLATIVE MATTERS

i) Preparation for Parliament's July part-session

(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 associated, to take a position on Parliament's amendments to its proposals.

It paid particular attention to the following:

Codecision – 2nd reading

- Community action programme in the field of health (2007-2013)
(Decision) – TRAKATELLIS report – 2005/0042A (COD)

The Commission noted that an agreement had been reached at second reading following the line approved by the Commission at its meeting of 19 June and set out in SI(2007)628.

Empowerment

- Community action programme in the field of health (2007-2013)
(Decision) – TRAKATELLIS report – 2005/0042A (COD)

The Commission empowered Mr KYPRIANOU, under Article 13 of its Rules of Procedure, in agreement with the PRESIDENT and Ms WALLSTRÖM and any other Members associated, to adopt its opinion on the amendments, together with any amended proposal, on the basis of the line set out in SI(2007)628, once Parliament had given its opinion, and transmit them to the Council in accordance with Article 251(2)(c) of the Treaty.

Codecision – 1st reading

Dossiers to be aligned - as a matter of priority - on the new decision on committee procedure

- End of life vehicles (Directive) – 2006/0287 (COD), Waste electrical and electronic equipment (Directive) – 2006/0302 (COD), Hazardous substances in electrical and electronic equipment (Directive) – 2006/0303 (COD) – FLORENZ reports, Batteries, accumulators and waste (Directive) – BLOKLAND report – 2007/0036 (COD)

The Commission approved the line set out in SP(2007)3455 and /2.

- Ecodesign requirements for energy-using products (Directive) – RIES report – 2006/0291 (COD)

The Commission approved the line set out in SP(2007)3471.

- European insurance and occupational pensions committee (Directive) – 2006/0292 (COD), Direct insurance other than life assurance (Directive) – 2006/0289 (COD), Reinsurance (Directive) 2006/0280 – BERES reports

The Commission approved the line set out in SP(2007)3473.

Other dossiers

- Common authorisation procedure for food additives, food enzymes and food flavourings (Regulation) – WESTLUND report – 2006/0143 (COD)

The Commission approved the line set out in SP(2007)3412.

- Food additives (Regulation) – WESTLUND report – 2006/0145 (COD)

The Commission approved the line set out in SP(2007)3413.

- Food enzymes (Regulation) – DOYLE report – 2006/0144 (COD)

The Commission approved the line set out in SP(2007)3414.

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- Flavourings and certain food ingredients with flavouring properties for use in and on foods (Regulation) – DRČAR MURKO report – 2006/0147 (COD)

The Commission approved the line set out in SP(2007)3415.

- Completion of the single market in postal services (Directive) – FERBER report – 2006/0196 (COD)

The Commission approved the line set out in SP(2007)3416 /2 and /4.

- Road infrastructure safety (Directive) – MARKOV report – 2006/0182 (COD)

The Commission approved the line set out in SP(2007)3417.

- Common rules for operation of air transport services (Regulation – recasting) – DEGUTIS report – 2006/0130 (COD)

The Commission approved the line set out in SP(2007)3418.

- New statistical classification of products by activity CPA (Regulation) – KRASTS report – 2006/0218 (COD)

The Commission approved the line set out in SP(2007)3476.

**ii) Preparations for Council meeting (Agriculture and Fisheries)
(16 and 17 July)**

(point 1.3 of the record of the IRG)

- Conservation and enforcement measures applicable in the Regulatory Area of the Northwest Atlantic Fisheries Organisation (Council Regulation) – 2006/0200 (CNS)

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The Commission authorised Mr BORG to follow the line set out in SI(2007)682 in the context of any agreement that might be reached in the Council meeting (Agriculture and Fisheries) on 16 and 17 July.

- Control measures applicable to fishing activities in the area covered by the Convention on the conservation of Antarctic marine living resources (Council Regulation) – 2007/0001 (CNS)

The Commission authorised Mr BORG to follow the line set out in SI(2007)683 in the context of any agreement that might be reached at the Council meeting (Agriculture and Fisheries) on 16 and 17 July.

4.2. RELATIONS WITH THE COUNCIL

iii) Programming of Council business

(SI(2007)703)

The Commission took note of the information in SI(2007)703 on Council meetings between 28 June and 11 July.

4.3. RELATIONS WITH PARLIAMENT

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

(point 3.4.2 of the record of the IRG)

The Commission approved, for transmission to Parliament, documents SP(2007)3440 and /2 concerning the action taken on the non-legislative resolutions adopted by Parliament at its May I session.

5. MONITORING THE APPLICATION OF COMMUNITY LAW

***INFRINGEMENTS – CASES POSTPONED BECAUSE OF NON-
AVAILABILITY OF DOCUMENTS - REGULARISATION
(SEC(2007)914)***

The Commission adopted the decisions in SEC(2007)914.

6. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

***6.1. WRITTEN PROCEDURES APPROVED
(SEC(2007)899 ET SEQ.)***

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 25 and 29 June.

***6.2. SENSITIVE WRITTEN PROCEDURES
(SEC(2007)900 AND /2)***

The Commission took note of the sensitive written procedures for which the time limit expired between 29 June and 6 July and of the "finalisation" written procedures initiated following the weekly meeting of Chefs de cabinet on 29 June.

***6.3. EMPOWERMENT
(SEC(2007)901 ET SEQ.)***

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 25 and 29 June.

6.4. *DELEGATION AND SUBDELEGATION OF POWERS*

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation procedure between 25 and 29 June, as archived in Greffe 2000.

7. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2007)902)

ADMINISTRATIVE MATTERS

(PERS(2007)73)

7.1. *DG FISH – APPLICATION OF THE ARTICLE 50 PROCEDURE (SECOND STAGE) WITH RESPECT TO AN AD15 OFFICIAL (PERS(2007)74)*

The Commission continued its discussions on this matter, begun on 13 June 2007 (PV(2007)1792).

On a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr BORG, the Commission adopted the decision set out in PERS(2007)74 applying the second stage of the procedure laid down in Article 50 of the Staff Regulations to Mr Alain LAUREC, AD15 official and currently Director, Control and Enforcement, in the Fisheries and Maritime Affairs DG.

This decision would take effect on 1 August.

7.2. *AIDCO – AMENDMENT OF ORGANISATION CHART (SEC(2007)928)*

The Commission took note of the information set out under point 2 of PERS(2007)73 and on a proposal from Mr KALLAS, in agreement with the PRESIDENT and Ms FERRERO-WALDNER, decided:

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- to maintain the three units AIDCO.A.6 (Multi-country programmes), AIDCO.C.6 (African Union and Peace Facility) and AIDCO.C.7 (Water and Energy Facility);
- to merge the old units AIDCO.E.4 (Governance, security, human rights and gender) and AIDCO.E.5 (Security and migration);
- to approve the amended organisation chart set out in SEC(2007)928.

These decisions would take effect immediately.

**8. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS - MID-TERM REVIEW OF INDUSTRIAL POLICY: A CONTRIBUTION TO THE EU'S GROWTH AND JOBS STRATEGY
(COM(2007)374 TO /4; SEC(2007)917; SEC(2007)904)**

The Commission approved the communication in COM(2007)374/4, for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, and to national parliaments, together with the staff paper distributed as SEC(2007)917, the contents of which were noted.

**9. COMMUNICATION TO THE COMMISSION ON AN INTERNAL COMMUNICATION AND STAFF ENGAGEMENT STRATEGY FOR THE EUROPEAN COMMISSION - IMPROVING EFFECTIVENESS AND BUILDING A SOLID REPUTATION FROM THE INSIDE OUT
(SEC(2007)912 TO /9; SEC(2007)954 AND /2; SEC(2007)915)**

The Commission

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- adopted, subject to final revision, the communication and its annex, as set out in SEC(2007)912/8 and /6;
- took note of the guidelines for "staff as ambassadors" in SEC(2007)912/9;
- also took note of the information note from Mr VERHEUGEN on the Enterprise Experience programme, distributed as SEC(2007)954 and /2.

**10. COMMUNICATION TO THE COMMISSION ON THE INITIATIVE FOR THE SIMPLIFICATION OF HUMAN RESOURCE MANAGEMENT AND ADMINISTRATIVE PROCEDURES
(SEC(2007)890 TO /7; SEC(2007)903)**

The Commission

- adopted the communication and action plan set out in SEC(2007)890/5 and /7;
- took note of the action already taken, as described in SEC(2007)890/7, and of the report of the task force responsible for simplification of administrative procedures in SEC(2007)890/4.

**11. COMMISSION DECISION ON A PROCEEDING PURSUANT TO ARTICLE 82 OF THE EC TREATY (CASE COMP/F/38.784 – WANADOO ESPAÑA/TELEFÓNICA)
(C(2007)3196 TO /9; SEC(2007)960; SEC(2007)921)**

The Commission

- took note of the opinions of the Advisory Committee on Restrictive Practices and Dominant Positions of 15 and 29 June, as set out in C(2007)3196/3 and /6;
- took note of the final report of the Hearing Officer of 15 June in C(2007)3196/4;

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- adopted, in the authentic language (Spanish), the decision set out in C(2007)3196/8, noting that the recipients of the decision had infringed Article 82 of the EC Treaty and imposing on those companies a fine amounting to €151 875 000;
- decided that the decision in C(2007)3196/9 would be notified 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.

12. RELATIONS WITH THIRD COUNTRIES

RESULTS OF NEGOTIATIONS ON A NEW AGREEMENT BETWEEN THE EU AND THE UNITED STATES ON THE PROCESSING AND TRANSFER OF PASSENGER NAME RECORD DATA BY AIR CARRIERS TO THE UNITED STATES DEPARTMENT OF HOMELAND SECURITY (SEC(2007)957 AND /2)

The Commission took note of the information note from Mr FRATTINI in SEC(2007)957 and /2.

13. OTHER BUSINESS

BETTER REGULATION AND ENHANCED IMPACT ASSESSMENT (SEC(2007)926)

The Commission took note of the information from the PRESIDENT in SEC(2007)926.

14. PROPOSAL FOR A COUNCIL REGULATION ON THE COMMON ORGANISATION OF THE MARKET IN WINE AND AMENDING CERTAIN REGULATIONS

(COM(2007)372 TO /4; SEC(2007)893 AND /2; SEC(2007)894 AND /2; SEC(2007)895; SEC(2007)951; SEC(2007)905; SEC(2007)884)

Ms FISCHER BOEL presented the proposal for a Regulation to amend the common organisation of the market in wine, which followed the communication "Towards a sustainable European wine sector", adopted by the Commission on 22 June 2006. The proposal was being put to the Commission for adoption.

She began by referring to the specific nature of the wine sector, which was deeply rooted in the traditions and culture of many Member States, making the reform a particularly delicate exercise.

She reported on the preparations, which had begun more than a year before with consultations with the entire sector and the national authorities and had involved numerous visits on the ground. This dialogue had proved very productive and had helped her to understand the many different aspects of the sector; it was important that the Commission adopt a balanced approach that took this diversity into account.

The proposal on the table that day, which took account of the various points of view expressed during the internal consultation process, combined, in her view, the solidity, even-handedness and vision needed as a basis for the negotiations in the Council.

Ms FISCHER BOEL concluded by emphasising the need for a reform which would enable the European wine sector to become more competitive at a time of globalisation and increasing European imports of competing products, and to conquer the new markets represented by the major emerging economies.

Following Ms FISCHER BOEL's presentation, the Commission had an in-depth exchange of views, in which the following aspects were highlighted:

- the breadth and quality of the work carried out by Ms FISCHER BOEL and her department, the open and constructive nature of the internal consultation and the sound basis which the proposal provided for discussion in the Council;
- the various options for the allocation formula for calculating the national envelopes according to surface area of vineyards, production and, more particularly, equivalent historical expenditure, and the difficulties associated with amending the financial allocation rules under the reform;
- the question of the labelling of wines, which it might be necessary to come back to at a future date, given the growing use of additives and the consequences of this, particularly in terms of allergies;
- the need to think about ways of reconciling support for the wine sector with measures to combat alcohol abuse; the importance of raising public awareness of the dangers of excessive drinking, particularly in view of trends in young people's drinking habits;
- the urgency of the reform, the fact that it is a priority for the sector and the importance of ensuring the profitability and quality of production in order to guarantee the sector's future in the current competitive climate; also, the need for this reform in terms of the use of public funds;
- the sound reasons behind the objectives of curbing over-production, modernising the sector and abolishing anti-competitive practices in order better to satisfy consumers' expectations;

- the importance of preserving the specific nature of Europe's regional wines, of taking account of the particular situation of small producers of quality wines and of not moving towards a European wine "industry"; also, the importance of wine-growing in shaping the landscape and its contribution to tourism;
- the particularly sensitive question of banning the use of sugar for enrichment, which is a long-standing practice in certain Member States, and the possible case for a transition period, but also the likely benefits in terms of quality of production;
- the social impact of the reform in rural areas and the relevance of the recommended measures as regards the stability of the countryside;
- the need to ensure the financial rigour of the proposed reform, but also the scope for flexibility that still exists at this stage, as regards determining the national envelopes, to ensure that the reform is well received by all Member States, particularly those that are the main wine-producers;
- the importance of making better use of budgetary resources in implementing the reform and in the future;
- the cultural dimension of wine-growing, particularly in terms of cultural diversity, and the importance of reconciling the preservation and promotion of this diversity with the adjustment that has to be made to increasing world competition in this sector.

Ms FISCHER BOEL pointed to the importance of the reform proposal and the urgent need to ensure better use was made of budgetary appropriations which would remain at the same overall level. She agreed, however, on the importance of taking into account the specific situations of certain major wine-producing Member States. For 2009 the national envelopes for these countries would be as follows: €192 million for Spain, €164.4 million for Italy and €22.9 million for Romania. Similar adjustments would be made for the years 2010 to 2015 in order to take greater account of the specific consequences of the reform.

She also confirmed the need to go ahead with the ban on the use of sugar for enrichment, because this procedure was incompatible with the product definitions recognised by the International Organisation of Vine and Wine and by the European Union. The disappearance of chaptalisation, coupled with the abolition of aid for must, would help to maintain the balance between the different regions of the Europe.

Ms FISCHER BOEL pointed out that the reform took full account of the concerns about health protection and promoting responsible drinking, for example by simplifying the rules on labelling. She also emphasised the production of quality wines, for which information campaigns would be launched, and the development of promotional activities outside the EU, for which an annual budget of approximately €120 million was allocated in the national envelopes. She referred to the diversity of production structures, and in particular the category of small producers, and reported that exemptions were made for vineyards in mountainous and steeply sloping areas and in ecologically sensitive regions, in order to avoid social and environmental problems.

At the end of this exchange the Commission expressed unanimous support for the proposal as amended during the meeting by Ms FISCHER BOEL. Moreover, and in order to reflect the sensitive nature of certain aspects of the proposal and in the spirit of openness, the Commission declared that it was fully aware of the structural changes that the reform entailed for the wine sector, particularly as regards the abolition of chaptalisation and the support for must. The specific challenges that very small wine producers would face were also highlighted. The Commission Member responsible for agriculture and rural development took note of these points and would make every effort to reach an overall compromise in the Council.

Subject to the final adjustments agreed during the meeting and referred to above, and the general tidying-up of the package of documents making up the dossier, in particular Annex II to the proposal, the Commission adopted the proposal for a Regulation set out in COM(2007)372/4 for transmission to Parliament and the Council and to the national parliaments, accompanied by the impact assessment and

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summary, contained in the staff papers distributed as SEC(2007)893/2 and SEC(2007)894/2 respectively, the contents of which were noted.

The Commission also took note of the opinion of the Impact Assessment Board on this dossier, as set out in SEC(2007)895.

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The meeting closed at 10.45 hours.