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SECRETARIAT-GENERAL

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MINUTES

of the 1834th meeting of the Commission

held in Brussels

(Berlaymont)

on Wednesday 11 June 2008

(morning)

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TABLE OF CONTENTS

Attendance list	5-8
1. AGENDAS (OJ(2008)1834/3; SEC(2008)1997/2).....	9
2. WEEKLY MEETING OF CHEFS DE CABINET (SEC(2008)1834)	9
3. MINUTES OF 1833RD MEETING (4 JUNE) (PV(2008)1833 AND /2).....	9
4. MONITORING THE APPLICATION OF COMMUNITY LAW	9
<i>STATE AID – INDIVIDUAL CASE (SEC(2008)203; SEC(2008)2032)</i>	9
5. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS.....	10
5.1. <i>WRITTEN PROCEDURES APPROVED (SEC(2008)1999 ET SEQ.)</i>	10
5.2. <i>EMPOWERMENT (SEC(2008)2000 ET SEQ.)</i>	10
5.3. <i>DELEGATION AND SUBDELEGATION OF POWERS (SEC(2008)2001 ET SEQ.)</i>	10
5.4. <i>SENSITIVE WRITTEN PROCEDURES (SEC(2008)2002)</i>	10
6. ADMINISTRATIVE AND BUDGETARY MATTERS (SEC(2008)1998/2)	11
<i>DG ECONOMIC AND FINANCIAL AFFAIRS – AMENDMENT OF ORGANISATION CHART AND APPOINTMENT OF AN AD16 ADVISER HORS CLASSE</i>	11
7. RECOMMENDATION FOR A COUNCIL DECISION ABROGATING DECISION 2005/183/EC ON THE EXISTENCE OF AN EXCESSIVE DEFICIT IN POLAND IN ACCORDANCE WITH ARTICLE 104(12) OF THE TREATY (SEC(2008)2011 TO /3; SEC(2008)2019)	11
8. COMMISSION RECOMMENDATION FOR A COUNCIL OPINION IN ACCORDANCE WITH ARTICLE 9(3) OF COUNCIL REGULATION	

(EC) NO 1466/97 ON THE UPDATED CONVERGENCE PROGRAMME OF POLAND (2007-2010) (SEC(2008)2012 AND /2; SEC(2008)2018; SEC(2008)2019)	12
9. COMMISSION RECOMMENDATION FOR A COUNCIL OPINION IN ACCORDANCE WITH ARTICLE 5(3) OF COUNCIL REGULATION (EC) NO 1466/97 ON THE UPDATED STABILITY PROGRAMME OF BELGIUM (2007-2011) (SEC(2008)2013 AND /2; SEC(2008)2018; SEC(2008)2019).....	12
10. COMMISSION REPORT, PREPARED IN ACCORDANCE WITH ARTICLE 104(3) OF THE EC TREATY, ON THE UNITED KINGDOM (SEC(2008)2014 /3; SEC(2008)2016 /3; SEC(2008)2019).....	12
11. COMMISSION RECOMMENDATION PROVIDING POLICY ADVICE ON THE ECONOMIC AND BUDGETARY POLICY OF ROMANIA UNDER ARTICLE 211 OF THE EC TREATY (C(2008)2563 TO /3; SEC(2008)2019).....	13
12. DECISION ON A CASE UNDER ARTICLES 86 AND 82 OF THE EC TREATY (SEC(2006)2025 TO /3)	13
13. COMMISSION DECISION ON A PROCEEDING UNDER ARTICLE 81 OF THE EC TREATY AND ARTICLE 53 OF THE EEA AGREEMENT (<i>CASE COMP/F/38.695 – SODIUM CHLORATE</i>) (C(2008)2626 TO /7; SEC(2008)2046).....	14
14. ANY OTHER BUSINESS	15
<i>FOOD AND AGRICULTURE ORGANISATION CONFERENCE ON FOOD SECURITY (ROME, 3-5 JUNE 2008) (SEC(2008)2052).....</i>	<i>15</i>
15. RISING OIL PRICES	15

16. RELATIONS WITH THIRD COUNTRIES.....	22
16.1. <i>SITUATION IN KOSOVO (SEC(2008)2053)</i>	22
16.2. <i>SUMMIT BETWEEN THE EUROPEAN UNION AND THE UNITED STATES</i> <i>(BRDO, 10 JUNE)</i>	25
17. INTERINSTITUTIONAL RELATIONS (SEC(2008)2003).....	28
17.1. <i>LEGISLATIVE MATTERS</i>	28
17.2. <i>RELATIONS WITH THE COUNCIL</i>	32
17.3. <i>RELATIONS WITH PARLIAMENT</i>	33
17.4. <i>RELATIONS WITH THE ECONOMIC AND SOCIAL COMMITTEE, THE</i> <i>COMMITTEE OF THE REGIONS, THE EUROPEAN OMBUDSMAN AND</i> <i>NATIONAL PARLIAMENTS</i>	33

Single sitting: Wednesday 11 June 2008 (morning)

The sitting opened at 09.08 hours with Mr BARROSO, President, in the chair.

Present

Mr BARROSO	President	
Ms WALLSTRÖM	Vice-President	Items 15 (in part) and 16 (in part)
Mr VERHEUGEN	Vice-President	Items 15 and 16 (in part)
Mr BARROT	Vice-President	
Mr KALLAS	Vice-President	Items 1 to 16 (in part)
Mr TAJANI	Vice-President	
Ms REDING		Items 15 to 17
Mr DIMAS		
Mr ALMUNIA		Items 1 to 16 (in part)
Ms HÜBNER		
Mr BORG		
Ms GRYBAUSKAITĖ		
Mr POTOČNIK		Items 1 to 15 (in part)
Mr FIGEL'		
Mr REHN		
Mr MICHEL		Items 1 to 16
Ms KROES		
Ms FISCHER BOEL		
Ms FERRERO-WALDNER		
Mr ŠPIDLA		
Mr MANDELSON		
Mr ORBAN		Items 1 to 16 (in part)
Ms VASSILIOU		Items 15 to 17

Absent

Mr KOVÁCS

Mr McCREEVY

Mr PIEBALGS

Ms KUNEVA

(11 June 2008)

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

Ms GAGO FILORI	Deputy Chef de cabinet to Mr KOVÁCS	Items 1 to 16 (in part)
Mr POWER	Chef de cabinet to Mr McCREEVY	Items 1 to 16 (in part)
Mr KESTERIS	Chef de cabinet to Mr PIEBALGS	Item 15
Mr BELL	Chef de cabinet to Ms KUNEVA	Items 1 to 16

The following also sat in:

Mr VALE DE ALMEIDA	Chef de cabinet to the PRESIDENT	
Ms DURAND	Acting Director-General, Legal Service	
Mr CAMHIS	DG Communication	
Mr LAITENBERGER	Commission Spokesman	Item 15 (in part)
Ms AHRENKILDE	DG Communication – Spokesman's Service	Items 16 and 17
Mr GASPAR	Acting Director-General, Bureau of European Policy Advisers	
Mr THEBAULT	Deputy Chef de cabinet to the PRESIDENT	Items 15 (in part) to 17
Ms MARTINHO	Chief adviser in the PRESIDENT's Office	Items 16 and 17
Mr BALDWIN	Adviser in the PRESIDENT 's Office	Items 15 and 16 (in part)
Ms MARTÍNEZ ALBEROLA	A member of the PRESIDENT's staff	Item 16 (in part)
Mr ANDRESEN GUIMARÃES	A member of the PRESIDENT's staff	Item 16 (in part)
Mr COSTELLO	Deputy Chef de cabinet to Ms WALLSTRÖM	Items 1 to 15 (in part)
Mr TABONE	Chef de cabinet to Mr BORG	Item 15
Ms ÅSENIUS	Deputy Chef de cabinet to Mr REHN	Item 16
Mr SERVOZ	Secretariat-General	Item 15

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

1. AGENDAS

(OJ(2008)1834/3; SEC(2008)1997/2)

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(2008)1834)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 9 June.

3. MINUTES OF 1833RD MEETING (4 JUNE)

(PV(2008)1833 AND /2)

The Commission approved the minutes of its 1833rd meeting.

4. MONITORING THE APPLICATION OF COMMUNITY LAW

STATE AID – INDIVIDUAL CASE

(SEC(2008)203; SEC(2008)2032)

The Commission adopted the decision in SEC(2008)2037.

5. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

5.1. *WRITTEN PROCEDURES APPROVED*

(SEC(2008)1999 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 2 and 6 June.

5.2. *EMPOWERMENT*

(SEC(2008)2000 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 2 and 6 June.

5.3. *DELEGATION AND SUBDELEGATION OF POWERS*

(SEC(2008)2001 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 2 and 6 June, as archived in *e-Greffe*.

5.4. *SENSITIVE WRITTEN PROCEDURES*

(SEC(2008)2002)

The Commission took note of the sensitive written procedures for which the time limit expired between 9 and 13 June.

6. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2008)1998/2)

ADMINISTRATIVE MATTERS

(PERS(2008)84/2)

***DG ECONOMIC AND FINANCIAL AFFAIRS – AMENDMENT OF
ORGANISATION CHART AND APPOINTMENT OF AN AD16 ADVISER
HORS CLASSE***

On a proposal from Mr KALLAS, in agreement with the PRESIDENT and Mr ALMUNIA, the Commission decided:

- to create a post of Adviser *hors classe* in DG Economic and Financial Affairs;
- to fill that post, under Article 7 of the Staff Regulations, by transferring in the interest of the service M. Klaus REGLING, AD16 official and currently Director-General for Economic and Financial Affairs.

These decisions would take effect on 1 July 2008.

**7. RECOMMENDATION FOR A COUNCIL DECISION ABROGATING
DECISION 2005/183/EC ON THE EXISTENCE OF AN EXCESSIVE
DEFICIT IN POLAND IN ACCORDANCE WITH ARTICLE 104(12) OF THE
TREATY**

(SEC(2008)2011 TO /3; SEC(2008)2019)

The Commission approved the recommendation in the document distributed as SEC(2008)2011/3, for transmission to the Council.

**8. COMMISSION RECOMMENDATION FOR A COUNCIL OPINION IN ACCORDANCE WITH ARTICLE 9(3) OF COUNCIL REGULATION (EC) NO 1466/97 ON THE UPDATED CONVERGENCE PROGRAMME OF POLAND (2007-2010)
(SEC(2008)2012 AND /2; SEC(2008)2018; SEC(2008)2019)**

The Commission adopted the recommendation for a Council opinion on the updated convergence programme of Poland, as set out in SEC(2008)2012/2, for transmission to the Council.

**9. COMMISSION RECOMMENDATION FOR A COUNCIL OPINION IN ACCORDANCE WITH ARTICLE 5(3) OF COUNCIL REGULATION (EC) NO 1466/97 ON THE UPDATED STABILITY PROGRAMME OF BELGIUM (2007-2011)
(SEC(2008)2013 AND /2; SEC(2008)2018; SEC(2008)2019)**

The Commission adopted the recommendation for a Council opinion on the updated stability programme of Belgium, as set out in SEC(2008)2013/2, for transmission to the Council.

**10. COMMISSION REPORT, PREPARED IN ACCORDANCE WITH ARTICLE 104(3) OF THE EC TREATY, ON THE UNITED KINGDOM
(SEC(2008)2014 /3; SEC(2008)2016 /3; SEC(2008)2019)**

The Commission approved the report prepared in accordance with Article 104(3) of the Treaty, as set out in SEC(2008)2014/3, for transmission to the Economic and Financial Committee, together with the staff paper distributed as SEC(2008)2016/3, the contents of which were noted.

**11. COMMISSION RECOMMENDATION PROVIDING POLICY ADVICE ON
THE ECONOMIC AND BUDGETARY POLICY OF ROMANIA UNDER
ARTICLE 211 OF THE EC TREATY**

(C(2008)2563 TO /3; SEC(2008)2019)

The Commission adopted in principle the recommendation in C(2008)2563/3 and empowered the Commission Member responsible for Economic and Monetary Affairs to finalise the version in the authentic language (Romanian), adopt it formally and transmit it to Romania.

**12. DECISION ON A CASE UNDER ARTICLES 86 AND 82 OF THE EC
TREATY**

(SEC(2006)2025 TO /3)

The Commission:

- adopted, in principle, the letter of formal notice addressed to Slovakia, as set out in SEC(2008)2025/3;
- empowered Ms KROES, in agreement with the PRESIDENT, to adopt formally and transmit, if necessary, the above letter of formal notice, depending on the outcome of her forthcoming contacts with the Slovak authorities.

**13. COMMISSION DECISION ON A PROCEEDING UNDER ARTICLE 81 OF THE EC TREATY AND ARTICLE 53 OF THE EEA AGREEMENT (*CASE COMP/F/38.695 – SODIUM CHLORATE*)
(C(2008)2626 TO /7; SEC(2008)2046)**

The Commission:

- took note of the opinions of the Advisory Committee on Restrictive Practices and Dominant Positions of 28 May and 6 June in C(2008)2626/3 and /6;
- took note of the final report of the Hearing Officer of 9 June in C(2008)2626/5;
- adopted, in the authentic languages (English and French), the decision set out in C(2008)2626/7 finding that the undertakings to which the decision was addressed 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 € 79 070 000;
- decided that the decision in C(2008)2626/7 would be notified to the undertakings concerned, together with the final report of the Hearing Officer;
- decided that the most important parts of the decision, together with the opinion of the Advisory Committee and the final report of the Hearing Officer, would be published in the official languages in the Official Journal (with all business secrets removed);
- decided to publish the decision (with business secrets removed) on the Internet.

14. ANY OTHER BUSINESS

***FOOD AND AGRICULTURE ORGANISATION CONFERENCE ON FOOD
SECURITY (ROME, 3-5 JUNE 2008)
(SEC(2008)2052)***

The Commission took note of the information note from Mr MICHEL and Ms FISCHER BOEL, distributed as SEC(2008)2052.

15. RISING OIL PRICES

The PRESIDENT introduced the debate, placing it in the context of preparations for the European Council on 19 and 20 June. He argued that rising food and oil prices were among the main economic and political concerns worldwide and that the Commission must take an active position on the possible responses.

He spoke of the growing – and justified – public concern regarding this rise in oil prices which, combined with the increase in food prices, was exerting strong pressure on household budgets. He also mentioned the serious difficulties encountered by certain industries, for example fisheries, and the consequences in the transport field which, moreover, had a rebound effect on the price of most consumer goods. He therefore felt that this was an issue on which the European Council must show its commitment to dealing with problems that truly affected ordinary people.

The PRESIDENT then referred to the informal document drawn up by officials following the previous week's discussion on rising prices which had highlighted the Commission's potential contribution. The document showed that the imbalance between oil supply and demand would be a lasting one, that it was impossible to find a simple solution, and hence that prompt action was needed to adapt to this new situation.

He stressed that this was a complex problem with a variety of causes and with unequal effects on different sectors of the economy. It therefore demanded a response that covered a whole range of policies. Nevertheless, one key factor was emerging, namely the need to reduce dependency on oil.

While acknowledging the difficulty of such an approach, the PRESIDENT stressed the growing relevance in this context of achieving progress on the package of measures on energy and climate change adopted by the Commission in January, under which oil and gas imports were to be significantly reduced by 2020. He also recalled the target for the use of renewable energies, which favoured a more diversified energy mix by relying on local production, and the importance of the biofuels option, with due regard for the sustainability criteria that had been set. Lastly, he mentioned the contribution of the scheme for trading greenhouse gas emissions in promoting energy efficiency and reducing emissions.

Alongside the long-term solutions offered by this package, the PRESIDENT stressed the need for a series of other measures to relieve the pressure on the most vulnerable social groups, both within the EU and in developing countries, but at the same time warned against the perverse effects of short-term tax or state aid measures, particularly as oil prices were set to remain high for some time to come. He also argued that a dialogue should be quickly established between oil-producing and oil-consuming countries in order to encourage coordinated action and dispel misunderstandings.

In the medium term he saw a need to check that the Union's instruments in the competition and tax field matched the needs of the oil market and to consider taking action to improve transparency regarding oil stocks.

In the longer term it would be useful to examine the situation in certain sectors and ways of helping them to move forward, with particular attention on the scope for reducing energy demand. He mentioned here Mr BORG's intention of drawing up proposals on the restructuring of the fishing industry.

The PRESIDENT felt that, as with its communication on rising food prices, the Commission could demonstrate the scope for taking realistic and practical measures, thereby making a valuable contribution to the debate at the forthcoming European Council. With this in mind, he announced that, provided that all Members of the Commission were in agreement, a communication would be drawn up on the basis of the informal document and sent out in time for the European Council meeting the following week.

Lastly, he mentioned the convergence of views that had emerged at the summit with the United States to the effect that the imbalance between oil supply and demand and hence high prices were here to stay. The US authorities had clearly expressed concerns on this subject; on the other side of the Atlantic emphasis was now being placed on energy efficiency and there was a new openness towards European measures on energy and climate change (see point 16.2 of these minutes).

The Commission then held a detailed discussion during which the following aspects emerged:

Regarding sectoral problems

- the exceptionally serious situation in the fisheries sector, which would persist in the longer term, especially against a background of low prices of fisheries products; the need to deal as quickly as possible with the competition problems arising from the low prices imposed by certain major distributors, the role of aquaculture in lowering prices and the importance of better labelling and efforts to keep consumers better informed and more aware; the high level of imports in this field, the related problems of illegal fishing and the need to step up inspections;
- the need for restructuring in this sector, but also the need to provide for emergency mechanisms in order to stem bankruptcies and prevent the spread of certain excessive fishing practices aimed at making up for lost income; as a consequence, the intention of presenting proposals to address the immediate problems as soon as possible, and in particular ahead of the Council meeting

(Agriculture and Fisheries) on 23 and 24 June, and a request that the planned communication give a clearer picture of the crisis in the industry and include fisheries among the sectors that should benefit from short-term measures;

- the seriousness of problems encountered in the transport sector and the Commission's possible response; the question of using state aid in this context and the need, where appropriate, for the Commission to intervene rapidly in order to define guidelines and maintain cohesion within the Union;

Regarding possible responses

- the need to ensure consistency between short-term and long-term measures, and the importance of not resorting to short-term measures such as a reduction in VAT or excise duties, or state aid, which were not a sustainable solution, would favour certain categories at the expense of others as well as boosting the profits of oil companies, and would risk disrupting the operation of the internal market; in this regard the need for the Member States to draw lessons from the past and in particular to adhere strictly to the terms of the Manchester agreement;
- the difficulty of sectoral measures which might have a knock-on effect;
- on the other hand, the case for support measures targeted at the most vulnerable social groups and those on the lowest incomes, while abiding by the rules on balancing budgets; the need to give due weight to all social aspects and in particular to provide for accompanying measures in order to manage the social consequences of the adjustments caused by the restructuring required in a number of sectors; the question of the contribution that could be made by the globalisation adjustment fund to relieve pressure on the most disadvantaged groups;
- the solutions offered by the energy/climate change package to the problem of the imbalance between oil demand and supply, and to dependence on oil, and the importance of the Council rapidly adopting this package of measures so that the solutions proposed could be put into action;

- the particular importance of highlighting the essential contribution that would come from improvements in energy efficiency, to be achieved through lower consumption and the use of energy sources other than oil;
- in this context, the need to emphasise, in the development of renewable energies and biofuels, the criteria of sustainability and the lowering of production costs;
- the numerous possibilities opened up by new technologies and ecological products, the case for a Commission contribution to a change in mentalities and for Member States to offer incentives to that end; the need for the future communication to place greater emphasis on R&D and innovation;
- the urgent need for structural change, particularly in the automobile sector, and support for the development of electric vehicles;
- the major savings that could be made in air transport through better management of airspace and the opportunity which the rise in prices offered to promote such an improvement;
- the need to make progress in liberalising the energy market; the question of how to treat nuclear power;
- the need to promote transparency regarding oil stocks and the responsibility of the Member States in that respect; the case for a possible European oil stock;
- on the external relations front, the importance of diversifying supply and forging closer relations with certain producer countries, including countries in Africa where there were major reserves still to be exploited; the need for dialogue with Russia in order to demonstrate the benefits of a long-term partnership;
- the pressure on the market resulting from growing consumption by the emerging countries and certain policies on subsidies which also distorted competition, and also from the political instability in certain oil-producing regions; hence the importance of stepping up dialogue with the emerging countries, developing countries and producer countries;

- the need to bear in mind that all the responses proposed had to be consistent with all Community policies;

Other aspects

- the differing impact of oil prices on developing countries and a wish to spell out in the communication the possible responses in the short, medium and long term;
- the need to bear in mind the long-term nature of transfers from our economies to those of oil-producing countries;
- the case for clarifying the question of taxing the windfall profits of oil companies and promoting their use for investment in improving energy efficiency;
- the need to flesh out the text in relation to the question of the impact on poverty; the importance of safeguarding social cohesion and ensuring that the problems generated by price rises were shared out evenly;
- the relevance of indexing gas prices to oil prices;
- the bright prospects in the longer term, as Europe became less dependent on oil imports and shifted to a low-carbon economy.

Winding up, the PRESIDENT thanked the Members of the Commission for their constructive contributions to the discussion, which had served to develop and examine in more detail the issues identified during the debate at the last Commission meeting.

He noted the Commission's broad support for the general approach that had been presented, which sought in particular to structure and rationalise the debate by taking a long-term perspective. He also noted the support expressed for the key points in the informal document, in particular the relevance of the energy and climate change package, the considerable potential of both improvements in energy

efficiency and the diversification of energy sources, the importance of appropriate measures to cushion the effects of rising prices on the social groups most affected, and the case for restructuring in certain sectors of the economy to make them more competitive and to preserve jobs.

The PRESIDENT thanked the Members of the Commission for the specific proposals that had been put forward, some of which could be usefully incorporated in the communication for the European Council, which would be drawn up on the basis of the informal document. He stressed in particular the need to go into more detail in the text as regards the fisheries sector, to mention transport as one of the sectors most affected, to look again at the reference to the profits of oil companies, to refer more explicitly to the Manchester agreement and the need to avoid distorting effects, to establish a clearer link between food prices and oil prices, to put the proposed measures in their general context, to stress the opportunities opened up by innovation; and to devote more attention in the text to the social impact of price rises. In this connection he asked the Members of the Commission to send to his Office and the Secretariat-General their suggestions for the exact wording of the text by the end of that day (Wednesday 11 June).

As regards the prospects for innovation, the PRESIDENT mentioned the technological breakthroughs that were in sight in a number of areas, particularly transport, and stressed the unprecedented nature of this crisis, which had the potential to bring about a radical paradigm shift.

He concluded by stressing the need for the Commission to signal its sensitivity to the short-term impact of price rises and to examine the various possibilities of providing genuine help to the most disadvantaged groups.

Having noted the results of the discussion, which had been conducted on the basis of the informal document distributed under the authority of the PRESIDENT, and the PRESIDENT's conclusions, the Commission decided:

- to empower the PRESIDENT, in agreement with Mr ALMUNIA and Mr PIEBALGS, to draw up the communication on this basis and to approve it;

- to send the communication, once approved, to Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, and to the national parliaments.

16. RELATIONS WITH THIRD COUNTRIES

16.1. SITUATION IN KOSOVO

(SEC(2008)2053)

Mr REHN informed the Commission that the Western Balkans were on the agendas of the General Affairs and External Relations Council of 16 and 17 June and the European Council of 19 and 20 June. He first gave a short presentation on the situation in Serbia and mentioned, in particular, the possibility that by the end of the month a democratic coalition government would be formed - a guarantee of political stability for the country. He also mentioned the very recent arrest of Stojan Zupljanin, one of the Serb leaders being sought by the International Criminal Tribunal for the Former Yugoslavia to stand trial for war crimes.

With regard to Kosovo, Mr REHN gave an overview of the situation just before the entry into force of the constitution, planned for 15 June. He began by discussing the positive aspects, in particular the relative calm, absence of violence and stability on the ground despite the strained atmosphere. From a diplomatic and legal point of view, however, certain difficulties remained.

He explained that, after 15 June, a new situation would come about, in which the United Nations mission (UNMIK), the EU's "rule of law" mission (EULEX), the International Civilian Representative and the government of Kosovo would all be active on the ground simultaneously. From a legal point of view, it would be desirable for the entry into force of the constitution to be accompanied by a redefinition of the authority of the international structures present on the territory, in particular a reconfiguration of UNMIK, which assisted with the implementation of EULEX. In this regard, he regretted that

the lack of clarity and confusion on the ground had prevented greater progress in preparations for the EULEX deployment (which currently involved 300 persons instead of the 2000 planned). He did note, however, the United Nations Secretary-General's intention to submit in the near future an operational proposal for the reconfiguration of UNMIK, which would in principle finally make it possible to supplement the EULEX deployment.

In his view, the next challenge for Kosovo was giving practical expression to its European perspective. This was a task that would also be the Commission's responsibility. At the current time, 42 States had recognised Kosovo. 20 of these were EU Member States, which meant that the EU had to make constant efforts to maintain a unified position. A clear mandate to promote Kosovo's economic and political development had been entrusted to the Commission by the European Council in December 2007, followed by the General Affairs and External Relations Council in February 2008. Mr REHN noted the difficulties and paradoxes of a situation where, in the absence of unanimity among the Member States regarding their relations with Kosovo, the Commission had to implement the mandate entrusted to it while working in a framework that remained confused, particularly at political and legal level.

In this context, the question of how to formulate the reference to Kosovo in the negotiating guidelines for a treaty establishing a Transport Community in the Western Balkans had been discussed recently in the Permanent Representatives Committee (COREPER). Mr REHN was pleased with the resulting agreement, which was based on a compromise proposed by the Commission that mentioned "*Kosovo under United Nations Security Council Resolution 1244 (1999)*". Each Commission Member was likely to be confronted with related questions in their respective portfolios, for example the denomination of Kosovo in official documents, the representation of Kosovo in international bodies or the identification of signatures on official documents. Mr REHN explained that, for this purpose, the departments under his authority, in close cooperation with the Secretariat-General and the Legal

Service, were in the process of identifying the legal questions that might arise in order to propose guidelines to the various Commission departments.

The integration of Kosovo into the Stabilisation and Association Process would be a difficult task, and it would be necessary to demonstrate both a certain flexibility and also imagination regarding the proposed solutions. A donor conference would take place in Brussels on 11 July with a view to mobilising financial resources to meet Kosovo's pressing needs.

Mr REHN concluded by stressing the responsibility and role of the Commission in this process and the need for Kosovo to be included in the European perspective of the Western Balkan countries, the only way to promote stability over time and genuine reconciliation in the region.

During the exchange of views which followed, the Commission raised the following points:

- concerns regarding the very difficult economic and social conditions in Kosovo and the measures to be taken to prevent them from worsening;
- the importance, for Kosovo as well as for Serbia, of practical achievements and measures;
- the need to take account of the countries bordering Kosovo, in particular the Former Yugoslav Republic of Macedonia;
- the need to be pragmatic when addressing the various questions that would arise within the context of relations between the European Union and Kosovo;
- the importance of visa issues;
- the new prospects for the possibility of a democratic government in Serbia and the importance of establishing a genuine dialogue between Belgrade and Pristina.

In response to certain comments, Mr REHN stated that the formation of the new government in Serbia was the immediate priority. Serbia had remained relatively moderate in the measures that it took following Kosovo's declaration of independence. Finally, he explained that the economic and social development of Kosovo was a crucial matter, notwithstanding the lack of clarity of the legal and political situation.

The PRESIDENT concluded by stressing the importance of this dossier and thanking Mr REHN for the work that had been carried out.

The Commission took note of this information and of Mr REHN's note in SEC(2008)2053.

16.2. SUMMIT BETWEEN THE EUROPEAN UNION AND THE UNITED STATES (BRDO, 10 JUNE 2008)

The PRESIDENT presented the results of the summit between the European Union and the United States held in Brdo on 10 June. He highlighted the political and symbolic significance of this summit held in Slovenia, and stressed, in this context, the role of the United States in European integration and in ending the Cold War, which made it a strategic partner of the enlarged Union.

He mentioned some of the issues discussed at the summit, including the work of the Transatlantic Economic Council, the major international crises that had led to a message promoting peace and democracy being proclaimed, and addressing global and regional challenges. He then mentioned the issues where differences remained, but which had been discussed in a spirit of open and constructive dialogue, particularly combating climate change, the negotiations at the World Trade Organisation (WTO), reciprocity in the area of visas and the treatment of poultry carcasses.

With regard to the fight against climate change, he reported on President Bush's wish to conclude an international agreement on reducing greenhouse

gas emissions, provided that China and India were also bound by this agreement.

Concerning the negotiations at the WTO, he noted the shared vision of the Union and the United States as to the importance of concluding the Doha development round and the need for efforts on the part of emerging economies, particularly Brazil and India, even if differences remained on the issues of anti-dumping and geographical indications.

Concerning the differential treatment of European citizens in relation to visas, he noted the understanding that President Bush had shown and the constraints he had mentioned, particularly in relation to the American visa waiver programme, but also the restatement of the European position concerning the need to respect the Union's competences in this area.

Finally, concerning the issue of the treatment of poultry carcasses, he referred to the United States' position regarding the Commission's proposal, and indicates that the document must be sent to the Council once the competent committee have given their reaction.

Ms FERRERO-WALDNER, for her part, reported on the discussions concerning international relations, including the situation in Kosovo, the Middle East peace process, the election of Mr Michel Suleiman as President of Lebanon, and the strategy to be adopted towards Iran. She said that Russia had also been mentioned, in particular the need for that country to restate its commitment to human rights and democracy, as had China, particularly relations with the Dalai Lama.

Mr MANDELSON talked about the trade issues discussed at the summit, including the United States' position on the Commission proposal – which it considered inadequate – on the treatment of poultry carcasses, the trade negotiations at the WTO, and the prospects of concluding a binding international agreement including China and India on combating climate change.

Following these presentations, the Commission held an exchange of views, which included the following main points:

- the importance of the issues of climate change and energy policy, and the need to restate the objectives set by the European Union concerning the reduction of greenhouse gas emissions;
- the importance of working towards achieving an international framework, including emerging countries, for the reduction of greenhouse gas emissions; the importance of proposing realistic solutions aimed at encouraging developing countries, too, to pursue the aim of reducing carbon emissions;
- the need to define the Union's position concerning the reduction of greenhouse gas emissions when negotiating an international agreement, and to recognise the firmly-held position of the United States on this subject; the importance of preparing the next steps on this subject within the framework of the United Nations;
- the concern about the United States' position on combating climate change and plant health issues, including the treatment of poultry carcasses and cosmetic testing; the need not to prejudge the result of the decision-making process concerning the Commission's proposal on the treatment of poultry carcasses;
- the questions about the position taken by President Bush, on the sidelines of the summit, relating to certain candidate countries' prospects of accession to the Union;
- the issue of the treatment of members of the Baha'i community in Iran and of a possible response by the Union.

At the end of this exchange of views, Ms FERRERO-WALDNER restated the importance of the issue of human rights in Iran, both from a general point of view and in relation to particular religious groups.

The PRESIDENT concluded by repeating the positions the Commission had expressed at the summit concerning issues such as the treatment of poultry carcasses and combating climate change. On this latter issue, he restated the objective of reducing carbon emissions by 20% by 2020, and noted that the arrangements for implementing this and for cooperating with partner countries remained to be drawn up with a view to the United Nations conference due to be held in Copenhagen in 2009 aimed at concluding a new agreement to reduce greenhouse gas emissions. He expressed confidence that the recent positions stated by the United States would enable progress to be made towards this goal.

The Commission took note of this information.

17. INTERINSTITUTIONAL RELATIONS

(SEC(2008)2003)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group held on Friday 6 June (SEC(2008)2003).

It paid particular attention to the following:

17.1. LEGISLATIVE MATTERS

i) Action to be taken on the legislative opinions of Parliament

(SP(2008)3372)

The Commission decided to empower the Commission Members responsible for the sectors in question, in agreement with the PRESIDENT and Ms WALLSTRÖM and, if necessary, with the other Members concerned, to adopt the amended proposals for transmission to Parliament and the Council, as set out in SP(2008)3372, drawn up following the June I 2008 part-session of Parliament, the contents of which were noted.

ii) Codecision procedure

(point 1.2 of the IRG record)

2nd reading – Progress report

- Inclusion of aviation activities in the scheme for greenhouse gas emission allowance trading within the Community (Directive) – LIESE report – 2006/0304 (COD)

The Commission took note of developments in this dossier as set out in the note SI(2008)1116/2.

- Common authorisation procedure for food additives, food enzymes and food flavourings (Regulation) / food additives (Regulation) / food enzymes (Regulation) / flavourings and certain food ingredients with flavouring properties for use in and on foods (Regulation) – WESTLUND / DOYLE / DRČAR MURKO reports – 2006/0143 (COD) / 2006/0145 (COD) / 2006/0144 (COD) / 2006/0147 (COD)

The Commission authorised Ms VASSILLIOU to pursue contacts with Parliament and the Council in order to reach agreement at second reading following the line set out in SI(2008)1120 and /2.

iii) Preparation for the June II 2008 part-session of Parliament
(point 1.3 of the IRG 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 associated, to take a position on Parliament's amendments to its proposals.

It paid particular attention to the following:

Codecision – 2nd reading

- Waste (Directive) – JACKSON report – 2005/0281 (COD)

The Commission approved the line set out in SP(2008)3389 and /2.

(11 June 2008)

- Environmental quality standards in the field of water policy (Directive) – LAPERROUZE report – 2006/0129 (COD)

The Commission approved the line set out in SP(2008)3391/2.

- Inland transport of dangerous goods (Directive) – LIBERADZKI report – 2006/0278 (COD)

The Commission took note of document SP(2008)3392 and noted that at this stage no amendments had been tabled to the common position.

Empowerment

- Waste (Directive) – JACKSON report – 2005/0281 (COD)
- Environmental quality standards in the field of water policy (Directive) – LAPERROUZE report – 2006/0129 (COD)

The Commission empowered Mr DIMAS, under Article 13 of its Rules of Procedure, in agreement with the PRESIDENT and Ms WALLSTRÖM and any associated Members, 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 given its opinion, and if necessary to attach to its opinion amended proposals, on the basis of the line set out in SP(2008)3389/2 and SP(2008)3391/2.

Codecision – 1st reading

- European Year of combating poverty and social exclusion - 2010 (decision) – PANAYOTOPOULOS-CASSIOTOU report – 2007/0278 (COD)

The Commission approved the line set out in SP(2008)3395 /2.

- Adaptation of a number of instruments subject to the procedure referred to in Article 251 of the Treaty to Council Decision 1999/468/EC, as

(11 June 2008)

amended by Decision 2006/512/EC, with regard to the regulatory procedure with scrutiny – first and third parts (Regulations) – SZÁJER reports – 2007/0262 (COD) / 2007/0282 (COD)

The Commission approved the line set out in SP(2008)3396.

- Pedestrian protection and other vulnerable road users (Regulation) – FERRARI report – 2007/0201 (COD)

The Commission approved the line set out in SP(2008)3398.

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

The Commission approved the line set out in SP(2008)3400 and /2.

Consultation

- Adoption by Slovakia of the single currency on 1 January 2009 (decision)
– CASA report – 2008/0095 (CNS)

The Commission approved the line set out in SP(2008)3403/2.

- Organisation and content of the exchange of information extracted from criminal records between Member States (framework decision) – DÍAZ DE MERA GARCÍA CONSUEGRA report – 2005/0267 (CNS)

The Commission approved the line set out in SP(2008)3404/2.

iv) Preparation of the Council meeting (Transport, Telecommunications and Energy – Transport session) (Luxembourg, 13 June) (point 1.4 of the IRG record)

- Common rules for access to the market in coach and bus transport services (recasting – Regulation) / common rules concerning the conditions to be complied with to pursue the occupation of road transport operator (Regulation) / common rules for access to the international road haulage

market (recasting – Regulation) – TICAU / GROSCH reports – 2007/0097 (COD) / 2007/0098 (COD) / 2007/0099 (COD)

The Commission authorised the Commission Member responsible for Transport to support - at the Council meeting (Transport, Telecommunications and energy) on 13 June - a Council Presidency compromise concerning a political agreement on the three proposals for Regulations, following the line set out in SI(2008)1096.

17.2. RELATIONS WITH THE COUNCIL

v) Programming of Council business

(SI(2008)1114)

The Commission took note of the information in SI(2008)1114 on the Council meetings between 5 and 18 June.

vi) Results of Council meeting (Employment, Social Policy, Health and Consumers) (Luxembourg, 9 and 10 June)

(SI(2008)1125)

- Organisation of working time (Directive) and working conditions for temporary workers (Directive) – 2004/0209 (COD) and 2002/0072 (COD)

Mr ŠPIDLA reported on the main results of the Council meeting on 9 and 10 June. He welcomed the agreement that had been secured on the two proposals for directives on temporary workers and the organisation of working time, which, he felt, represented substantial progress after several years of negotiations.

He drew particular attention to the compromise reached on maximum weekly working hours. He then mentioned the next stages in the process, in particular in Parliament, leading to the final adoption of these two initiatives.

The PRESIDENT thanked Mr ŠPIDLA and the departments under his authority for their protracted efforts and in particular their recent work in the

Council. He stressed the importance of the compromise reached for the European Social Agenda.

The Commission took note of this information.

vii) Preparations for the Council meeting (Agriculture and Fisheries) – Fisheries Session (Luxembourg, 23 and 24 June)

Mr BORG briefed the Commission on the preparatory work for the Council meeting on 23 and 24 June. He announced that the departments under his authority were currently drawing up a document on the situation in the fisheries sector and the possible measures to deal with its present difficulties, which would be laid before the Commission at its next meeting.

The Commission took note of this information.

17.3. RELATIONS WITH PARLIAMENT

viii) Results of Parliament's June I part-session

(SP(2008)3487)

The Commission took note of the information on Parliament's part-session held on 4 and 5 June in Brussels, set out in SP(2007)3487.

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

ix) Follow-up to Committee of the Regions opinions – Thirty-fourth report – November 2007 plenary session

(point 4.1 of the IRG record)

The Commission approved the replies to the opinions adopted by the Committee of the Regions during the November 2007 plenary session, contained in the document distributed as SR(2008)16/2, for transmission to the Committee of the Regions.

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The meeting closed at 13.05 hours.