



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2010)1922 final

Brussels, 23 June 2010

MINUTES

**of the 1922nd meeting of the Commission
held in Strasbourg
(Winston Churchill building)
on Tuesday 15 June 2010
(afternoon)**

PV(2010)1922 final

TABLE OF CONTENTS

Attendance list	7-9
1. AGENDAS (OJ(2010)1922/3; SEC(2010)709/2).....	10
2. WEEKLY MEETING OF CHEFS DE CABINET (SEC(2010)1922)	10
3. MINUTES OF 1921 ST MEETING (9 JUNE) (PV(2010)1921)	10
4. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS.....	10
4.1. WRITTEN PROCEDURES APPROVED (SEC(2010)711 ET SEQ.).....	10
4.2. EMPOWERMENT (SEC(2010)712 ET SEQ.)	11
4.3. DELEGATION AND SUBDELEGATION OF POWERS (SEC(2010)713 ET SEQ.).....	11
4.4. SENSITIVE WRITTEN PROCEDURES (SEC(2010)715)	11
5. ADMINISTRATIVE AND BUDGETARY MATTERS (SEC(2010)710)	11
5.1. DG EDUCATION AND CULTURE – APPOINTMENT OF AD15 DIRECTOR.....	11
5.2. DG CLIMATE ACTION - APPOINTMENT OF AD14 DIRECTOR.....	12
5.3. DG HEALTH AND CONSUMERS – EXTENSION OF LEAVE ON PERSONAL GROUNDS FOR AN AD16 OFFICIAL	12
5.4. DG JUSTICE, FREEDOM AND SECURITY - TEMPORARY POSTING AS DEPUTY DIRECTOR-GENERAL	12
5.5. SECRETARIAT-GENERAL – TEMPORARY POSTING AS DIRECTOR.....	13
5.6. SECRETARIAT-GENERAL – ACTIVITIES OF A MEMBER OF THE COMMISSION AFTER LEAVING OFFICE (SEC(2010)502/2).....	13
5.7. SECRETARIAT-GENERAL – ACTIVITIES OF A MEMBER OF THE COMMISSION AFTER LEAVING OFFICE (SEC(2010)753).....	14
5.8. SECRETARIAT-GENERAL – ACTIVITIES OF A MEMBER OF THE COMMISSION AFTER LEAVING OFFICE (SEC(2010)752).....	14

6. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE , THE COMMITTEE OF THE REGIONS AND THE EUROPEAN DATA PROTECTION SUPERVISOR ON THE USE OF SECURITY SCANNERS AT EU AIRPORTS (COM(2010) 301 TO /4; SEC(2010) 721)14

7. COMMISSION OPINION UNDER ARTICLE 126(5) OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION ON THE EXISTENCE OF AN EXCESSIVE DEFICIT IN CYPRUS (SEC(2010)739; SEC(2010)748 AND /2; SEC(2010)757)

PROROSAL FOR A COUNCIL DECISION UNDER ARTICLE 126(6) OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION ON THE EXISTENCE OF AN EXCESSIVE DEFICIT IN CYPRUS (SEC(2010)740; SEC(2010)748 AND /2; SEC(2010)757)

COMMISSION RECOMMENDATION FOR A COUNCIL RECOMMENDATION UNDER ARTICLE 126(7) OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION, WITH A VIEW TO BRINGING AN END TO THE SITUATION OF AN EXCESSIVE GOVERNMENT DEFICIT IN CYPRUS (SEC(2010)741 AND /2; SEC(2010)748 AND /2; SEC(2010)757)15

8. COMMISSION OPINION UNDER ARTICLE 126(5) OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION ON THE EXISTENCE OF AN EXCESSIVE DEFICIT IN DENMARK (SEC(2010)742 AND /2; SEC(2010)748 AND /2; SEC(2010)757)

PROROSAL FOR A COUNCIL DECISION UNDER ARTICLE 126(6) OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION ON THE EXISTENCE OF AN EXCESSIVE DEFICIT IN DENMARK (SEC(2010)743; SEC(2010)748 AND /2; SEC(2010)757)

COMMISSION RECOMMENDATION FOR A COUNCIL RECOMMENDATION UNDER ARTICLE 126(7) OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION, WITH A VIEW TO BRINGING AN END TO THE SITUATION OF AN EXCESSIVE GOVERNMENT DEFICIT IN DENMARK (SEC(2010)744; SEC(2010)748 AND /2; SEC(2010)757)	16
9. COMMISSION OPINION UNDER ARTICLE 126(5) OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION ON THE EXISTENCE OF AN EXCESSIVE DEFICIT IN FINLAND (SEC(2010)745; SEC(2010)748; SEC(2010)757)	
PROROSAL FOR A COUNCIL DECISION UNDER ARTICLE 126(6) OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION ON THE EXISTENCE OF AN EXCESSIVE DEFICIT IN FINLAND (SEC(2010)746; SEC(2010)748; SEC(2010)757)	
COMMISSION RECOMMENDATION FOR A COUNCIL RECOMMENDATION UNDER ARTICLE 126(7) OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION, WITH A VIEW TO BRINGING AN END TO THE SITUATION OF AN EXCESSIVE GOVERNMENT DEFICIT IN FINLAND (SEC(2010)747; SEC(2010)748; SEC(2010)757).....	17
10. COMMUNICATION FROM THE COMMISSION TO THE COUNCIL – ASSESSMENT OF THE ACTION TAKEN BY BELGIUM, THE CZECH REPUBLIC, GERMANY, IRELAND, SPAIN, FRANCE, ITALY, THE NETHERLANDS, AUSTRIA, PORTUGAL, SLOVENIA AND SLOVAKIA IN RESPONSE TO THE COUNCIL RECOMMENDATIONS OF 2 DECEMBER 2009 WITH A VIEW TO BRINGING AN END TO THE SITUATION OF EXCESSIVE GOVERNMENT DEFICIT (COM(2010)329 TO /3; SEC(2010)757).....	18

11. INTERINSTITUTIONAL RELATIONS (SEC(2010)720).....	18
11.1. LEGISLATIVE MATTERS	18
11.2. RELATIONS WITH THE COUNCIL	20
11.3. RELATIONS WITH PARLIAMENT	25
11.4. RELATIONS WITH THE ECONOMIC AND SOCIAL COMMITTEE, THE COMMITTEE OF THE REGIONS, THE EUROPEAN OMBUDSMAN AND NATIONAL PARLIAMENTS.....	25
12. PRELIMINARY DRAFT AMENDING BUDGET NO 6 TO THE GENERAL BUDGET 2010 (COM(2010)315 TO /3; SEC(2010)724 AND /2); SEC(2010)725)	26
13. OTHER BUSINESS.....	28
13.1. STATE OF PLAY IN NEGOTIATIONS CONCERNING THE FRAMEWORK AGREEMENT ON RELATIONS BETWEEN PARLIAMENT AND THE COMMISSION.....	28
13.2. INABILITY TO PAY UNDER PARAGRAPH 35 OF THE 2006 GUIDELINES ON THE METHOD OF SETTING FINES IMPOSED PURSUANT TO REGULATION (EC) No 1/2003 ON THE IMPLEMENTATION OF THE RULES ON COMPETITION (SEC(2010)737 AND /2; SEC(2010)750).....	29
14. PROPOSAL FOR A COUNCIL DECISION ON THE CONCLUSION OF THE AGREEMENT BETWEEN THE EUROPEAN UNION AND THE UNITED STATES OF AMERICA ON THE PROCESSING AND TRANSFER OF FINANCIAL MESSAGING DATA FROM THE EUROPEAN UNION TO THE UNITED STATES FOR PURPOSES OF THE TERRORIST FINANCE TRACKING PROGRAM (COM(2010)316 TO /3 ; SEC(2010)738)	29
15. PROPOSAL FOR A COUNCIL DECISION ON THE SIGNATURE OF THE AGREEMENT BETWEEN THE EUROPEAN UNION AND THE UNITED STATES OF AMERICA ON THE PROCESSING AND TRANSFER OF FINANCIAL MESSAGING DATA FROM THE	

EUROPEAN UNION TO THE UNITED STATES FOR PURPOSES OF THE TERRORIST FINANCE TRACKING PROGRAM (COM(2010)317 TO /3 ; SEC(2010)738)	29
16. INTERINSTITUTIONAL RELATIONS (CONTINUED FROM ITEM 11).....	31
<i>RELATIONS WITH THE COUNCIL</i>	31

Single sitting: Tuesday 15 June 2010 (afternoon)

The sitting opened at 13.08 with Mr BARROSO, President, in the chair.

Present:

Mr BARROSO	President	
Baroness ASHTON	High Representative/Vice- President	
Ms REDING	Vice-President	
Mr ALMUNIA	Vice-President	Items 12 (in part) to 16
Mr KALLAS	Vice-President	
Ms KROES	Vice-President	
Mr TAJANI	Vice-President	
Mr ŠEFČOVIČ	Vice-President	
Mr POTOČNIK		
Mr REHN		Items 13 (in part) to 16
Mr PIEBALGS		
Mr BARNIER		Items 11 (in part) to 16
Ms VASSILIOU		
Mr ŠEMETA		
Mr DE GUCHT		Items 11 to 16
Mr DALLI		
Ms GEOGHEGAN-QUINN		
Mr LEWANDOWSKI		
Ms DAMANAKI		
Ms GEORGIEVA		
Mr OETTINGER		Items 11 to 16
Mr HAHN		
Ms HEDEGAARD		
Mr ANDOR		
Ms MALMSTRÖM		
Mr CIOLOŞ		

Absent:

Mr FÜLE

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

Mr GIERING	A member of Mr FÜLE's staff
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The following also sat in:

Mr LAITENBERGER	Chef de cabinet to the PRESIDENT	
Mr ROMERO REQUENA	Director-General, Legal Service	
Mr CARVOUNIS	Deputy Director-General, DG Communication	
Mr DOENS	Head of the European Commission Spokesperson Service	
Ms AHRENKILDE HANSEN	Commission Spokeswoman	
Mr THEBAULT	Head of the Bureau of European Policy Advisers	
Mr PÉREZ CALDENTEY	A member of Mr ALMUNIA's staff	Items 1 to 15

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

1. AGENDAS

(OJ(2010)1922/3; SEC(2010)709/2)

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(2010)1922)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 14 June.

3. MINUTES OF 1921ST MEETING (9 JUNE)

(PV(2010)1921)

The Commission approved the minutes of its 1921st meeting.

4. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

4.1. WRITTEN PROCEDURES APPROVED

(SEC(2010)711 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 7 and 11 June.

4.2. EMPOWERMENT

(SEC(2010)712 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 7 and 11 June.

4.3. DELEGATION AND SUBDELEGATION OF POWERS

(SEC(2010)713 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 7 and 11 June, as archived in e-Greffe.

4.4. SENSITIVE WRITTEN PROCEDURES

(SEC(2010)715)

The Commission took note of the sensitive written procedures for which the time limit expired between 14 and 18 June.

5. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2010)710)

ADMINISTRATIVE MATTERS

(PERS(2010)78)

**5.1. DG EDUCATION AND CULTURE – APPOINTMENT OF
AD15 DIRECTOR**

On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Ms VASSILIOU, the Commission decided, under Article 7 of the Staff Regulations, to fill the post of Director 'Youth and Sport' in the Directorate-General for Education and Culture by transferring in the interest of the service Mr Gregory PAULGER, an AD15 official and currently

Director 'Audiovisual, Media, Internet' in the Directorate-General for Information Society and Media.

This decision would take effect on 1 September 2010.

5.2. *DG CLIMATE ACTION - APPOINTMENT OF AD14 DIRECTOR*

On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Ms HEDEGAARD, the Commission decided, under Article 7 of the Staff Regulations, to fill the post of Director 'European and International Carbon Markets' in the Directorate-General for Climate Action by transferring in the interest of the service Ms Mary Veronica TOVŠAK PLETESKI, an AD14 official and currently Principal Adviser in the Directorate-General for Information Society and Media.

This decision would take effect on 1 July 2010.

5.3. *DG HEALTH AND CONSUMERS – EXTENSION OF LEAVE ON PERSONAL GROUNDS FOR AN AD16 OFFICIAL*

The Commission took note of the information in point 3 of PERS(2010)78 and, on a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Mr DALLI, decided to approve the request for extension of leave on personal grounds, under Article 40 of the Staff Regulations, made by Ms Jaana HUSU-KALLIO, an AD16 official and formerly Deputy Director-General in the Directorate-General for Health and Consumers, for the period from 1 August 2010 to 31 July 2011.

This decision would take effect on 1 August 2010.

5.4. *DG JUSTICE, FREEDOM AND SECURITY - TEMPORARY POSTING AS DEPUTY DIRECTOR-GENERAL*

On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT, Ms REDING and Ms MALMSTRÖM, the Commission decided, under Article 7(2) of the Staff Regulations, to grant a temporary posting as Deputy

Director-General of the Directorate-General for Justice, Freedom and Security to Mr Jean-Louis DE BROUWER, an AD15 official and Director 'Migration and Borders' in DG Justice, Freedom and Security, from 1 June 2009 to 30 June 2010.

This decision would take effect immediately.

5.5. SECRETARIAT-GENERAL – TEMPORARY POSTING AS DIRECTOR

On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT, the Commission decided, under Article 7(2) of the Staff Regulations, to grant a temporary posting as Director 'Relations with the European Parliament, the European Ombudsman, the European Economic and Social Committee, the Committee of the Regions and national parliaments' in the Secretariat-General to Mr Panayotis ANASTOPOULOS, an AD13 official and Head of Unit 'European Economic and Social Committee, Committee of the Regions and national parliaments' in the Secretariat-General, from 1 November 2009 until the post was filled, but in principle without exceeding the maximum duration of one year laid down in the Staff Regulations.

This decision would take effect immediately.

5.6. SECRETARIAT-GENERAL – ACTIVITIES OF A MEMBER OF THE COMMISSION AFTER LEAVING OFFICE (SEC(2010)502/2)

The Commission approved the communication in SEC(2010)502/2 concerning the activities planned by Ms KUNEVA after leaving the Commission. Without prejudice to the confidentiality requirement referred to in the above communication, the Commission concluded that the activities in question were compatible with the second paragraph of Article 245 of the Treaty on the Functioning of the European Union.

**5.7. SECRETARIAT-GENERAL – ACTIVITIES OF A MEMBER OF THE COMMISSION AFTER LEAVING OFFICE
(SEC(2010)753)**

The Commission approved the communication in SEC(2010)753 concerning the activities planned by Mr MICHEL after leaving the Commission. It concluded that these activities were compatible with the second paragraph of Article 245 of the Treaty on the Functioning of the European Union.

**5.8. SECRETARIAT-GENERAL – ACTIVITIES OF A MEMBER OF THE COMMISSION AFTER LEAVING OFFICE
(SEC(2010)752)**

The Commission approved the communication in SEC(2010)752 concerning the activities planned by Mr BORG after leaving the Commission. Without prejudice to the confidentiality requirement and the conditions referred to in the above communication, the Commission concluded that the activities in question were compatible with the second paragraph of Article 245 of the Treaty on the Functioning of the European Union.

**6. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE , THE COMMITTEE OF THE REGIONS AND THE EUROPEAN DATA PROTECTION SUPERVISOR ON THE USE OF SECURITY SCANNERS AT EU AIRPORTS
(COM(2010)301 TO /4; SEC(2010)721)**

The Commission approved the communication in COM(2010)311/4 for transmission to Parliament, the Council, the Economic and Social Committee, the Committee of the Regions, the European Data Protection Supervisor and, for information, to the national parliaments.

7. COMMISSION OPINION UNDER ARTICLE 126(5) OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION ON THE EXISTENCE OF AN EXCESSIVE DEFICIT IN CYPRUS

(SEC(2010)739; SEC(2010)748 AND /2; SEC(2010)757)

PROROSAL FOR A COUNCIL DECISION UNDER ARTICLE 126(6) OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION ON THE EXISTENCE OF AN EXCESSIVE DEFICIT IN CYPRUS

(SEC(2010)740; SEC(2010)748 AND /2; SEC(2010)757)

COMMISSION RECOMMENDATION FOR A COUNCIL RECOMMENDATION UNDER ARTICLE 126(7) OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION, WITH A VIEW TO BRINGING AN END TO THE SITUATION OF AN EXCESSIVE GOVERNMENT DEFICIT IN CYPRUS

(SEC(2010)741 AND /2; SEC(2010)748 AND /2; SEC(2010)757)

The Commission adopted:

- the opinion in SEC(2010)739, for transmission to the Council;
- the proposal for a Council Decision in SEC(2010)740, for transmission to the Council;
- the recommendation in SEC(2010)741/2, for transmission to the Council.

8. COMMISSION OPINION UNDER ARTICLE 126(5) OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION ON THE EXISTENCE OF AN EXCESSIVE DEFICIT IN DENMARK

(SEC(2010)742 AND /2; SEC(2010)748 AND /2; SEC(2010)757)

PROROSAL FOR A COUNCIL DECISION UNDER ARTICLE 126(6) OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION ON THE EXISTENCE OF AN EXCESSIVE DEFICIT IN DENMARK

(SEC(2010)743; SEC(2010)748 AND /2; SEC(2010)757)

COMMISSION RECOMMENDATION FOR A COUNCIL RECOMMENDATION UNDER ARTICLE 126(7) OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION, WITH A VIEW TO BRINGING AN END TO THE SITUATION OF AN EXCESSIVE GOVERNMENT DEFICIT IN DENMARK

(SEC(2010)744; SEC(2010)748 AND /2; SEC(2010)757)

The Commission adopted:

- the opinion in SEC(2010)742/2, for transmission to the Council;
- the proposal for a Council Decision in SEC(2010)743, for transmission to the Council;
- the recommendation in SEC(2010)744, for transmission to the Council.

9. COMMISSION OPINION UNDER ARTICLE 126(5) OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION ON THE EXISTENCE OF AN EXCESSIVE DEFICIT IN FINLAND

(SEC(2010)745; SEC(2010)748; SEC(2010)757)

PROROSAL FOR A COUNCIL DECISION UNDER ARTICLE 126(6) OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION ON THE EXISTENCE OF AN EXCESSIVE DEFICIT IN FINLAND

(SEC(2010)746; SEC(2010)748; SEC(2010)757)

COMMISSION RECOMMENDATION FOR A COUNCIL RECOMMENDATION UNDER ARTICLE 126(7) OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION, WITH A VIEW TO BRINGING AN END TO THE SITUATION OF AN EXCESSIVE GOVERNMENT DEFICIT IN FINLAND

(SEC(2010)747; SEC(2010)748; SEC(2010)757)

The Commission adopted:

- the opinion in SEC(2010)745, for transmission to the Council;
- the proposal for a Council Decision in SEC(2010)746, for transmission to the Council;
- the recommendation in SEC(2010)747, for transmission to the Council.

**10. COMMUNICATION FROM THE COMMISSION TO THE COUNCIL –
ASSESSMENT OF THE ACTION TAKEN BY BELGIUM, THE CZECH
REPUBLIC, GERMANY, IRELAND, SPAIN, FRANCE, ITALY, THE
NETHERLANDS, AUSTRIA, PORTUGAL, SLOVENIA AND SLOVAKIA IN
RESPONSE TO THE COUNCIL RECOMMENDATIONS OF
2 DECEMBER 2009 WITH A VIEW TO BRINGING AN END TO THE
SITUATION OF EXCESSIVE GOVERNMENT DEFICIT
(COM(2010)329 TO /3; SEC(2010)757)**

The Commission approved the Communication on the assessment of the action taken by Belgium, the Czech Republic, Germany, Ireland, Spain, France, Italy, the Netherlands, Austria, Portugal, Slovenia and Slovakia in response to the Council Recommendations, as set out in COM(2010)329/3, for transmission to the Council.

**11. INTERINSTITUTIONAL RELATIONS
(SEC(2010)720)**

The Commission took note of the record of the meeting of the Interinstitutional Relations Group held on Friday 11 June (SEC(2010)720).

It paid particular attention to the following points.

11.1. LEGISLATIVE MATTERS

**i) Ordinary legislative procedure
(point 1.2 of the record)**

Dossier at first reading

- Provision of food information to consumers (Regulation) –
SOMMER report - 2008/0028 (COD)

The Commission approved the line set out in SP(2010)3541/8 and /9.

Preparation of agreements at first reading

- Measures to safeguard security of gas supply (Regulation) – VIDAL-QUADRAS report – 2009/0108 (COD)

The Commission authorised Mr OETTINGER to pursue contacts with Parliament and the Council in order to reach agreement at first reading following the line set out in SPI(2010)36.

- Amendment, as regards pharmacovigilance of medicinal products for human use, of Regulation (EC) No 726/2004 laying down Community procedures for the authorisation and supervision of medicinal products for human and veterinary use and establishment of a European Medicines Agency (Regulation) / Amendment, as regards pharmacovigilance, of Directive 2001/83/EC on the Community code relating to medicinal products for human use (Directive) – McAVAN report – 2008/0257 (COD) and 2008/0260 (COD)

The Commission authorised Mr DALLI to pursue contacts with Parliament and the Council in order to reach agreement at first reading following the line set out in SPI(2010)38/2.

Preparation of agreement at second reading

- Industrial emissions (integrated pollution prevention and control) (Directive - recast) – KRAHMER report – 2007/0286 (COD)

The Commission authorised Mr POTOČNIK to pursue contacts with Parliament and the Council in order to reach agreement at second reading following the line set out in SPI(2010)37/2.

ii) Preparation for Parliament's June part-session

(point 1.3 of the record)

Ordinary legislative procedure – Codecision – 1st reading

- Organisation of the working time of persons performing mobile road transport activities (Directive) – BAUER report – 2008/0195 (COD)

The Commission approved the line set out in SP(2010)3888/2.

- Reporting formalities for ships arriving in and departing from ports of the Member States of the Community (Directive) – STERCKX report – 2009/0005 (COD)

The Commission authorised Mr KALLAS to pursue contacts with Parliament and the Council in order to reach agreement at first reading following the line set out in SP(2010)3542.

Non-legislative procedure

- Adoption of the euro by Estonia on 1 January 2011 (Council Decision) – SCICLUNA report – 2010/0135 (NLE)

The Commission approved the line set out in SP(2010)3901 and /2.

11.2. RELATIONS WITH THE COUNCIL

iii) Programming of Council business

(SI(2010)179)

The Commission took note of the information in SI(2010)179 on the Council meetings between 17 and 30 June.

iv) Preparation for European Council (Brussels, 17 June)

The PRESIDENT listed the main topics to be addressed at the European Council on Thursday 17 June in Brussels, all of which related to the major challenges currently facing the European Union: how to shape appropriate economic governance, show people that the Union can deliver more growth and employment, and demonstrate self-confidence and leadership capacity in relations with the rest of the world.

Recent European Council meetings had dealt with crisis and emergency management. This one, however, should mark a return to normal and send a message of confidence that the Union was addressing the major issues of the day.

The PRESIDENT pointed out that the necessary measures had been taken at European level to contain the risks of financial instability and that the biggest financial services reform ever undertaken was under way.

He took issue with the claims that, since the period of fiscal stimulus was over and from now on expenditure must be strictly controlled, the European Union no longer had any prospect of growth.

He reminded the meeting that the European Council was expected to endorse the Europe 2020 strategy, which was not just a growth strategy but also a detailed and specific programme of economic reforms that would enable Europe's significant potential to be deployed. The year-by-year implementation of this programme would pose certain difficulties and it would be helpful to have precise objectives defined in the strategy.

He welcomed the fact that agreement had now essentially been reached on the targets for education and the fight against poverty and said that in the coming months the European Union would continue to support the Member States in incorporating all these objectives into their national plans, with due regard for the specific situation of each country.

He stressed the close correlation between the agenda for this European Council and the work being done by the Commission, pointing out that the communications submitted by the Commission in the past eight weeks (for which he thanked the Members concerned) were in line with the main messages contained in the conclusions.

He referred in particular to the communication of 12 May laying the foundations for the work of the economic governance task force and setting out substantial proposals for improving the Stability and Growth Pact, increasing surveillance in order to prevent macro-economic imbalances and establishing a robust and permanent crisis management framework. The task force had made good progress on these matters, which would be discussed during lunch on Thursday and would be the subject of an interim report by Herman Van Rompuy.

The PRESIDENT was confident that a strong and ambitious message would emerge from the European Council, after which the Commission would rapidly examine the first implementation measures.

Turning to the issue of financial services, concerning which the Commission had also set itself an ambitious programme, he said that on Thursday he would stress the need for agreement to be reached rapidly on hedge funds and on the important package of surveillance measures. He would ask the Heads of State or Government to sign up to the Commission's commitment, in its communication of 2 June, to produce all the remaining proposals for reform within nine months, and to call in their turn on the Council and the European Parliament to do everything necessary to ensure that the measures were approved by the end of 2011.

The PRESIDENT underscored the importance of this issue in the run-up to the G20 summit and said that the European Council must define a strong and united European position that he could present in Toronto.

Winding up, he said that accession negotiations were likely to begin with Iceland, which would be granted candidate country status, and that the European Council would be congratulating Estonia on its imminent entry into the euro zone.

Mr ŠEFČOVIČ continued the presentation with a brief report on the meeting of the Council (General Affairs) on 14 June in Luxembourg concerning the conclusions that the European Council was expected to reach. He referred to the requests made concerning the digital agenda and the Stability and Growth Pact and mentioned the concerns voiced by several Member States concerning sanctions, particularly those relating to cohesion fund payments. However, he stressed that there was strong general support for reinforcing the Stability and Growth Pact.

Concerning the objective of the Europe 2020 strategy in the field of education, he thought that a solution could be found despite the concerns raised by some Member States that this was an area of national competence, as the Commission could still issue recommendations.

He referred also to the discussions held on the possibility of Iceland's accession to the Union, and certain requests concerning the text of the European Council's conclusions on this point.

In addition, he confirmed that there had been general support from the ministers for Estonia's entry into the euro zone.

Baroness ASHTON, referring to the results of the meeting of the Council (Foreign Affairs) on 14 June in Luxembourg (see item 16 below), said that a proposal concerning Iran would also be on the European Council agenda.

The Commission then held a discussion, during which the following points were brought to the fore:

- the numerous calls for the G20 recommendations on regulation of the financial sector to be taken on board, and the need to urge the European

Council to adopt the proposals on hedge funds and surveillance at first reading and comply with the timetable, agreement appearing to be possible in both cases;

- the difficulties that still remained concerning the objective in the field of education and the need to clarify that this is an average objective that must be defined in different ways according to the situation in each Member State, and that the desired level of higher education can also be attained through equivalent vocational training;
- the need to make the digital agenda known by using the communication tools developed for that purpose, in particular the chart showing the key performance indicators;
- the hope that the text of the European Council conclusions as regards development cooperation would be kept as it was.

In reply, the PRESIDENT said that with regard to financial services, Herman Van Rompuy had asked him to present the Commission's roadmap on this issue at the European Council. He felt that it was essential to define an approach that could be presented at the next G20 summit in Toronto.

With regard to the reservations expressed concerning the education objectives in the Europe 2020 strategy, he felt that these related more to the question of subsidiarity than to the content of the strategy. He would do everything possible to ensure a solution before the start of the European Council, and certain recent developments pointed to a favourable outcome.

As regards development, he would do his utmost to ensure that the text agreed upon was maintained, although the unusually short duration of this European Council would leave less time than usual for rewording. He emphasised the importance he attached to this issue and mentioned the letter received from the UN Secretary-General, Ban Ki-moon, on the millennium development goals.

The Commission took note of this information.

11.3. RELATIONS WITH PARLIAMENT

v) Preparation for Parliament's June 2010 part-session – Oral questions

(point 3.4 of the record)

H-0242/10, H-0243/10, H-0244/10, H-0245/10, H-0246/10, H-0247/10, H-0249/10, H-0251/10 (joint question with H-0279/10 and H-0293/10), H-0253/10, H-0254/10, H-0255/10 (joint question with H-0265/10), H-0256/10, H-0257/10, H-0259/10, H-0261/10, H-0262/10, H-0266/10, H-0269/10, H-0272/10, H-0273/10, H-0274/10, H-0277/10, H-0282/10, H-0283/10, H-0284/10 (joint question with H-0286/10), H-0288/10, H-0291/10, H-0292/10, H-0295/10, H-0296/10, H-0299/10, H-0300/10, H-0301/10 and H-0302/10

The Commission approved the draft answers set out in SP(2010)3543 and /2, following the agreement reached between the Chefs de cabinet on revisions to some of these drafts, and certain draft supplementary answers, revisions to answers and draft answers as set out in SP(2010)3543/3 *et seq.*

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

vi) Relations with the Committee of the Regions – Programming of work for 2010 – List of optional opinions

(point 4.3 of the record)

The Commission approved the approach set out in SR(2010)14/4, and decided to forward the annexed list to the Committee of the Regions.

**12. PRELIMINARY DRAFT AMENDING BUDGET No 6 TO THE GENERAL BUDGET 2010
(COM(2010)315 TO /3; SEC(2010)724 AND /2); SEC(2010)725)**

The PRESIDENT presented the dossier, stressing its importance for the implementation of the new powers and tasks granted to the EU by the Lisbon Treaty. The draft amending budget presented by the Commission was intended to cover the necessary human and budget resources for establishing the future European External Action Service (EEAS), and also to reduce costs to a minimum to take account of the principle of budgetary restraint in the current difficult economic and fiscal climate.

He then gave the floor to Mr LEWANDOWSKI, who presented the draft budget and described the general background to it.

Underlining the importance for the Commission's credibility in the eyes of the other institutions and citizens of adhering to the principle of budgetary restraint, Mr LEWANDOWSKI recalled the links between this dossier and the Stability and Growth Pact and consolidation of public budgets.

The Commission was determined to uphold the principle of zero growth of human resources in its own departments, despite the new powers given to the EU by the Lisbon Treaty, and this principle would continue to apply in the draft budget for 2011 and in the remainder of the current multiannual financial framework.

The principle of zero growth had not been implemented by certain other institutions, however, and the Commission could exercise its powers in line with the procedure laid down in Article 314(2) of the Treaty on the Functioning of the European Union in order to modify the resource allocation estimates of the other institutions in current and future budgetary procedures.

Baroness ASHTON thanked Mr LEWANDOWSKI for his close and invaluable cooperation in preparing this difficult and politically sensitive dossier.

The Commission's objective was to reconcile budget principles and constraints with

the need to set up the EEAS quickly and efficiently, bearing in mind not only the new external relations powers and tasks of the EU but also the time needed before the future service would reach cruising speed.

The Commission had made commitments with respect to the other institutions, but there was a need to take account of their somewhat diverging expectations as regards the staffing of the future EEAS.

The following points in particular were raised during the ensuing brief exchange of views:

- the importance which the Commission attached to the principle of budget neutrality;
- the need for flexibility when it came to allocating and possibly reassigning human resources;
- the fact that ensuring optimal efficiency of the EEAS was a priority for the Commission.

Following this exchange of views, the PRESIDENT thanked Mr LEWANDOWSKI, Baroness ASHTON and the other Commission Members and departments involved for their pragmatism and flexibility when preparing the dossier. The draft amending budget took account of the principles of budgetary restraint and the vital need to ensure optimal efficiency of the available resources and of the new tasks which the future EEAS would have to take on.

The PRESIDENT took note of the Commission's support for the draft amending budget. The agreement on the amount of EUR 9.5 million in the 2010 budget would make it possible to have 70 posts for support tasks, in addition to the 100 new temporary posts for administrators (AD). The posts would be distributed between headquarters and the delegations in order to launch the EEAS.

Following this exchange of views and mindful of the PRESIDENT's conclusions, the Commission adopted in principle the draft amending budget set out in COM(2010)315/3.

It also decided to empower Mr LEWANDOWSKI, the Commission Member responsible for financial programming and the budget, to finalise and formally adopt, in agreement with the PRESIDENT and Baroness ASHTON, the above-mentioned draft amending budget and to forward it to Parliament, the Council and, for information, the national parliaments, together with the annex set out in SEC(2010)724/2, the contents of which were noted.

13. OTHER BUSINESS

13.1. STATE OF PLAY IN NEGOTIATIONS CONCERNING THE FRAMEWORK AGREEMENT ON RELATIONS BETWEEN PARLIAMENT AND THE COMMISSION

Mr ŠEFČOVIČ informed the Commission of the state of play in the negotiations concerning the renewal of the framework agreement between Parliament and the Commission.

He was optimistic about the chances of concluding this work shortly, although some provisions in the future agreement had still to be defined more precisely, in particular as regards the role to be played by Parliament in the negotiation of international agreements.

The Commission should provide comprehensive information to Parliament on international negotiations, but it was also necessary to respect the principle of the separation of powers and the Commission's competence in international negotiations, and to maintain the operational nature and efficiency of the European Union in this domain.

Following the conclusion of the framework agreement with Parliament, it would be important to ensure careful monitoring, particularly as regards the possible implications for relations between the Commission and the Council. Mr ŠEFČOVIČ would keep the Council informed of the outcome of the negotiations.

Having taken note of this information, the Commission supported the approach presented by Mr ŠEFČOVIČ, in particular the importance of maintaining the Commission's powers in relation to international negotiations.

13.2. INABILITY TO PAY UNDER PARAGRAPH 35 OF THE 2006 GUIDELINES ON THE METHOD OF SETTING FINES IMPOSED PURSUANT TO REGULATION (EC) No 1/2003 ON THE IMPLEMENTATION OF THE RULES ON COMPETITION (SEC(2010)737 AND /2; SEC(2010)750)

The Commission took note of the information note from Mr ALMUNIA and Mr LEWANDOWSKI set out in SEC(2010)737/2.

14. PROPOSAL FOR A COUNCIL DECISION ON THE CONCLUSION OF THE AGREEMENT BETWEEN THE EUROPEAN UNION AND THE UNITED STATES OF AMERICA ON THE PROCESSING AND TRANSFER OF FINANCIAL MESSAGING DATA FROM THE EUROPEAN UNION TO THE UNITED STATES FOR PURPOSES OF THE TERRORIST FINANCE TRACKING PROGRAM

(COM(2010)316 TO /3 ; SEC(2010)738)

15. PROPOSAL FOR A COUNCIL DECISION ON THE SIGNATURE OF THE AGREEMENT BETWEEN THE EUROPEAN UNION AND THE UNITED STATES OF AMERICA ON THE PROCESSING AND TRANSFER OF FINANCIAL MESSAGING DATA FROM THE EUROPEAN UNION TO THE UNITED STATES FOR PURPOSES OF THE TERRORIST FINANCE TRACKING PROGRAM

(COM(2010)317 TO /3 ; SEC(2010)738)

Ms MALMSTRÖM presented the two proposals for a Council Decision which she was tabling for adoption, stressing the intensive work carried out jointly with the European Parliament, the Council and the United States to reach a new agreement

that was satisfactory to all parties.

The American negotiators, aware of the importance of this agreement, had shown themselves to be flexible and open-minded but she had also needed to stand firm against them in order to achieve some progress.

Ms MALMSTRÖM welcomed the fact that this new agreement offered better safeguards for protection of personal data and would enable greater transparency, including full information on rights of access and redress and, in the event of an error, the correction, deletion and blocking of the relevant data. She also highlighted that the Americans agreeing to the permanent posting in Washington of an independent supervisor appointed by the Commission was a major achievement.

She said that a detailed review of data protection compliance would be carried out after six months and supplemented with other monitoring activities. She also mentioned the role of Europol, which would be responsible for checking the validity of the requests for data, and stressed the full reciprocity of the agreement and the restriction of its scope to the sole purpose of fighting terrorism.

Ms MALMSTRÖM mentioned the restrictions agreed for the transfer of information to third countries, as well the commitment of the United States to support the European Union, should it choose to set up a similar programme.

She alluded to the numerous discussions held with the European Parliament, admitting that certain questions remained unanswered, although addressed in a constructive atmosphere. She also highlighted the valuable assistance of the Spanish Presidency of the Council for this dossier, which she said might be included on the agenda of the European Parliament session in July due to its urgency.

Ms MALMSTRÖM therefore requested the support of all the Members of the Commission to ensure the proposals were well received by the European Parliament, warning that, if these were to be rejected, the United States would abandon negotiations with the Union and opt for bilateral solutions.

She concluded by emphasising the safeguards put in place by the agreement for

protection of personal data.

The PRESIDENT noted the unanimous support of the Commission for the proposals presented by Ms MALMSTRÖM and invited all the Members to provide their full support for the remainder of the procedure, confirming that this was the last opportunity for the Union and the United States to reach an agreement. He noted that the inter-institutional process was being duly applied and the efforts made for the concerns of the European Parliament to be taken into account.

He highlighted the importance of the proposals being approved, for the credibility of the Commission and relations with the United States, as well as for reasons of security and data protection; otherwise there would be a risk of seeing the number of bilateral agreements increase.

The Commission adopted the proposals for a Council Decision set out in documents COM(2010)316/3 and COM(2010)317/3 for transmission to the European Parliament, the Council and the European Data Protection Supervisor and, for information, to the national parliaments.

16. INTERINSTITUTIONAL RELATIONS (CONTINUED FROM ITEM 11)

RELATIONS WITH THE COUNCIL

Results of the Foreign Affairs Council (Luxembourg, 14 June)

Baroness ASHTON reported on the most sensitive issues discussed at the Foreign Affairs Council meeting held on 14 June, which had also been attended by the ministers responsible for development matters.

She began by outlining the Council's conclusions on the situation in Gaza, and in particular its call for a credible inquiry into the Israeli military operation conducted in international waters off the coast of Gaza. The format proposed by Israel for the committee of inquiry was currently being examined.

These events provided an opportunity to re-examine the underlying question of the living conditions of the people of Gaza and how to improve those conditions by allowing the supply of essential goods. Baroness ASHTON pointed out that the tunnels used for smuggling across the Egyptian border had caused a great deal of instability and generated a parallel market that was controlled by corruption. It was important to work towards the opening of land crossings and an extension of the list of authorised goods.

To this end the EU was offering to support Israel in its monitoring of goods in transit by reopening the EU mission at the border post between Egypt and Gaza. Discussions had been held with the different parties involved in order to explain Europe's intentions in this respect.

Baroness ASHTON was pleased that the Council's conclusions on Gaza had been adopted unanimously. She noted that the Israeli security cabinet had met on 16 June to discuss easing the blockade of the Gaza strip, and expressed her hope for a positive outcome.

She then reported on the discussions on Iran. The Council had welcomed the adoption by the United Nations Security Council on 9 June of Resolution 1929 expressing the international community's concerns over the continuation of Iran's nuclear programme.

She reminded the meeting that, if current developments continued, Iran might have a military nuclear capacity within 18 months.

She said that the discussions in the Council had focused on the need to adopt a twin-track approach combining UN sanctions and further negotiations, but at the same time expressed concern about the outcome of the negotiations. The issue would be put to the European Council on 17 June.

Lastly, she turned to the crisis affecting Kyrgyzstan. A special European Union representative for Central Asia had been sent out and the EU was working closely on this issue with the UN and the OSCE (Organisation for Security and Cooperation

in Europe). She mentioned plans to open a humanitarian corridor and asked Ms GEORGIEVA to give further details.

Ms GEORGIEVA explained that the Commission had sent a humanitarian expert into the field and reported that the situation was growing steadily worse, with growing numbers of people fleeing towards Uzbekistan, so that the humanitarian crisis was now spreading on both sides of the border. The Commission had that day released EUR 5 million to finance aid to the victims. Ms GEORGIEVA intended to monitor the situation very closely and planned to meet representatives of the Kyrgyz, Uzbek and Kazakh authorities very shortly.

The Commission also discussed:

- the importance of having regularly updated information on key global events, given the international dimension of Members' portfolios;
- as regards the Middle East conflict, the question of what would become of the idea of a European intervention force tasked with securing the borders of Gaza;
- a request for information about how the United States' policy had developed since the change of administration and how much priority the US attached to resolving the conflict.

In reply to these comments, Baroness ASHTON explained that the only European action planned to date consisted of assistance at the borders of Gaza; there were no plans for an intervention force. As regards developments in the United States' position, she had observed a genuine commitment on the part of President Obama's administration.

Ms GEORGIEVA then stressed the importance of getting crossings into the Gaza strip opened. The volume of goods and materials that would have to be transported through these crossings would have to be enormous in order to match what went through the tunnels, if only to carry out reconstruction work and meet the basic needs of the population.

Against this background the PRESIDENT wished the negotiators every success.

The Commission took note of this information.

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The meeting closed at 14.28.