EUROPEAN COMMISSION

SECRETARIAT-GENERAL

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Strasbourg, 18 April 2012

<u>MINUTES</u>

of the 1996th meeting of the Commission

held in Brussels

(Berlaymont)

on Wednesday 28 March 2012

(morning)

TABLE OF CONTENTS

<u>Single sitting</u>: Wednesday 28 March 2012 (morning)

The sitting was opened at 9.36 by Ms REDING, President BARROSO being absent.

<u>Present</u>:

Ms REDING	Vice-President	
Mr ALMUNIA	Vice-President	
Mr KALLAS	Vice-President	Item 12 (in part)
Ms KROES	Vice-President	Items 1 to 12 (in part)
Mr TAJANI	Vice-President	
Mr ŠEFČOVIČ	Vice-President	Items 1 to 12 (in part)
Mr REHN	Vice-President	
Mr POTOČNIK	Member	
Mr BARNIER	Member	
Ms VASSILIOU	Member	
Mr ŠEMETA	Member	
Mr DE GUCHT	Member	Items 1 to 11
Mr DALLI	Member	
Ms GEOGHEGAN-QUINN	Member	
Mr LEWANDOWSKI	Member	Items 1 to 12 (in part)
Ms DAMANAKI	Member	
Mr OETTINGER	Member	Items 1 to 11 (in part)
Mr HAHN	Member	
Mr FÜLE	Member	
Mr ANDOR	Member	
Ms MALMSTRÖM	Member	
Mr CIOLOŞ	Member	

Absent:

Mr BARROSO	President
Baroness ASHTON	High Representative/ Vice-President
Mr PIEBALGS	Member
Ms GEORGIEVA	Member
Ms HEDEGAARD	Member

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

Mr BANNERMAN	Adviser in Baroness ASHTON's office
Ms ARNOULD	A member of Mr PIEBALGS's staff
Ms FINK-HOOIJER	Chef de cabinet to Ms GEORGIEVA
Mr VIS	Chef de cabinet to Ms HEDEGAARD

The following also sat in:

Mr LAITENBERGER	Chef de cabinet to the PRESIDENT	
Mr ROMERO REQUENA	Director-General, Legal Service	
Mr PAULGER	Director-General, DG Communication	
Mr DOENS	Head of the Commission Spokesperson Service	Items 1 to 12 (in part)
Ms AHRENKILDE HANSEN	Commission Spokeswoman	
Mr THEBAULT	Head of the Bureau of European Policy Advisers	
Ms VANNINI	Adviser in the PRESIDENT's Office	Items 1 to 11
Ms SKURATOWICZ	A member of the PRESIDENT's staff	Item 12
Mr SELMAYR	Chef de cabinet to Ms REDING	
Mr MARTÍNEZ MONGAY	Chef de cabinet to Mr ALMUNIA	Items 1 to 11
Mr KLEINER	A member of Ms KROES's staff	Item 12 (in part)
Mr NOCIAR	Chef de cabinet to Mr ŠEFČOVIČ	
Mr PESONEN	Chef de cabinet to Mr REHN	Item 12

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

1. AGENDAS
(OJ(2012)1996/3; SEC(2012)202/2)

The Commission took note of that day's agenda and of the tentative agendas for forthcoming meetings.

2. WEEKLY MEETING OF CHEFS DE CABINET
(RCC(2012)1996)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 26 March.

3. MINUTES OF 1995TH MEETING (21 MARCH)

The Commission held over approval of the minutes of its 1995th meeting for the following week.

4. INTERINSTITUTIONAL RELATIONS
(RCC(2012)28)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group held on Friday 23 March (RCC(2012)28).

It paid particular attention to the following points.

4.1. LEGISLATIVE MATTERS

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

Dossiers at Parliament first reading

– Control of major-accident hazards involving dangerous substances ('SEVESO III') (Directive) – ADER report – 2010/0377 (COD)

The Commission approved the line set out in SI(2012)119 and /2.

– Information exchange mechanism with regard to intergovernmental agreements between Member States and third countries in the field of energy (Decision) – KARINS report – 2011/0238 (COD)

The Commission approved the line set out in SI(2012)114/2.

– Administrative cooperation through the Internal Market Information System ('the IMI Regulation') (Regulation) – BIELAN report – 2011/0226 (COD)

The Commission approved the line set out in SI(2012)115/2.

– Reform of the common agricultural policy – System of reductions and penalties concerning irregularities in payments for agricultural practices beneficial to the climate and the environment ('greening payments') – Rules for direct payments to farmers under support schemes within the framework of the common agricultural policy (Regulation) – CAPOULOS SANTOS report – 2011/0280 (COD) / Financing, management and monitoring of the common agricultural policy (Regulation) – LAVIA report – 2011/0288 (COD)

The Commission took note of the information in SI(2012)116/3.

– Schengen interdependence – General provisions on the Asylum and Migration Fund and on the instrument for financial support for police cooperation, preventing and combating crime, and crisis management (Regulation) – BORGHEZIO / FONTANA report – 2011/0367 (COD) / Establishment, as part of the Internal Security Fund, of the instrument for financial support for police cooperation, preventing and combating crime, and crisis management (Regulation) – IACOLINO report – 2011/0368 (COD)

The Commission approved the line set out in SI(2012)125.

ii) Preparation for the March II part-session of Parliament
(point 1.3 of the IRG record)

Ordinary legislative procedure – First reading

– Over-the-counter derivatives, central counterparties and trade repositories (Regulation) – LANGEN report – 2010/0250 (COD)

The Commission approved the line set out in SP(2012)219 and /2.

– Minimum health and safety requirements regarding the exposure of workers to the risks arising from physical agents (electromagnetic fields) (Directive) – MORIN-CHARTIER report – 2012/0003 (COD)

The Commission approved the line set out in SP(2012)220.

Special legislative procedure

– Administrative cooperation in the field of excise duties (Council Regulation) – CASA report – 2011/0330 (CNS)

The Commission approved the line set out in SP(2012)221 and /2.

4.2. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL

iii) Programming of Council business
(SI(2012)122)

The Commission took note of the information in SI(2012)122 on the Council meetings between 29 March and 11 April.

4.3. *RELATIONS WITH PARLIAMENT*

iv) Action taken on non-legislative resolutions adopted by Parliament at its January part-session
(point 3.5.2 of the IRG record)

The Commission approved documents SP(2012)212 and /2 on the action taken on the non-legislative resolutions adopted by Parliament at its January part-session, for transmission to Parliament.

v) Action taken on legislative opinions and non-legislative resolutions adopted by Parliament at its February I and II part-sessions
(point 3.5.3 of the IRG record)

The Commission approved document SP(2012)213 on the action taken on the legislative opinions and non-legislative resolutions adopted by Parliament at its February I and II part-sessions, for transmission to Parliament.

vi) Participation by Members of Parliament in international conferences
(point 3.6 of the IRG record)

– 19th session of the Human Rights Council (Geneva, 5 to 7 March)

The Commission decided to reply to the request to the PRESIDENT from Mr Martin Schulz, President of Parliament, concerning the attendance of three Members of the European Parliament at the above-mentioned meeting, as observers in the Union delegation, while pointing out that the request had been sent after the meeting in question had begun and including a reminder about the procedure to be followed.

– United Nations Conference on Sustainable Development (Rio+20) (Rio de Janeiro, 20 to 22 June)

The Commission agreed to the request to the PRESIDENT from Mr Martin Schulz, President of Parliament, concerning the attendance of twelve

Members of the European Parliament at the above-mentioned meeting as observers in the EU delegation, with a reminder about the procedure to be followed.

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

vii) Relations with the Committee of the Regions – Programming of work for 2012 – List of optional opinions
(point 4.3 of the IRG record)

The Commission approved the line set out in SR(2012)12/3, and decided to forward the annexed list to the Committee of the Regions.

5. MONITORING THE APPLICATION OF EUROPEAN UNION LAW

STATE AID – INDIVIDUAL CASE
(SEC(2012)217)

The Commission adopted the decision in SEC(2012)217.

6. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

6.1. WRITTEN PROCEDURES APPROVED
(SEC(2012)203 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 19 and 23 March.

6.2. EMPOWERMENT (SEC(2012)204 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 19 and 23 March.

6.3. DELEGATION AND SUBDELEGATION OF POWERS (SEC(2012)205 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 19 and 23 March, as archived in e-Greffe.

6.4. SENSITIVE WRITTEN PROCEDURES (SEC(2012)206)

The Commission took note of the sensitive written procedures for which the time limit expired between 26 and 30 March.

6.5. GENERAL EMPOWERMENT CONCERNING CERTAIN DECISIONS IMPLEMENTING ACTIONS FINANCED UNDER THE SUPPORT FOR PARTNERSHIP, REFORMS AND INCLUSIVE GROWTH (SPRING) PROGRAMME, AND AMENDING COMMISSION DECISION C(2011)6828 (C(2012)2007)

The Commission granted the general empowerment set out in C(2012)2007 to the Member of the Commission responsible for the European Neighbourhood Policy, in agreement with the Member of the Commission responsible for financial programming and the budget, to adopt, on behalf of the Commission and under its responsibility, certain decisions implementing actions financed under the support for partnership, reforms and inclusive growth (SPRING) programme through direct or indirect centralised management, joint management or partially decentralised management.

7. ADMINISTRATIVE AND BUDGETARY MATTERS (SEC(2012)207)

ADMINISTRATIVE MATTERS
(PERS(2012)40)

7.1. SECRETARIAT-GENERAL / DG DEVELOPMENT AND COOPERATION - EUROPEAID / DG HUMAN RESOURCES AND SECURITY – JOINT DECISION OF THE COMMISSION AND THE HIGH REPRESENTATIVE OF THE UNION FOR FOREIGN AFFAIRS AND SECURITY POLICY ON COOPERATION MECHANISMS CONCERNING THE MANAGEMENT OF DELEGATIONS OF THE EUROPEAN UNION (JOIN(2012)8)

The Commission took note of the information at point 1 of PERS(2012)40 and adopted the joint decision, set out in JOIN(2012)8.

7.2. DG INTERNAL MARKET AND SERVICES – APPOINTMENT OF AD14/15 DIRECTOR (PERS(2011)127 TO /4)

The Commission had before it the list of applications for the post of Director, ‘Resources and Communication’, in DG Internal Market and Services, published under Article 29(1)(a)(i) and (iii) of the Staff Regulations (PERS(2011)127 and /2).

It took note of the opinions of the Consultative Committee on Appointments of 13 December 2011 and 26 January 2012 (PERS(2011)127/3 and /4).

The Commission proceeded to compare the applicants’ qualifications for the post. It also considered their ability, efficiency and conduct in the service. On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Mr BARNIER, it then decided to appoint Ms Pamela BRUMTER-CORET to the post.

This decision would take effect on 1 April 2012.

7.3. *DG BUDGET – TEMPORARY POSTING AS DIRECTOR*

On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Mr LEWANDOWSKI, the Commission decided, under Article 7(2) of the Staff Regulations, to grant a temporary posting as Director, 'Budget execution (General Budget and EDF)', in DG Budget from 16 May 2011 to 30 November 2011 to Mr Mark EKELMANS, AD14 official and Head of Unit in that DG.

This decision would take effect immediately.

7.4. *DG AGRICULTURE AND RURAL DEVELOPMENT – SECONDMENT OF AN AD14 OFFICIAL IN THE INTEREST OF THE SERVICE*

On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Mr CIOLOŞ, the Commission decided to approve the secondment to the Permanent Representation of Cyprus to the European Union, in the interest of the service, under Articles 37 and 38 of the Staff Regulations, of Mr Antonis CONSTANTINOU, an AD14 official and currently Director, 'Rural Development Programmes II', in DG Agriculture and Rural Development, from 1 April 2012 until his retirement on 30 June 2012.

This decision would take effect on 1 April 2012.

7.5. *DG HUMAN RESOURCES AND SECURITY – APPROVAL OF LISTS OF CANDIDATES FOR HEAD OF EUROPEAN UNION DELEGATION POSTS*
(PERS(2012)41 TO /48; PERS(2011)107/3)

The Commission took note of the information at point 5 of PERS(2012)40 and, on a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT, decided to approve the lists of candidates in PERS(2012)41 to 48 and PERS(2011)107/3 for the posts of Head of the European Union Delegations to Algeria, Tunisia, Ukraine, Cape Verde, Montenegro, Saudi Arabia, Yemen and Uzbekistan and for the post of special envoy to Somalia; these lists would serve as a basis for the competent authority of the European External Action Service to make the final appointments.

These decisions would take effect immediately.

8. COMMUNICATION FROM THE COMMISSION TO THE COUNCIL AND THE EUROPEAN PARLIAMENT – TACKLING CRIME IN OUR DIGITAL AGE: ESTABLISHING A EUROPEAN CYBERCRIME CENTRE (COM(2012)140 AND /2; RCC(2012)29)

The Commission approved the communication in COM(2012)140/2 for transmission to Parliament, the Council and the European Data Protection Supervisor, and, for information, to the national parliaments.

9. COMMISSION DECISION ON A PROCEEDING UNDER ARTICLE 101 OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION AND ARTICLE 53 OF THE EEA AGREEMENT (*CASE COMP/39462 – TRANSIT*) (C(2012)1959 TO /54; RCC(2012)31)

The Commission:

- took note of the opinions of the Advisory Committee on Restrictive Practices and Dominant Positions of 19 and 26 March in C(2012)1959/3, /7, /8 and /9;

- took note of the final report of the Hearing Officer of 26 March in C(2012)1959/5;

- adopted, in the authentic languages (English and German), the decision set out in C(2012)1959/10 finding that the companies to which the decision was addressed had infringed Article 101 of the Treaty on the Functioning of the

European Union and Article 53 of the Agreement on the European Economic Area, requiring the parties to bring the infringements to an end immediately and imposing fines on the companies totalling € 169 382 000;

- adopted the annexes to the decision set out in C(2012)1959/11 to /54 in the authentic languages (English and German);
- decided to notify each of the companies to which the decision was addressed, in the corresponding authentic language, of the decision C(2012)1959/10 and the annex or annexes relating to that particular company, as set out in C(2012)1959/11 to /54;
- decided also to notify the Hearing Officer’s final report to each of the companies to which the decision was addressed;
- decided that the key parts of the decision, together with the Advisory Committee's opinion and the Hearing Officer's final report, would be published in the official languages of the Union in the Official Journal of the European Union (with business secrets and other confidential information removed);
- decided also to publish the decision on the internet (with business secrets and other confidential information removed).

10. COMMISSION DECISION ON A PROCEEDING UNDER ARTICLE 23 OF COUNCIL REGULATION (EC) 1/2003 (REFUSAL TO SUBMIT TO AN INSPECTION) (*CASE COMP/39793 – EPH AND OTHERS*) (C(2012)1999 TO /6)

The Commission:

- took note of the opinion of the Advisory Committee on Restrictive Practices and Dominant Positions of 12 March in C(2010)1999/3;

- took note of the final report of the Hearing Officer of 13 March in C(2012)1999/4;

- adopted, in the authentic language (English), the decision in C(2012)1999/6 finding that the companies to which the decision was addressed had infringed Article 23(1)(c) of Regulation (EC) 1/2003 and imposing a fine of € 2 500 000 on those companies jointly and severally;

- decided that the decision in C(2012)1999/6 would be notified to the companies concerned, together with the Hearing Officer's final report;

- decided that the key parts of the decision, together with the Advisory Committee's opinion and the Hearing Officer's final report, would be published in the official languages of the Union in the Official Journal of the European Union (with business secrets and other confidential information removed);

- decided to publish the decision on the internet (with business secrets and other confidential information removed).

11. COMMISSION DECISION ON A PROCEEDING UNDER ARTICLE 101 OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION AND ARTICLE 53 OF THE EEA AGREEMENT (*CASE COMP/39452 – MOUNTINGS FOR WINDOWS AND WINDOW-DOORS*) (C(2012)2069 TO /12; RCC(2012)24; RCC(2012)31)

Ms REDING opened the discussion on the draft decision presented by Mr ALMUNIA relating to a cartel between companies in the sector for mountings for windows and window-doors, pointing out that a consensus had already been reached on the existence of a cartel, in breach of Article 101 of the Treaty on the Functioning of the European Union and Article 53 of the Agreement on the European Economic Area, on its duration from 1999 to 2007, and on the need to impose a penalty on the companies involved, although the level of the fines had yet to be examined.

The Commission had a wide margin of discretion on this issue, since Regulation (EC) 1/2003 provided that fines could be up to 10% of the annual turnover of a company involved in a cartel, although point 37 of the 2006 Guidelines on the method of setting fines provided a possibility of departing from the methodology if justified by ‘the particularities of a given case or the need to achieve deterrence in a particular case’.

Ms REDING noted that an assessment was required of the exceptional nature of the case at hand and of whether the Commission should make use of the discretionary power afforded by point 37 of the Guidelines to depart from the usual method of calculating fines.

By way of introduction, Mr ALMUNIA pointed out that the Court of Justice of the European Union had, in a number of cases, addressed the amount of fines imposed by the Commission on the basis of the Guidelines and had confirmed the validity of the amounts in the vast majority of cases.

He explained the background to the proceeding in the case at hand and why the case should be regarded as exceptional, having regard to the large degree of specialisation of the companies concerned, their size and the share of their total turnover accounted for by the revenue from the product covered by the cartel.

He demonstrated that the application of the usual calculation method would have resulted in a maximum fine equivalent to almost 10% of total turnover for nine out of the ten companies involved. Such a fine would be disproportionate in relation to the amount of revenue generated by these nine companies from the product covered by the cartel, in particular because of the mono-product nature of their commercial activity. Moreover, not all the companies participated to the same degree and for the same length of time in the cartel in question, which is why he thought it advisable to examine how to vary the amount of the fines without reducing their deterrent effect, by making use of the possibilities offered by point 37 of the Guidelines.

He stressed that the decision before the College to adapt the amount of the fines imposed on the companies, by taking into account not only the severity and duration of the infringement but also other elements such as the share of total turnover accounted for by revenue generated under the cartel, did not set a precedent but lay within the Commission's discretion on policy. He reaffirmed his belief that adjusting the amount of the fines was justified in order to ensure that the decision was fair, proportionate and equitable.

During the discussion which followed, the Commission raised the following main points:

– the importance for the Commission, in the case at hand, of being able to exercise the discretion on policy afforded to it by point 37 of the 2006 Guidelines on fines; the benefit of following a balanced and proportionate approach in applying this point;

– the advisability of ensuring the need for the proposed decision and its economic, legal and technical validity, taking due account of the desired deterrent effect, the conditions of impartiality to be maintained and the need to ensure that the different categories of companies were treated equally;

– the support for the idea of a nuanced approach to the calculation of the fines imposed in cases of infringements of competition law, but also the advisability of ensuring that the decision to broaden the margin of discretion and the interpretation of the exceptional nature of these situations did not affect the guarantee of the fundamental principle of equal treatment enshrined in the European rules on competition;

– questions about the potential risk of setting a precedent;

– going beyond the case at hand, the suggestion of a far-reaching examination, in the form of a policy debate in the Commission, of the deterrent effect of fines imposed on small and medium-sized enterprises, of the proportionally greater impact of fines imposed on small companies, which are generally specialised in one product, and the lower impact on large groups, and of the necessary rebalancing between these two categories of company, in particular by reviewing the method of calculating fines for large companies;

– in terms of competition, the usefulness of reiterating the Commission's role not only as guardian of the treaties, but also as a strategic driving force and, in this context, the need for competition policy to evolve in order to contribute to the consolidation of the strategy in favour of small and medium-sized enterprises and to the development of a European industrial policy that would preserve production capacity in Europe;

– the need to define clearly the criteria permitting a reduction in fines in order to spell out whether the reason for allowing differentiated fines was that most of the companies concerned reached the ceiling of 10% of turnover or whether the fact of being 'mono-product' companies was the decisive factor behind such a reduction;

– questions concerning the relevance of the calculation of fines taking into account this factor, which was a commercial choice unrelated to the severity of the infringement.

Mr ALMUNIA thanked the Commission Members for the high standard of the debate and said he was in favour of holding a discussion at a future Commission meeting on the Guidelines for calculating fines and on the interaction between competition policy and industrial policy. He pointed out that the Court of Justice of the European Union had very largely confirmed the validity of the Guidelines in question. The task at hand in this particular case was to apply the Guidelines rather than call them into question. He insisted on the fact that point 37 of the Guidelines allowed the Commission to take into consideration the particularities of a given case and to adopt reasonable decisions, which was precisely the case with this proposal. He did not believe that this case created a precedent or constituted a decision of principle that departed from the current Guidelines. He added that there was no question of laying down a doctrine regarding the commercial and strategic choices made by companies.

On the question of imbalances, in terms of deterrent effect, in relation to the size of the companies, he stressed the possibility of applying a multiplication factor as a deterrent to large companies with a high turnover.

Lastly, Mr ALMUNIA stressed that, in this particular case, applying the usual methodology would have had an excessive deterrent effect on the companies concerned and that it was precisely by applying the Guidelines, and in particular point 37, that it had been possible to set fines at an appropriate and proportionate level.

Ms REDING stressed that the decision being presented that day did not depart from the rules on calculating fines, but applied the margin of discretion and flexibility provided for in point 37 of the Guidelines. She ended by noting that there was broad support among Commission Members for this approach and for the proposal for a Decision presented by Mr ALMUNIA.

Following the discussion, the Commission:

– took note of the opinions of the Advisory Committee on Restrictive Practices and Dominant Positions of 7 and 26 March in C(2012)2069/3, /4, /7 and /9;

– took note of the final report of the Hearing Officer of 26 March in C(2012)2069/8;

– adopted in the authentic languages (German and Italian) the decision in C(2012)2069/10 finding that the companies to which the decision was addressed had infringed Article 101 of the Treaty on the Functioning of the European Union and Article 53 of the Agreement on the European Economic Area, requiring the parties to put an end to the infringements immediately and imposing on some of these companies fines totalling EUR 85 876 000;

– decided to notify the decision in C(2012)2069/11 and /12 to the companies concerned, together with the final report of the Hearing Officer;

– decided that the key parts of the decision, together with the Advisory Committee's opinion and the Hearing Officer's final report, would be published in the official languages of the Union in the Official Journal of the European Union (with business secrets and other confidential information removed);

– decided also to publish the decision on the internet (with business secrets and other confidential information removed).

12. OTHER BUSINESS

12.1. CITIZENS' INITIATIVE

Mr ŠEFČOVIČ briefly presented the new Regulation on the citizens' initiative, which would come into force on Sunday 1 April. Under this first exercise in direct transnational democracy, the Commission could be asked to propose new legislative measures, provided that an initiative obtained the backing of one million Union citizens.

In practice this meant that, from Sunday on, any citizens who so wished could apply to register an initiative on a new Commission website, for an initial admissibility test. The initiative would be checked to ensure that it covered a policy area within the Commission's remit, that it respected the values of the Union, and that it was not frivolous or abusive. An initiative could not be launched by an individual; a committee had to be set up consisting of at least seven citizens residing in different Member States, none of whom could be a Member of the European Parliament.

Mr ŠEFČOVIČ explained that, once registration of the initiative had been confirmed, the committee would have one year in which to collect the one million signatures required, while at the same time attaining the minimum thresholds in at least seven different Member States. If all the conditions were met, the Commission would then have three months in which to examine the content of the initiative and respond to it.

He stressed the role which social networks would play in the whole process as a way for citizens to publicise and circulate an initiative. However, it was important for the Commission to consider how it too could use these communication channels to promote the new instrument and in particular to get young people involved in European affairs, and to develop ways of monitoring these platforms so that it could react and adapt quickly.

Ms REDING noted that the question of social networks had been touched on during the Commission's last discussion of its communication methods. Before the summer she would be reporting to her colleagues on what had been accomplished in this field and putting forward ideas on how to support these efforts further.

The Commission took note of this information.

12.2. LATEST ECONOMIC DEVELOPMENTS

Mr REHN informed the meeting that several important points would be discussed at the informal Eurogroup meeting and the meeting of the finance ministers on 30 and 31 March in Copenhagen which he was attending with Mr BARNIER and Mr ŠEMETA, starting with the state of the European economy. He felt that recent economic developments were on the right track even if there were considerably discrepancies between the situations in different Member States. Structural reforms should therefore be continued and budgetary consolidation measures taken to restore confidence, growth and employment. The actions decided on by the Member States considered to be the most vulnerable could be seen as satisfactory, but it was essential that they were implemented firmly and rigorously.

Turning to the subject of firewalls for the euro area, he said that the discussions to be held at the end of the week on the possible merger of the resources of the European Financial Stability Facility and of the European Stability Mechanism would enable significant progress to be made on these matters while reassuring the public and the financial markets that Europe was capable of foreseeing the dangers and setting up appropriate financial mechanisms.

A third item could be on the agenda for the Copenhagen meeting, item prepared by the EU presidency on the basis of a document drafted by the

Bruegel think tank, and concerning ECOFIN and the situation of the euro area and non-euro-area Member States.

Mr REHN also mentioned the recent meeting in Frankfurt of senior officials from the European Central Bank, the European Systemic Risk Board, the national central banks and the national regulatory authorities. The meeting had discussed the need to find a balance between the necessary degree of harmonisation in the internal market and the desirable degree of national flexibility, particularly with regard to capital requirements. He noted that the European Systemic Risk Board was planning to send a letter to the Member States on this issue, a step which he regretted.

He stressed that the political aim of the European Union was for all the Member States ultimately to be members of the euro area. It was therefore desirable to minimise opt-outs in order to promote maximum political and economic unity in the Union and put a stop to a number of disturbing developments which he regretted and found worrying since they tended to encourage inter-state cooperation rather than being based on the European institutions, particularly the Commission.

The Commission then held a brief discussion during which the following aspects were raised:

– the importance of the agreements to be reached at the Copenhagen meetings;

– the uncertainties regarding the outcome of the discussion on the Commission's proposal on the financial transactions tax;

– the role of the European Systemic Risk Board, which should not intervene in the European legislative process, and the desirability of reminding the Board of this, if necessary;

– the need to take fully on board the current debate in Europe on bank recapitalisation and reconcile the desirable flexibility with the necessary harmonisation of the European banking system and its rules;

- updated information on the work currently under way on the resolution of the bank crises, a proposal which was shortly to be tabled by the Commissioner for internal market and services.

The Commission took note of this information.

12.3. SITUATION IN IRELAND

Ms GEOGHEGAN-QUINN referred to the announcement of the date of the Irish referendum on the new European budget pact (31 May 2012) made by the Irish government on Tuesday. Highlighting the current difficult internal situation and the challenging task facing the government, she noted that the forthcoming vote was bringing the focus back on Brussels and prompting renewed criticisms by certain politicians who were hostile to the budgetary discipline of the pact. The results of a preliminary opinion poll showed that a high percentage of people were undecided on the issue, although she stressed that at this stage it was impossible to predict the outcome of the process.

She also explained that the Irish political background to the debate was currently dominated by the recently published results of an investigation into corruption.

Given these challenging conditions, staff numbers at the Commission's representation office in Dublin should be reinforced in the short term to ensure an active information drive in the run-up to the referendum.

Ms REDING called on all the Members to show as much restraint as possible on issues relating to the internal situation in Ireland and said that the Dublin office would be reinforced to enable it to deal with these special circumstances.

The Commission took note of this information.

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The meeting closed at 11.13.