



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2014) 2073 final

- English language version of the French text which is authentic -

Strasbourg, 4 February 2014

TEXTE EN

MINUTES

of the 2073rd meeting of the Commission

held in Brussels

(Berlaymont)

on Wednesday 29 January 2014

(morning)

PV(2014) 2073 final

- English language version of the French text which is authentic -

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Single sitting: Wednesday 29 January 2014 (morning)

The sitting opened at 9.08 with Mr BARROSO, President, in the chair.

Present:

Mr BARROSO	President	
Ms REDING	Vice-President	
Mr ALMUNIA	Vice-President	
Mr KALLAS	Vice-President	
Ms KROES	Vice-President	
Mr TAJANI	Vice-President	
Mr ŠEFČOVIČ	Vice-President	
Mr REHN	Vice-President	
Mr BARNIER	Member	
Ms VASSILIOU	Member	Item 13 (in part)
Mr ŠEMETA	Member	
Mr DE GUCHT	Member	
Mr LEWANDOWSKI	Member	
Ms DAMANAKI	Member	
Mr OETTINGER	Member	
Mr HAHN	Member	Item 13 (in part)
Mr ANDOR	Member	Item 13 (in part)
Ms MALMSTRÖM	Member	
Mr CIOLOŞ	Member	
Mr BORG	Member	
Mr MIMICA	Member	

Absent:

Baroness ASHTON	High Representative/ Vice-President
Mr POTOČNIK	Member
Mr PIEBALGS	Member
Ms GEOGHEGAN-QUINN	Member
Ms GEORGIEVA	Member
Ms HEDEGAARD	Member
Mr FÜLE	Member

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

Mr MORRISON	Chef de cabinet to Baroness ASHTON	Items 1 to 13 (in part)
Mr CEBALLOS BARÓN	A member of Baroness ASHTON's staff	Item 13 (in part)
Mr MALGAJ	Chef de cabinet to Mr POTOČNIK	
Mr KARHUNEN	Deputy Chef de cabinet to Mr PIEBALGS	
Mr KÜTT	Chef de cabinet to Ms GEOGHEGAN-QUINN	
Ms HRISTCHEVA	Chef de cabinet to Ms GEORGIEVA	
Ms JENSEN	Deputy Chef de cabinet to Ms HEDEGAARD	
Ms LOLIĆ ŠINDELKOVA	Deputy Chef de cabinet to Mr FÜLE	

The following also sat in:

Mr LAITENBERGER	Chef de cabinet to the PRESIDENT	
Mr ROMERO REQUENA	Director-General, Legal Service	
Mr DOENS	Head of the Commission Spokesperson Service	
Ms AHRENKILDE HANSEN	Commission Spokeswoman	
Ms BENÍTEZ SALAS	Bureau of European Policy Advisers	Item 13 (in part)
Mr SOBRAL	Deputy Chef de cabinet to the PRESIDENT	Item 13 (in part)

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

1. AGENDAS

(OJ(2014) 2073/FINAL; SEC(2014) 66/2)

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(2014) 2073)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 27 January.

3. APPROVAL OF THE MINUTES OF THE 2071ST MEETING OF THE COMMISSION (14 JANUARY) AND THE MINUTES AND SPECIAL MINUTES OF THE 2072ND MEETING (22 JANUARY)

(PV(2014) 2071; PV(2014) 2072; PV(2014) 2072, PART II)

The Commission approved the minutes of its 2071st and 2072nd meetings.

4. INTERINSTITUTIONAL RELATIONS

(RCC(2014) 7)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group (IRG) held on Friday 24 January (RCC(2014) 7).

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

- Union action for the European Capitals of Culture for the years 2020 to 2033 (Decision) – SCURRIA report – 2012/0199 (COD)

The Commission approved the line set out in SI(2014) 28.

- Markets in financial instruments and amendment of Regulation EMIR on OTC derivatives, central counterparties and trade repositories (Regulation) / Markets in financial instruments and repeal of Directive 2004/39/EC (Directive – recast) – FERBER reports – 2011/0296 (COD) / 2011/0298 (COD)

The Commission approved the line set out in SI(2014) 21/2.

- Measures to reduce the cost of deploying high-speed electronic communications networks (Regulation) – HERCZOG report – 2013/0080 (COD)

The Commission approved the line set out in SI(2014) 22.

- Harmonisation of the laws of the Member States relating to making available on the market of pressure equipment (Directive – recast) – ROITHOVÁ report – 2013/0221 (COD)

The Commission approved the line set out in SI(2014) 31.

- Amendment of Council Regulation (EC) 2173/2005 on the establishment of a FLEGT (Forest Law Enforcement, Governance and Trade) licensing scheme for imports of timber into the European Community (Regulation) – WINKLER report – 2013/0010 (COD)

The Commission approved the line set out in SI(2014) 23/2.

ii) Preparation for the February I part-session of Parliament

(point 1.3 of the IRG record)

Special legislative procedure

- Multiannual Financial Framework 2014-2020 – Relations between the European Union on the one hand, and Greenland and the Kingdom of Denmark on the other hand (Council Decision) – CORTÉS LASTRA report – 2011/0410 (CNS)

The Commission approved the line set out in SP(2014) 58.

Ordinary legislative procedure – First reading

- Promotion of the free movement of citizens and businesses by simplifying the acceptance of certain public documents in the European Union and amendment of Regulation (EU) 1024/2012 – RAPKAY report – 2013/0119 (COD)

The Commission approved the line set out in SP(2014) 45.

- Collective management of copyright and related rights and multi-territorial licensing of rights in musical works for online uses in the internal market (Directive) – GALLO report – 2012/0180 (COD)

The Commission approved the line set out in SP(2014) 46.

- Amendment of Council Regulation (EC) 1346/2000 on insolvency proceedings (Regulation) – LEHNE report – 2012/0360 (COD)

The Commission approved the line set out in SP(2014) 48.

- Amendment of Regulation (EU) 260/2012 as regards the migration to Union-wide credit transfers and direct debits (Regulation) – BOWLES report – 2013/0449 (COD)

The Commission approved the line set out in SP(2014) 49/3.

- Amendment of Council Regulation (EC) 1225/2009 on protection against dumped imports from countries not members of the European Community and Council Regulation (EC) 597/2009 on protection against subsidised imports from countries not members of the European Community (Regulation) – FJELLNER report – 2013/0103 (COD)

The Commission approved the line set out in SP(2014) 50/2 and /3.

- New Legislative Framework alignment package (Implementation of the Goods Package) – Harmonisation of the laws of the Member States (Directives – recast) – ROITHOVÁ reports – 2011/0349 to 2011/0354 (COD), 2011/0356 (COD) and 2011/0357 (COD)

The Commission approved the line set out in SP(2014) 51.

- Amendment of Council Regulation (EC) 1224/2009 establishing a Community control system for ensuring compliance with the rules of the Common Fisheries Policy (Regulation) – THOMAS report – 2013/0007 (COD)

The Commission approved the line set out in SP(2014) 52 and /2.

- Amendment of Regulation (EC) 261/2004 establishing common rules on compensation and assistance to passengers in the event of denied boarding and of cancellation or long delay of flights and Regulation (EC) 2027/97 on air carrier liability in respect of the carriage of passengers and their baggage by air (Regulation) – BACH report – 2013/0072 (COD)

The Commission approved the line set out in SP(2014) 53/2 and /3.

- Repeal of Council Regulation (EC) 827/2004 prohibiting imports of Atlantic bigeye tuna (*Thunnus obesus*) originating in Bolivia, Cambodia, Equatorial Guinea, Georgia and Sierra Leone and repeal of Regulation (EC) 1036/2001 (Regulation) – ROMEVA I RUEDA report – 2013/0097 (COD)

The Commission approved the line set out in SP(2014) 54 and /2.

- Criminal sanctions for insider dealing and market manipulation (Directive) – McCARTHY report – 2011/0297 (COD)

The Commission took note of the compromise text in SP(2014) 55, further to note SI(2013) 694, which it had already approved on 18 December.

- Amendment of Council Directives 92/58/EEC, 92/85/EEC, 94/33/EC, 98/24/EC and Directive 2004/37/EC of the European Parliament and of the Council in order to align them to Regulation (EC) 1272/2008 on classification, labelling and packaging of substances and mixtures (Directive) – ESSAYAH report – 2013/0062 (COD)

The Commission took note of the compromise text in SP(2014) 56, further to note SI(2013) 644, which it had already approved on 4 December.

- Conditions of entry and residence of third-country nationals for the purposes of seasonal employment (Directive) – MORAES report – 2010/0210 (COD)

The Commission took note of the compromise text in SP(2014) 57, further to note SI(2013) 538/2, which it had already approved on 22 October.

- Notification to the Commission of investment projects in energy infrastructure within the European Union and replacement of Council Regulation (EU, Euratom) 617/2010 (Regulation) – VĚLEAN report – 2013/0082 (COD)

The Commission took note of the compromise text in SP(2014) 47, further to note SI(2013) 522, which it had already approved on 16 October.

4.2. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL

iii) Programming of Council business

(SI(2014) 30)

The Commission took note of the information in SI(2014) 30 on the Council meetings between 30 January and 12 February.

4.3. RELATIONS WITH PARLIAMENT

iv) Action taken on the non-legislative resolutions adopted by Parliament at its October I part-session

(point 3.4.2 of the IRG record)

The Commission approved documents SP(2014) 61 and /2 on the action taken on the non-legislative resolutions adopted by Parliament at its October I part-session, for transmission to Parliament.

v) Action taken on the non-legislative resolutions adopted by Parliament at its October II part-session

(point 3.4.3 of the IRG record)

The Commission approved documents SP(2014) 62, /2 and /3 on the action taken on the non-legislative resolutions adopted by Parliament at its October II part-session, for transmission to Parliament.

4.4. EXTERNAL RELATIONS

vi) Recommendation for a Council Decision authorising the Commission to negotiate a convention on the application to existing treaties of the rules on transparency for investor-state dispute settlement under the auspices of the United Nations Commission on International Trade Law (UNCITRAL)

The Commission approved the line set out in SI(2014) 32.

5. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

5.1. WRITTEN PROCEDURES APPROVED

(SEC(2014) 67 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 20 and 24 January.

5.2. EMPOWERMENT

(SEC(2014) 68 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 20 and 24 January.

5.3. DELEGATION AND SUBDELEGATION OF POWERS
(SEC(2014) 69 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 20 and 24 January, as archived in e-Greffe.

5.4. SENSITIVE WRITTEN PROCEDURES
(SEC(2014) 70)

The Commission took note of the sensitive written procedures for which the time limit expired between 27 and 31 January.

6. ADMINISTRATIVE AND BUDGETARY MATTERS
(SEC(2014) 71/2)

ADMINISTRATIVE MATTERS
(PERS(2014) 15/2)

6.1. DG ECONOMIC AND FINANCIAL AFFAIRS – APPOINTMENT OF
AD14/15 DIRECTOR
(PERS(2013) 116 TO /3)

The Commission had before it applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Director, 'Economies of the Member States I', in DG Economic and Financial Affairs (PERS(2013) 116).

The Commission took note of the opinions of the Consultative Committee on Appointments of 20 December 2013 and 16 January 2014 (PERS(2013) 116/2 and /3).

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 REHN, it then decided to appoint Mr Declan COSTELLO to the post.

This decision would take effect on 1 May 2014.

6.2. EUROSTAT – AMENDMENT OF THE ORGANISATION CHART, APPOINTMENT OF AN AD14 PRINCIPAL ADVISER, AND SECONDMENT IN THE INTEREST OF THE SERVICE OF AN AD14 OFFICIAL

On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Mr ŠEMETA, the Commission decided:

- to create a temporary post of AD14 Principal Adviser in Eurostat; this post would be abolished upon departure of the job holder;
- to appoint to this post Mr François LEQUILLER, an AD14 official and currently Director of 'National accounts, prices and key indicators' at EUROSTAT by transfer in the interest of the service pursuant to Article 7 of the Staff Regulations;
- to approve under Articles 37 and 38 of the Staff Regulations the secondment of Mr François LEQUILLER to the Organisation for Economic Co-operation and Development in the interest of the service for a non-renewable maximum period of 18 months.

These decisions would take effect on 1 February 2014.

- 7. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS ADDRESSING THE CONSEQUENCES OF DISENFRANCHISEMENT OF UNION CITIZENS EXERCISING THEIR RIGHT TO FREE MOVEMENT (COM(2014) 33 AND /2; RCC(2014) 10)**
- 8. COMMISSION RECOMMENDATION ADDRESSING THE CONSEQUENCES OF DISENFRANCHISEMENT OF UNION CITIZENS EXERCISING THEIR RIGHT TO FREE MOVEMENT (C(2014) 391 AND /2; RCC(2014) 10)**

The Commission:

- approved the communication addressing the consequences of disenfranchisement of union citizens exercising their right to free movement set out in COM(2014) 33/2 for transmission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, and, for information, to the national parliaments;
- adopted the recommendation addressing the consequences of disenfranchisement of Union citizens exercising their right to free movement set out in C(2014) 391/2 for notification to the Member States and transmission, for information, to Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the national parliaments, and publication in the *Official Journal of the European Union*.

**9. COMMISSION DECISION ON A PROCEEDING UNDER ARTICLE 101 OF
THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION
(CASE AT.39801 – POLYURETHANE FOAM)
(C(2014) 438 TO /6; RCC(2014) 12)**

The Commission:

- took note of the opinion of the Advisory Committee on Restrictive Practices and Dominant Positions of 17 January in C(2014) 438/3;
- took note of the final report of the Hearing Officer of 17 January in C(2014) 438/4;
- adopted, in the authentic language (English), the decision in C(2014) 438/6 finding that the companies to which the decision was addressed had infringed Article 101 of the Treaty on the Functioning of the European Union, requiring them to put an end to the infringements immediately and imposing on some of them fines totalling EUR 114 077 000;
- decided that the decision in C(2014) 438/6 would be notified 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 to publish the decision on the *internet* (with business secrets and other confidential information removed).

**10. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT
AND OF THE COUNCIL ON STRUCTURAL MEASURES IMPROVING
THE RESILIENCE OF UNION CREDIT INSTITUTIONS**

**(COM(2014) 43 TO /3; SWD(2014) 30 TO /3; SWD(2014) 31 AND /2;
SEC(2014) 79; RCC(2014) 8)**

**11. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT
AND OF THE COUNCIL ON REPORTING AND TRANSPARENCY OF
SECURITIES FINANCING TRANSACTIONS**

**(COM(2014) 40 AND /2; SWD(2014) 30 TO /3; SWD(2014) 31 AND /2;
RCC(2014) 8)**

The Commission adopted the proposals for Regulations in COM(2014) 43/3 and COM(2014) 40/2 for transmission to Parliament, the Council, the European Economic and Social Committee, the European Central Bank, the European Data Protection Supervisor and the national parliaments, together with the impact assessments and the summaries thereof in staff working documents SWD(2014) 30/3 and SWD(2014) 31/2, the contents of which were noted.

It also took note of the opinion of the Impact Assessment Board on the above proposal for a Regulation in COM(2014) 43/3, as set out in SEC(2014) 79.

12. OTHER BUSINESS

ORGANISATION OF THE COMMISSION'S PROCEEDINGS

The PRESIDENT began the meeting with two matters relating to the future

organisation of the Commission's proceedings. First of all he asked those Members of the present Commission who wanted to stand in the forthcoming European Parliament elections in May to notify him of their intentions before the end of the week. He then mentioned the Commission seminar on 19 February and reminded the meeting that part of it would be devoted to drawing up the document reviewing the present Commission's time in office. He suggested that preparations for this work should be carried out at the working breakfast of Heads of Cabinet to be held on Friday 31 January, and based on two or three flagship projects per portfolio.

The Commission took note of this information.

13. RELATIONS WITH NON-EU COUNTRIES

THIRTY-SECOND SUMMIT BETWEEN THE EUROPEAN UNION AND THE RUSSIAN FEDERATION

The PRESIDENT reported to the Commission on the 32nd summit between the European Union and Russia that had been held in Brussels the previous day, 28 January. First he emphasised that the summit had been unusual in terms of both the frankness of the discussions and the nature of the issues raised. The recent escalation of tension and the events surrounding the Eastern Partnership Summit in Vilnius on 28 and 29 November 2013 had resulted in the decision to hold a restricted meeting during the summit in order to allow a thorough examination of the direction taken by the strategic partnership between the Union and Russia. He welcomed this useful initiative.

He listed the questions in relation to which the European Union – represented by Herman Van Rompuy, the President of the European Council, and himself – had expressed its desire to the Russian President, Vladimir Putin, for a constructive

relationship with Russia, provided that the areas of disagreement preventing such a relationship were properly addressed. These areas included, in particular, the measures recently taken by Russia to hamper trade with the Union, which contravened the rules of the World Trade Organisation (WTO).

The Union's policy under the Eastern Partnership had been discussed at length, the European side restating their desire to sign association agreements with Moldova and Georgia, which should not be interpreted as signalling any intention to harm Russia's interests. In this context, the PRESIDENT also noted that the situation in Ukraine had been one of the major issues raised, the Union condemning the Russian pressure in the final months of 2013 on its Ukrainian neighbour to prevent it from signing an association agreement with Europe. He had pointed out that the only solution to the political crisis in Ukraine at the moment had to be political, as part of a dialogue between the authorities in power and the opposition and civil society, while respecting the rule of law.

He relayed to the College the analysis by the Russian President, who attributed the differences between the Union and Russia to a lack of communication rather than substantive issues. The Russian President had denied that Russia had any objection in principle to the Eastern Partnership, but had expressed his concern about the tangible economic harm to his country that, in his view, would be caused by the signing of an association agreement between the European Union and Ukraine.

The PRESIDENT had insisted on the fact that the Union respected the traditional trade ties between Russia and Ukraine, and added that Ukraine could perfectly well conclude a free-trade agreement with both its Russian and European neighbours. The Union had rejected the Russian proposal to hold trilateral discussions on these questions with the Eastern Partnership countries and had put forward an alternative measure, namely the holding of bilateral consultations at expert level in order to assess the economic impact on Russia of the association agreements.

He referred to Russia's main concerns on energy matters, which related in particular to Europe's third energy package, and reiterated the Union's argument that the opening-up of the European energy market to competition would also facilitate Russian investment.

With regard to the possibility of reopening the negotiation on a new Partnership and Cooperation Agreement (PCA) between the Union and Russia, the PRESIDENT took the view that the scope of the negotiating mandate should first be set before restarting the discussions, if appropriate, at the next summit in Sochi in June. He noted that the creation of an 'economic area from Lisbon to Vladivostok' depended on a number of prior conditions, in particular the compatibility of the Eastern Partnership with the Russian customs union and of the Russian customs union with the WTO rules, but also the settlement of outstanding trade questions, the defusing of the tensions surrounding the Eastern Partnership and the conclusion of a new PCA.

Lastly, the PRESIDENT briefly mentioned the international issues examined at the summit, including Iran, Syria, the Middle East peace process, and Africa, and noted that a joint statement had been issued on combating terrorism.

By way of conclusion, he felt that this summit had been useful in that it had enabled the Union to address, without exception, all the political questions that were adversely affecting bilateral relations. The Russian President had invited his European counterparts to a meeting in Sochi in June, on the eve of the G8 summit, with a view to finding practical solutions to these questions.

During the ensuing discussion, Commission Members raised the following points in particular:

- the fact that the political relationship between the European Union and Russia was complex, a situation not helped by the differing approaches adopted by the Member States towards their Russian neighbour, and a call for greater unity at

European level; the need for a comprehensive, realistic and coordinated approach to overall relations with Russia, and the suggestion that the College should hold a discussion on this point in the near future to work out a European strategy and priorities;

- the need for the Union to respond to the concerns of Russian civil society and to continue to impress on the authorities the importance of respecting human rights and fundamental freedoms;
- in the field of trade policy: (i) a reminder that the compatibility of a full and extensive free-trade area between the Union and Ukraine with a free-trade area between Ukraine and Russia had already been the subject of serious analyses; (ii) a call to make the reopening of negotiations on a possible new Partnership and Cooperation Agreement at the EU-Russia summit in Sochi in June conditional on a genuine move towards greater openness by the Russian authorities; and (iii) a reference to the trade barriers imposed on the Baltic States;
- on the subject of energy policy, the need for a united approach to Russia by the Member States in order to defend European interests, and for compliance with Union legislation on the single market; the inclusion of the geostrategic dimension of all the energy-producing countries in the Caucasus region; the desire to promote a convergent approach by the European institutions;
- an update on the Commission's ongoing inquiry into alleged abuse of dominant market position by the *Gazprom* group;
- the state of bilateral relations in matters relating to home affairs, and in particular as regards facilitating the granting of visas and easing the conditions for granting visas;

- a call for the Union not to relax its political and diplomatic efforts aimed at Ukraine and to strengthen its economic measures; the case for sending a message of support to the Ukrainian people, particularly young people, who were fighting for closer relations with Europe, in some cases risking their lives in the process; a call for an oral report, ideally at the next Commission meeting, on the visit currently being made to Ukraine by Baroness ASHTON and Mr FÜLE and their view of the situation on the ground;
- in connection with the Eastern Partnership, an emphasis on the need for the Commission to engage in communication and information efforts in order to explain to civil society, particularly in Moldova and Georgia, the content of the free-trade agreements which their governments might soon be signing and the advantages these would bring; the importance of securing practical results and the value of giving greater visibility to the projects receiving European funding, working more closely with the Union delegations on the ground.

The PRESIDENT thanked the Members of the Commission for their contributions. He took from the discussion the need for a dialogue at European level with Russia, as an important partner, while at the same time standing firm on the Union's positions. It was too soon to start negotiations on a new Partnership and Cooperation Agreement, because the necessary conditions were not yet in place. He also stressed the need for a united European position on managing energy policy. As regards relations with Ukraine, he emphasised the very active role being played by the Union and the Commission to help ease the acute tensions in the country. On a more practical level, he welcomed the idea of organising a working meeting with the Members of the Commission most directly concerned, to prepare for the forthcoming summit in Sochi.

The Commission took note of this information.

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The meeting closed at 10.22.