



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2002)1592 final

Brussels, 11 December 2002

MINUTES

of the 1592nd meeting of the Commission

held in Brussels

(Breydel)

on Tuesday 3 December 2002 (morning)

and

Wednesday 4 December 2002 (evening)

—

These minutes were approved by the Commission at its 1593rd meeting, held in Brussels on 11th December 2002.

They contain 32 pages.

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The 1592nd meeting of the Commission took place in two parts:

- on Tuesday 3 December (morning)
- on Wednesday 4 December from 18.15.

First sitting: Tuesday 3 December (morning)

The sitting opened at 9.25 with Mr Prodi, President, in the chair.

Present:

Mr PRODI	President
Mr KINNOCK	Vice-President
Ms de PALACIO	Vice-President
Mr MONTI	
Mr FISCHLER	
Mr LIIKANEN	
Mr BUSQUIN	
Mr SOLBES	
Mr VERHEUGEN	
Mr PATTEN	
Mr LAMY	
Mr BYRNE	
Mr BARNIER	
Ms REDING	
Ms SCHREYER	
Ms WALLSTRÖM	
Mr VITORINO	

Absent:

Mr BOLKESTEIN

Mr NIELSON

Ms DIAMANTOPOULOU

The following sat in to represent absent Members of the Commission

Mr RICHTER	A member of Mr Bolkestein's staff
Mr MØRCH	A member of Mr Nielson's staff
Mr GALEROS	A member of Ms Diamantopoulou's staff

The following also sat in

Mr MARENCO	Deputy Director-General, Legal Service	
Mr MANSERVISI	Chef de cabinet to the President	
Ms HOUTMAN	Deputy Chef de cabinet to the President	Item 17
Mr FILORI	Spokesman	
Mr KEMPPINEN	Spokesman	
Mr ESTEVA MOSSO	A member of Mr Monti's staff	Item 16
Ms MANFREDI	A member of Mr Bolkestein's staff	
Mr PLANAS	Chef de cabinet to Mr Solbes	
Mr MARTINEZ	A member of Mr Solbes's staff	
Mr FONSECA	Deputy Chef de cabinet to Mr Vitorino	Item 14
Mr DIXON	Press and Communication DG	
Mr SERVOZ	Secretariat-General	Item 17
Ms CONTINO	Secretariat-General	Item 17

Secretary: Mr O'SULLIVAN, Secretary-General, assisted by Mr BISARRE, Director in the Secretariat-General.

1. AGENDAS AND QUARTERLY ROLLING PROGRAMME

(OJ(2002)1592/3; SEC (2002)1289/2; SEC(2002)1325)

The Commission took note of that day's agenda, the tentative agendas for future meetings, and the rolling programme of items to be entered on the agenda from 5 December to 26 February.

2. WEEKLY MEETING OF CHEFS DE CABINET

(SEC(2002)1592)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 2 December.

**3. APPROVAL OF MINUTES OF 1590th MEETING (19 November) AND
MINUTES AND SPECIAL MINUTES OF 1591st MEETING (27 November)
(PV(2002)1590 and /2; PV(2002)1591; PV(2002)1591, Part II)**

The Commission approved the minutes of its 1590th meeting as set out in PV(2002)1590 and /2.

The Commission also approved the minutes of its 1591st meeting as set out in PV(2002)1591 and PV(2002)1591, Part II.

4. PARLIAMENT

PARLIAMENTARY AFFAIRS GROUP

(SP(2002)3897; SEC(2002)1335)

The Commission took note of the record of the meeting of the Parliamentary Affairs Group held on Thursday 28 November.

It paid particular attention to the following:

a) Interinstitutional relations

(point 1 of the record)

Codecision procedure - Article 251 EC

HAUTALA report, Quality of petrol and diesel fuels, 01/0107 (COD)

The Commission adopted the line set out in SP(2002)3890 with a view to a speedy conclusion of this matter.

b) Preparations for December I 2002 to March I 2003 part-sessions

(point 2 of the record)

Specific points to consider: December I

The Commission, in accordance with the rules in force, authorised the Commission Members responsible, in agreement with the PRESIDENT, Ms de PALACIO and any other Members associated, to take a position on Parliament's amendments to its proposals.

It paid particular attention to the following:

1st reading and simple consultation

- JOVÉ PERES report, Conservation and sustainable exploitation of fisheries resources,
COM(2002)185, 02/0114 (COD)
- VARELA SUANZES-CARPEGNA report, Community structural assistance in the fisheries sector,
COM(2002)187, 02/0116 (COD)
- VARELA SUANZES-CARPEGNA report, Scrapping of fishing vessels,
COM(2002)190, 02/0115 (COD)

Mr FISCHLER briefly presented the general content of these proposals, which were particularly sensitive for certain coastal regions in the Community. As well as the structural operations included in the package, he planned to propose specific measures for small-scale coastal fisheries (vessels of less than 12 metres).

In the light of these additional explanations, the Commission decided to adopt the line set out in SP(2002)3875, but to reject amendment 9 on the extension to 50 nautical miles of the zone limiting access to resources in the outermost regions. It also adopted the line set out in SP(2002)3843 and 3843/2 and SP(2002)3868.

5. PERMANENT REPRESENTATIVES COMMITTEE
(SI(2002)1470 and /2; SEC(2002)1336)

COUNCIL AFFAIRS GROUP

The Commission took note of the Secretariat-General's reports on recent meetings of the Permanent Representatives Committee.

It paid particular attention to the following:

a) Regulation, supervision, and financial stability (Lamfalussy process)

With a view to the Council meeting (Economic and Financial Affairs) on 3 December, the Commission decided to confirm its position that the secretariat of the new financial policy committee should be provided by the Council's General Secretariat and not by the Commission.

**b) Proposal for a Parliament and Council Directive establishing a
Community greenhouse gas emissions trading scheme and amending
Council Directive 96/61/EC
(SEC(2002)1336)**

The Commission empowered Ms WALLSTRÖM to accept the Presidency compromise provided it did not depart significantly from the initial proposal, along the lines set out in SEC(2002)1336.

c) Preparations for the discussions on competitiveness and growth

With a view to the first meeting of the competitiveness group of the Council, in its high-level composition, to be held on 13 December, the Commission designated as its representatives on this group, for its high-level meetings, the Directors-General for Enterprise and the Internal Market. Other Directors-General could take part in the light of the subjects on the agenda. It

also decided that the dossiers emerging from this group would be handled in Coreper by the Commission's Permanent Representative.

d) "*Single European sky*" package

The Commission empowered Ms de PALACIO to accept the Presidency compromise, subject to improvements to be made to it in order to meet certain written comments by the Legal Service.

e) **Proposal for a Parliament and Council regulation establishing common rules on compensation and assistance to air passengers in the event of denied boarding and of cancellation or long delay of flights**

The Commission empowered Ms de PALACIO to accept the Presidency's comprehensive compromise, which was likely to muster a qualified majority, provided the Commission's key objectives were met and that the level of compensation for denied boarding was not less than €250.

6. WRITTEN PROCEDURES AND EMPOWERMENT

6.1. *WRITTEN PROCEDURES APPROVED*

(SEC(2002)1290 to /5)

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

6.2. *SENSITIVE WRITTEN PROCEDURES*

(SEC(2002)1291) 1291)

The Commission took note of the following written procedures initiated between 25 and 29 November for the adoption of decisions with political implications.

Written procedure suspended (to take requested amendments into account)

E/2002/2366 - COM(2002)637 DG FISH

Commission communication on an integrated framework for fisheries partnership agreements with third countries.

Time limit: 3.12.2002

E/2002/2375 - COM(2002)695 DG INFSO

Eighth Commission report on the implementation of the telecommunications regulatory package - telecoms regulation and markets in 2002.

Time limit: 4.12.2002

E/2002/2364 - COM(2002)689 SG

Commission communication on the status of work on the examination of a proposal for a framework directive on services of general interest.

Time limit: 5.12.2002

E/2002/2357 - COM(2002)687 DG FISH

Commission communication *Behaviour which seriously infringed the rules of the common fisheries policy in 2001.*

Time limit: 6.12.2002

E/2002/2373 - COM(2002)694 DG EMPL

Commission communication *Free movement of workers - achieving the full benefits and potential.*

6.3. EMPOWERMENT

(SEC(2002)1292 to /5)

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

**6.4. DELEGATION OF POWERS UNDER THE COMMUNITY ACTION
PROGRAMME PROMOTING NON-GOVERNMENTAL
ORGANISATIONS PRIMARILY ACTIVE IN THE FIELD OF
ENVIRONMENTAL PROTECTION**

(SEC(2002)1248 and /2)

The Commission approved the empowerment decision set out in section IV of SEC(2002)1248/2.

6.5. DELEGATION AND SUBDELEGATION OF POWERS

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation procedure between 25 and 29 November, as archived on the "Grefte 2000" (Registry) website.

7. ADMINISTRATIVE AND BUDGETARY MATTERS
(SEC(2002)1293/3)

ADMINISTRATIVE MATTERS
(PERS(2002)165)

7.1. DG ECFIN.C - A2 POST OF DIRECTOR

The Commission had before it applications under Article 29(1)(a) of the Staff Regulations for the A2 post of Director of Directorate C (Economy of the euro zone and the Union) in the Economic and Financial Affairs DG (PERS(2002)142).

The Commission took note of the opinions of the Consultative Committee on Appointments of 5 and 13 November (PERS(2002)142/2 and /3).

The Commission proceeded to compare the applicants' qualifications for the post. It also examined the reports on their ability, efficiency and conduct in the service. On a proposal from Mr KINNOCK, in agreement with the PRESIDENT and Mr SOLBES, the Commission decided to appoint Mr Servaas DEROOSE to the post.

This decision would take effect from 16 December.

7.2. INITIATION OF THE PROCEDURE LAID DOWN IN ARTICLE 50 OF THE STAFF REGULATIONS (FIRST STAGE)

The Commission decided to initiate the procedure laid down in Article 50 of the Staff Regulations in respect of an A1 official.

**8. IMPROVING THE RECOVERY OF COMMUNITY ENTITLEMENTS
ARISING FROM DIRECT AND SHARED MANAGEMENT OF
COMMUNITY EXPENDITURE**

(COM(2002)671 to /5; SEC(2002)1328; SEC(2002)1307)

The Commission approved the communication on the improvement of the recovery of Community entitlements arising from direct and shared management of Community expenditure, as set out in COM(2002)671/4 and /5, for transmission to Parliament, the Council and the Court of Auditors.

The Commission also:

- took note of the content of the Annexes to the communication in SEC(2002)1328, which were not for transmission to the other institutions;
- asked Directors-General and department heads to allocate the necessary resources for the implementation of the measures set out in the communication, as detailed in Annex 5, and to take account of these activities in their annual reports;
- decided to write off the backlog of amounts in connection with irregularities as yet unrecovered in the EAGGF Guarantee Section, subject to the establishment of a temporary recovery task force, chaired at an appropriate level by the European Anti-Fraud Office and operating with the assistance of the Agriculture DG.

**9. MID-TERM REVIEW OF THE FOURTH FISHERIES PROTOCOL
BETWEEN THE EU AND GREENLAND
(COM(2002)697 and /2)**

The Commission adopted the communication in COM(2002)697 for transmission to Parliament and the Council.

**10. INTEGRATING MIGRATION ISSUES IN THE EU'S RELATIONS WITH
THIRD COUNTRIES:
- MIGRATION AND DEVELOPMENT
- REPORT ON THE EFFECTIVENESS OF FINANCIAL RESOURCES
AVAILABLE AT COMMUNITY LEVEL FOR REPATRIATION OF
IMMIGRANTS AND REJECTED ASYLUM SEEKERS, FOR
MANAGEMENT OF EXTERNAL BORDERS, AND FOR ASYLUM AND
MIGRATION PROJECTS IN THIRD COUNTRIES
(COM(2002)703 and /2)**

Mr NIELSON, Mr PATTEN and Mr VITORINO, in agreement with Ms SCHREYER, tabled a communication on various aspects of migration policy and migratory phenomena.

Following a clerical error in an amendment agreed at the finalisation stage of the text, an amendment was made in the conclusions of COM(2002)703/2. On page 49 the third paragraph was amended to read as follows:

"Lastly, progress in the third area could be enhanced by significantly increasing the appropriations allocated to budget heading B7-667. Drawing the necessary conclusions from preparatory work financed in 2001, 2002 and 2003, the Commission intends to propose setting up and implementing from 2004 onwards a

multiannual programme designed *both to provide a specific, additional response to the needs encountered by third countries of origin and transit in their efforts more effectively to manage all aspects of migration flows, and in particular to stimulate third countries' preparations for, or assist them in, implementing readmission agreements.* This specific programme will be a tangible sign of the Union's solidarity with those countries which have resolutely committed to these efforts. It will be implemented in line with the key principles of the reform of external aid, respecting the overall consistency of the Community's external action and alongside the other Community instruments for cooperation and development."

Subject to this amendment, and to a final check on the text, the Commission adopted the communication in COM(2002)703/2, for transmission to Parliament and the Council.

11. REGULATION AMENDING REGULATION NO 2222/2000 LAYING DOWN FINANCIAL RULES FOR THE APPLICATION OF THE SAPARD REGULATION

The Commission noted that Mr FISCHLER would submit the draft Regulation amending Regulation No 2222/2000 laying down the implementing rules for the Sapard Regulation to the EAGGF Committee, for consultation, at its meeting of 17 December, and would then make the necessary contacts with the Chair of the Committee on Budgetary Control as soon as possible, before adopting the Regulation.

12. PARLIAMENT (continued from item 4)

2001 DISCHARGE

(SEC(2002)1335)

Ms SCHREYER drew the Commission's attention to the main points of her information note on the discharge procedure 2001 (SEC(2002)1335).

Following a long-established tradition, the Committee on Budgetary Control had drawn up and sent the Commission a long questionnaire (200 questions on the implementation of the general budget, 60 questions on the implementation of the European Development Funds).

In view of the very short deadline laid down by the Committee for replies (18 December), she asked all Members concerned to see that their departments gave the necessary priority to answering these questions.

The Commission endorsed this general instruction to Directorates-General and departments.

13. IMPROVING SAFETY AT SEA IN RESPONSE TO THE PRESTIGE ACCIDENT

(COM(2002)681 to /4)

Drawing conclusions from the recent loss of a 26-year-old single-hull oil tanker, the *Prestige*, carrying 77 000 tonnes of heavy fuel oil, off the European coast (Galicia, Spain), three years after the loss of the *Erika* Ms de PALACIO presented a communication covering a series of proposals for better protection of European coasts and citizens against such disasters.

These proposals were addressed both to the European institutions (European Council, Parliament, Council) and to the Member States, and were based on four main points:

- Earlier application of the measures in the Erika I and Erika II packages, both by the Commission (establishment of the European Maritime Safety Agency; strengthened monitoring of the performance of classification companies; establishment of a trans-European data exchange network to monitor maritime traffic; publication of an indicative list of "substandard" vessels; speeding up preparation of plans to accommodate vessels in places of refuge) and by the Member States (recruitment of a sufficient number of state port control inspectors; increase in the number of inspections; improved protection for victims of pollution accidents);
- Additional measures: specific measures regulating the carriage of heavy fuel oil (ban on carriage by single-hull vessels); amendments to the international legal regime for liability for oil and gas pollution; introduction of criminal penalties at Community level for those responsible for pollution accidents; draft Directive on illegal discharges of oil and gas into the sea ; Community system for recognising seafarers' certificates issued outside the European Union: extension of the requirement for pilots to report on the state of vessels entering Community ports; protection of coastal waters against vessels representing a danger for the marine environment;
- actions at international level to keep dangerous vessels out of the main seaways and to introduce a procedure for the audit of flag States;
- actions in partnership with industry: negotiation with the oil companies of an agreement establishing a Community code of good conduct for the carriage of oil products by sea.

Ms de PALACIO pointed out in particular that the sinking of the *Prestige* showed once again the vulnerability of the European Union, 90% of whose oil supplies came by sea, and confirmed that the measures she had proposed in the *Erika I* and *Erika II* packages, some of which had been watered down in the Council, had been well founded.

The Commission thanked Ms de PALACIO for the high standard of the proposed package and for the speed of the reaction of her departments to an event which was at the heart of citizens' concerns.

Following presentation, Ms de PALACIO propose to amend the text at point III "Part Three: Action at international level". Under the guideline "Keeping dangerous vessels out of the main seaways", a second paragraph was added:

"The density of modern maritime traffic and the dangers posed by the transport of dangerous cargoes by sea require the Commission to proceed rapidly with this legal adaptation. The Commission intends to request the IMO to consider this matter as a matter of urgency together with the Member States."

Subject to this amendment, the Commission approved the proposals in COM(2002)681/3 and /4 for transmission to Parliament and the Council, and for publication.

14. COUNCIL MEETINGS

(SI(2002)1464)

14.1. JUSTICE AND HOME AFFAIRS

(BRUSSELS, 2 AND 3 DECEMBER)

Mr VITORINO reported on the Council meeting, and in particular:

- the adoption of the proposal for a Council Regulation on jurisdiction and the recognition and enforcement of judgments in matrimonial matters and in matters of parental responsibility: this text, which dealt with the recognition of decisions as regards visiting rights and the protection of the interests of the parent having custody (guarantee of return of the child following the period of visit) was an example of a Community initiative which had a concrete and immediate impact on the daily life of European citizens;
- the Commission proposals in the field of asylum and immigration. Although negotiations had not been concluded on 2 and 3 December, Mr VITORINO noted that agreement could be reached at the next Council meeting (Justice and Home Affairs) on 19 and 20 December on two key proposals: the proposal for a Council Directive on minimum standards for the reception of asylum-seekers in the Member States, and the proposal for a Council Regulation establishing the criteria and mechanisms for the determination of the Member State responsible for examining requests for asylum presented in a Member State by a national of a non-member country.

Little progress had been made on the draft framework Council decision relating to drug trafficking.

The Commission took note of this information.

***14.2. EMPLOYMENT, SOCIAL POLICY, HEALTH AND CONSUMERS -
HEALTH ASPECT
(BRUSSELS, 2 AND 3 DECEMBER)***

Mr BYRNE reported on the Council meeting as regards health matters. He pointed out in particular:

- the adoption at first reading of the Directive on the harmonisation of the laws, regulations and administrative provisions of the Member States as regards tobacco advertising and sponsorship, subject to acceptance by the Council of the amendments passed by Parliament;
- the adoption of a Council recommendation on the prevention of smoking and on initiatives to improve tobacco control.

The Commission took note of this information.

14.3. AGRICULTURE

(BRUSSELS, 28 NOVEMBER)

Mr BYRNE reported on the results of the Council's discussions on the proposal for a Parliament and Council Regulation concerning genetically modified food, feed and seed, with a view to which the Commission had granted him empowerment, in agreement with the PRESIDENT and Ms WALLSTRÖM, to negotiate a compromise (PV(2002)1591, item 5(b)).

The Council had reached political agreement by qualified majority on the Presidency compromise, amended during the meeting, to which he had agreed, on the basis of the empowerment granted by the Commission.

The Commission held an exchange of views on the implications of adopting this common position, and on the prospects it opened up as regards the end of the moratorium on the authorisation of the marketing of genetically modified organisms.

The Commission decided to follow this matter closely, in the later stages of the legislative procedure, as well as the dossier on the traceability of GMOs, which had been referred to the Council (Environment), and to assess the implications for the process of authorisation of the marketing of GMOs.

14.4. STRUCTURAL INDICATORS

(SEC(2002)1327 and /2)

The Commission authorised Mr SOLBES, in agreement with the PRESIDENT, to negotiate an agreement with the Presidency, taking account of the context and the main points of the communication on structural indicators approved by the Commission on 16 October.

15. RELATIONS WITH NON-MEMBER COUNTRIES

EU-CHINA RELATIONS: SAFEGUARD CLAUSE IN THE STEEL INDUSTRY

Mr LAMY reported on the decision taken by China to invoke a safeguard clause on imports of certain steel products (including stainless steel products) following the restrictive measures adopted by the United States on imports of steel products.

He outlined the approaches he intended to take in this connection.

16. APPLICATION OF COUNCIL REGULATION (EC) No 4064/89 ON THE CONTROL OF CONCENTRATIONS BETWEEN UNDERTAKINGS (CASE COMP/M.2283 - SCHNEIDER/LEGRAND)

(C(2002)4908 and /2; SEC(2002)1330)

Mr MONTI reported on the state of play relating to the proposed merger between Schneider and Legrand which the Commission on 10 October 2001 had declared incompatible with the common market and the operation of the EEA Agreement.

He reminded the meeting that the Court of First Instance had given judgment on 22 October, annulling the Commission decision for reasons of both substance and

procedure. The judgment had nevertheless confirmed that the geographical markets concerned were of national dimension and that the operation would create serious competition problems in France.

Schneider had proposed divestments to the Commission to remedy the competition problems in France. The Court of Appeal in Versailles had confirmed on 29 November an order in interim proceedings of the Nanterre Trade Court requiring the withdrawal of divestment proposals concerning the assets of Legrand, these proposals not having secured the agreement of the company. He concluded that the Commission should in principle draw the appropriate conclusions and open the second stage procedure.

However, Schneider had announced that very morning that it was no longer interested in acquiring Legrand and that it would sell its shares. Given the uncertainties now surrounding this sale, he proposed that the Commission take no decision on this matter at this stage, and stated that if a decision to open a second stage were taken, it would be covered by the general empowerment granted to him by the Commission.

The Commission approved this proposal.

17. DEBATE ON POLICY PRIORITIES FOR 2004 **(SEC(2002)1319)**

Following a brief introduction by the PRESIDENT, the Commission held a general discussion on the main political priorities for 2004 to prepare for the decision on the annual policy strategy for 2004. This decision would be adopted by the Commission in February 2003, and would determine the link between the political objectives and the resources needed to carry them out.

Following this discussion, the Commission drew the following conclusions:

2004 would be the last year of the present Commission's term of office. The keynote for 2004 should therefore be to continue the priorities identified for 2003.

Three priorities were therefore agreed for 2004: the accession of ten new Member States, stability, and sustainable growth. In 2004, the Europe of 25 would have to operate properly from day one after accession. The APS decision for 2004 would accordingly have to cover 25 Member States, as regards both the priorities and the corresponding initiatives or resources.

1. Accession of 10 new Member States:

- Full compliance with all the legal obligations of the European Union and the new Member States in relation to the existing body of Community law and practice must be ensured from the first day after accession. The priority objectives to be met were implementing the legislation, ensuring compliance with the existing body of Community law and practice, extending existing programmes to the new Member States, and developing a convergent economic strategy;
- the Commission as an institution should be ready to welcome the new Member States, which meant in the first place putting its own house in order, particularly by completing the administrative reform and continuing to improve governance.

2. Stability:

- At a time when enlargement was to be achieved and the new Member States were to accede, the Commission should propose a stable and comprehensive policy framework for relations with the countries surrounding us. This meant implementing a coherent policy framework to reduce the prosperity gap

between the EU and all its immediate neighbours (Mediterranean, Balkans, Russia, Ukraine and Moldova);

- within the Union, efforts for the effective management of common borders would have to be stepped up. Furthermore, the accent must be placed on policies that would encourage a new kind of immigration better meeting the specific needs of the labour market. Similarly, the emphasis should be placed on social and cultural integration. More generally, the objective would be to meet the security and justice goals identified at Tampere.

3. Sustainable growth:

- on the one hand, sustainability and competitiveness should be assured in all subject areas and efforts must be strengthened in the Europe of 25 to encourage growth and guarantee a comprehensive balance. This would involve improving human and technological capital, as well as the environment for European companies, particularly the basic and regulatory infrastructure, and economic policy coordination, which should be strengthened;
- it was also important to concentrate on sustainable development, particularly by the development of new technologies and a better integration of environmental policies.

The annual policy strategy decision for 2004 would determine the link between the political objectives, the corresponding initiatives and the human and financial resources needed for their achievement, so as to ensure a balance between priorities and resources. It would also form the basis on which the Commission would establish and justify its evaluation of additional posts and commitment appropriations needed to build a framework for a Union of 25 Member States.

Staff requirements not covered by previous allocations of resources and needed for completing the reform would have to be analysed. The posts to be made available under the early retirement scheme could be used for these priority needs.

The other human resources requirements would have to be covered by redeployment of staff released by the externalisation process, as well as the identification of negative priorities and synergies.

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The Commission's other discussions on certain agenda items are recorded in the special minutes.

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The meeting closed at 11.40.

Second sitting: Wednesday 4 December (evening)

The sitting opened at 18.15 with Mr Prodi, President, in the chair.

Present:

Mr PRODI	President
Mr KINNOCK	Vice-President
Ms de PALACIO	Vice-President
Mr MONTI	
Mr LIIKANEN	
Mr BOLKESTEIN	
Mr BUSQUIN	
Mr SOLBES	
Mr VERHEUGEN	
Mr PATTEN	
Mr LAMY	
Mr BYRNE	
Mr BARNIER	
Ms REDING	
Ms SCHREYER	
Ms WALLSTRÖM	
Mr VITORINO	
Ms DIAMANTOPOULOU	

Absent:

Mr FISCHLER
Mr NIELSON

The following sat in to represent absent Members of the Commission

Mr PIRZIO-BIROLI Chef de cabinet to Mr Fischler
Mr MØRCH A member of Mr Nielson's staff

The following also sat in

Mr PETITE Director-General, Legal Service
Mr MANSERVISI Chef de cabinet to the President
Ms HOUTMAN Deputy Chef de cabinet to the President
Mr SMULDERS A member of the President's staff
Mr FILORI Deputy Commission spokesman
Mr KEMPPINEN Spokesman
Mr DE RYNCK Spokesman
Mr CALLEJA Chef de cabinet de Ms de Palacio
Mr VAN HOOFF Chef de cabinet to Mr Monti
Ms OLIVI A member of Mr Monti's staff
Ms BURY A member of Mr Bolkestein's staff
Mr SALMI Chef de cabinet to Mr Liikanen
Mr PLANAS Chef de cabinet to Mr Solbes
Mr TEMPEL Chef de cabinet to Mr Verheugen
Ms GARZON A member of Mr Lamy's staff
Ms ROGER Chef de cabinet to Mr Barnier
Mr FONSECA Deputy Chef de cabinet to Mr Vitorino
Mr GLYNOS Chef de cabinet to Ms Diamantopoulou
Mr LEVI GOPA
Mr PONZANO Director in the Secretariat-General
Mr VAN NUFFEL Unit Head in the Secretariat-General
Mr SAGREDO Secretariat-General

Secretary: Mr O'SULLIVAN, Secretary-General, assisted by Mr BISARRE, Director in the Secretariat-General.

18. WORK OF THE CONVENTION

AN INSTITUTIONAL ARCHITECTURE FOR THE EUROPEAN PROJECT (SEC(2002)1318 and /2)

Before giving detailed consideration to its communication to the Convention, presented by the PRESIDENT, Mr BARNIER and Mr VITORINO, on an institutional architecture for the European project, the Commission held an exchange of views on the feasibility study ("contribution to a preliminary draft Constitution for the European Union") prepared by an internal working party, whose existence and content had been revealed in the press (article in *Le Monde* dated 4 December).

The PRESIDENT pointed out that this study had been carried out at his request, in agreement with Mr BARNIER and Mr VITORINO, and that its outcome, presented in the form of a working document, had been communicated by himself at the beginning of the week to Commission Members and to Mr GISCARD D'ESTAING, President of the Convention.

Following an in-depth discussion on the implications of the unfortunate leaking of this document to the press at the very moment when the Commission was on the point of sending the Convention an important communication on the future institutional architecture of the Union, the Commission decided to clarify publicly the status of the document in the following terms:

It was a working document prepared by a group of experts at the request of the President of the Commission, in agreement with Mr BARNIER and Mr VITORINO, which did not in any way commit the Commission and which would be made available to the public on the internet (Futurum site) as a technical contribution to the ongoing work of the Convention.

The Commission then held an in-depth exchange of views on the draft communication to the Convention, which received very wide support on the main points.

Subject to some amendments adopted at the meeting, particularly on:

- the title of the communication: "For the European Union - Peace, Freedom, Solidarity - Commission communication on the institutional architecture";
- taking better account of the diversity of local situations within the Union (page 6);
- the generalisation of the Commission's right of initiative (page 8);
- possibility for the Commission to send an initial warning autonomously to any Member State significantly departing from the recommendations drawn up under the broad economic policy guidelines or at risk of running an excessive deficit (page 10);
- the arrangements for exercising its right of initiative by the Secretary of the Union (page 12), and the organisation of the administrative structure to be placed at its disposal (page 13);
- the arrangements for exercising the Council Presidency (pages 17 and 18);
- the arrangements for the election of the President of the Commission by Parliament (page 18);
- the arrangements for the exercise of the powers conferred on the Commission President as regards the structure of the Commission (page 19);
- the description of possible scenarios, and their implications as regards the restructuring of the Treaties (a completely new constitutional Treaty or amendments to the existing Treaties) (pages 21 and 22),

the Commission adopted the communication in SEC(2002)1318/2 for transmission to the Convention, the Council, Parliament, the Economic and Social Committee and the Committee of the Regions.

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The meeting closed at 23.15.