

Ms Elisabeth Köstinger
President of the TTE Council
Minister of Sustainability and Tourism
Federal Ministry for Sustainability and Tourism
Stubenring 1
AT-1010 Vienna
AUSTRIA

15 October 2018

Dear Minister,

In light of the recent developments on the gas directive, I would like to share our concerns about the on-going revision process. Notably, the lack of a proper impact assessment to document the initial proposal creates an unfortunate precedent and is in contradiction with the EU's "Better Regulation" principles.

While several issues have now been discussed and, in some cases, answered by the European Commission there are still a number of legal, technical and socio-economic aspects that have not been properly assessed yet. Let me provide you with a few examples that are particularly worrisome for the European business community at large:

- **Security of gas supply.** Gas is an important energy source and carrier for the low-carbon energy transition. At a time when Europe's domestic production is shrinking, imports from third countries will remain crucial to secure gas supply at affordable prices. The energy and industrial sectors have legitimate questions about the impact of the proposal on the medium to long-term gas supply as well as on competitive pricing.
- **Investments protection.** Investments in pipelines, and as such in security of gas supply, have significant capital costs. Investors need to be able to rely on stable conditions once such investment decisions have been made. This applies to existing pipelines as well as for pipelines under construction where project developers have made significant investments and must rely on a stable legal framework.
- **Uneven level playing field.** Whereas the aim of the proposal is to harmonize the legislation for import pipelines, the proposed regime would still present regulatory differences across Europe, inevitably arising from the diverse set of agreements and negotiations with third countries. This would maintain a fragmented market.
- **Policy uncertainty.** It is hard to understand the reason for having this limited revision of the gas directive now, while a broader reform of the European gas market is expected by the next Commission. European business in this sector will be confronted soon with another period of policy uncertainty. It seems more appropriate to deal with all questions on the application of EU rules for gas infrastructures within the new gas package, based on a comprehensive impact assessment.



Against this, BusinessEurope very much regrets the absence of a proper impact assessment on a legislative proposal with potentially very far-reaching consequences. We believe that European co-legislators should ensure that all important aspects of the proposal are thoroughly analysed, in close consultation with relevant stakeholders, to have well-informed decisions.¹

I remain at your disposal for further discussions on this important matter.

Yours sincerely,

Markus J. Beyrer

¹ *The Polish Confederation Lewiatan and the Lithuanian Confederation of Industrialists (LPK) fully support the European Commission's proposal and call for the rapid conclusion of negotiations.*