



The Chairman

Ref.: CESR/08-278

Mr Jörgen Holmquist
Director-General
Internal Market and Services DG
Rue de la Loi 200
B-1049 Brussels
BELGIUM

Paris, 15 April 2008

Subject: Joint CESR/EREGG mandate in the context of the Third Energy Package

Dear Mr Holmquist,

The European Commission issued a joint mandate to CESR and ERGEG on 21 December 2007 in order to receive their joint advice in the context of the Third Energy Package. Since the issuance of the mandate, CESR has had discussions with the Commission Services about the need to extend the deadlines of the mandate to enable CESR and ERGEG to respond to the various questions included in the mandate in an appropriate manner.

CESR considers the extensions to be necessary due to the fact that providing the advice requires combining the expertise of securities and energy regulators in the highly complex and interlinked physical and financial markets for electricity and gas. Forming a joint understanding and reconciling the views of the national regulators in these two distinct fields takes time.

On that basis, we would like to request the Commission to kindly confirm to CESR and ERGEG the following:

- that the deadline for the delivery of the responses to the fact-finding questions (C.1-C.3 and E.12-E.17) included in the first part of the mandate will be postponed until the end of July 2008.
- that the deadline for the delivery of the responses to all the policy questions included in the first part of the mandate (i.e. questions E.11, E.18-E.19 and F.20) will be postponed until the end of December 2008 to coincide with the delivery of the responses to the second part of the mandate.

CESR deems that the above changes to the mandate are necessary in order for it to be able to deliver comprehensive advice to the Commission as requested in the mandate and in compliance with the Lamfalussy procedure. The changes are also necessary for CESR and ERGEG to follow open and transparent consultation practices as well as to conduct the required impact analysis. Without these changes, CESR and ERGEG would have to deliver their advice to the Commission without conducting any or only very limited public consultation and impact analysis. There would not certainly be a possibility to apply the framework for impact analysis drawn up by the Lamfalussy Level 3 Committees, as indicated in the mandate.

The Joint CESR/EREGG Group that is working on the mandate will have its next meeting on 24 April. Thus we would be very grateful if you could provide us with a reply to this letter before that date, in order for CESR and ERGEG to plan the next steps in this field.



Should you have any questions on the above, please do not hesitate to contact Mr Carlo Comporti.

Thank you very much for your attention to this matter. I look forward to hearing from you soon.

Yours sincerely,

Eddy Wymeersch

Cc: - Jean-Paul Servais
- Johannes Kindler
- Sir John Mogg



EUROPEAN COMMISSION

Internal Market and Services DG

Director-General

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Mr Eddy Wymeersch
Chairman
CESR
11-13 Avenue de Friedland
F - 75008 Paris
France

Subject: Joint CESR/ERGEG mandate in the context of the Third Energy Package

Dear Eddy,

Thank you for your letter dated 15 April 2008 in which you request an extension of the deadlines set in the Commission's mandate of 21 December 2007 for advice to CESR and ERGEG in the context of the Third Energy Package.

I appreciate the concerns you have with concluding the advice within the initial deadlines provided. I am therefore happy to inform you that Commission services agree to your request – with one exception. Question F 20 of the mandate relates to Directive 2003/6/EC on market abuse. The review of this directive is being conducted separately from the work under the Third Energy Package and moving the deadline for delivery of this part of the advice to December is unfortunately not possible. The Commission services have declared at various occasions – including in discussions and questions received by the European Parliament - that the review concerning this directive will be finalised by the beginning of 2009 at the latest. It is, however, sufficient if the advice from CESR and ERGEG to question F 20 reaches us by the end of September 2008.

Yours sincerely,


Jörgen HOLMQUIST

Cc. Jean-Paul Servais, CBFA; Johannes Kindler, Bundesnetzagentur; Sir John Mogg, ERGEG; Matthias Ruete, DG TREN

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