



PRAGUE, 31 JANUARY 2018

## **Confederation of Industry of the Czech Republic reply to the proposal for a directive of the European Parliament and the Council amending Directive 2009/73/EC concerning common rules for the internal market in natural gas**

The Confederation of Industry of the Czech Republic is the largest organization of employers and entrepreneurs in the Czech Republic and a representative of the Czech Republic's leading companies, thus representing a crucial part of the industry. We welcome the opportunity to provide our comments to the proposal of the European Commission, however, at first, we must express our deep concerns with the overall timing of this public consultation. According to the Better Regulation rules, the public consultation should be held prior to the legislative proposal as such.

We have doubts about the capabilities of the European Commission to properly assess the concerns and the comments of the stakeholders which are to be raised during the public consultation. Furthermore, we strongly oppose the argumentation of the European Commission that drawing up the impact assessment (also required by the Better Regulation rules) has not been necessary, given the extensive impact that the proposal would have on operation of existing and new pipelines from and to third countries; What's more, the COM's proposal would significantly change the geographic scope of internal energy market legislation raising questions about its applicability.

The Confederation would like to provide the European Commission with several reasons leading to the necessity of the impact assessment. Elaborating a thorough impact assessment of the COM's proposal was necessary, as it supposes:

1. the fundamental change of the territorial scope of gas regulation in the EU;
2. the undiscussed shift of competence from the Member States to the EU and the conflict with the Article 194(2) TFEU;
3. the substantial effect on third countries and on relations of Member States with these countries.

**The Confederation of Industry of the Czech Republic asks the European Commission to carefully reconsider the possibility to provide the gas market stakeholders with proper impact assessment that will identify both the risks and the benefits of the possible future amendments to the gas regulation. The Confederation would appreciate if the EC considers the re-opening of the legislative process which would comprise ex ante public consultation that will guarantee proper involvement of the stakeholders.**