

(GROW)

From: [REDACTED] (GROW)
Sent: 15 June 2016 09:39
To: SCHWIMANN Irmfried (GROW); NUNES DE ALMEIDA Joaquim (GROW);
 DRZEWOSKA Agnieszka (CAB-BIENKOWSKA)
Cc: [REDACTED] (GROW); [REDACTED] (GROW); [REDACTED]
 (GROW); [REDACTED] (GROW)
Subject: Flash report - meeting with HU (Mr Sonkodi) on Paks - 14/06/2016
Signed By: [REDACTED]@ec.europa.eu

Importance: High

On Tuesday 14/06/2016 a meeting on Paks took place with the Hungarian delegation lead by Mr Balázs Sonkodi as a follow up to the meeting between Mr Sonkodi and the Head of Cabinet, Mr Husak.

The meeting was held in a good atmosphere and spirit of cooperation.

The main focus of the meeting was to further clarify the details of the possible commitments that HU could take regarding subcontracting, based on the discussions that HU had with RU last week.

HU suggested to go through the points below with the hope of being able to come up at the end of the meeting with a draft letter to be sent by Minister Lázár to CCER Bienkowska. [REDACTED]

Main points discussed:

1. The percentage of subcontracting and elements covered by the [REDACTED] subcontracting
 - HU's proposal for a wording in this regard was that "[REDACTED] EU content is achievable depending on quality and price" meaning that at least [REDACTED] of the total project value would be tendered out
 - The EC emphasized that the word "achievable" is not a commitment, stronger wording would be needed
 - HU affirmed that they are making progress on what is exactly covered [REDACTED]
 - HU promised to send us a written list in this regard early next week
 - The EC pointed out that in order to be able to have a serious monitoring, exact clarification is needed on how the [REDACTED] subcontracting will be reached and what is included in it
 - HU expressed that the commitment to [REDACTED] is feasible, but the circumstances can change which can lead to changes in the list, thus they see the list as an indicative one that keeps some flexibility
 - EC emphasized that the direction this flexibility will be used definitely needs to be specified
2. Monitoring

- The EC confirmed upon HU's question that the monthly reporting is needed since a lot is happening at the beginning of the project
- Reporting should cover regular information on each item tendered out, also including info on the different stages of the PP process and info is needed on the contracts awarded directly to Rosatom subsidiaries as well (in-house)

- [REDACTED]

3. Publication

- HU stated that [REDACTED] publish in TED, the EC pointed out to the difficulties in this regard (Rosatom is neither a contracting entity, nor an EU company)
- The EC expressed that publication should be as international as possible
- HU promised to check the possibilities

4. Remedies system for subcontracting

- The EC emphasized that the most important issue is that the remedy system should be inside the EU, and not in RU
- [REDACTED]
- The EC asked for clarifications how exactly this would work and with the participation of whom

5. Exclusion of Rosatom subsidiaries from subcontracting

- [REDACTED]
- HU stated that it is not economically viable to exclude these companies if they would bring the most economically advantageous tender
- HU suggested that an effective remedy system could guarantee fair competition even with the participation of Rosatom subsidiaries and the EC request to exclude Rosatom subsidiaries from subcontracting is legally not well founded
- The EC emphasized that we do not have the mandate to change our position in this regard

Follow up:

HU will meet RU again next week, thus they would need a feedback from the EC by next Tuesday afternoon on the Rosatom subsidiaries exclusion issue. Mr Sonkodi will call Joaquim.

HU proposed to have a meeting next Friday about the exact wording of Minister Lázár's letter to the CCER on the basis of a draft that they will send us next week. Meeting to be arranged on Friday 24 June

Participants:

HU

- Mr Balázs Sonkodi, Secretary of State
- [REDACTED] LLP

- [REDACTED] Law Firm
- [REDACTED] (from the HU Permanent Representation)

DG GROW

- Ms Agnieszka Drzewoska (Commissioner Bienkowska's Cabinet)
- [REDACTED], G.2
- [REDACTED]

