

NEELIE KROES

MEMBER OF THE EUROPEAN COMMISSION

Brussels, **06 NOV. 2007**
CT/mp A1856 – D523

Dear Dr. Lucas,

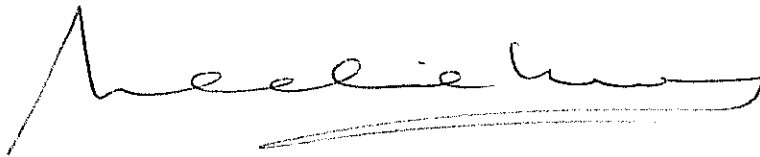
Thank you for your letter dated 28 September 2007 which you addressed to me and to my colleagues Stavros Dimas. Thank you for bringing to our attention the renegotiated agreement between Brighton and Hove City and East Sussex County Councils and the company Veolia Environmental Services for the delivery of the incinerator in Newhaven.

I understand your concern that the renegotiated agreement with Veolia might be in breach of articles 87 and 88 of the EC Treaty and, more specifically, of the Community guidelines on State aid for rescuing and restructuring firms in difficulty.

I have asked my services to contact the UK authorities with a view to further clarify the concrete circumstances of the renegotiated agreement with a view to establishing whether or not the agreement would imply state aid. You will understand that at the present stage and on the basis of the information in the Commission's possession, I am not able to draw any conclusions about whether any such state aid would be compatible with the internal market.

Again, thank you for bringing this issue to our attention.

Yours sincerely,



Dr. Caroline Lucas
Suite 58, The Hope Exchange
24 Southwark Street
London SE1 1TY
United Kingdom