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Brussels Playbook

Ryan Heath's must-read briefing on what's driving the day in Brussels.

POLITICO Brussels Playbook, presented by Aviva: Vestager's European front — Berlin election fall-out

By **RYAN HEATH** | 9/20/16, 7:10 AM CET | Updated 9/20/16, 5:15 PM CET

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TTIP protests today in EU quarter: From 4:30 p.m. until around 7 p.m. The demonstrators will come down Rue de la Loi and pass around the back of the European Council.

THE EX-FILES ...

WHICH EUROPEAN FORMER PRIME MINISTER ... Used Gmail to conduct work business because they didn't trust their own government's email security, according to Playbook's source.

WHICH FORMER COMMISSION PRESIDENT ... Was seen by Playbook's source thrusting his business card into the hands of Uber CEO Travis Kalanick at the 2016 World Economic Forum in Davos. We hear he was pressing the point about how good his advice is.

****A message from Aviva:** Aviva's #Moneytalks toolkit — Tool #8: When you buy a washing machine, it has a sticker for how energy efficient it is. But when you start saving, do you know where the money goes? The EU should create a responsible

investment seal of approval. Our #Moneytalks toolkit has more ideas on sustainable finance.**

THE LATEST FROM VESTAGER WORLD ...

Competition Commissioner Margrethe Vestager bats away concerns from US lawmakers: “The rules on state aid were never a secret,” Vestager said in Washington D.C. “The numbers and corporate structures [of Apple] were secret.” Till Hoppe and Moritz Koch <http://bit.ly/2cZEnQ2>

Transatlantic live-streamed town hall meeting on tax, 4 pm Brussels time: Columbia University in New York (in conjunction with Bocconi University, Milan) will host Vestager, Joseph E Stiglitz and Mario Monti. Watch the live broadcast here: <http://bit.ly/2cnyAAo>

Commission opens a raft of extra tax cases against EU governments: Timed neatly to coincide with her first trip to the United States followed the €13 billion Apple-Ireland tax clawback decision, the Commission announced it is now targeting France’s biggest gas distributor over its tax arrangements in Luxembourg. It seems every time a criticism pops up that the EU competition authority is biased against U.S. companies, a case against a non-U.S. company or government is never far behind. What a coincidence! Nicholas Hirst and Joe Schatz: <http://politi.co/2d6Vgsw>

Another supermarket investigation, this time over tax: Vestager has launched an investigation into whether Poland is using a new tax to favor smaller local supermarkets over big foreign retailers. Jakob Hanke and Jan Cienski have more (for Agri and Food Pros): <http://politi.co/2cTzzdW>

Touché: Vestager started off a Washington D.C. press conference by taking a photo of gathered reporters with her iPhone.

US Treasury: No letter sent to members of Congress regarding Apple tax decision. The U.S. treasury, via a spokesperson, rejected the claim (mentioned in Monday’s Playbook) it had sent or drafted a letter outlining ways tax could be clawed back from EU-owned companies operating in the U.S.

COUNCIL — ‘GENERAL AFFAIRS’ MINISTERS GETTING TOGETHER: It’s a meeting to agree on the agenda for another meeting, the next “formal” summit of heads of state, taking place October 20-21. Top of the agenda will be migration and EU-Canada trade deal, CETA. Russia will also be discussed (“not just sanctions,” according to a senior diplomat). Ministers may give the green light to the Commission to start exploring granting candidate status to Bosnia-Herzegovina. <http://bit.ly/2cSPk4E>

ANOTHER VIEW ON BRATISLAVA SUMMIT: “Bratislava was a failure. The EU minus U.K. is more divided than the EU with the U.K.,” said Stefano Stefanini, a former permanent representative of Italy at NATO.

PARLIAMENT — LEAD MEP FOR EMISSIONS REDUCTION TARGETS: Liberal Dutch MEP Gerben-Jan Gerbrandy will lead the European Parliament’s discussion on national emissions reduction targets and rules to bring land use and forestry under the EU’s climate policies, as part of the proposed Effort-Sharing Regulation.

PARLIAMENT — MEP ACCUSED OF STOKING REFUGEE HATE: Bulgarian ECR MEP Angel Dzhambazki participated in a protest Friday outside a Sofia-based refugee facility, mainly used by unaccompanied children and families. Organized by his VMRO party and the far-right ATAKA party, the crowd reportedly shouted “Aliens — out.” Mariya Cheresheva <http://bit.ly/2cSSlSt>

‘WE LOVE FREE TRADE, REALLY ...’

German Social democrats back Canada trade deal: It says something that EU trade diplomats are celebrating the mere fact that one of their deals avoided getting trashed at a German political conference. That’s the feat German Vice Chancellor Sigmar Gabriel performed yesterday in securing support from his party for the CETA deal, though the vote has no legal implications for finalizing the deal. Hans von der Burchard and Alberto Mucci: <http://politi.co/2dexpl9m>

Canada deal not dead yet: Trade Commissioner Cecilia Malmström and her Canadian counterpart Chrystia Freeland made a plea to trade ministers, meeting in Bratislava this week, not to give up. “Now is the time to build bridges, not walls.” <http://bit.ly/2cTjG79>

Jyrki Katainen in Southeast Asia: The Commission’s vice president is in Japan and South Korea promoting EU-Japan free trade negotiations, and to note the success of the five-year-old EU-South Korea free trade agreement.

PREVIEW OF NEW STUDY CALLING FOR EUROZONE OVERHAUL:

Bertelsmann Stiftung and the Jacques Delors Institute will today launch a report that calls for immediate action to stabilize the eurozone. The authors, including Pascal Lamy, former chief of the WTO, and Enrico Letta, a former prime minister of Italy, want the ESM to be strengthened and made “more political” and the creation of a special committee in the European Parliament. Find the report here from midday: <http://bit.ly/2cTkclJ>

GERMANY ROUND-UP ...

Podcast du jour with Norbert Röttgen: The chairman of the foreign affairs committee of the Bundestag and co-author of the new Bruegel proposal for a continental partnership between the U.K. and EU 27 post Brexit, interviewed by eSharp's Paul Adamson. <http://bit.ly/2cAvdal>

Germany's blue-collar backlash: Sound familiar? The same demographic that drove Brexit and is driving Trump helped get the far-right AfD into the Berlin regional assembly. "Voters who backed the anti-immigrant Alternative for Germany party (AfD) in Berlin on Sunday were more likely to be male, middle-aged, relatively uneducated, blue-collar workers or unemployed, and living in the eastern part of the city, a poll released Monday revealed." Hortense Goulard has more: <http://politi.co/2cSU9Lv>

A glimpse into the German political future: Joerg Forbrig breaks down the weekend's results and what they mean for Angela Merkel and Berlin's future. <http://politi.co/2cTzCGM>

BREXIT — MAY TRIES TO CALM BANK FEARS IN NYC: U.K. Prime Minister Theresa May may be in town for the U.N. General Assembly, but she also has a Brexit-related mission: soothe U.S. bankers' and financial institutions' post-Brexit nerves. POLITICO Europe's Tom McTague, who is traveling with May, writes: "The Conservative leader will meet the chief executives of major American businesses, including Goldman Sachs, Morgan Stanley, Amazon and Sony, at an off-camera, round table summit in New York. It comes amid widespread concern in the U.S. over the ability of American firms based in the City of London to continue operating freely in the European Union after Brexit. At the moment banks headquartered in the U.K. have 'passporting' rights to operate anywhere in the EU." <http://politi.co/2ckUdUX>

SCOTLAND — REFERENDUM FEVER ABATING: "Just hours after the results came in from the June 23 vote, Nicola Sturgeon spoke from Edinburgh, telling the world that a Scottish referendum on independence from Britain was 'highly likely.' Three months on, her strategy is less certain. And while it hasn't disappeared entirely, the widespread anger that greeted Brexit north of the border, where almost two-thirds voted to remain in the European Union, has since faded." Peter Geoghegan: <http://politi.co/2cPOFz5>

HUNGARY — WE WON'T STOP CRITICIZING EU: So says government spokesperson Zoltán Kovács, adding that Hungary has no reason to tone down its views because the Commission has not attempted to compromise with central European opinion. David Herszenhorn and Jacopo Barigazzi: <http://politi.co/2ciOMAX>

HUNGARY — ZERO-REFUGEE STRATEGY: “On October 2, Hungarians will be asked ... ‘Do you want the European Union to be entitled to prescribe the mandatory settlement of non-Hungarian citizens in Hungary without the consent of parliament?’ – a wording that has deepened divisions between Budapest and the European Union ... It is unclear whether turnout will be high enough to validate the referendum ... This is classic Orbán politics: intended to win political support at home while annoying Brussels.” Lili Bayer: <http://politi.co/2cLVp2y>

SWITZERLAND — JUNCKER DOESN'T BUDGE ON FREE MOVEMENT:
<http://reut.rs/2cLogT9>

CYPRUS — MEPs SLAM PASSPORT SALE SCHEME: The Cypriot government made changes Friday to its controversial citizenship-for-sale scheme, which has earned the small Mediterranean island €2.5 billion since its introduction in 2013. An EU passport now costs €2.5 million. Harry Cooper has more: <http://politi.co/2cTCUJK>

FRANCE — TROUBLE IN THE ELYSEE? Since June, 57 ministerial advisers have left the Elysee, compared with 28 during the same period in 2011. More here: <http://bit.ly/2d2l3hk>

ITALY — RETIREMENT REFORMS TO BE LAUNCHED: Italian PM Matteo Renzi is meeting Wednesday with trade unions to discuss controversial pension reforms. More here from Davide Colombo <http://bit.ly/2d2n24S>

BALTICS — RUSSIAN MINORITIES VOTE FOR PUTIN'S PARTY ... A striking feature of the EU's Baltic nations is their large Russian minority populations, many of whom chose to vote in Sunday's Russian parliamentary elections. Here's how they voted, according to the Baltic News Agency ...

Latvia: 75 percent support for United Russia (13,832 votes).

Lithuania: 2,770 citizens participated, with 54.2 percent voting for United Russia.

Estonia: Around 11,000 votes, with an “overwhelming majority” backing United Russia.

RUSSIA — LOW-TURNOUT AND FRAUD ALLEGATIONS MAR ELECTIONS: President Putin's United Russia party won 76 percent of the seats, but a much lower percentage of votes. Less than half the eligible voters turned out. Oliver Carroll: <http://politi.co/2dfusVV>

RUSSIA — QUOTE DU JOUR: “We will just buy out the entire [Bulgaria]. Half of its coastline we have already purchased,” said Pyotr Tolstoy, a newly elected MP from Putin's United Russia Party.

RUSSIA AND THE BALKANS: Jarosław Wiśniewski says Russia is engaged in a long-term disinformation campaign to destabilize the region. <http://wapo.st/2cq255J>

ROMANIA — COURT TO RULE ON SAME-SEX MARRIAGE: Adrian Coman and Clai Hamilton will find out whether the Romanian constitution recognizes their Belgian marriage. Background here: <http://bit.ly/2cSTSbj>

CHINA — INVESTMENTS IN EUROPE RAISING EYEBROWS: Paul Mozur and Jack Ewing <http://nyti.ms/2cUpz1c>

WASHINGTON POST CALLS FOR CHARGES AGAINST ITS OWN SOURCE, EDWARD SNOWDEN: The paper's editorial board says a presidential pardon of the world's most famous whistleblower would be wrong, because he leaked more than what was in the public interest. "Ideally, Mr. Snowden would come home and hash out all of this before a jury of his peers," the editorial board wrote. <http://wapo.st/2cBOOzi>

The Intercept's Glenn Greenwald, which also received leaked information from Snowden, strongly disagreed. "An ignominious feat in U.S. media history: the first-ever paper to explicitly editorialize for the criminal prosecution of its own source — one on whose back the paper won and eagerly accepted a Pulitzer Prize for public service." <http://bit.ly/2cQw33Y>

US 2016 RACE ...

Trump has diplomats abandoning vows of silence. Nahal Toosi and Ben Oreskes <http://politi.co/2df4NwP>

Trump smashes Republican small donor records. But his \$90 million haul is less than a fifth of what Barack Obama raised from them in 2012, reports POLITICO's Shane Goldmacher. Hillary Clinton has so far brought in \$156 million from small donors. <http://politi.co/2daaZmD>

BRUSSELS CORNER ...

COFFEE TIP: Mok Coffee Roastery, Rue Antoine Dansaert 196. By the canal end of the fashion quarter (closest metro is Comte de Flandre), this café is certain to become a favorite of the younger EU crowd. It's the latest venture of Leuven coffee maestro Jens Crabbé. Playbook tried both the flat white and café latte, and took some beans home too. The decor is white on white on white, the avocado toast alone is worth a trip.

NUIT BLANCHE IS COMING TO THE EU QUARTER: Artists are invading the normally dry EU quarter October 1. Look out for dancers in Parc Leopold, films in the

Residence Palace and migration-themed events in an abandoned Council of Europe building on Rue d'Arlon. More here: <http://bit.ly/2cQJ8r4>

EURACTIV.COM RELAUNCHED: 200 pro-EU folk showed up to the gutted and soon-to-be-renovated offices of Euractiv Monday night to hear from new CEO Laurent Ledoux on what has emerged from a two-month consultation and development process for reshaping the outlet.

“The message I got was loud and clear. There’s lots of positive things about Euractiv ... But there are also things we need to change ... We want to better leverage ... our publishing in 12 languages, and to make sure the Brussels bubble hears the voices and concerns of the national capitals,” Ledoux said, adding his goal was to “help Europe reinvent itself after Brexit and help Europe be the best it can be.”

Pics from the launch: <http://politi.co/2dcb2P5> and <http://politi.co/2ciFmWa>

APPOINTED: Chris Berghardt replaces Mark MacGann as head of policy and communications for Uber in Europe.

BIRTHDAYS: Alessandro Torello; journalist **Janos Karpati; Christian Borggreen,** director of CCIA Europe.

PLAYBOOK COULDN'T HAPPEN WITHOUT Harry Cooper and Zoya Sheftalovich.

THANKS to Jacopo Barigazzi

**** A message from Aviva: #Moneytalks.** Today about \$300tn is invested across the world’s Capital Markets. Imagine what we could achieve if this was mobilised to deliver a sustainable economy for future generations. Momentum is increasing towards sustainable finance – and last week we were thrilled when the Commission said it will set up an expert group to develop a sustainable finance strategy. Now is the time for the EU to develop this concept through policy and market actions. As a pan-European insurer and investor, we believe it’s all about taking decisions that still stack up in the long term — in 5 or 10 or 20 years time. That’s why we’ve created #Moneytalks — a sustainable finance policy toolkit. It sets out ideas for policymakers and practitioners on how to create the change we need to catalyse and scale a sustainable financial sector — from sustainable stock exchanges to sustainability league tables for companies.**

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