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Ditte Juul-Jørgensen  
Head of Unit  
Directorate-General for Trade  
European Commission  
B-1049 Brussels  
BELGIUM

14 April 2011

Your ref: Ares(2011)284804

Dear Mr Juul- Jørgensen

**Ref: CHAP (2010) 02320 - Complaint against the UK export credit scheme**

Thank you for letter of 15 March 2011.


We are grateful to you for clarifying the criteria that ECGD's Fixed Rate Export Finance scheme must satisfy in order to be a permitted export subsidy.

In light of that clarification, it is clear that we erred in citing item (j) of Annex I to the ASCM as the grounds for FREF's alleged non-compliance with the ASCM. Rather our complaint should have been directed at item(k).

It is also clear from the response we have received by DG Competition that GEFCO was not the appropriate subject of our state aid complaint, in that it does not constitute "an entity engaged in any economic activity defined as offering goods and services in the market".

Accordingly, we shall shortly be submitting a new complaint against those entities that have benefited from FREF support. As part of that new complaint, we shall be submitting evidence that FREF is in breach of paragraph 2 of item (k) of Annex I of the ASCM.

Yours Sincerely

A handwritten signature in blue ink, reading "Nicholas Hildyard", enclosed in a light blue rectangular box with a thin black border.

Nicholas Hildyard

The Corner House

A handwritten signature in black ink, reading "Ann Feltham", written in a cursive style.

Ann Feltham

Campaign Against Arms Trade