

RELEASE IN PART B6

From: Sullivan, Jacob J <SullivanJJ@state.gov>
Sent: Friday, July 22, 2011 3:23 AM
To: H
Subject: Fw: Summit Press Conference readout

From: Hormats, Robert D
Sent: Friday, July 22, 2011 01:29 AM
To: Sullivan, Jacob J
Subject: Fw: Summit Press Conference readout

Hère is the latest from europe.

From: Smith, Daniel B (Athens)
Sent: Friday, July 22, 2011 01:16 AM
To: Hormats, Robert D
Subject: Fw: Summit Press Conference readout

Bob,

Here is the latest from EU. We will report on Greek reaction later today. All the best, Dan

From: Bouzis, Evangelia M (Athens)
Sent: Thursday, July 21, 2011 04:07 PM
To: Smith, Daniel B (Athens); Miller, Thomas S (Athens); Ross, Daniel E (Athens); Malik, Paul (Athens); Cockrell, John D (Athens)
Subject: Fw: Summit Press Conference readout

From: O'Reilly, Patrick R
Sent: Thursday, July 21, 2011 04:03 PM
To: Erath, Tara F; Mockler, Shannon; White, Thomas J; Pollard, Robert A; Dodman, Michael J; Blaylock, Seth G; Kennard, William E; Engle, Thomas S; Gage, Daniel L; 'dora.douglass [redacted] <dora.douglass [redacted]>; 'Lawrence.Norton [redacted] <Lawrence.Norton [redacted]>; Doherty, Kathleen A; Singer, Russell C; Grauer, Kristen K; Modi, Anjana J; Kvien, Kristina A; Malik, Paul (Athens); Ross, Daniel E (Athens); Holtzapple, Richard A; Bouzis, Evangelia M (Athens); Chang, Lucy M; Liston, Stephen M; Forsyth, Timothy L; Gray, Shawn K; Erickson, Mark; Carwile, John L; Fetter, David R (Luxembourg); Kahler, Wendy A; Flores, Molly P; SES-O
Subject: Summit Press Conference readout

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The Eurogroup Summit is over. The final agreement is very close to the draft version that circulated earlier in the day. Highlight from the statement, including blanks that were filled in, and the post-Summit press conference follow:

Total official financing for Greece estimated to be 109 billion euros.

Maturities of future EFSF loans are to be lengthened to a minimum of 15 years and "up to 30 years with a grace period of 10 years." Barroso said existing loans to Greece will also have their terms improved. Funding costs will drop to near 3.5%. Better terms will apply to Ireland and Greece as well.

Net contribution of private sector estimated to be 37 billion in the period 2011-2014. A footnote explains that there will also be 12.6 billion from debt buybacks. Without further explanation the footnote adds "for the period 2011-2019, the total net contribution of the private sector involvement is estimated at 106 billion euro.

Emphasis in document and press conference that PSI is limited to Greece alone as a unique case.

EFSF and ESM will have their flexibility increased to include acting on the basis of precautionary programs, finance recapitalization of banks through loans to governments including for non-program countries, and intervene in secondary markets in exceptional circumstances when the ECB recommends doing so, and there is unanimity among the Euro area Member States.

New Task Force to work with the Greek authorities on implementation of their commitments and to better use structural funds.

Van Rompuy noted that "we have shown we won't waver in our defense of our monetary union."

Based on comments during the day from market participants, I would expect a positive market reaction. A member of Van Rompuy's cabinet, who seemed relieved by what he said was a difficult discussion, joked that the ball was now in our court to deal with our debt ceiling.

I will send a scan of the document later.

SBU
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