



Mr Martin Bursík
President of the EU Environment Council
Minister for the Environment
Ministry of Environment of the Czech Republic
Vršovická 65
Praha10
110 00
Czech Republic

20 February 2009

Dear President,

The downward trend of production and business climate experienced during the last quarter of 2008 was much more severe than expected. The latest data for manufacturing industries, show that the EU may be faced with further dramatic developments in 2009 and possible structural effects on industry which will be felt in the longer term. It is of utmost importance that implementation and further developments of environmental policies take into account these specific circumstances of the financial and economic crisis.

In view of the Environment Council on 2 March, this letter underlines expectations from European industry to ensure that EU actions do not dampen investment prospects for industry at the current time or hamper future competitiveness.

1. International climate change negotiations

The Environment Council will contribute to the EU position on a comprehensive post-2012 climate agreement, in view of the conclusions by the upcoming European Spring Council.

BUSINESSEUROPE supports ambitious international action that will limit global warming to 2 C°, and notes that it is crucial at this point in time, to use EU leadership on climate change to ensure from global partners equally strong commitments as those which the EU legally adopted in December 2008. In the negotiations leading up to the Copenhagen conference in December 2009 we call on the EU to ensure that the future competitiveness of European industry is not put at risk. An international post-2012 agreement should enhance economic growth, global free and fair trade, security of energy supply, provide medium and long-term predictability and create global co-operative opportunities for business.

Business will provide many of the solutions to meet the challenges of climate change through technological innovation and deployment. To encourage successful innovation and deployment of low-carbon technologies and solutions, enabling frameworks must be established and barriers to trade removed; one prerequisite is respect of the intellectual property rights of private companies.

2. Revision of the IPPC Directive (Integrated Pollution Prevention and Control)

The current IPPC Directive represents a balanced legislative instrument which makes it possible to ensure an integrated and ongoing environmental protection policy under acceptable economic conditions. BUSINESSEUROPE therefore considers that its revision should be limited and should not upset the functioning of a well established system. That said, we believe there is room to improve implementation of the Directive and consequently dissemination of best available techniques (BATs) across Europe. The challenge is to reconcile these two goals through provisions which establish a reasonable cost-effectiveness balance.

The Commission's proposal does not yet reach this necessary balance. It proposes to make the Directive more stringent by making emission levels associated with BATs binding as emission limit values (ELVs). We do not support this provision since it represents an excessively severe restriction on flexibility which will lead to costly measures not always proportionate to the environmental improvements they will engender.

For BUSINESSEUROPE, the most cost-effective way to meet the two goals set out above is to create an obligation for competent authorities to provide a written justification when provisions of a permit deviate from what would be expected on the basis of BATs as defined in the reference documents on best available techniques ('BREFs').

I trust that you and your fellow Ministers will consider these views carefully when discussing these important dossiers and remain at your disposal if you have any questions.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Philippe de Buck', with a long, sweeping underline.

Philippe de Buck