



Mr Stavros Dimas
Commissioner
European Commission
B-1049 Brussels

6 April 2009

Dear Commissioner,

The 15th Conference of the Parties in Copenhagen will be decisive to reach an international post-2012 climate agreement. European companies support action to combat climate change and are themselves committed to doing their share. However, in order to avoid carbon leakage, the future competitiveness of European industry must be protected through a global level playing field. Therefore, an international climate agreement must meet the following criteria:

1. All developed countries must commit to equally strong emission reduction targets, comparable with those that the EU legally adopted in December 2008, and agree to binding absolute emission reductions by 2020 which reach a 30% global reduction, taking into account their national circumstances and capabilities.
2. Advanced developing countries must commit to starting discussions on setting their own binding emission targets, based on common but differentiated responsibilities and respective capabilities.
3. National as well as global action at a sectoral level must start. The number one goal should be that industrial sectors, manufacturing similar products, have comparable emission targets everywhere.

Hence, the EU must only move from a 20% to a 30% emission reduction target if an international agreement is achieved which meets all the above criteria. In the absence of such an agreement, the EU must keep measures in place to ensure the competitiveness of its industry by maintaining its 100% free allocation of allowances for sectors at risk of carbon leakage.

At the same time, policies must avoid imposing further financial burdens on EU industry, which will already contribute substantially to the global financing of climate change mitigation and adaptation through the EU Emission Trading Scheme (ETS). Accordingly, the Commission's proposal for auctioning or selling a share of the Assigned Amount Units (AAUs) in order to provide further financial means must not result in double taxation of European industry.

Business already provides many of the solutions to meet the challenges of climate change through technological innovation and deployment of low carbon technologies. To further encourage business to invest, barriers to trade must be removed and intellectual property rights protected.



The Clean Development Mechanism (CDM) and Joint Implementation (JI) have played important roles in initiating technology deployment between developed and developing countries. The use of these mechanisms, as well as the development of future mechanisms, must be encouraged and not limited or restricted to certain countries or projects.

Finally, obligations on monitoring, reporting and verification need to be strengthened in order to ensure a global level playing field for industry.

BUSINESSEUROPE counts on the Commission to take into consideration the views of European industry expressed in this letter and wishes EU negotiators every success in the upcoming UNFCCC negotiations.

Yours sincerely, *Best regards,*

Philippe de Buck