



THE SECRETARY GENERAL

Mr Jean-Louis Borloo
Minister of Ecology, Energy and Sustainable
Development
President of the EU Environment Council
246, Boulevard St-Germain
Paris 7^{ème}
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Brussels, 7 October 2008

Monsieur le Président,
Monsieur le Ministre,

Environment Council, 20-21 October 2008

In view of the Environment Council on 20-21 October, I would like to share European companies' views on two issues of major importance:

EU climate and energy policy

European industry is very concerned that additional costs imposed by EU climate and energy policies will profoundly affect its international competitiveness. The amendments recently adopted in the responsible European Parliament Committees on the Emission Trading Scheme Directive and on the Renewable Energy Directive are not sufficient to allow for achieving the EU's climate and energy targets in the most cost-efficient way.

BUSINESSEUROPE insists in particular that manufacturing industries assessed as exposed to international competition must receive 100% free allocations against independently scrutinized technology or efficiency benchmarks until there is an international agreement with equivalent burdens for industry outside Europe. Therefore the ongoing international climate change negotiations are essential. An international agreement must mobilise all major economies and establish a level-playing field for industry throughout the world to prevent carbon leakage.

Adoption of the Council conclusions on the Sustainable Consumption and Production and Sustainable Industrial Policy Action Plan

BUSINESSEUROPE supports the objective of promoting sustainable industrial policy and more sustainable consumption and production patterns in the EU. If the Action Plan is implemented properly, we believe that it has the potential to contribute to the

ambitious objective of sustainability. In that respect, more sustainable investment and consumption behaviour amongst citizens should act as a spur for change.

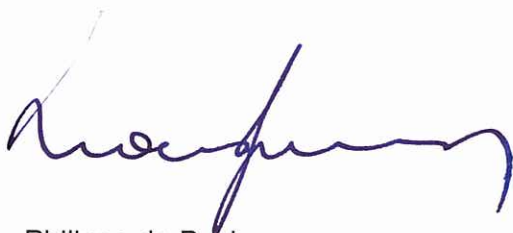
You will find attached detailed comments on the Action Plan. It sets out the conditions under which the Action Plan should be implemented to bring about the desired changes in the market without creating collateral damage to EU industry's competitiveness and its ability to innovate.

In view of recent developments during preparation of the Council conclusions, I would like to draw your attention to the following issues.

- While making EU more resource-efficient is the single most important first step to tackle our problems related to energy and climate change, we question the value of establishing a resource efficiency target. It risks putting a brake on economic growth, which would compromise a main objective of the Action Plan, namely to create opportunities, growth and jobs.
- BUSINESSEUROPE supports the objective of establishing a stronger link and coherence between two legislative "pillars" of the Action Plan, namely the Eco-Design Directive and the Energy Efficiency Labelling Directive. However, we believe that the scope of the latter must not automatically be extended to all product groups covered by the Eco-Design Directive.
- Extreme caution is needed before a political decision on CO₂ footprint labelling is taken. A number of fundamental questions remain regarding its suitability and practicality as well as costs and benefits.
- Opportunities and risks of introducing mandatory EU-wide product performance thresholds (by means of a revision of the Energy Efficiency Labelling Directive) for applying incentives and public procurement must be assessed very cautiously and in close cooperation with business.

I trust that you will consider these matters carefully when adopting the Council conclusions on the Action Plan and remain at your disposal if you would like to exchange views.

Yours sincerely,



Philippe de Buck

Encl.: 1.

C.c. : Mr Peter Carl, Special Representative of the Minister for Europe