



Mr. José Manuel Barroso  
President  
European Commission  
B-1049 Brussels

27 June 2012

Dear President, *Cher ami,*

BUSINESSEUROPE supports the central role played by the EU Emission Trading Scheme (ETS) in the EU climate policy and has called on EU policymakers to start an open and inclusive debate, involving all stakeholders, on the necessary level of ambition for the ETS by 2030. This needs to take place within the context of a comprehensive debate about the future of the EU's energy, climate and industrial policies. An improved coherence between these policies in the future will be crucial for the competitiveness of European industry.

To incentivise investment, clear and consistent political statements on trajectories up to 2050 and political discussions on the post-2020 regulatory framework, including interim greenhouse gas targets, are therefore needed as soon as possible. Prior to this longer-term view being developed and accepted, short-term measures such as changes to the ETS auctioning regulation to withhold allowances must be avoided as these would interfere with a more constructive discussion on how to achieve a systemic solution. Pre-emptive short-term measures would create a precedent, resulting in greater uncertainty, which has to be avoided, and could have major repercussions for EU industry, which is already under strain from the economic crisis. Instead the ETS needs to be structurally enhanced such that the system will be able to cope with circumstances that could not be foreseen at the time of cap-setting.

Furthermore, a measure of such importance cannot be swiftly implemented without any dialogue with stakeholders. Therefore, any proposed measure must be accompanied by a bottom-up impact assessment which carries out a thorough competitiveness proofing for the sectors most likely to be affected by these measures. BUSINESSEUROPE is aiming at providing constructive input into the on-going discussions. We are convinced that there will not and cannot be one simple solution. Therefore we encourage you to make sure that the necessary analysis is carried out and that a transparent process is set up. Key stakeholders need to be given the opportunity to participate in finding lasting solutions to the enormous EU climate and energy policy challenges ahead.

This letter was also sent to Vice President Tajani as well as Commissioners Hedegaard and Oettinger. Copies were sent to all other Commissioners.

Yours sincerely,

Philippe de Buck