



1 October 2012

Dear Member of the European Parliament,

I am writing to you to bring to your attention BUSINESSEUROPE's concern regarding the Commission's proposal for "backloading" in the EU Emission Trading Scheme (ETS).

European business supports the central role played by the ETS in the EU climate policy and has called on EU policy-makers to start an open debate, involving all stakeholders, on the level of ambition for the EU ETS post 2020. 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 among these policies will be crucial for the competitiveness of European industry.

Prior to this longer-term view being developed, short-term measures such as changes to the ETS auctioning regulation to "backload" 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, and could have major repercussions for European business, which is already under strain from the economic crisis.

Therefore, on balance, we would like to ask you to reject the Commission's proposal for a Decision to amend the ETS Directive clarifying provisions on the timing of auctions and the related "backloading".

Please be assured that BUSINESSEUROPE is working to provide constructive input regarding the design of the ETS post 2020. This needs to be structurally enhanced to deliver against its emissions reduction targets while supporting the competitiveness of European industries, and to work in coordination other EU energy policies.

In this regard, we encourage you to make sure that the necessary analysis, including competitiveness-proofing for the sectors concerned, 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 climate and energy policy challenges ahead.

Yours sincerely,

Philippe de Buck