



**Mrs Connie Hedegaard**  
Commissioner for Climate Action  
Directorate General Climate Action  
European Commission  
B-1049 Brussels

15 July 2013

Dear Commissioner,

Following up on our constructive meeting on 11 July, I would like to thank you for your interest in BUSINESSEUROPE's recommendations on the EU 2030 climate and energy framework. We appreciated the opportunity to have an open discussion and we look forward to continuing this dialogue in view of the forthcoming initiative by the Commission on the 2030 framework.

In the next months, the European Commission will implement key elements of the legislative framework for the third phase of the EU Emission Trading Scheme as required by the ETS Directive. In particular, decisions on the revision of the carbon leakage list and on the cross-sectoral correction factor will have a significant impact on the functioning of the carbon market and on the installations concerned. It is therefore crucial that these decisions are taken in a transparent and timely way with full engagement of stakeholders.

Regarding the cross-sectoral correct factor, BUSINESSEUROPE calls on the European Commission to clarify as soon as possible whether a correction is needed and when such a provision would be implemented. Installations covered by the scheme need certainty about the total amount of free allocation they will be entitled to plan their business activities. Such a decision must be taken without further delay.

The revision of the carbon leakage list will also potentially have consequences for many installations. BUSINESSEUROPE welcomes the initiatives by the European Commission to engage stakeholders in the process; however more efforts will be needed until the finalization of the list.

In particular, European business considers necessary to plan more bilateral meetings between the Commission and concerned business sectors in order to exchange information, identify methodological issues to be solved and agree on the best solutions. Decisions about the future carbon leakage list will potentially have a big impact on business sectors and should therefore be managed with care.



The whole revision process will have to be carried out in a transparent way, with regular debriefing sessions for stakeholders and involving all the political levels at the appropriate time.

I thank you in advance for your support in ensuring an inclusive process leading to sound policy making.

Yours sincerely,

Markus J. Beyrer