



Press Release

Brussels, 15 December 2016

ETS review: Game over for Tiered Approach

Today's vote in Environment Committee of the European Parliament marks another major stepping stone for the ETS review.

“There are no more doubts. The message from the Parliament is unequivocal: Game over for the tiered approach. The time has come to promote and reward low-carbon investments” says Nicola Rega, Climate Change and Energy Director at the Confederation of European Paper Industries (CEPI).

The vote reinforces the decisions [already taken by the European Parliament's Committee on Industry, Research and Energy in mid-October](#). It underlines the need for all sectors to contribute in reducing carbon emissions; flexibility in setting the auction share; a pragmatic solution to help member states with compensation for indirect carbon costs, and a wider-ranging fund for innovation.

The broad range of political support reached proves that the difficulties negotiators faced over the last months were worth it. We therefore fully congratulate the rapporteur, Ian Duncan, and the shadow rapporteurs Ivo Belet, Jytte Guteland, Gerben-Jan Gerbrandy, Kateřina Konečná, Eleonora Evi, Bas Eickhout and Mireille d'Ornano for their commitment to achieving a common position.

Although these are positive developments, a lot still needs to be achieved ahead of the Council negotiations. In particular, the solutions to address the impact of the cross-sectoral correction factor are far from satisfactory. The attempt to shield more than 50% of industrial emissions from this mechanism is unjustifiable from an environmental, economic and equitable perspective. It doubles the uncertainty connected to the CSCF for less carbon intensive sectors and limits their investment security for low carbon investments. In addition, the last-minute solution to include a border adjustment mechanism into the ETS raises more questions than answers.

A significant investment challenge lies ahead for European manufacturing industry to transform its production base and regain competitiveness. With our positive attitude we will constructively continue to engage with policy-makers to ensure that the ETS will work as a tool to reward low-carbon investments. It is high time we put the ETS on a pro-investment track.

For more information, please contact Nicola Rega at n.rega@cepi.org or by phone at (+32) 485 40 34 12.

