



call with USIPA

Meeting date and place

Meeting held on 30/03/2021 16:15 in Charlemagne

Participating organisation(s) & representative(s)

[redacted]	- US Industrial Pellet Association (TRN: 227344812892-07)	Participant.
[redacted]	- - US Industrial Pellet Association (TRN: 227344812892-07)	Participant.
[redacted]	- - US Industrial Pellet Association (TRN: 227344812892-07)	Participant.
[redacted]	- - US Industrial Pellet Association (TRN: 227344812892-07)	Participant. Requester.

Main issues discussed

Report meeting USIPA (US Industrial Pellet Association), 30.03.2021, 16h15-17h

Participants:

USIPA underlined that sustainable biomass is one of the main US agricultural export products and that the US has a trade deficit in sustainable biomass with the EU. USIPA expressed concerns regarding 3 ongoing Green Deal related initiatives, asking DG TRADE to intervene:

-On ETS, USIPA is concerned (based on a discussion with CAB EVP Timmermans) that the EU would intend to discriminate against the import of biomass into the EU, possibly by adding a factor on imported biomass (while domestic biomass would be 0-rated)

-USIPA is further concerned about the EP's own initiative report on CBAM, in which the EP would appear to be pushing the Commission to apply a carbon price on biomass at the border. According to USIPA this would be "moving the goalpost", an unacceptable change in sustainability criteria. USIPA referred to the fact that biomass is recognised as key to achieve the EU's climate goals and that, while the price of cement, electricity, fertilizers and other products that are potentially subject to CBAM may be higher in the EU than in other countries because of more stringent environmental/carbon emission requirements in the EU, this would not be the case for biomass. No carbon price should therefore be applied to US biomass.

-Finally USIPA expressed concern, in the context of RED II-review or RED III-initiative, about a possible moving away from a risk-based approach (where the pellet producers would need to certify that sourcing and production were done in a sustainable manner) to forest-based certification (where the forest/land owner would need to certify/bear the risk). This would be very problematic for the US because (in contrast with many countries where forests are owned by the state) most relevant forests in the US are privately owned by small owners, who do not have the resources to bear the administrative cost and burden of such certifications. USIPA further argued that US sustainability laws in that area are also very strict and that the combination of US and EU laws should allow to retain a risk-based approach (without this going against the EU's precautionary principle).

USIPA indicated that it was also in contact with USTR and the Kerry team on these issues.

DG TRADE gave an update on the SoP of the "Fit for 55 package", underlining that the sectors to which CBAM should apply are not yet defined, while biomass does not appear to be targeted for now. DG TRADE further confirmed that it is always paying particular attention to ensure WTO compatibility of any measure that could affect trade flows. On the EP's own initiative report, DG TRADE asked USIPA to identify the passage that causes concern, as the trade-related focus appeared to be mainly on WTO compatibility. Finally, DG TRADE confirmed that the legislative process of RED II is completed but RED III still ongoing.

Directorate or unit

TRADE D/1

Internal participants

[redacted]	Participant. Requested for.
[redacted]	Participant. Notetaker.
[redacted]	Participant.

Author(s) of minutes

[redacted]

Validator and validation date

[redacted] validated the minutes on 31/03/2021 15:46

