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**Sent:** Monday, June 17, 2019 12:02 PM  
**To:** [REDACTED] (CAB-KATAINEN) <[\[REDACTED\]@ec.europa.eu](mailto:[REDACTED]@ec.europa.eu)>  
**Cc:** [REDACTED] (CAB-KATAINEN) <[\[REDACTED\]@ec.europa.eu](mailto:[REDACTED]@ec.europa.eu)>  
**Subject:** Follow-up meeting RE: DAVOS 2019 Proposal of bilateral meeting - on Green Carbon Border Adjustment measures

Dear Mr. [REDACTED],

I am sending this mail further to our very constructive meeting earlier this year, on the big need for a green carbon border adjustment for steel importers, with your Cabinet colleague and the Malmstrom Cabinet. That was a follow-up meeting from VP Kaitanen and Mr [REDACTED].

As discussed then, we would come back on the issue of WTO compatibility with more worked out material on how this can be designed in a compatible way and discuss what would be possible. Indeed, in the meantime we have now received thorough advice by three expert law firms and a think tank for this purpose.

In this respect, it is rather encouraging to hear what Commissioner Malmstrom mentioned last week at a conference, that such measures could be WTO compatible and that she could be in favor depending on the context.

As you may have seen, since our meeting last time, the steel sector entered a crisis, due to the combination of lower demand, increasing imports and insufficient safeguard measures, and decreasing steel prices and profitability. But also increasing carbon costs come in this picture already, for our company hundreds of millions per year already and expected to increase steeply in ETS phase 4.

Also, since our last meeting also, we launched our first ever Carbon Action Report (attached), in which we try to be a leader of low carbon technology development but also its investment in the EU. This is rather fascinating, but also very challenging. Our new ambition is indeed to become carbon neutral by 2050 in the EU, but then we should be able to compete and invest in the EU and not divest the upstream and import the CO2 intensive part of steel production, which is happening already as mentioned. This would not be sustainable and also a risk to implement our low carbon technologies.

The EU have provided climate targets and funding for technologies in its climate policy, but the business case to invest in the EU and compete globally is completely lacking, as discussed.

Hence, we would very much like to follow our discussion on the best possibly future policy in this context in a next meeting. When would this be possible for you?

*Kind regards,*

[REDACTED]