From: (CAB-TIMMERMANS) To: @eurofer.be; Cc: @fertilizerseurope.com; @eurofer.he: @fertilizerseurope.com; @fertilizerseurope.com; (CAB-TIMMERMANS Subject: RE: Ares(2020)6110970 Carbon Border Adjustment Mechanisms and carbon leakage measures – joint letter from CEMBUREAU, EUROFER and Fertilizers Europe Date: mardi 9 février 2021 18:28:00 **Attachments:** 7371132 HOC.docx image001.png image002.png Dear Please kindly find enclosed a signed letter by Mr Diederik Samsom, Head of Cabinet of Executive Vice-President Timmermans in response to your letter of 29 October 2020 sent to the President von der Leyen. Best regards, ? **European Commission** B-1049 Brussels/Belgium @ec.europa.eu From: @cembureau.eu> Sent: Thursday, October 29, 2020 9:58 AM To: EC PRESIDENT VDL < @ec.europa.eu>; CAB GENTILONI CONTACT @ec.europa.eu>; CAB TIMMERMANS CONTACT < @ec.europa.eu>; CAB DOMBROVSKIS CONTACT < @ec.europa.eu>; CAB BRETON CONTACT < @ec.europa.eu>; CAB SIMSON CONTACT <</pre> @ec.europa.eu> Cc: VANDENBERGHE Kurt (CAB-VON DER LEYEN) < @ec.europa.eu>; (CAB-TIMMERMANS) < @ec.europa.eu>; (CAB-TIMMERMANS) < @ec.europa.eu>; (CAB-TIMMERMANS) < @ec.europa.eu>; (CAB-GENTILONI) < @ec.europa.eu>; (CAB-GENTILONI) < @ec.europa.eu>; k (CAB-GENTILONI)

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	MAS Gerassimos (TAXUD)
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@cembureau.eu>;	
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Subject: Carbon Border Adjustment Mechanisms and carbon leakage measures – joint	
letter from CEMBUREAU, EUROFER and Fertilizers Europe	
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Dear President,	
Dear Executive Vice-Presidents,	
Dear Commissioners,	
On behalf CEMBUREAU, EUROFER and Fertilizers Europe, please find	
attached a letter in relation to Carbon Border Adjustment Mechanisms and	
carbon leakage measures.	
We thank you for your consideration and remain at your disposal should you	
have any question.	
Sincerely,	
CEMPUREALL The Francisco Comment A	an a ciption
CEMBUREAU – The European Cement Association	
Rue d'Arlon 55, 1040 Brussels, Belgium	
W: www.cembureau.eu	

EU Transparency Register No: 93987316076-63

EUROPEAN COMMISSION

Cabinet of Executive Vice-President Mr Frans Timmermans

Head of Cabinet

Brussels, 9/2/2021 Ares (2020) 6110970

Thank you for your letter addressed to President von der Leyen and for sharing your concerns pertaining to the Carbon Border Adjustment Mechanism.

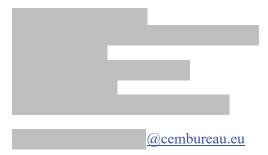
The President has asked me to reply on her behalf.

I have read your letter with a lot of interest. Let me first reassure you that the Commission is aware of your concerns.

The prime objective of the forthcoming Carbon Border Adjustment Mechanism proposal is to fight climate change and reduce carbon emissions. As the EU increases its climate ambition and strengthens its Emissions Trading System, in case others do not have the same ambitions there is a higher risk of carbon leakage from the EU to third countries. In this context, if more carbon-intensive production in third countries were to replace environmentally better performing EU production, emissions would increase globally. The Carbon Border Adjustment Mechanism is an instrument to address this risk.

Indeed, a Carbon Border Adjustment Mechanism would ensure that the price of imports reflects more accurately their carbon content.

The main measure currently in place to address the risk of carbon leakage is the free allocation of emission allowances to relevant sectors under the EU's Emissions Trading System. As outlined in the Commission's European Green Deal Communication of December 2019, the Carbon Border Adjustment Mechanism is an alternative to this measure and will have to comply with the rules of the World Trade Organization (WTO).



The Commission services are currently preparing legislative proposals that will be tabled in June 2021. In this context, they are carrying out an assessment of impacts – including on value chains – of various options of establishing a Carbon Border Adjustment Mechanism. This analysis will also look at the modalities of the transition from the system of free allowances to a Carbon Border Adjustment Mechanism. The contributions submitted in the public consultation will also inform our reflection.

Finally, I share your view that a stable regulatory environment is necessary to make the appropriate investment decisions, in particular as regards those directed to sustainable production. Therefore, the Commission is committed to presenting a clear and consistent set of rules to reach our new 2030 climate target and achieve climate neutrality by 2050, providing long-term predictability and planning security to the EU industry.

Yours sincerely,

Diederik Samsom