



**GLOBAL
ECONOMIC ISSUES**
HOSPODÁRSKA
SEKCIA

Forum for 21st century on Global Emission Trading

The United States of America would like to thank the Forum for 21st Century for initiative in the negotiations on the economy of climate change mitigation and adaptation and organizing the conference on this matter. We manifest our full commitment towards solving the environmental challenges of 21st century and reaching a mutual understanding between all participants present.

At the same time, the U.S. would like to emphasize that it supports all the efforts on mitigation and adaptation of climate change. The delegation of the U.S. agrees about the need of mutual consensus of climate change mitigation and adaptation plan. We consider climate change as a threat for our citizens and our region. Attention is now focused on setting emission targets and designing policies to help achieve them.

Notes:

I. The U.S. agrees with the annually updated GHG emission caps, unless these updates would be made regarding the current situation and would be decided on the state level, due to the proximity. Each country should be allowed to adapt their commitments regarding the economic situation within the country. But the U.S. is prepared to initiate negotiations about internationally determined emission caps, unless all countries, even developing countries, would be willing to define their emission caps equivalent to their emissions.

II. The U.S. is willing to support only voluntary emission trade. However we propose the constraint of the market for power plants and carbon pollution. The U.S. is considering the flexible mechanisms as ineffective way.



III. The U.S. does not have clear understanding on the meaning, source and destination of proposed financial measurements. We already cooperate on financial support of mitigation and adaptation activities in developing countries.

IV. We are currently participating on Durban platform, therefore we do not consider any need for further roadmap. We would rather propose focusing on existing binding agreements and fulfillment of their goals.

V. Within the proposal of institutions the U.S. supports the negotiations about new legally binding agreement. However, the U.S. administration has no interest in an accord unless key sticking points are worked out and all large GHG emitters take equally stringent actions.

Within UNFCCC Bratislava Accord the U.S. suggests the following proposals of changes:

Concerning the article 4, the U.S. will participate on ISCCER mechanism only in that case the emission caps would be determined in equity for every Party. We envisage a global cap-and-trade system that would apply not only to industrialized nations, but also to developing countries.

Concerning the article 5, the U.S. considers free trade with ISCCER offsets as an efficient way to address emission reductions requirements. As the U.S. market remains primarily a voluntary market, we support the main principles of free competition – free market prices and free market access for any subject directly involved in production and/or prevention of GHG emissions or for eligible intermediaries.

Concerning the article 6, the U.S. expresses full support for application of National Treatment on internal regulation of ISCCER Offsets in order to stick to WTO law principles.

Concerning the article 7, the U.S. insists on adoption of adequate national competition legislation on Offset trade by every Party by the date Accord enters into force. If not, the U.S. will not participate on ISCCER mechanism. We propose to decrease the permitted amount for



any eligible non-intermediary participant to 150 % of their Carbon footprint in ISCCER Offsets and the permitted amount for any eligible intermediary only to 125 % of Global mean industrial footprint index in ISCCER Offsets.

Concerning the article 8, the U.S. does not have clear understanding on which institution should be competent in issuing of the ISCCER Intermediary License or on the procedure by which the license should be granted. Therefore we need more detailed information on this process.

Concerning the article 9, the U.S. acknowledges the inevitability of implementing green mechanisms into national policies in order to offset GHG. We propose that the content of the Execution Protocol will consist of general implementing measures, no strict ones, in order to enable accommodation of national policies to new regulations.

Concerning the article 10 a), the U.S. agrees with the proposed maximum deflection corridors and terms. We only propose to revise the percentage of objecting parties from 10 to 20 in order to provide the stringent economy with more alternatives to recover.

Concerning the article 12 the U.S would like to capitalize its right and opt out the Execution Protocol I since the new green-regulation would cause harmful consequences on the economy of many U.S. states that do not have introduced this regulation yet.

We propose to postpone the time that the articles [7] and [11] will come into force from 18 to 24 months after the Accord's operationality. The process of adapting the national regulations to new WTO regulations should require two years for both developed and developing countries.

We hope our recommendations to the second draft proposal will be taken into consideration.