



**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.

The U.S. is aware of consequences of global climate changes with their impacts on all regions of the world and is ready to take a step forward proper climate change management.

The U.S. is a party of UNFCCC from 1992.

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. However, we express our uncertainty about the exact number of „UNFCCC enactments“.



II. The U.S. supports fair distribution of the GHG cap burden throughout the entire international community, but we express our concern on which authority/State will be responsible and entrusted to take action if the GHG caps are not distributed in a fair way.

III. The U.S. emphasizes supporting 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.

IV., V. The U.S. does not raise any objections.

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

Concerning the article 1, we propose to cut out from the text “and future endorsed protocols of the Convention”.

Concerning the article 3c, the U.S. does not agree with the institution of IPCC, and rather proposes establishment of Secretariat of UNFCCC.

Concerning the article 4, the U.S. will participate on ISCCER mechanism only in the case when 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 including the developing countries by the date Accord enters into force. If not, the U.S. will not participate on ISCCER mechanism. We agree with proposed permitted amount for any eligible non-intermediary participant at the level of 150 % of their Carbon footprint in ISCCER Offsets and with proposed permitted amount for any eligible intermediary at the level of 125 % of Global mean industrial footprint index in ISCCER Offsets.

Concerning the article 8, the U.S. still does not have clear understanding on which authority should be competent in issuing of the ISCCER Intermediary License or on the procedure by which the license should be granted. We request to adopt unified practices and measurements in the issuing process binding for every State. Therefore we need more detailed and clearly stated information about the mentioned authority and procedures.

Concerning the article 9, the U.S. acknowledges the inevitability of implementing green mechanisms into national policies in order to offset GHG. We propose to set a very detailed inclusion plan in the Execution Protocol with concrete implementing terms valid equally for both, developed and developing countries in order to enable accommodation of national policies to new regulations.

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