



UNITED STATES COUNCIL FOR INTERNATIONAL BUSINESS

Peter M. Robinson
President & CEO

December 1, 2014

Mr. Todd Stern
Special Envoy for Climate Change
U.S. Department of State
2501 C Street, N.W.
Washington, D.C.

Dear Mr. Stern:

USCIB members seek an ambitious and practical outcome in Paris next year, and Lima is a crucial step in that direction. As governments in Lima continue work on a durable and effective long-term UN climate change framework, U.S. businesses see a once-in-a-decade opportunity to design international climate cooperation that works with markets to deploy investment and innovation, and to encourage companies in all sectors to economically integrate climate mitigation and adaptation into their activities and supply and value chains.

This is also a chance to anchor the role of business in the UNFCCC, firstly as a resource for both governments and the process to inform international policy deliberations, practical expertise and technical advice and secondly, as a vehicle for complementary practical action and initiatives.

Given the wide impact that the 2015 Paris accords will have on markets, regulations and other commercial circumstances, we regard an ongoing process to provide business expertise and views as a valuable, and indeed, indispensable resource for the UNFCCC. In light of the high levels of action and investment envisioned for the eventual Paris outcomes, substantive and recognized involvement by business -- building on the foundation of the UNFCCC Green Climate Fund (GCF) and Technology Mechanism -- can and must be increased across the entire UNFCCC.

We believe that the UNFCCC process should upgrade business engagement over the coming year. USCIB sees this as an opportunity to develop recognized business involvement at three levels:

- Broader interfaces with multi-sectoral business organizations from all over the world should be established, building on existing business advisory roles in the GCF and the Technology Mechanism. This broader engagement would be responsive to specific inquiries in both the Climate Technology Centre and Network (CTCN) and the Private Sector Facility of the GCF.
- Intended Nationally Determined Contributions should reflect and engage business contributions at national and international levels, in the ex ante INDC development, and facilitative consultation stages of the process.
- An overall recognized consultative business channel to the UNFCCC should be put in place. This business organized structure with transparent governance would provide responsible business views, ensure an ongoing two-way dialogue with business and supplement national and international business interactions.

With this letter, we would also like to convey COP20 recommendations of the Major Economies Business Forum (BizMEF). These papers underscore key areas for the international business community, concerning COP20 as a whole and in the specific areas of:

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Global Business Leadership as the U.S. Affiliate of:
International Chamber of Commerce (ICC)
International Organization of Employers (IOE)
Business and Industry Advisory Committee (BIAC) to the OECD
ATA Carnet System

- “The GCF and Private Sector Facility”

The GCF and its Private Sector Facility should “crowd-in” private sector investments, providing information and promoting enabling frameworks for investment. GCF should play a leading role in eliminating barriers to investment in developing countries, providing appropriate risk reduction supports and reducing regulatory risk.

- “INDCs and the Role of Business”

Early involvement of business in INDCs will ensure a greater chance of buy-in to the options tabled and ensure that they are strongly linked with the wide ranges of domestic capability and capacity, strategies, and policy agendas. Business engagement will also help provide insight on implications for global commerce and aggregate consequences.

- “Pricing for Mitigation Actions”

Businesses need to understand the manner in which GHG pricing is or will be implemented, in particular its size, scope, timing, and consequences, especially in a world where nations pursue different timing and approaches to mitigate emissions. A variety of unsettled choices affect pricing policies, for example, whether and how to:

- *Set prices, either directly through a GHG tax or indirectly through a cap and trade system;*
- *Include domestic or international offsets;*
- *Link with other jurisdiction via markets or bi- and multi-lateral agreements.*

- “Enhancing Business Engagement”

The Paris outcomes should provide a recognized interface for business to be consulted on and provide policy and technical advice and two-way information sharing, building on specific and distinct business interfaces to UNFCCC bodies, such as the Technology Mechanism and GCF.

USCIB promotes open markets, competitiveness and innovation, sustainable development and corporate responsibility, supported by international engagement and regulatory coherence. It has represented U.S. business in the UNFCCC since 1993, is the U.S. affiliate of the International Chamber of Commerce, and participates in BizMEF, a partnership of major multi-sectoral business organizations from major economies. Modeled after the government-to-government Major Economies Forum, BizMEF is a platform for these groups to promote dialogue and exchange views on climate change and energy security across a broad spectrum of business interests including major developed, emerging, and developing economies.

USCIB members seek Paris outcomes next year that stimulate research, innovation, investment and deployment of existing and advanced cleaner technologies on the necessary scale to address climate risks, in the context of open trade and a return to economic growth, energy security, and adaptation. We believe that anchoring the role of business in all its diversity in this vital international cooperative effort will contribute to sound and practical policy development and implementation.

We look forward to working with the Administration to attain a long-term accord which provides business with a clear and predictable framework in which to contribute solutions.

Sincerely,



Peter M. Robinson

Cc: Catherine Ann Novelli, Under-Secretary, Economic Growth, Energy and the Environment,
U.S. Department of State
Jennifer Prescott, Assistant USTR for Natural Resources
Christo Artusio, Director, Office of Global Change, OES, State Department
Walker Smith, Director, Office of Global Affairs and Policy, EPA
Trigg Talley, Deputy Special Envoy for Climate Change, OES, State Department