



November 28, 2012

Mr. Todd Stern
Special Envoy for Climate Change,
Bureau of Oceans and Environmental and Scientific Affairs,
United States Department of State

Dear Mr. Stern:

The United States Council for International Business (USCIB) believes the 18th Conference of the Parties affords an opportunity to strengthen international cooperation and build a more comprehensive and practical long-term agreement under the U.N. Framework Convention on Climate Change (UNFCCC).

The UNFCCC negotiations in Doha provide an opening to strengthen enabling frameworks for investment, trade, and technological innovation. However, any inclusion of IPR, under the UNFCCC agenda, post-2020 discussions or in new institutions and implementing frameworks such as the TEC and CTCN must continue to be rejected because such inclusion would be counterproductive, unsupported, and institutionally and legally confusing.

In addition, we see specific and distinct business engagement, separate and apart from broader consultation or stakeholder fora, in both UNFCCC policy formulation and implementation through mechanisms such as the GCF, TEC and CTCN, as indispensable.

The Major Economies Business Forum (BizMEF) has recently completed 4 papers for COP18, setting out its vision for a post 2020 accord, along with recommendations on Adaptation, Regulatory Predictability and Business Engagement.

We would like to underscore three particular priorities for U.S. business in these papers that relate to COP18's resolution of the 2 Ad Hoc Working Groups and development of the post 2020 agreement:

- We urge the U.S. delegation to continue its steadfast opposition to any inclusion of IPR under the UNFCCC agenda, post-2020 discussions or new institutions, such as the Technology Mechanism (and we thank you for past support). IPR is exhaustively regulated in the WTO TRIPS and other existing international agreements and has no place in the UNFCCC. IPR, moreover, encourages and enables technology development, dissemination, transfer and global technology value chains; weakening IPR would be counterproductive to the very economic and environmental objectives that we collectively pursue. The focus instead should be on financing, capacity building and other technology enabling factors. The TEC and CTCN can play an important role in this regard. The recent LCA Chairman's draft of November 16, 2012, contains numerous references to IPR. Each of those should be rejected and removed.
- We seek your support for recognized business engagement in the UNFCCC itself and in post-Durban institutions. USCIB believes that establishing specific and distinct business interfaces to new UNFCCC mechanisms in the near term and evolving toward a "direct input" business channel based on the model of the OECD's Business and Industry Advisory Committee (BIAC). This will be critical in the GCF, CTCN and Adaptation Committee to attract the private sector solutions and involvement on which their success will substantially depend.
- Adaptation strategies to minimize risks and impacts from climate change will require public-private partnerships with business participation to develop local, regional, and national priorities and plans. Many useful steps could be taken now based on enhancing current capacity to manage and respond to existing

risks. Through its normal planning processes, operational experience and community engagement, business has expertise and tools to contribute to these efforts.

The U.S. has consistently emphasized implementation and the need to mobilize business resources and investment on the pressing challenges of climate change. Removing uncertainty and liability issues for U.S. companies doing business in global markets, would encourage the development of cleaner energy alternatives and technologies. Failure to address regulatory shortcomings will slow access to energy, stifle job creation and economic growth, and prevent technology diffusion.

The global trade system should be seen as a vehicle for broader dissemination of technologies and other solutions to address climate challenges and advance greener growth. While competitiveness imbalances are a substantial concern, we ask for your support so that trade-related deliberations and measures inside and outside the UNFCCC favor incentives for trade and investment, rather than penalties and restrictions (such as a weakening of IPR rules).

USCIB is a U.S. business partner of BizMEF, which is a partnership of major multi-sectoral business organizations from major economies and regions. Modeled after the government-to-government Major Economies Forum, BizMEF promotes dialogue and exchanges views on climate change and energy security across a broad spectrum of business interests including major developed, emerging, and developing economies.

USCIB has also been a consistent and positive partner in U.N. deliberations relating to sustainability and climate change on behalf of its multi-sectoral membership of leading U.S. companies. We will be on hand during COP18, and welcome the opportunity to be a resource for your delegation. Please do not hesitate to call on us, and we are ready to discuss these recommendations and next steps at your convenience.

Best Regards,



Norine Kennedy

Vice President, Energy and Environment

United States Council for International Business

Cc: Jonathan Pershing, Deputy Special Envoy for Climate Change, Special Envoy for Climate Change, Bureau of Oceans and Environmental and Scientific Affairs, U.S. Department of State

David Sandalow, Under Secretary, Office of the Under Secretary of Energy, Office of the Deputy Secretary, U.S. Department of Energy

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