EUROPEAN PANEL FEDERATION
WOOD-BASED PANELS

European Commission
DG CLIMA, Units B1 & B3

Brussels, 20 November 2020

EPF Feedback on the Inception Impact Assessment on the Amendment of the EU Emissions Trading System (Directive 2003/87/EC)

The European Panel Federation (EPF), welcomes the Inception Impact Assessment on the Amendment of the EU Emissions Trading System (EU ETS) and the opportunity to provide feedback. The wood-based panels industry believes that this initiative will be a key element in implementing a coherent framework to allow the objectives of the European Green Deal to be achieved, to combat climate change and to achieve climate neutrality by 2050. EU ETS as the world's largest carbon market is an important tool for reducing greenhouse gas emissions cost-effectively.

EPF Members are preparing to return to the carbon leakage list in Phase IV (2021-2030) following the 2018 revision and in this respect, EPF calls on the European Commission to consider the following points when elaborating its proposals:

- Ensure that decisions are made as soon as possible to allow linear and rapid business planning and stability for at least the next five years;
- Provide economic operators with the final decisions on the the benchmarks (especially the heat benchmark), the Cross-Sectoral Correction Factor and the number of allowances for every company under ETS
- Guard against unforeseen impacts of the Carbon Border Adjustment Mechanism (CBAM) and ensure that it remains complementary to ETS;
- Ensure that CBAM should not be seen as an alternative to the existing carbon leakage measures under the ETS which are competitiveness measures;
- Guarantee stability of the legal framework so that investments in areas such as high-efficiency Combined Heat & Power (CHP) are made sustainable in the long-term;
- Confirm that the new proposals ensure a level playing field and the minimisation of the regulatory and administrative burden for economic operators.

EPF represents the manufacturers of wood-based panels being particleboard, dry process fibreboard (MDF), oriented strand board (OSB), hardboard, softboard and plywood. EPF has members in 32 European countries. The EU wood panel industry has a turnover of about €22 billion every year, creates over 100,000 jobs directly and counts more than 5,000 enterprises in Europe. The production of wood-based panels in the EU-28 (+EFTA) in 2019 was an estimated 59.2 million m³. www.europanels.org

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