

**The U.S. Business Council for Sustainable Energy
European Business Council for a Sustainable Energy Future
International Cogeneration Alliance
International Association of Public Transport**

*Intervention by Michael Marvin
Executive Director
U.S. Business Council for Sustainable Energy*

Mr. Chairman, Distinguished Delegates,

Thank you for the opportunity to address you. My name is Michael Marvin, I am the Executive Director of the U.S. Business Council for Sustainable Energy. I speak to you today on behalf of organizations spanning five continents representing sustainable energy businesses involved with the implementation process for the Framework Convention on Climate Change. I appreciate the opportunity to present our views on the climate change negotiations and express our strong support for finalizing a meaningful protocol at a constructive and fruitful meeting of this Conference of Parties.

The U.S. Business Council for Sustainable Energy (BCSE), European Business Council for a Sustainable Energy Future (e 5), International Cogeneration Alliance and International Association of Public Transport represent businesses from more than 70 countries across five continents. These organizations and businesses have agreed on common policy recommendations for reducing greenhouse gas emissions.

Our business organizations believe that early and firm action is necessary and feasible to limit climate change. There are many technologies available today that are cost effective and whose greater use will yield positive outcomes for the economy and the environment. It is our opinion that solutions to the climate change challenge are not technologically constrained but institutionally constrained. Overcoming this requires continuing changes in economic and regulatory frameworks.

Reasonable targets and early timetables are necessary preconditions for stimulating investments in efficient technologies. This process should be accompanied by identifying and eliminating institutional barriers to clean energy development, production and use.

The businesses that are our members suggest the following elements should form the basis for a legally binding international agreement:

- Establish near-term targets for controlling greenhouse gas emissions with a benchmark for Annex I countries for the first commitment period – as early as the year 2005 – and a reduction by 2010. We all now know with

confidence that appropriate steps to respond to climate change – based upon the efficient and clean use of energy – will lead to long-term, world-wide economic growth. An early and meaningful reduction target for Annex-I countries will help convince developing countries that a less carbon-intensive economy is viable.

- Set a firm commitment for completion of an agreement on meaningful participation of non-Annex I countries, including a limit on growth of greenhouse gas emissions by the largest-emitting Non-Annex I countries. This commitment should enter into force no later than the time that Annex I countries have met their commitments of the first commitment period.
- Encourage introduction of domestic market-based mechanisms to implement treaty or protocol obligations.
- Create real, verifiable and lasting emissions reductions, allow joint implementation with credit for energy-related projects and emissions trading among Parties to the protocol. Additionally, programs should be encouraged which facilitate the transfer of highly efficient technologies for non-Annex I countries.
- Postpone resolution of sinks until COP 4 when we have a more complete understanding of their role and effect within the larger framework.
- Do not allow borrowing from future emissions budgets.
- Voluntary commitments, while helpful, do not in and of themselves provide business with a proper framework for technological innovation.
- Encourage the elimination of subsidies and tax advantages for carbon-intensive energy sources, and limit or reduce emissions of greenhouse gases from the use of aviation and marine bunker fuels.
- Approve appropriate mechanisms to address cases of non-compliance at the First Meeting of the Parties of a Kyoto Protocol.

Our members believe that the scientific understanding of climate change, while never complete, is sufficient to take action to control greenhouse gas emissions. It is reasonable for early action to be taken to address the threat of a changing climate. While there are differences on some issues, those who speak through this intervention have put aside those differences for the common good of taking clear, substantive steps to address this major economic and environmental threat.

Thank you for the opportunity to share a business perspective on these negotiations. We wish you success in your challenge of meeting global environmental and economic needs. Our organizations look forward to the opportunity for continuing participation in these negotiations, and hope that we can be of service to this body.