

28th February 2013



European Commission
Directorate-General Climate Action
Unit B.1 - Implementation of ETS
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Via email to clima-ets-structural-measures@ec.europa.eu

Dear Sir/Madam

Consultation on structural options to strengthen the EU Emissions Trading System

The Mineral Products Association (MPA) is the trade association for the aggregates, asphalt, cement, concrete, lime, mortar and silica sand industries. With the recent addition of The British Precast Concrete Federation (BPCF), it has a growing membership of 445 companies and is the sectoral voice for mineral products. MPA membership is made up of the vast majority of independent SME companies throughout the UK, as well as the 9 major international and global companies. It covers 100% of GB cement production, 90% of aggregates production and 95% of asphalt and ready-mixed concrete production and 70% of precast concrete production. Each year the industry supplies in excess of £5 billion of materials to the £120 billion construction and other sectors. Industry production represents the largest materials flow in the UK economy and is also one of the largest manufacturing sectors. For more information visit: www.mineralproducts.org

Thank-you for the opportunity to comment on the proposed structural reform of the EU ETS. MPA believes that it is paramount that the views of ETS participants are taken into account when considering any proposed changes to the system.

MPA fully supports the submissions of EuLA and CEMBUREAU concerning the consultation, however MPA and its members would like to highlight some important points that are particularly relevant to our UK members covered by the EU ETS in the cement, lime and asphalt sectors.

1. MPA agrees with the need to undertake structural changes to the ETS in order to improve its functioning and believes that the options presented in the 2012 carbon market report are only a first step toward a comprehensive assessment involving other options not contained in the Carbon Market Report (CMR).
2. MPA is strongly opposed to any proposal that would introduce uncertainty for the third trading period especially proposals that could result in multiple reforms over a short period of a few years. Structural changes should not be introduced until post 2020.
3. The six proposals in the CMR focus too heavily on short term carbon price.

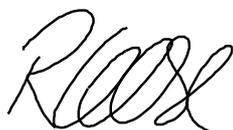
The Mineral Products Association is the trade association for the aggregates, asphalt, cement, concrete, lime, mortar and silica sand industries

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4. In order to address the fundamental weaknesses of the system for the post 2020 period, MPA proposes an integrated approach which takes into account climate change, energy, industrial policy and resource efficiency should be developed.
5. The structural changes should be addressed in such a way that predictability and a level playing field are ensured and that long term growth is stimulated.
6. The risk of carbon leakage should not increase following any structural change.

MPA hopes that the Commission finds these comments useful and we look forward to participating in the development of any structural changes via our European partner associations.

Yours sincerely

A handwritten signature in black ink, appearing to read 'R Leese', written in a cursive style.

Dr Richard Leese
Director, Energy and Climate Change