



July 8th, 2009

To co-incide with the opening of the G8 Summit in L'Aquila, Italy, TABD Co Chair Jürgen Thumann writes to Commission President Barroso on energy technology IPR and environmental tariffs.

Ahead of the G8 summit discussions on the economic crisis and climate change, the Transatlantic Business Dialogue (TABD) reported on a letter sent by TABD Co Chair Jürgen Thumann today, July 8th, 2009 to European Commission President Barroso. The letter expresses TABD's support for ongoing efforts by the European Commission and the United States to achieve a global climate change agreement. Technological innovation, the robust use of cleaner energy sources, more energy-efficient production processes, and the broad deployment of a range of other innovative clean technologies are key to achieving emissions reduction and climate change adaptation objectives and to doing so in an economically sustainable way.

In this context, the letter deals with two important issues in particular: protection of intellectual property rights to climate change-related technologies and the elimination of tariffs and other barriers to trade in environmental goods and services.

IP rights are a key driver of private sector investment in the development and deployment of clean technologies and, as such, are key to achieving global climate change objectives as well as supporting transatlantic economic recovery and growth. The private sector, today, accounts for two-thirds of all investment in clean technology R&D. Innovation, in all respects, is key. Mr Thumann noted:

“There is a strong transatlantic consensus that innovation, not just in the energy sector, but in other sectors, such as healthcare, offers a route to future sustainable economic growth and to new jobs, in the US and in the EU.”

This innovative capacity is the future model that will help us move higher up the economic value chain, and build our knowledge based economies. Mr Thumann continued:

“But, I have to tell you that there is no business model that I know of that will do this if at the same time in key fora, like the UNFCCC process for climate technologies, we give away these innovations by in effect abolishing the IP system. We need to be clear here. There are win-win models for diffusion of technology, but free IP is not one of them”.

Elimination of tariffs and other trade barriers on environmental goods and services is another key policy mechanism to encourage and promote innovative energy and environmental technology development and deployment. TABD has traditionally been a strong advocate of

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transatlantic barrier elimination*. In the letter to President Barroso, Mr Thumann develops TABD's focus to call for the elimination of tariffs and other barriers to trade in environmental goods and services.

As recognized in studies by the World Bank and others, the non-discriminatory elimination of tariffs and non-tariff trade barriers on significantly cleaner and more energy-efficient technologies and services (such as technologies that provide direct environmental benefits) could play a key role in achieving both environmental goals and further economic growth.

“Two things are important here”, adds Mr Thumann: “First that we deploy the tariff system in pursuit of a low carbon future that can be built in part on new technologies.” “But equally important is that we do not allow the approach to become a basis for discrimination or disguised green protectionism, both of which would in the end set us back as much as we would hope to move forward.”

Knowledge-based innovation and the further development and deployment of environmentally friendly products and services and cleaner and more energy efficient technologies, underpinned by effective IPR protection, are key to transatlantic and global economic and climate change goals.

In its letter to Commission President Barroso, TABD calls for the EU's support in opposing efforts in the UNFCCC climate change negotiations to undermine intellectual property protection because such efforts pose a risk both to our global environmental and climate change efforts, and to transatlantic economic policy goals. TABD also urges renewed transatlantic effort to liberalize and, if possible, eliminate tariffs and other trade barriers on environmentally friendly goods and services, including on a plurilateral basis with those countries who have already expressed their support.

About the TransAtlantic Business Dialogue

The TransAtlantic Business Dialogue (TABD) is a group of Chairmen and Chief Executives from American and European companies operating in the United States, Europe and globally. Originally convened by the U.S. Department of Commerce and the European Commission in Seville in 1995 and re-launched in a new format in 2003, the TABD is a unique and effective mechanism for enhanced co-operation between the transatlantic business community and the governments of U.S. and EU Jürgen Thumann (Chairman, Heitkamp & Thumann) and James Quigley (CEO, Deloitte Touche Tohmatsu), are co-Chairmen of the TABD.

TABD is the leading voice promoting a barrier free market for growth, innovation and sustainability in the global economy, based on the freest possible exchange of goods, services and capital between the EU and U.S. The TABD advocates global trade liberalization as a means to greater prosperity for all countries, which in turn will help stimulate innovation, investment, economic growth, and job creation. The TABD meets twice a year, during the annual U.S.-EU Summit, and at the World Economic Forum's annual meeting in Davos, Switzerland.

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