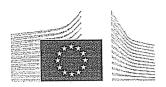
FUROPEAN COMMISSION



Brussels, 11.12.2012 C(2012) 9176 final

Dear President,

The Commission would like to thank the Austrian Bundesrat for its Opinion on the Proposal for a Decision of the European Parliament and of the Council on accounting rules and action plans on greenhouse gas emissions and removals resulting from activities related to land use, land use change and forestry {COM (2012) 93 final}, and apologizes for the delay in replying. The Commission welcomes the analysis and has taken particular note of the main observations raised in this opinion. The Commission would like to offer the following comments on these observations:

1. Link with wood production and consumption

The Commission's legislative proposal on Land Use, Land Use Change and Forestry (LULUCF) builds on the decision adopted in the framework of the international climate change negotiations last year in Durban. In both contexts the rules on accounting for emissions from harvested wood products allow any increase in wood harvest for the purpose of substituting materials to be evened out by the use of half life values relevant for the harvested wood products pool. This means that long term planning for the use of forest resources will be positively reflected in green house gas emissions accounting.

In the case of use of wood for energy substitution, LULUCF accounting ensures that the emission reductions obtained in the energy sector are genuine and that emissions associated with the production of biomass are accounted for. This is an important step on the way to ensure the full and true benefits of the use of biomass for energy purposes.

2. The role of the LULUCF Action Plans

It is important to note that the LULUCF sector will not count towards the EU's 20% emission reduction target by 2020. It is proposed to consider taking this step only once the accounting rules have proven to be robust and in the context of increased EU ambitions on emission reduction. This means that credits or debits from the LULUCF sector will not influence compliance with the EU's 20% reduction target by 2020. By then, there is ample time to prepare and put in place strategies for the use of the LULUCF sector suiting best the particular national circumstances of individual Member States,. To this end, the proposed national LULUCF Action Plans aim at improving the sharing of good practice making optimal use of its mitigation potential within the context of multifunctionality of forests and landscapes. Moreover, full flexibility is being left to

Mr Georg KEUSCHNIGG President of the Bundesrat Dr.-Karl-Renner-Ring 3 A – 1017 WIEN the Member States when choosing the measures to be included in the LULUCF Action Plans in order to best address their national circumstances.

3. Efforts associated with accounting and reporting on LULUCF activities

With respect to the Bundesrat's concerns regarding the collection of data for annual accounting, the Commission would like to reassure you that the reporting and accounting requirements under the proposed EU legislation will be largely the same as the ones towards the Kyoto Protocol, which Member States already apply for many years. For the vast majority of the LULUCF activities, Member States already report data required for accounting. Therefore, reporting pursuant to the proposed EU legislation would not create any double work or an extra layer of information, especially for forestry activities. As regards, agricultural activities, mandatory accounting will mean that already reported data will have to be compiled into Member States accounts. In this particular case we believe that the benefits justify the limited additional efforts to be undertaken by the Member States. Ensuring a full coverage when accounting for the LULUCF activities is of outmost importance. This would enhance the environmental integrity of the sector and as the Bundesrat rightly point out maintain a level playing field across Member States.

4. EU competence and links with forestry policy

The legal basis for the legislative proposal is Article 192(1) of the Treaty on the Functioning of the European Union (TFEU). The proposal pursues a legitimate objective within the scope of Article 191(1) TFEU, namely, combating climate change and also responds to the international legal obligations the European Union has as a Party to the UN Framework Convention on Climate Change and the Kyoto Protocol. The purpose of the legislative proposal is to ensure Member States' harmonized and accurate accounting of emissions by sources and removals by sinks related to LULUCF, and therefore to improve the availability of information for policy and decision making in the context of the Union's climate change commitments and provide incentives for mitigation efforts.

In the EU, the formulation of forest policies is indeed the competence of the Member States. The LULUCF legislative proposal does not aim at regulating the activities in the forestry sector of Member States. The obligations included in the proposal directly respond to achieving climate related objectives. Moreover, in the context of putting in place LULUCF Action Plans, the Member States are supposed to develop and to decide which measures are most suited in achieving the multiple objectives, including the optimal use of the climate mitigation potential of the sector. Annex IV to the legislative proposal includes only a set of non-binding, non-exhaustive, indicative measures from which Member States can choose, as appropriate.

The Commission hopes that these explanations serve to clarify the points raised by the Austrian Bundesrat of the Republic of Austria and looks forward to continuing the political dialogue in future.

Yours faithfully,

Maroš Šefčovič Vice-President