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[Climate Change] Letters Sent to Businesses

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THE WHITE HOUSE

WASHINGTON

September 8, 2000

Dr. Bernard J. Bulkin
Vice President
BP Amoco p.l.c.
105-108 Old Broad Street
London
EC2N 1ER
United Kingdom

Dear Dr. Bulkin: Bernard

Thank you again for taking time to get together while I was in London. You and Roddy were very generous with your time, and it was great talking to you both. It was especially helpful to me to hear your perspectives on the many common issues we deal with, albeit in different ways.

As we discussed, I would be happy to try and arrange a few minutes for Sir John Browne and the President to talk about climate change. Please let me know when your boss plans on being in the area.

Thanks again for a great dinner, and I look forward to hearing from you or Roddy.

Very truly yours,

Roger S. Ballentine

Deputy Assistant to the President for
Environmental Initiatives and Chair, White House
Climate Change Task Force

Cc: Mr. Roddy Kennedy

THE WHITE HOUSE

WASHINGTON

February 1, 2000

Dear Interested Party:

As the new year and the new millennium arrived, so did increasing recognition that global climate change will be among the most important environmental issues of the new century. I want to take this opportunity to send you some updated information on this pressing global issue.

You may have noticed the steady stream of new scientific studies suggesting that global warming is not only occurring, but occurring more rapidly than previously thought. Reports by the World Meteorological Society and the National Climactic Data Center, among others, found that since 1976 the planet has been warming at a rate of .35 degrees Fahrenheit per decade. Attached are summaries of some key studies and associated news stories that may be of interest to you.

Some say that we should not take any action until we have absolute, incontrovertible certainty about global warming and its causes. We believe, however, that the risks of inaction are too great and that balanced, prudent steps are called for now. Fortunately, the initiatives we are working on also create strong economic opportunities. The investments we are already making have helped produce new technologies to begin to address the problems of climate change. For example, new hybrid cars that get more than 80 miles per gallon of gas recently debuted at the Detroit Auto Show. This new breakthrough did not happen by accident. It was a result of the Partnership for a New Generation of Vehicles (PNGV) program created by the President and Vice President -- a joint public-private research and development initiative to produce more environmentally sound and economically viable vehicles. Fuller descriptions of this and of other recent energy technology developments follow.

The Administration will soon announce additional initiatives to fight global warming. You can expect a detailed presentation of these initiatives to reach you in the next several weeks, as part of my commitment to keep you informed of the latest information, news, and events related to global climate change.

Sincerely,

Roger S. Ballentine
Deputy Assistant to the President
for Environmental Initiatives

Climate Update

January 31, 2000

Science News

- The National Climatic Data Center released data near the end of 1999 showing that in the last quarter-century, the rate of warming has been more than double that of the 20th century average, and since the mid-1970's, the global temperature has risen at a rate of about 0.35 degrees per decade, or 3.5 degrees per century. (Complete text of a front page *New York Time*s story about the findings is attached.)

- The National Academy of Sciences released a major new study on January 13, which was reported on by *the Washington Post, LA Times, CNN, CBS* and other outlets. The study found that the warming trend over the past two decades "...is undoubtedly real and is substantially greater than the average rate of warming during the 20th century." The report also downplayed a long-standing dispute over temperature data (while ground monitors have shown a sharp increase in Earth's temperatures, satellite and weather balloon observations have shown little or no warming), noting that while this discrepancy cannot yet fully be explained, it "in no way invalidates the conclusion that the Earth's temperature has been rising."

- 1999 will be the fifth warmest year on record, according to a British Meteorological Office study released December 15, 1999. Seven of the 10 hottest years on record occurred in the 1990's, which was the hottest decade of the millennium, the report said. Furthermore, the report suggested a "high probability" of 2000 being even warmer, as the cold Pacific (La Nina) warms again naturally.

- New satellite data released by NASA January 19, 2000 shows that part of the Pacific Ocean may be undergoing a cooling which could influence U.S. weather patterns over the next years and even decades. This newly identified climate pattern, known as Pacific-Decadal Oscillation (PDO), is a natural oscillation of northern hemisphere Pacific Ocean temperatures that occurs over decades, similar to the international El Nino-La Nina cycle in the tropical Pacific. The research suggests that the U.S. entered the "cool" phase of the PDO (similar to the La Nina phase) about 2 years ago. The tendency of this phase is to cool some regions of the earth, and while this could serve to "mask" or "dampen" global warming signals, it is not evidence that global warming is not occurring. For example, 1998 and 1999 set records as the warmest and 5th warmest years this century during the same period that scientists believe a "cool" PDO phase may have been starting.

Industry and Technology Update

- Following the lead of Ford in December 1999, DaimlerChrysler Corp. this January withdrew from the Global Climate Coalition (GCC), the major business lobbying group opposed to the

Kyoto climate treaty. This leaves GM as the only American carmaker still in the GCC. BP/Amoco, Sunoco and Shell all left the GCC within the last two years.

- In first week of January, a coalition of 42 religious and environmental organizations in 17 states unveiled "Campaign ExxonMobil" (CEM), an effort aimed at pressuring ExxonMobil to reform corporate practices that contribute to global warming, to acknowledge that human activity is causing global warming, and to quit anti-Kyoto lobbying groups such as the Global Climate Coalition. The religious and environmental groups' primary tactic is shareholder resolutions. In addition to ExxonMobil, they are also targeting GM, Cinergy, Goodyear, Duke Power, CSX, Southern Co., Chevron, Texaco, and Allegheny Energy.

- At the Detroit Auto Show the first week of January 2000, virtually every major manufacturer unveiled prototype hybrid cars that get better than 70 mpg. Ford's entry, the Prodigy, is "a family car that gets nearly 80 mpg without sacrificing performance or functionality," according to company documents. GM's Precept has similar qualities. Both were developed under the Partnership for a New Generation of Vehicles program. Chrysler is slated to display their entry later this year.

- A new hybrid gas and electric car which gets more than 60 mpg arrived at Honda dealers in the U.S. in December, 1999, the first such vehicle priced under $20,000 to be available to American consumers. Drivers fill it with unleaded gas and an electric motor is charged by the car's brakes so it never needs to be plugged in—one of the big drawbacks to cars that are entirely electric. Toyota will release a similar vehicle in 2000, selling for $17,000 and getting 66 mpg.

- Cargill Inc. and Dow Chemical announced in mid-January a $300 million program for full-scale commercial production of a new kind of plastic made from plants instead of petroleum. The new product is being called "Natural Plastic."

International Developments

- The World Bank in mid-January announced the creation of a fund to finance a market for greenhouse gas emissions. Four governments—Finland, Norway, Sweden and the Netherlands—and nine companies have committed $85 million so far to the fund, which will begin operating in April 2000. Reports in the *Washington Post* and *Wall Street Journal* speculated that the initiative reflects the World Bank's concern about the vulnerability of poor, low lying nations to coastal flooding as a result of global warming.

- France unveiled a program to fight global warming containing 96 measures, including an energy consumption tax on industries due to take effect in 2001, proposals to encourage vehicles to economize on fuel, the development of new public transport, reduction of energy consumption in buildings, and the promotion of research into renewable energy sources. The proposal, announced the week of January 17 also includes a domestic emissions trading system, despite the European Union's strong criticism of trading systems.

Recent Editorials

- January 9, 2000—*The Washington Post*
  "Warming to Reality" (complete text attached)

- January 15, 2000—*The Courier-Journal*
  "Global Warming"

- Headline: January 16, 2000—*The Detroit News*
  "Global Warming?"

- January 17, 2000—*The Indianapolis Star*
  "Still Not a Crisis"

- January 17, 2000—*The Washington Post*
  "More Hot News"

- January 18, 2000—*The Atlanta Constitution*
  "Global Warming Facts Ignored at Our Peril"

Other Media Coverage

- *CBS News* aired six separate global warming stories over three nights the week of January 10-16 featuring clips from President Clinton's January 11th statement at the Grand Canyon, two interviews with Dr. James Baker of NOAA, and an interview with White House Chief of Staff John Podesta. All the stories emphasized that global warming science is becoming conclusive, and included impacts as diverse as farming problems in the Central Valley of California and increased incidence of jellyfish blooms worldwide. On Wednesday, January 12, Dan Rather began the CBS lead story with this statement: "A CBS News Exclusive: a new study finds global warming is real and getting worse as the White House plans to unveil an ambitious new program to fight it."

- *NBC Nightly News*, devoted an "In-Depth" segment on January 4, 2000 to the latest global warming data, indicating that since the mid-1970's global temperatures have risen .35 degrees Fahrenheit a decade. The following week, NBC ran two additional stories emphasizing the increasing certainty in the science of global warming.

The New York Times

1 SUNDAY, DECEMBER 19, 1999

1999 Continues Warming Trend Around Globe

By WILLIAM K. STEVENS

At the New York Botanical Garden in the Bronx, fragrant white blooms with a pink blush are breaking out on specimens of a popular landscaping shrub called the Koreanspice viburnum — four to five months early. Snowdrops, among the earliest bulbs to send up shoots when winter ends, have already poked up their noses. In some New York suburbs, yellow forsythia blossoms have brought a premature touch of spring to December.

"There's a little confusion out there," said Wayne Cahilly, an arborist at the botanical garden, and he expressed no doubt as to the reason: abnormal warmth. Or is it so unusual? "I think this warm weather is becoming normal," Mr. Cahilly said.

Certainly it seems that way of late. Last month was the warmest November in 105 years of record-keeping in the contiguous 48 states, and the fourth-warmest in the Northeast. The trend continued into December in most of the country; as of Friday, the average temperature for the month in New York, for instance, was 5.7 degrees Fahrenheit above normal.

But that is almost the least of it. Federal scientists reported last week that in the contiguous 48 states and on other global land masses, including Europe and Asia, 1999 is certain to join 1998 as one of the two warmest years on record, continuing a

Continued on Page 18

Richard L. Harbus for The New York Times

KEEPING TRACK

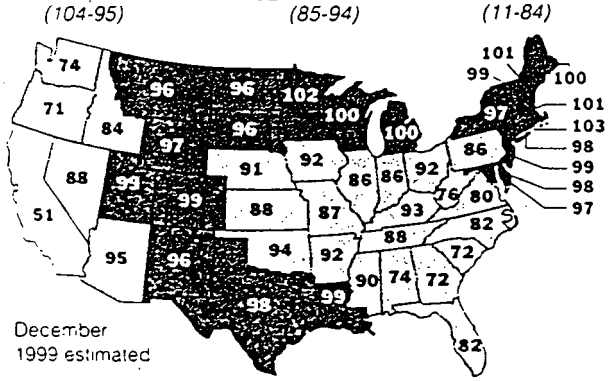
Warmer and Warmer

Scientists are reporting that 1999 will join 1998 as one of the two warmest years on record across the contiguous United States.

For 1999 . . .

Numbers are 1999's temperature rank since 1895.
105=Warmest, 1=Coldest

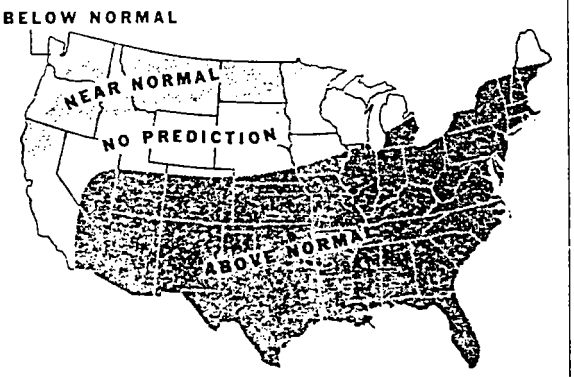
Much above normal *(104-95)* **Above normal** *(85-94)* **Normal** *(11-84)*



Source: National Oceanic and Atmospheric Administration

. . . and for the next three months

Predictions for January, February and March of 2000 based on statistical analysis of past climate and current trends.



The New York Times

ing climatic and agricultural zones.

The United States experienced record-breaking warmth in both of the two most recent winters, said scientists at the government's Climate Prediction Center in Camp Springs, Md. The center predicted last week that on average, most of the country would be warmer than normal over the January-through-March period just ahead.

In the winter of 1997-98, circulation patterns influenced by El Niño played a crucial role in the warmth. Last winter, different circulation patterns associated with La Niña had a similar effect. Both La Niña and El Niño modify North America's climate by changing the position of the jet stream, the high-altitude river of air that generally runs from west to east and marks the boundary between cold northern air and warm southern air.

In a La Niña winter, the jet stream typically plunges down through Montana and the northern Plains and then into the central part of the country before curving northeastward. This curve would normally take place in the East, but in a La Niña year it tends to take place farther west, leaving the Eastern Seaboard on the warm side of the warm-cold division marked by the jet stream.

Eventually this whole pattern drifts eastward, bringing cold weather to the East. An influx of cold northern air is in fact expected for the latter part of this month in the Northeast, said Fred Gadomski, a meteorologist at Pennsylvania State University. This progression happens repeatedly. Sometimes in a La Niña regime, the course of the jet stream temporarily flattens out and whisks warm Pacific air all the way across the continent. Mr. Gadomski said he would not be surprised if such a nationwide warm spell developed after the upcoming cold snap passes.

Other factors, too, are shaping the winter, scientists at the prediction center say. In addition to the general warming of the atmosphere, for instance, year-to-year flip-flops in circulation patterns over the North Atlantic can have a major effect on weather in the Eastern part of the country.

The warmest decade in a century of record-keeping.

If this so-called North Atlantic oscillation is in one mode, typified by low atmospheric pressure over the ocean, the East tends to be warm. If high pressure dominates, said Vernon Kousky, a research meteorologist at the prediction center, the jet stream tends to follow a southerly course into the ocean in the vicinity of Virginia and North Carolina. North of that, big snowstorms can develop, Mr. Kousky said, as happened in 1995-96, a La Niña winter in which a January blizzard dropped record snows from Washington to New York, essentially shutting down the nation's capital for days.

The North Atlantic oscillation's effect "never makes itself felt till the end of December or early January," Mr. Kousky said, adding that forecasters at this point cannot predict its behavior this winter.

A similar oscillation in the North Pacific may influence next summer's American weather, he said. The sea-surface temperature there flips back and forth between warm and cool states similar to those of El Niño and La Niña, but stays in one phase for several years. Researchers believe that it may recently have flipped into its warmer state. If it has, Mr. Kousky said, it could set off atmospheric chain reactions next summer that will bring a repeat of last summer's drought in much of the country's Northeastern quadrant, as well as a more active Atlantic hurricane season.

"We're trying to alert people to that possibility," he said.

Last summer's drought established records for dryness in the Northeast, the Middle Atlantic and the Ohio Valley, Mr. Karl's group reported last week. The April-to-July period was the driest or second-driest in all states from West Virginia to Maine. The drought was followed by record rainfall as hurricanes Dennis and Floyd struck the East Coast. Intensified drought and heavier rain are both expected to result from global warming, although no particular weather event of any kind can be attributed to it.

THE WHITE HOUSE

WASHINGTON

October 25, 1999

Dear Interested Party:

This week, delegates from the United States join representatives of more than 160 nations in Bonn, Germany, for the Fifth Conference of the Parties to the United Nations Framework Convention on Climate Change. I would like to take this opportunity to update you on some of the efforts this Administration has under way to meet the challenge of global warming.

With strong leadership from President Clinton and Vice President Gore, the Administration is pursuing a sound, cost-effective strategy to protect our global environment while creating new opportunities for sustainable economic growth. The United States not only has played a pivotal role in shaping the international response to climate change, but also has launched major new efforts to reduce domestic greenhouse gas emissions.

Recently, the President issued two Executive Orders that will achieve significant emissions reductions. One aims to facilitate the goal of tripling U.S. use of bio-energy and bio-products by 2010, cutting greenhouse gas emissions by up to 100 million tons a year -- the equivalent of taking more than 70 million cars of the road. The other directs agencies to improve energy efficiency in federal buildings by 35 percent by 2010, saving taxpayers more than $750 million a year.

The President and Vice President, having secured a record $1 billion last year for research and development of energy efficiency and clean energy technologies, are now fighting for additional increases in these vital federal investments. They are seeking $1.4 billion for research and development in the new fiscal year, plus $3.6 billion in tax credits over five years to promote broader use of renewable energy and the purchase of energy-efficient cars, homes, and appliances.

On the diplomatic front, U.S. leadership was critical to forging the Kyoto Protocol, a solid foundation for international efforts to address climate change. The United States is now working with other nations to resolve the critical issues of cost and developing country participation, so the treaty can be ratified. Our overarching goal in Bonn is to keep this process moving forward and achieve the kind of progress we need to ensure that we complete the important work begun in Kyoto.

In a recent address, President Clinton called on all nations to reject the outdated notion that environmental harm is a necessary consequence of economic outgrowth. "All of us, developed and developing countries alike, should take action now to halt global climate change," the President said. "Does this mean developing countries then must sacrifice growth to protect the environment? Absolutely not . . . The challenge and opportunity for developing countries is to

skip the cost of the Industrial Age by using technologies that improve the economy and the environment at the same time."

Enclosed please find materials summarizing the ambitious climate change agenda to which the President and Vice President are so clearly committed. If you have any questions or would like additional information, please contact Paul Bledsoe on my staff at (202) 395-2310. Thank you for your interest.

Sincerely,

Roger S. Ballentine
Deputy Assistant to the President
For Environmental Initiatives, and
White House Climate Change Coordinator

THE WHITE HOUSE

WASHINGTON

April 4, 2000

Mr. Robert G. Bohn
President and Chief Executive Officer
Oshkosh Truck Corporation
2307 Oregon Street
P.O. Box 2566
Oshkosh, WI 54903

Dear Mr. Bohn:

We want to thank you for your Company's important role in defining the charter for the 21st Century Truck Initiative research partnership. This partnership will play a key role in ensuring that freight and passenger services continue to be affordable, safe, and consistent with local and global environmental goals in the years ahead. The technical advances made under this partnership will also help reduce our demand for petroleum and help ensure stable fuel prices in the years ahead.

The enclosed document represents what we believe to be a consensus final draft of the *Statement of Intent* that will be the basis for our work together. While not a formal contract, this paper reflects an understanding between the federal government and a group of eleven creative companies to work together in good faith on a set of ambitious goals.

We particularly want to thank John Stoddart for his contributions. We look forward to meeting with you or your representative in the near future to formally begin work on this critical partnership. If you have any final comments or questions, please contact Henry Kelly at 202-456-6033, hkelly@ostp.eop.gov, or Roger Ballentine at 202-456-1782. Again, thank you for your commitment to this exciting partnership.

Sincerely,

George T. Frampton, Jr.
Acting Chair of Council on
Environmental Quality

Roger S. Ballentine
Deputy Assistant to the President for
Environmental Initiatives

Enclosure

A Declaration of Intent
Twenty-First Century Trucks
Final Version – 22 March 2000

SUMMARY

The United States trucking and supporting industries, are pleased to join with the President on behalf of the Federal government and the Departments of Defense, Energy, and Transportation, and the Environmental Protection Agency in this Declaration of Intent to form a research and development partnership. This partnership will seek to develop and demonstrate commercially viable truck and propulsion systems technology that will dramatically cut the fuel use and emissions of medium and heavy trucks and buses, while enhancing their safety and affordability and maintaining or enhancing performance. These innovations will ensure safe and affordable freight and bus transportation for the nation's economy, ensure the competitiveness of U.S. truck and bus manufacturing facilities, improve our nation's air quality, and reduce U.S. dependence on petroleum fuel.

SHARED VISION

A productive, innovative U.S. trucking and supporting industry is essential for the economic prosperity of every American business. Innovation is also needed to ensure trucking manufacturers and suppliers located in the U.S. remain competitive in world markets and continue to provide rewarding employment opportunities for large numbers of Americans. U.S. manufacturing facilities face stiff worldwide competition. New truck and bus technologies will help truck owners and operators and their customers cut fuel and other operating costs, and increase safety. The Department of Defense, a major owner and operator of trucks, would share these gains and also benefit from reduced logistics costs associated with transporting fuel during operations. The trucking and supporting industries face a range of new challenges: increasingly stringent emissions standards, new concerns about the threat of global warming, concerns about U.S. fuel supplies, increased expectations about safety, and more. The trucking industry's future depends on its ability to produce affordable, high-quality, safe, environmentally sensitive products.

The new challenges can be best met if government, industry, and universities work together to develop an improved generation of commercial trucks for our nation's commercial and military truck fleet. Given adequate support, major advances can be expected in advanced engine designs, stronger, lighter-weight materials, regenerative braking, more efficient power transmission, and alternative fuels.

By this document, the trucking industry and the Federal government declare their separate, but coordinated plans toward the achievement of specific goals to meet the nation's need and desire for tomorrow's cleaner, safer, and more efficient trucks.

PROGRAM GOALS

The program strategy creates a balanced portfolio of research and development to pursue a number of goals simultaneously, while avoiding duplication. The program will develop and demonstrate commercially viable technologies to:

- Improve fuel efficiency,
- Reduce emissions,
- Enhance safety,
- Reduce total owning and operating costs, and
- Maintain or enhance performance.

Making progress in each of these goals simultaneously is a major challenge. The Federal government and the trucking and supporting industries will work actively together to develop a balanced portfolio of research aimed at achieving all of these goals, coordinate their research activities as appropriate, and make effective use of the nation's research universities and national laboratories. Proprietary research agreements between individual companies and federal agencies, which cannot be shared with industrial competitors, will continue to be appropriately funded.

The Federal agencies will build on existing research and assign a high priority to major new research in this area and seek increased funding commensurate with the research required to meet the aggressive goals of the Initiative. Industry will move research achievements into production vehicles rapidly when their commercial viability has been demonstrated. The partnership will work closely with fuel producers to accelerate the development and production of any new fuels required by new engine designs to meet the program goals.

RESEARCH OBJECTIVES

This research partnership will support research aimed at developing production prototype vehicles that achieve all of the following objectives:

(a) Improve Fuel Efficiency of Heavy-Duty Trucks and Buses, specifically:

- Double the Class 8 line haul truck fuel efficiency by 2010 on a ton/miles per gallon basis.
- Triple the Class 2b and 6 truck (delivery van) fuel efficiency by 2010 on a ton/miles per gallon basis.
- Triple the Class 8 transit bus fuel efficiency by 2010 on a ton (passenger)/miles per gallon basis.

(b) Reduce Emissions:

- Exceed standards for oxides of nitrogen, particulate matter, carbon monoxide and hydrocarbons for the year 2010.

(c) Enhance Safety:

- Meet or exceed the motor carrier safety goal of reducing fatalities by half in ten years.
- Improve the crash friendliness of trucks for other road users
- Conduct operation road tests of truck safety improvement components
- Ensure linkages to the Intelligent Vehicle Initiative and the Intelligent Highway System and Infrastructure.

(d) Enhance affordability; Maintain or Enhance performance.

A central goal of this initiative is to develop cost-effective, heavy-duty vehicles for truck operators that are fully competitive in prevailing markets. The program will document vehicle life-cycle-costs through extensive on-road testing and surveys of user responses. Costs considered will include initial vehicle cost, as well as all operating and maintenance expenses – including fuel costs and the value of high reliability.

These program goals and research objectives are aggressive and there is no certainty that they can be achieved. Achieving the goal may also depend on successful introduction of a new fuel and fuel delivery infrastructure compatible with improved truck and bus designs. Fully aware of the magnitude of the challenge and the importance of meeting the partnership's objectives, the parties commit their best efforts to the achievement of the goals of this Declaration of Intent. Industry also commits to the rapid introduction of commercially viable technology developed under the program.

Government and industry will coordinate research and development efforts and share the costs. Federal agencies are likely to cover a larger fraction of research expenses when the work involves longer-term, high-risk research, while the share of industry funding will be greater for research likely to be converted relatively quickly to commercial products.

The Federal government will promote the introduction of innovative truck technologies developed in the initiative through its own purchases of these trucks and buses, and encourage state government and other purchasers to take similar actions.

NEXT STEPS

Within 30 days, a Partnership Coordinating Committee will be formed which will be responsible for coordinating the Partnership's work. It will include senior representatives of the participating industries, and the Departments of Defense, Energy, Transportation, the Environmental Protection Agency, the Office of Science and Technology Policy, the Council on Environmental Quality, the National Partnership for Reinventing Government, and the Office of Management and Budget. Within 120 days, this Committee will:

1. Develop a strategic research and development plan detailing specific program goals and timetables for the ten-year duration of the Initiative.
2. Coordinate and support research and development teams organized around specific research objectives needed to achieve the programs' goals (such as technologies for improving

power-trains, reducing aerodynamic and rolling resistance losses, and reducing vehicle weight). Each team will include both government and industry partners. University participation is encouraged. Competing teams championing different technical approaches to the same program objective will be encouraged when they are appropriate. As technologies move to commercial readiness, some of these partnerships will become research partnerships between individual participating industries and agencies that are not able to share research results with all participants. Provisions will be made to add or remove research projects as needed.

3. Create an overall Cooperative Research and Development Agreement (CRADA) for the partnership and guidelines that will facilitate development and use of CRADAs and other procurement mechanisms such as other transaction agreements involving individual federal agencies and their laboratories.
4. Create an External Advisory Board, acceptable to both industry and the government, consisting of individuals with appropriate expertise in industry, universities, state and local governments, and public interest groups.
5. Establish a peer review process, acceptable to both industry and the government, that assesses technical and program progress.

August 9, 1999

Dear Ms. Froehlich:

It has come to the attention of our office that you are considering placing a limit on the use of processing additions in portland cement. I urge you to not impose a limit as it is not in the best interest of our country and our environment.

The issue of global climate change has placed pressure on industries worldwide to find ways to limit their emissions of greenhouse gases. The Administration's plan to address climate change includes working with industry to remove barriers to improved energy efficiency and reduced emissions. For the cement industry, one way to achieve this is to allow the industry experts to use their knowledge and technology to produce and market more environmentally friendly products without limiting economic growth.

There currently are no limits on the percentage of processing additions allowed under ASTM specifications. A strict testing regimen and product performance requirements ultimately govern the amount of processing additions that can be used. This specification is performance-based and protects the user. Increased use of blended cements will play an important role in the future of the US construction industry. This transition will not happen overnight and I encourage you to follow requirements under the Resource Conservation and Recovery Act already in place for the use of waste or byproduct materials in concrete construction where federal funds are involved. I also ask you and your members to remove barriers to the use of blended cements.

The use of mineral processing additions at the highest levels possible without compromising product quality reduces CO2 emissions at a one-to-one ratio immediately. These additions can also help relieve the domestic cement shortage and reduce our dependence on imported cement. This technology should be encouraged.

We encourage AASHTO's support of these measures to promote a sustainable environment and strong economy. If you have any questions, please feel free to call me at (202) 456-1782 or Jeff Seabright, Executive Director to the White House Climate Change Task Force, at (202) 395-2310.

Sincerely,

Roger S. Ballentine
Deputy Assistant to the President for
Environmental Initiatives

February 16, 2000

Dear Interested Party:

Attached please find a summary of President Clinton's FY 2001 budget proposal to fight global climate change. Against a backdrop of growing scientific consensus that the Earth is warming – and that human activities are at least partly to blame – the FY 2001 budget is proposing $2.4 billion in funding to combat global climate change, a 43 percent increase over FY 2000 enacted levels. This includes a series of new initiatives, such as accelerated efforts to develop clean energy at home and abroad and a new Clean Air Partnership Fund to boost state and local efforts to reduce greenhouse gases and air pollution. Recognizing the crucial need for sound science, the President is also proposing more than $1.7 billion for basic research into the science of climate change, bringing the total request for FY 2001 to over $4 billion.

President Clinton is also proposing a five-year, $4 billion tax incentive package to spur clean energy technologies and increase investment in energy efficient technology and renewable energy. The common thread in all these proposals is the conviction that new energy technologies can help us expand the economy and reduce greenhouse gas pollution at the same time.

As the President said in his State of the Union address just a few weeks ago, "The greatest environmental challenge of the new century is global warming." We believe that the President's FY 2001 budget represents an aggressive and innovative approach to this tremendous challenge.

Sincerely,

Roger S. Ballentine
Deputy Assistant to the President
And White House Climate Change Coordinator

THE WHITE HOUSE

WASHINGTON

Room 115

Old Executive Office Building

OFFICE OF ENVIRONMENTAL INITIATIVES

FACSIMILE COVER SHEET

TO: Don Katchman

FROM: ~~ROGER BALLENTINE~~ Angie

DEPUTY ASSISTANT TO THE PRESIDENT FOR ENVIRONMENTAL INITIATIVES

DATE: 3/28/2000

NUMBER: (248) 585-7533

NUMBER OF PAGES (Including Cover Sheet): 19

SENDER: **ANGIE MIZEUR**

Special Assistant

SENDER'S PHONE: **202-456-1782**
SENDER'S FAX: **202-456-1736**

REMARKS:

Please feel free to call me if you need anything else!

THE WHITE HOUSE

WASHINGTON

Room 115

Old Executive Office Building

OFFICE OF ENVIRONMENTAL INITIATIVES

FACSIMILE COVER SHEET

TO: _____

FROM: **ROGER BALLENTINE**

DEPUTY ASSISTANT TO THE PRESIDENT FOR ENVIRONMENTAL INITIATIVES

DATE: _____

NUMBER: _____

NUMBER OF PAGES (Including Cover Sheet): ___

SENDER: **ANGIE MIZEUR**

Special Assistant

SENDER'S PHONE: **202-456-1782**
SENDER'S FAX: **202-456-1736**

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(Chief Executive Officer)

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Phone: 309-578-2853 x6988

~~Todd Grullie~~ Nabil Hakim
~~Vice President, Government Sales~~ Director, R&D & Materials Engineering
Detroit Diesel Corporate Offices
13400 Outer Drive, West (A08)
Detroit, MI 48239-4001
Phone: 313-592-5000

Jeff Corey
Engineering Manager Advanced Concepts
Peterbilt Motors Co.
3200 Airport Road
Denton, TX 76207
Phone: 940-566-7659

Ron Glotzbach
Director of Test Analysis and Materials
Navistar
PO Box 1109
Ft. Wayne, IN 46801
Phone: 219-461-1006

PAUL GECK
SENIOR STAFF TECHNICAL SPECIALIST
ADVANCED VEHICLE SYSTEMS ENGINEERING
BEECH DALY TECHNICAL CENTER
2001 BEECH DALY ROAD
DEARBORN HEIGHTS, MI 48125
Phone: (313)323-0014

STEVE CORTESE
MANAGER, HEV BUSINESS DEVELOPMENT
600 Main St
Johnson City, NY 13790-1888
Mail Stop Room 902
Phone: (607)770-3960

TO: Henry Kelly

FM: PAUL SKALNY

MR. DAVID M. PIPER
DIRECTOR of Engineering
ALLISON TRANSMISSION DIVISION
General Motors Corporation
Speedcode: K02
P.O. BOX 894
Indianapolis, Ind 46206-0894

(317) 242-3843

POC is Fred Cartwright
Program Manager, Electric Drive Systems
Allison Transmission Division
General Motors Corporation
Speedcode: DC
P.O. BOX 894
Indianapolis, Ind 46206-0894

(317) 915-2789

THE WHITE HOUSE

WASHINGTON

March 24, 2000

Mr. Steve F. Homcha
Executive Vice President
Product Development and Class 8 Programs
Mack Trucks, Inc.
2100 Mack Boulevard
Allentown, PA 18105

Dear Mr. Homcha:

We want to thank you for your Company's important role in defining the charter for the 21st Century Truck Initiative research partnership. This partnership will play a key role in ensuring that freight and passenger services continue to be affordable, safe, and consistent with local and global environmental goals in the years ahead. The technical advances made under this partnership will also help reduce our demand for petroleum and help ensure stable fuel prices in the years ahead.

The enclosed document represents what we believe to be a consensus final draft of the *Statement of Intent* that will be the basis for our work together. While not a formal contract, this paper reflects an understanding between the federal government and a group of eleven creative companies to work together in good faith on a set of ambitious goals.

We particularly want to thank Guy Rini for his contributions. We look forward to meeting with you or your representative in the near future to formally begin work on this critical partnership. If you have any final comments or questions, please contact Henry Kelly at 202-456-6033, hkelly@ostp.eop.gov, or Roger Ballentine at 202-456-1782. Again, thank you for your commitment to this exciting partnership.

Sincerely,

George T. Frampton Jr.
Acting Chair of Council on
Environmental Quality

Roger S. Ballentine
Deputy Assistant to the President for
Environmental Initiatives

Enclosure

THE WHITE HOUSE

WASHINGTON

March 24, 2000

Mr. Marc Gustafson
President and Chief Executive Officer
Volvo Trucks North America, Inc.
7900 National Service Road
Greeensboro, NC 27402

Dear Mr. Gustafson:

We want to thank you for your Company's important role in defining the charter for the 21st Century Truck Initiative research partnership. This partnership will play a key role in ensuring that freight and passenger services continue to be affordable, safe, and consistent with local and global environmental goals in the years ahead. The technical advances made under this partnership will also help reduce our demand for petroleum and help ensure stable fuel prices in the years ahead.

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We particularly want to thank Keith Brandis for his contributions. We look forward to meeting with you or your representative in the near future to formally begin work on this critical partnership. If you have any final comments or questions, please contact Henry Kelly at 202-456-6033, hkelly@ostp.eop.gov, or Roger Ballentine at 202-456-1782. Again, thank you for your commitment to this exciting partnership.

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George T. Frampton Jr.
Acting Chair of Council on
Environmental Quality

Roger S. Ballentine
Deputy Assistant to the President for
Environmental Initiatives

Enclosure

THE WHITE HOUSE

WASHINGTON

March 24, 2000

Mr. David J. Hovind
President
Paccar, Inc.
P. O. Box 1518
Bellevue, WA 98009

Dear Mr. Hovind:

We want to thank you for your Company's important role in defining the charter for the 21st Century Truck Initiative research partnership. This partnership will play a key role in ensuring that freight and passenger services continue to be affordable, safe, and consistent with local and global environmental goals in the years ahead. The technical advances made under this partnership will also help reduce our demand for petroleum and help ensure stable fuel prices in the years ahead.

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Acting Chair of Council on
Environmental Quality

Roger S. Ballentine
Deputy Assistant to the President for
Environmental Initiatives

Enclosure

THE WHITE HOUSE

WASHINGTON

March 24, 2000

Mr. John R. Horner
Chairman, President & Chief Executive Officer
Navistar International
455 North City Front Drive
Chicago, IL 60611

Dear Mr. Horner:

We want to thank you for your Company's important role in defining the charter for the 21st Century Truck Initiative research partnership. This partnership will play a key role in ensuring that freight and passenger services continue to be affordable, safe, and consistent with local and global environmental goals in the years ahead. The technical advances made under this partnership will also help reduce our demand for petroleum and help ensure stable fuel prices in the years ahead.

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Acting Chair of Council on
Environmental Quality

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Deputy Assistant to the President for
Environmental Initiatives

Enclosure

THE WHITE HOUSE

WASHINGTON

March 24, 2000

Mr. Roger Penske
Chairman and Chief Executive Officer
Detroit Diesel Corporation
13400 Outer Drive, West
Detroit, MI 48239

Dear Mr. Penske:

We want to thank you for your Company's important role in defining the charter for the 21st Century Truck Initiative research partnership. This partnership will play a key role in ensuring that freight and passenger services continue to be affordable, safe, and consistent with local and global environmental goals in the years ahead. The technical advances made under this partnership will also help reduce our demand for petroleum and help ensure stable fuel prices in the years ahead.

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We particularly want to thank Nabil Hakim for his contributions. We look forward to meeting with you or your representative in the near future to formally begin work on this critical partnership. If you have any final comments or questions, please contact Henry Kelly at 202-456-6033, hkelly@ostp.eop.gov, or Roger Ballentine at 202-456-1782. Again, thank you for your commitment to this exciting partnership.

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George T. Frampton Jr.
Acting Chair of Council on
Environmental Quality

Roger S. Ballentine
Deputy Assistant to the President for
Environmental Initiatives

Enclosure

THE WHITE HOUSE

WASHINGTON

March 24, 2000

Mr. Michael von Mayenburg
Senior Vice President
Engineering and Technology
Freightliner Corporation
4747 N. Channel Avenue
Portland, Oregon 97217

Dear Mr. von Mayenburg:

We want to thank you for your Company's important role in defining the charter for the 21st Century Truck Initiative research partnership. This partnership will play a key role in ensuring that freight and passenger services continue to be affordable, safe, and consistent with local and global environmental goals in the years ahead. The technical advances made under this partnership will also help reduce our demand for petroleum and help ensure stable fuel prices in the years ahead.

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We particularly want to thank Bill Gouse for his contributions. We look forward to meeting with you or your representative in the near future to formally begin work on this critical partnership. If you have any final comments or questions, please contact Henry Kelly at 202-456-6033, hkelly@ostp.eop.gov, or Roger Ballentine at 202-456-1782. Again, thank you for your commitment to this exciting partnership.

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George T. Frampton Jr.
Acting Chair of Council on
Environmental Quality

Roger S. Ballentine
Deputy Assistant to the President for
Environmental Initiatives

Enclosure

THE WHITE HOUSE

WASHINGTON

March 24, 2000

Ms. Tina Vujovich
Vice President
Cummins Engine Company, Inc.
Mail Code 60616COB
500 Jackson Street
Columbus, IN 47201

Dear Ms. Vujovich:

We want to thank you for your Company's important role in defining the charter for the 21st Century Truck Initiative research partnership. This partnership will play a key role in ensuring that freight and passenger services continue to be affordable, safe, and consistent with local and global environmental goals in the years ahead. The technical advances made under this partnership will also help reduce our demand for petroleum and help ensure stable fuel prices in the years ahead.

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We particularly want to thank Jim Patten for his contributions. We look forward to meeting with you or your representative in the near future to formally begin work on this critical partnership. If you have any final comments or questions, please contact Henry Kelly at 202-456-6033, hkelly@ostp.eop.gov, or Roger Ballentine at 202-456-1782. Again, thank you for your commitment to this exciting partnership.

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George T. Frampton Jr.

George T. Frampton Jr.
Acting Chair of Council on
Environmental Quality

Roger S. Ballentine
Deputy Assistant to the President for
Environmental Initiatives

Enclosure

THE WHITE HOUSE

WASHINGTON

March 24, 2000

Mr. John Rintimaki
Group Vice President
Ford Motor Company
The American Road
Dearborn, MI 48126

Dear Mr. Rintimaki:

We want to thank you for your Company's important role in defining the charter for the 21st Century Truck Initiative research partnership. This partnership will play a key role in ensuring that freight and passenger services continue to be affordable, safe, and consistent with local and global environmental goals in the years ahead. The technical advances made under this partnership will also help reduce our demand for petroleum and help ensure stable fuel prices in the years ahead.

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George T. Frampton Jr.
Acting Chair of Council on
Environmental Quality

Roger S. Ballentine
Deputy Assistant to the President for
Environmental Initiatives

Enclosure

THE WHITE HOUSE

WASHINGTON

March 24, 2000

Mr. David M. Piper
Director of Engineering
Allison Transmission Division
General Motors Corporation
PO Box 894, Speed Code: K02
Indianapolis, IN 46206-0894

Dear Mr. Piper:

We want to thank you for your Company's important role in defining the charter for the 21st Century Truck Initiative research partnership. This partnership will play a key role in ensuring that freight and passenger services continue to be affordable, safe, and consistent with local and global environmental goals in the years ahead. The technical advances made under this partnership will also help reduce our demand for petroleum and help ensure stable fuel prices in the years ahead.

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George T. Frampton Jr.
Acting Chair of Council on
Environmental Quality

Roger S. Ballentine
Deputy Assistant to the President for
Environmental Initiatives

Enclosure

THE WHITE HOUSE

WASHINGTON

March 24, 2000

Ms. Sherril West
Vice President, Technical Services Department
CaterpillarInc.
Tech Center Building A
P.O. Box 1875
Peoria, IL 61656-1875

Dear Ms. West:

We want to thank you for your Company's important role in defining the charter for the 21st Century Truck Initiative research partnership. This partnership will play a key role in ensuring that freight and passenger services continue to be affordable, safe, and consistent with local and global environmental goals in the years ahead. The technical advances made under this partnership will also help reduce our demand for petroleum and help ensure stable fuel prices in the years ahead.

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Acting Chair of Council on
Environmental Quality

Roger S. Ballentine
Deputy Assistant to the President for
Environmental Initiatives

Enclosure

THE WHITE HOUSE

WASHINGTON

March 24, 2000

Mr. James D. Scanlon
President
Lockheed Martin Control Systems
600 Main Street
Mail Stop 123
Johnson City, NY 12790-1888

Dear Mr. Scanlon:

We want to thank you for your Company's important role in defining the charter for the 21st Century Truck Initiative research partnership. This partnership will play a key role in ensuring that freight and passenger services continue to be affordable, safe, and consistent with local and global environmental goals in the years ahead. The technical advances made under this partnership will also help reduce our demand for petroleum and help ensure stable fuel prices in the years ahead.

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Sincerely,

George T. Frampton Jr.
Acting Chair of Council on
Environmental Quality

Roger S. Ballentine
Deputy Assistant to the President for
Environmental Initiatives

Enclosure

THE WHITE HOUSE

WASHINGTON

February 1, 2000

Dear Interested Party:

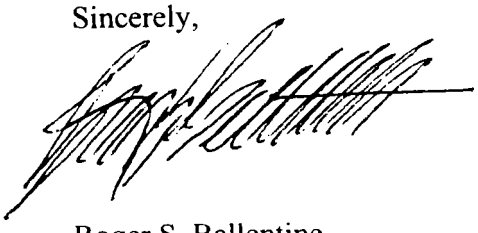
As the new year and the new millennium arrived, so did increasing recognition that global climate change will be among the most important environmental issues of the new century. I want to take this opportunity to send you some updated information on this pressing global issue.

You may have noticed the steady stream of new scientific studies suggesting that global warming is not only occurring, but occurring more rapidly than previously thought. Reports by the World Meteorological Society and the National Climactic Data Center, among others, found that since 1976 the planet has been warming at a rate of .35 degrees Fahrenheit per decade. Attached are summaries of some key studies and associated news stories that may be of interest to you.

Some say that we should not take any action until we have absolute, incontrovertible certainty about global warming and its causes. We believe, however, that the risks of inaction are too great and that balanced, prudent steps are called for now. Fortunately, the initiatives we are working on also create strong economic opportunities. The investments we are already making have helped produce new technologies to begin to address the problems of climate change. For example, new hybrid cars that get more than 80 miles per gallon of gas recently debuted at the Detroit Auto Show. This new breakthrough did not happen by accident. It was a result of the Partnership for a New Generation of Vehicles (PNGV) program created by the President and Vice President -- a joint public-private research and development initiative to produce more environmentally sound and economically viable vehicles. Fuller descriptions of this and of other recent energy technology developments follow.

The Administration will soon announce additional initiatives to fight global warming. You can expect a detailed presentation of these initiatives to reach you in the next several weeks, as part of my commitment to keep you informed of the latest information, news, and events related to global climate change.

Sincerely,



Roger S. Ballentine
Deputy Assistant to the President
for Environmental Initiatives

Climate Update

January 31, 2000

Science News

- The National Climatic Data Center released data near the end of 1999 showing that in the last quarter-century, the rate of warming has been more than double that of the 20th century average, and since the mid-1970's, the global temperature has risen at a rate of about 0.35 degrees per decade, or 3.5 degrees per century. (Complete text of a front page *New York Times* story about the findings is attached.)

- The National Academy of Sciences released a major new study on January 13, which was reported on by *the Washington Post, LA Times, CNN, CBS* and other outlets. The study found that the warming trend over the past two decades "...is undoubtedly real and is substantially greater than the average rate of warming during the 20th century." The report also downplayed a long-standing dispute over temperature data (while ground monitors have shown a sharp increase in Earth's temperatures, satellite and weather balloon observations have shown little or no warming), noting that while this discrepancy cannot yet fully be explained, it "in no way invalidates the conclusion that the Earth's temperature has been rising."

- 1999 will be the fifth warmest year on record, according to a British Meteorological Office study released December 15, 1999. Seven of the 10 hottest years on record occurred in the 1990's, which was the hottest decade of the millennium, the report said. Furthermore, the report suggested a "high probability" of 2000 being even warmer, as the cold Pacific (La Nina) warms again naturally.

- New satellite data released by NASA January 19, 2000 shows that part of the Pacific Ocean may be undergoing a cooling which could influence U.S. weather patterns over the next years and even decades. This newly identified climate pattern, known as Pacific-Decadal Oscillation (PDO), is a natural oscillation of northern hemisphere Pacific Ocean temperatures that occurs over decades, similar to the international El Nino-La Nina cycle in the tropical Pacific. The research suggests that the U.S. entered the "cool" phase of the PDO (similar to the La Nina phase) about 2 years ago. The tendency of this phase is to cool some regions of the earth, and while this could serve to "mask" or "dampen" global warming signals, it is not evidence that global warming is not occurring. For example, 1998 and 1999 set records as the warmest and 5th warmest years this century during the same period that scientists believe a "cool" PDO phase may have been starting.

Industry and Technology Update

- Following the lead of Ford in December 1999, DaimlerChrysler Corp. this January withdrew from the Global Climate Coalition (GCC), the major business lobbying group opposed to the

Kyoto climate treaty. This leaves GM as the only American carmaker still in the GCC. BP/Amoco, Sunoco and Shell all left the GCC within the last two years.

- In first week of January, a coalition of 42 religious and environmental organizations in 17 states unveiled "Campaign ExxonMobil" (CEM), an effort aimed at pressuring ExxonMobil to reform corporate practices that contribute to global warming, to acknowledge that human activity is causing global warming, and to quit anti-Kyoto lobbying groups such as the Global Climate Coalition. The religious and environmental groups' primary tactic is shareholder resolutions. In addition to ExxonMobil, they are also targeting GM, Cinergy, Goodyear, Duke Power, CSX, Southern Co., Chevron, Texaco, and Allegheny Energy.

- At the Detroit Auto Show the first week of January 2000, virtually every major manufacturer unveiled prototype hybrid cars that get better than 70 mpg. Ford's entry, the Prodigy, is "a family car that gets nearly 80 mpg without sacrificing performance or functionality," according to company documents. GM's Precept has similar qualities. Both were developed under the Partnership for a New Generation of Vehicles program. Chrysler is slated to display their entry later this year.

- A new hybrid gas and electric car which gets more than 60 mpg arrived at Honda dealers in the U.S. in December, 1999, the first such vehicle priced under $20,000 to be available to American consumers. Drivers fill it with unleaded gas and an electric motor is charged by the car's brakes so it never needs to be plugged in—one of the big drawbacks to cars that are entirely electric. Toyota will release a similar vehicle in 2000, selling for $17,000 and getting 66 mpg.

- Cargill Inc. and Dow Chemical announced in mid-January a $300 million program for full-scale commercial production of a new kind of plastic made from plants instead of petroleum. The new product is being called "Natural Plastic."

International Developments

- The World Bank in mid-January announced the creation of a fund to finance a market for greenhouse gas emissions. Four governments—Finland, Norway, Sweden and the Netherlands—and nine companies have committed $85 million so far to the fund, which will begin operating in April 2000. Reports in the *Washington Post* and *Wall Street Journal* speculated that the initiative reflects the World Bank's concern about the vulnerability of poor, low lying nations to coastal flooding as a result of global warming.

- France unveiled a program to fight global warming containing 96 measures, including an energy consumption tax on industries due to take effect in 2001, proposals to encourage vehicles to economize on fuel, the development of new public transport, reduction of energy consumption in buildings, and the promotion of research into renewable energy sources. The proposal, announced the week of January 17 also includes a domestic emissions trading system, despite the European Union's strong criticism of trading systems.

Recent Editorials

- January 9, 2000—*The Washington Post*
  "Warming to Reality" (complete text attached)

- January 15, 2000—*The Courier-Journal*
  "Global Warming"

- Headline: January 16, 2000—*The Detroit News*
  "Global Warming?"

- January 17, 2000—*The Indianapolis Star*
  "Still Not a Crisis"

- January 17, 2000—*The Washington Post*
  "More Hot News"

- January 18, 2000—*The Atlanta Constitution*
  "Global Warming Facts Ignored at Our Peril"

Other Media Coverage

- *CBS News* aired six separate global warming stories over three nights the week of January 10-16 featuring clips from President Clinton's January 11th statement at the Grand Canyon, two interviews with Dr. James Baker of NOAA, and an interview with White House Chief of Staff John Podesta. All the stories emphasized that global warming science is becoming conclusive, and included impacts as diverse as farming problems in the Central Valley of California and increased incidence of jellyfish blooms worldwide. On Wednesday, January 12, Dan Rather began the CBS lead story with this statement: "A CBS News Exclusive: a new study finds global warming is real and getting worse as the White House plans to unveil an ambitious new program to fight it."

- *NBC Nightly News*, devoted an "In-Depth" segment on January 4, 2000 to the latest global warming data, indicating that since the mid-1970's global temperatures have risen .35 degrees Fahrenheit a decade. The following week, NBC ran two additional stories emphasizing the increasing certainty in the science of global warming.

The New York Times

1999 Continues Warming Trend Around Globe

By WILLIAM K. STEVENS

At the New York Botanical Garden in the Bronx, fragrant white blooms with a pink blush are breaking out on specimens of a popular landscaping shrub called the Koreanspice viburnum — four to five months early. Snowdrops, among the earliest bulbs to send up shoots when winter ends, have already poked up their noses. In some New York suburbs, yellow forsythia blossoms have brought a premature touch of spring to December.

"There's a little confusion out there," said Wayne Cahilly, an arborist at the botanical garden, and he expressed no doubt as to the reason: abnormal warmth. Or is it so unusual? "I think this warm weather is becoming normal," Mr. Cahilly said.

Certainly it seems that way of late. Last month was the warmest November in 105 years of record-keeping in the contiguous 48 states, and the fourth-warmest in the Northeast. The trend continued into December in most of the country; as of Friday, the average temperature for the month in New York, for instance, was 5.7 degrees Fahrenheit above normal.

But that is almost the least of it. Federal scientists reported last week that in the contiguous 48 states and on other global land masses, including Europe and Asia, 1999 is certain to join 1998 as one of the two warmest years on record, continuing a

Continued on Page 18

Richard L. Harbus for The New York Times

KEEPING TRACK

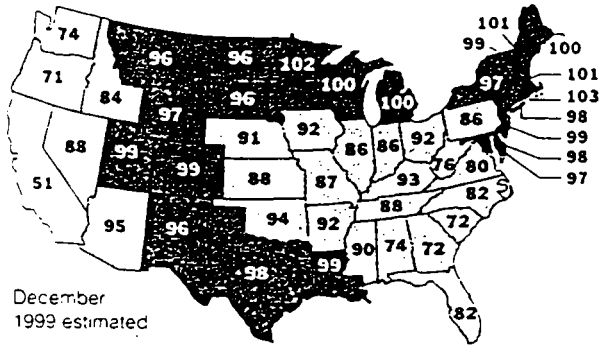
Warmer and Warmer

Scientists are reporting that 1999 will join 1998 as one of the two warmest years on record across the contiguous United States.

For 1999 . . .

Numbers are 1999's temperature rank since 1895.
105=Warmest, 1=Coldest

Much above normal *(104-95)* **Above normal** *(85-94)* **Normal** *(11-84)*

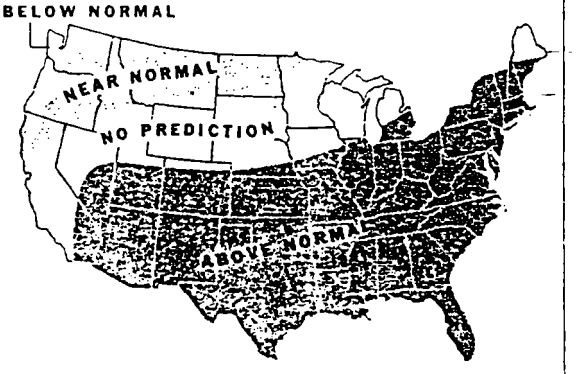


December 1999 estimated

Source: National Oceanic and Atmospheric Administration

. . . and for the next three months

Predictions for January, February and March of 2000 based on statistical analysis of past climate and current trends.



The New York Times

ing climatic and agricultural zones.

The United States experienced record-breaking warmth in both of the two most recent winters, said scientists at the government's Climate Prediction Center in Camp Springs, Md. The center predicted last week that on average, most of the country would be warmer than normal over the January-through-March period just ahead.

In the winter of 1997-98, circulation patterns influenced by El Niño played a crucial role in the warmth. Last winter, different circulation patterns associated with La Niña had a similar effect. Both La Niña and El Niño modify North America's climate by changing the position of the jet stream, the high-altitude river of air that generally runs from west to east and marks the boundary between cold northern air and warm southern air.

In a La Niña winter, the jet stream typically plunges down through Montana and the northern Plains and then into the central part of the country before curving northeastward. This curve would normally take place in the East, but in a La Niña year it tends to take place farther west, leaving the Eastern Seaboard on the warm side of the warm-cold division marked by the jet stream.

Eventually this whole pattern drifts eastward, bringing cold weather to the East. An influx of cold northern air is in fact expected for the latter part of this month in the Northeast, said Fred Gadomski, a meteorologist at Pennsylvania State University. This progression happens repeatedly. Sometimes in a La Niña regime, the course of the jet stream temporarily flattens out and whisks warm Pacific air all the way across the continent. Mr. Gadomski said he would not be surprised if such a nationwide warm spell developed after the upcoming cold snap passes.

Other factors, too, are shaping the winter, scientists at the prediction center say. In addition to the general warming of the atmosphere, for instance, year-to-year flip-flops in circulation patterns over the North Atlantic can have a major effect on weather in the Eastern part of the country.

The warmest decade in a century of record-keeping.

If this so-called North Atlantic oscillation is in one mode, typified by low atmospheric pressure over the ocean, the East tends to be warm. If high pressure dominates, said Vernon Kousky, a research meteorologist at the prediction center, the jet stream tends to follow a southerly course into the ocean in the vicinity of Virginia and North Carolina. North of that, big snowstorms can develop, Mr. Kousky said, as happened in 1995-96, a La Niña winter in which a January blizzard dropped record snows from Washington to New York, essentially shutting down the nation's capital for days.

The North Atlantic oscillation's effect "never makes itself felt till the end of December or early January," Mr. Kousky said, adding that forecasters at this point cannot predict its behavior this winter.

A similar oscillation in the North Pacific may influence next summer's American weather, he said. The sea-surface temperature there flips back and forth between warm and cool states similar to those of El Niño and La Niña, but stays in one phase for several years. Researchers believe that it may recently have flipped into its warmer state. If it has, Mr. Kousky said, it could set off atmospheric chain reactions next summer that will bring a repeat of last summer's drought in much of the country's Northeastern quadrant, as well as a more active Atlantic hurricane season.

"We're trying to alert people to that possibility," he said.

Last summer's drought established records for dryness in the Northeast, the Middle Atlantic and the Ohio Valley, Mr. Karl's group reported last week. The April-to-July period was the driest or second-driest in all states from West Virginia to Maine. The drought was followed by record rainfall as hurricanes Dennis and Floyd struck the East Coast. Intensified drought and heavier rain are both expected to result from global warming, although no particular weather event of any kind can be attributed to it.

The Washington Post

AN INDEPENDENT NEWSPAPER

Warming to Reality

BIT BY bit, industry is facing up to global warming. Last month Ford Motor Co. withdrew from the Global Climate Coalition, a lobbying group opposed to the Kyoto climate treaty. On Thursday DaimlerChrysler Corp. quit too; British Petroleum, Shell Oil and Dow Chemical left a while back. But as corporations move on, some politicians are lingering behind. On the campaign trail, Sen. Orrin Hatch routinely denounces the Kyoto accord, and Gov. George Bush has said that he opposes it. In Congress an ostrich caucus still insists that the scientific evidence for global warming is inconclusive.

For most of the world, 1997, 1998 and 1999 were the three warmest years on record. That is no mere blip: Since the mid 1970s, the world seems to have been warming at a rate of 3.5 degrees per century. Given that the world warmed by less than 10 degrees in the 20,000 previous years, the current rate is alarming. The unpleasant consequences may well include more extreme weather, a disruption to agriculture and rising sea levels that cause coastal flooding.

This warming is at least partly the consequence of human behavior: Cars, factories and coal fires produce carbon dioxide and other gases that accumulate in the atmosphere and alter climate patterns. A serious effort to reduce such emissions is therefore needed. Last year the administration promised to cut the federal government's fossil fuel emissions by 30 percent by 2010, and to triple national production of non-greenhouse "biomass" fuels derived from farm products.

But there is a limit to what the administration can do without the cooperation of Congress. For the past four years, Republican budget riders have prevented the administration from raising fuel-efficiency levels for vehicles. Congress has killed tax credits for fuel-efficient vehicles and air conditioners. The Senate has made it clear that it will not ratify the Kyoto climate accord. It will not even pass modest versions of the Kyoto idea, which would give industry an incentive to reduce greenhouse emissions.

The oil industry claims that compliance with the Kyoto accord would cost the average American family $1,500 to $3,000 a year. The Clinton administration declares that the extra cost of fuel-efficient machines is largely offset by the savings from reduced fuel purchases, rendering compliance all but free. The truth may lie somewhere in between. But reckless inaction in the face of global warming is the costliest of all options.

THE WHITE HOUSE

WASHINGTON

September 14, 1999

Mr. Amory B. Lovins
Rocky Mountain Institute
1739 Snowmass Creek Road
Snowmass, CO 81654

Dear Mr. Lovins:

I am Deputy Assistant to the President for Environmental Initiatives, and the President's Climate Change Coordinator. I wanted to be certain that you had a copy of the enclosed speech delivered yesterday in Washington by Dennis H. Reilley, Executive Vice President and Chief Operating Officer of DuPont. As you will see, the company has announced significant goals for reducing greenhouse gas emissions, increasing efficiency and using energy generated from renewable resources.

I thought to send this to you because the President recently lent me his draft copy of *Natural Capitalism* and asked me to read it. I found it visionary, and am actively thinking about ways that we as the government can help to promote the principles of natural capitalism, as we seek to lay the groundwork for 21st Century energy, environmental and economic policy. I hope that DuPont will be on the forefront of incorporating these principles into strategic corporate governance, and that we as the government do all we can to help other economic actors do the same.

I look forward to the continuing contributions of you, L. Hunter Lovins, and Paul Hawken, and please feel free to contact me anytime at (202) 456-1782.

Sincerely,

Roger S. Ballentine
Deputy Assistant to the President for
Environmental Initiatives

cc: L. Hunter Lovins
Paul Hawken

Remarks by

Dennis H. Reilley
Vice President and Chief Operating Officer - DuPont

Pew Center Conference, Washington, DC
September 13, 1999

For the past 10 years DuPont has been on a remarkable environmental journey. In 1989, then-chairman and CEO Ed Woolard announced that CEO stood for "chief environmental officer" and that he was going to make environmental leadership a priority of his tenure. Ed's successors – Jack Krol and Chad Holliday – each accepted that same accountability.

During that period of time, we went from a mindset that said environmental performance was defined by external regulations, to a fuller perspective that says environmental performance is part of an all-encompassing internal drive toward true sustainable growth.

Operationally, we began by proposing a series of numerical goals that included reducing levels of hazardous waste at the source; major reductions in airborne emissions, especially carcinogens; and land "set asides" for wildlife habitat. Later we set a goal to eliminate discharges to deep wells. Eventually we adopted a zero waste and emissions goal as a direction in which to move.

Although those goals were concrete, our ultimate objective was to make environmental protection a value that would be on the same level as the value that we had assigned to safety for nearly two centuries. We wanted environmental protection to become an enduring part of our company's culture, and an integral part of all business decisions.

In many respects we succeeded – so much so that in the past few years we have been able to turn our focus to the ultimate challenge that faces all of us: How can we achieve sustainable growth? We are trying to envision what sustainability would look like for a company such as ours which continues to grow and transform itself in a global economy that is itself dynamic and unpredictable.

For many industrial companies, the creation of value is still linked to the throughput of materials and increased pounds of production made possible by the expenditure of large amounts of energy in the form of fossil fuels. A sustainable growth company, by contrast, builds value for shareholders and society while decreasing its environmental footprint. It sees the marketplace and civil society as integral to business decisions, not as external entities that we simply interact with. And it fulfills the needs of a growing world population using the best and most advanced forms of modern technology while minimizing risk and environmental impact.

For a company like DuPont, there are several factors to consider as we seek sustainable growth. One of the most important is the one I want to address today – energy, and its impact on global climate.

Our experience with atmospheric science issues goes back to the 1970s. So we are not newcomers to the climate change issue. In 1991, we concluded that there was sufficient evidence linking greenhouse gas emissions to global climate change that we needed to take action. And, in 1993 we became the first company to volunteer under the U.S. Environmental Protection Agency/ Department of Energy Climate Wise program.

Since 1991, we have spent over $50 million to achieve a goal of reducing greenhouse gas emissions from our global operations (on a

carbon-equivalent basis) by 45 percent by the year 2000. We have done this primarily by reducing point sources – nitrous oxides and fluorochemicals. During that same past decade our production volumes increased by over 35 percent while we held total energy consumption flat. About half of that flat energy profile came from the classic energy efficiency items of equipment, yield and uptime improvements. The rest came from changes in our mix of products and processes and from significant powerhouse improvements.

During the same time period, our shareholder return increased by a factor of four. We have been able to demonstrate that performance in at least one key area of sustainability can be consistent with a growing business and solid return to our shareholders.

When we think about energy use and climate change at DuPont, we take a very long view. The long-term view is nothing new to DuPont. We have been in business for nearly 200 years and we have undergone several transformations. We are in the midst of another transformation now – one in which information science and biology are just as key to our outlook and plans as chemistry and chemical engineering were through much of the 20th century. In this process, we continually ask ourselves, do the businesses and technologies that we are building lend themselves to sustainable models? What actions must we take now to make sure that we are able to maintain sustainable growth over the next 100 years?

Of course, we don't have any special means for predicting the future. It is humbling for us at DuPont in 1999 to think about our predecessors in corporate management back in 1899. How would they have gone about planning for the uncertain and largely unimaginable industrial developments of the century ahead? The answer is that they did not wait for certainty. Nor can we. No business leader can afford to do that. We make decisions in the face of uncertainty all the time. We rely on good science and tried and true values to make plans and decisions in the face of uncertainty.

One thing that we do have as a result of being in business for two centuries is a very real understanding of what it means to have a legacy and what it means to leave a legacy. It is not an easy thing for a business focused on the next quarter's earnings to make costly decisions to ensure that our children's' children and the generations after them do not live in a world of collapsing ecosystems. But that is the ethical response we must make to the situation we currently face.

Such a long-term view is obviously relevant to the discussion of climate change, because climate change scenarios will play out over that time frame – the next century and beyond. To give you an idea of the order of magnitude of what we face, consider this: to achieve atmospheric carbon dioxide levels currently being considered as possible stabilization targets – between 1.6 and 3 times pre-industrial levels – per capita global carbon emissions will have to be one-tenth that of the U.S. today and *falling rapidly* 75 to 150 years from now.

From this perspective, the Kyoto Protocol represents only a signal that global leaders are taking the issue of climate change seriously. Given the global challenge before us, the Kyoto goals have an effect, but do not, over the course of the next 100 years, alter the curve. They may shift it downward, but not to any degree that makes a difference. Moreover, they arguably are a negative, because they set an extremely challenging short-term target, and that target now dominates political discussion.

From our point of view, what matters is not whether we are for Kyoto or against Kyoto. Our bias should be for prompt and meaningful *action* where there is reasonable cause for concern. And there is no question in our minds about whether there is reasonable cause for concern.

From that point of view and in addition to our actions of the past decade, we have set for ourselves three goals for the year 2010:

First, we will reduce our global carbon-equivalent greenhouse gas emissions by 65 percent using 1990 as a base year. For the purposes of our "scorecard," we will use the Kyoto basket of gases.

Second, we will hold total energy use flat using 1990 as a base year. While this continues the progress we have already made, this is clearly a stretch goal for us. To achieve this goal in the future will require that our business growth be much more "knowledge intensive" and much less "raw material and energy" intensive than in the past – a move that is very consistent with our stated corporate direction.

Third, we will source 10 percent of our global energy use in the year 2010 from renewable resources. We want to show that we are serious about the need for renewable energy to be a part of our future, and to provide a strong "market signal" that there will be at least one major energy consumer ready to buy. We also want to indicate that we are prepared to work with energy suppliers and others to develop renewable energy.

To put this goal in perspective, DuPont's renewable energy demand in 2010 will require 300 megawatts of capacity, which represents 17 percent of the present U.S. commercial capacity and 4 percent of the present world commercial capacity for renewable wind energy. However, with the projected double-digit growth for renewable energy, we expect that our demand will be a small, but not insignificant, part of the available supply in 2010.

We know that we will need help to achieve these goals if we are to achieve them in a way that is good for our business. This help will need to come from the commitment and creativity of our employees, from alliances with global energy providers, and from responsible public policy. That is why I am very pleased that you are talking about "credit for early action" at this conference.

As we look at our own goals and consider what needs to be done by industry more broadly, it becomes critically important that incentives are provided. Equally important is making sure that disincentives are not put in place. If a primary objective is to reduce our dependence on fossil fuel technologies and to encourage renewable energy technologies, incentives for early action will surely help.

For example, our goal of 10 percent sourcing of renewable energy by the year 2010 may bring with it a significant cost penalty. If we bought the best-priced renewable energy today, we would pay 2-3 cents per kilowatt hour more than the most attractive fossil fuels. This would increase our energy costs by $60-90 million dollars per year - a change that would, obviously, not be good for business.

"Credit for early action" and other incentives offer the possibility of eliminating cost penalties and encouraging, and possibly accelerating, the growth of cost-effective sources of renewable energy. The absence of incentives, and the continuance of subsidies for our fossil fuel based global economy, will only serve to strengthen the status quo – a scenario that shows increasing carbon concentrations in the atmosphere with unknown, but potentially significant, changes in our global climate.

As a company, we believe that action is warranted, not further debate. We also believe that the best approach is for business to lead, not wait for public outcry or government mandates. From our experience of the past ten years, we know that integrating environmental considerations into our business strategies enhances our ability to achieve sustainable growth. But, we have also learned that the transition to sustainable growth is accelerated when the economics are positive, a critical factor that can be highly influenced by responsible public policy.

DuPont has already weighed in on the side of prudent action. We are convinced that the key to lower long-term concentrations of carbon in the atmosphere will be a fundamental change in energy technology – one that will take several decades to achieve. However, we also believe that several important steps need to be taken now, and we have learned during our environmental journey of the past decade to face reality squarely and to respond with creative action.

The goals I have announced today are to challenge us as a company, and to show the world that we are serious about the changes we need to make. We believe that our response satisfies our scientific understanding and ethical standards. We also believe that it can be good for business. And, we believe that meeting these goals will be a step towards creating a world that is more sustainable for future generations.

8/24/99