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[Climate Change] Memos POTUS Weeklies

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THE WHITE HOUSE
WASHINGTON

November 2, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE 
RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press, Science and Industry

The Energy Information Administration (EIA) found that total U.S. greenhouse gas emissions increased 0.8% in 1999, *United Press International*, *Reuters*, and others reported (11/1). Carbon dioxide emissions rose 1.3%, compared to a rise of 0.1% in 1998, but is comparable to the average annual increase in the 1990's of 1.4%. A warmer than average winter and an increased use of nuclear power plants may have kept the CO2 emissions from being even higher, the EIA suggested.

To commemorate the anniversary of your Executive Order 13134, Developing and Promoting Biobased Products and Bioenergy, USDA and the DOE announced new initiatives to boost bioenergy, *Reuters* reported (11/1). USDA will use \$300 million from the Commodity Credit Corporation to expand production of ethanol, biodiesel and other biofuels, while DOE will create a National Bioenergy Center at the National Renewable Energy Laboratory in Golden, Colorado.

Weather in Europe will become increasingly severe as a result of global warming, meteorologists and environmental pressure groups warn, *Reuters* reported (10/31). This was reinforced by a report from thirty independent scientists, which states that global warming will significantly affect Europe, *AP* reported (11/1). Global warming will harm southern Europe, which will see an increase in hot summers, deterioration in air quality, and harsher conditions for traditional crops. However, Northern Europe will benefit from global warming because it will bring a decrease in cold winters and increase in crop production, the report said. While other reports have assessed the overall impact on Europe, this is the first detailed examination of the impact of global warming on Europe.

Ford Motor Co. unveiled its production prototype of a direct hydrogen powered fuel cell car, the Focus FCV, at an auto show in Las Vegas this past Monday, *Reuters*, *AP*, and others reported (10/30-11/1). Designed to look like its popular sub-compact sedan the Ford Focus, the FCV has a range of about 100 miles and power comparable to the Focus.

A report released Thursday from the Pew Center on Climate Change says that certain public policies are more effective in encouraging turnover of aging home appliances and purchases for more efficient models could help reduce greenhouse gas emissions. The report recommends rebates, publicity, and assistance in disposing of old appliances. It says that energy labels and the EPA Energy Star logo are useful, but insufficient to change consumer behavior, and that tax credits do not appear effective.

Legislative

Senator John McCain (R-AZ) introduced legislation this week to create an International Climate Change Science Commission. The Commission would serve the same function currently served by the International Panel on Climate Change (IPCC), comprised of experts nominated by each country to the U.N. Framework Convention on Climate Change. McCain has recently indicated to staff and other members that he feels the IPCC has become "politicized", and that an independent, nonpartisan scientific body is critical to inform the U.S. and all countries of the true science of climate change.

Senators Chuck Hagel (R-NE), Larry Craig (R-ID), and Mike Enzi (R-WY), as well as Representatives Joe Barton (R-TX), Ken Calvert (R-CA), JoAnn Emerson (R-MO), Eddie Bernice Johnson (D-TX), Joe Knollenberg (R-MI), Frank Pallone (D-NJ), Lynn Rivers (D-MI), James Sensenbrenner (R-WI), and Ed Whitfield (R-KY) are confirmed members of the Congressional Delegation to COP 6 in The Hague. Senators Max Baucus (D-MT) and John Kerry (D-MA) may also attend.

cc: John Podesta
Sandy Berger
Martin Baily
Chuck Brain
Charles Burson
George Frampton
Neal Lane
Robert Lawrence

THE WHITE HOUSE

WASHINGTON

October 27, 2000

MEMORANDUM FOR THE PRESIDENT

FROM:

ROGER BALLENTINE 

RE:

OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press, Science and Industry

The earth's average surface temperature will increase between 2.7 and 10.4 degrees Fahrenheit by 2100 if greenhouse emissions are not curtailed, according to the draft report from the U.N. Intergovernmental Panel on Climate Change, *The New York Times* and others reported (10/26). The new study, due to be released next year but leaked this week, is the product of the largest and most respected assembly of climate experts from around the world. While the IPCC's last report in 1995 suggested a role of human activity in global warming (and led to the Kyoto negotiations), this report considerably upgrades that conclusion, finding that human activity has "contributed substantially" to global warming.

More than a quarter of the world's coral reefs have been destroyed by global warming and water pollution, and most remaining reefs could be dead in 20 years, leading Australian researchers told the Ninth International Coral Reef Symposium in Bali, *AP* and others reported (10/23). Oceanographers found the El Nino weather patterns that raised temperatures six degrees Fahrenheit in recent years did enormous damage to the reefs, and warned even absent those patterns global warming poses a serious threat to reefs worldwide.

Daimler Chrysler announced that by 2005, 15 percent of its popular Durango sports utility vehicles will use gasoline-electric hybrid power technology developed in part under PNGV. The new vehicles will offer a 20 percent improvement in fuel economy, *AP* and others reported (10/23).

Prime Minister Tony Blair pledged this week to put environmental issues "back at heart of politics" and dismissed critics who said his government has abandoned the green agenda, *Reuters* and others reported (10/25). Speaking to businessmen and environmentalists, Blair announced plans to spend tens of millions of pounds on projects to develop energy-saving technology, promote renewable energy and recycle more of Britain's waste.

The Kyoto Protocol

We are working to develop Administration-wide consensus on each of the remaining issues to be addressed at COP-6, including the rules and guidelines for the flexibility mechanisms, the type and amount of sinks credits available to the U.S. and other countries, compliance mechanism options, and the several issues involving developing countries. The early release of the IPCC report will undoubtedly add urgency to the atmosphere of the negotiations.

Legislative

In the Commerce, Justice, State Department Appropriations Bill, the National Oceanic & Atmospheric Administration (NOAA) received just \$16.5 million of a requested \$67.7 million in funding for the Office of Global Programs. In a separate but related account, NOAA requested \$7 million for a climate modeling computer contract with a Princeton lab, and received just \$4 million; NOAA is concerned about the fate of this contract. For the U.S. Global Change Program climate initiative, NOAA received \$13 million -- less than half its \$28 million request. The Foreign Operations Appropriations Bill contained \$108 million for the Global Environment Facility (GEF) -- more than three times last year's level. However, the bill allocated only \$500,000 to our \$207 million balance of arrears.

cc: John Podesta
Sandy Berger
Martin Baily
Chuck Brain
Charles Burson
George Frampton
Neal Lane
Robert Lawrence

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THE WHITE HOUSE
WASHINGTON

October 20, 2000

15-21-00

MEMORANDUM FOR THE PRESIDENT

FROM:

ROGER BALLENTINE

RE:

OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press, Science and Industry

Seven major corporations, including DuPont, Shell, and Alcan Aluminium, have committed to reducing greenhouse gas emissions by an average of 15 percent by 2010, *The New York Times* and others reported (10/18). In their announcement, the corporations emphasized that market-based mechanisms like emissions trading are crucial to their ability to meet these targets, and stated that the companies will trade emissions reductions amongst themselves.

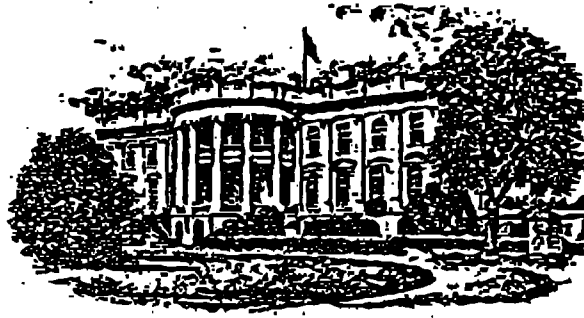
GM announced today that its Precept Technology Demonstration Vehicle has achieved the PNGV goal of 80 miles per gallon. GM praised and credited the PNGV partnership for allowing this breakthrough goal.

The EU is unlikely to meet its pledge under the Kyoto Protocol to reduce greenhouse gas emissions 8 percent below 1990 levels by 2010, according to a study by a leading German research group and reported by *Reuters* (10/17). Of the six EU nations studied, only Britain will likely meet its Kyoto target, researchers said.

Severe climate change 34 million years ago wiped out 90 percent of all life forms living along the Gulf Coast of the US, according to a study published in the journal *Nature* (10/19). The study found that extremely cold winters, with average temperatures 7 degrees Fahrenheit below previous norms, were responsible for the mass extinction.

State and Local

California announced that it will begin converting its entire 10,000 vehicle fleet to low-polluting, mostly hybrid or natural gas vehicles the *LA Times* reported (10/19). The state has also adopted regulations that require up to 10% of the new cars sold in California by 2003 to be non-polluting.



THE WHITE HOUSE
WASHINGTON

FACSIMILE / MEMO FROM
OFFICE OF PRESIDENTIAL LETTERS AND MESSAGES
OLD EXECUTIVE OFFICE BUILDING, ROOM 97

VOICE: (202) 456-5511 FAX: (202) 456-5426

TO: *Angela Mizeur*

DATE: *10/31/00*

FAX #: *61736*

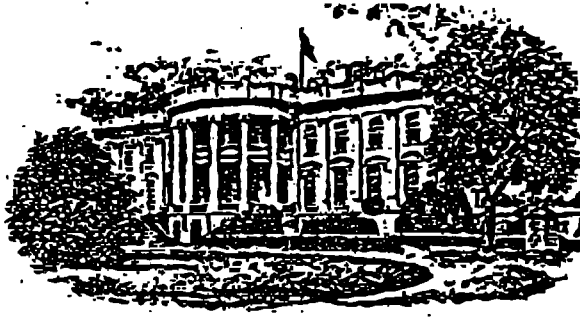
PAGES: *2* (INCLUDING THIS COVER SHEET)

FROM: *Bridget Avila*

SUBJECT: *letters to CED'n*

COMMENTS:

*per your request
Bridget*



THE WHITE HOUSE
WASHINGTON

FACSIMILE / MEMO FROM
OFFICE OF PRESIDENTIAL LETTERS AND MESSAGES
OLD EXECUTIVE OFFICE BUILDING, ROOM 97

VOICE: (202) 456-5511 FAX: (202) 456-5426

TO: Angie Mizaur

DATE: 10/30/00

FAX #: 617 36

PAGES: 3 (INCLUDING THIS COVER SHEET)

FROM: Bridget Avila

SUBJECT: Daimler Chrysler

COMMENTS: per my email
Bridget
65514

Debi - Bc sig -

make sure

previous corresp.

is checked. 10/25

DAIMLERCHRYSLER

5244587

Shannon:

10/24

Sig - ✓

AP - ju



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Dear Mr. Panik,

Thank you very much for your August 18 letter of support for DaimlerChrysler's fuel cell. I am delighted that our efforts have come to your attention, and greatly appreciate your kind words and commitment to the development of future transportation technologies.

DaimlerChrysler is the world leader in developing fuel cells for automotive applications, and we believe they represent the most promising technology for meeting future needs. Those needs include providing consumers around the world with personal mobility in comfort and safety while protecting our natural resources.

This fall, DaimlerChrysler will unveil the newest iterations of our fuel cell technology. On October 24, we will introduce the Jeep Commander 2 in Washington, and we would be delighted to be joined by members of your administration at this event. Shortly thereafter, we will introduce the Necar 5 (New Electric Car, fifth generation) in Berlin, Germany, demonstrating our commitment to a clean environment on both sides of the Atlantic. I am honored that German Chancellor Gerhard Schroeder has agreed to join me at this event. Also, on October 11 in Washington, Dr. Ferdinand Panik, head of the DaimlerChrysler Fuel Cell Project, will be speaking at the round-table on "Energy Industry Renaissance: Challenges for the Transatlantic Marketplace," which we invite your administration representatives to attend as well.

DaimlerChrysler is a founding member of the California Fuel Cell Partnership, a collaboration of automotive companies, the state of California, and the energy companies, with a goal of developing and implementing fuel cell technology in mobile uses. DaimlerChrysler has promised to deliver five fuel cell-powered vehicles to the group next year. We firmly believe that the most dramatic environmental and technological benefits will come through collaborative efforts like this one and your administration's Partnership for a New Generation of Vehicles, rather than government mandates.

incoming

OCT 19 2000

DaimlerChrysler AG
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One of the main unresolved obstacles to making fuel cells widespread is creating the necessary refueling infrastructure. In pursuit of that goal, DaimlerChrysler is engaged in research to look at several different types of fuels for use in fuel cells, including hydrogen, methanol, and gasoline. By exploring a variety of options, we hope to be prepared for whichever fuel proves commercially viable to power mobile fuel cell technology. DaimlerChrysler recently formed an alliance with other technology leaders, including BP International of the United Kingdom and Germany's BASF, to produce a comprehensive study of the questions surrounding public health and safety, environmental issues and infrastructure, with a view to formulating a joint position on the introduction and use of methanol as a fuel. The partner companies also plan to implement the results of the study and incorporate them into a real-world application.

Thank you again for your support.

With best personal regards

Yours

Ulf G. Gahr

September 29, 2000

The Honorable Bill Clinton
President of the United States
The White House
USA - Washington, DC 20500

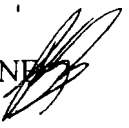
THE WHITE HOUSE

WASHINGTON

October 13, 2000

MEMORANDUM FOR THE PRESIDENT

FROM:

ROGER BALLENTINE 

RE:

OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press, Science and Industry

In a speech in London, Ford Motor Co. Chairman Bill Ford stated that the automobile has had a serious negative impact on the environment, and that his industry has wrongly played down the threat from global warming, *The Independent* (UK) reported (10/06). Moreover, Ford said that climate change is the most challenging issue facing the world and that anyone who disagrees is "in denial". The company itself has moved on from that position, he said. However, he thinks the Kyoto Protocol would not provide deep enough cuts in greenhouse gas emissions to halt global warming, and that only the marketplace, making new technology widely available, could tackle the problem.

Ocean algae could be grown to consume atmospheric greenhouse gases, according to a study in the journal *Nature*, and reported by *The New York Times* and others (10/12). Using iron as a fertilizer, scientists grew algae in an otherwise lifeless area of the ocean near Antarctica. The algae consumed hundreds of tons of carbon dioxide from the ocean's surface waters. However, researchers say it is too soon to start large-scale iron-seeding efforts because the experiment left many complex ecology and chemistry questions unanswered.

Polaroid Corp. has agreed to cut carbon dioxide emissions by 25 percent in the next 10 years to fight global warming, according to *AP* (10/12) and Polaroid ads in major papers this week. Polaroid pledged to cut carbon dioxide 20 percent by 2005 and 25 percent by 2010, compared to 1994 levels.

State and Local

To promote early action in reducing global warming, California Governor Gray Davis has signed a bill by which the State will enable companies to measure, report, and verify greenhouse gas emission reductions. This would potentially allow companies to claim early reduction credit if a future federal greenhouse gas program is adopted.

The Washington Metropolitan Area Transit Authority (WMATA) announced this week that it will buy compressed natural gas (CNG) buses when it orders 100 new buses later this fall. WMATA drew criticism this summer after purchasing over 200 new diesel buses, leading to pressure from various constituencies to purchase only cleaner technology buses in the future. Among those pressuring WMATA to purchase CNG buses were several WMATA board members, environmental groups, D.C. Council Members, Mayor Williams' office, and D.C. Delegate Eleanor Holmes Norton. We worked closely with each of these players.

Legislative

Congressmen John Olver (D-MA) and Jay Inslee (D-WA), working with Congressman Wayne Gilchrest (R-MD), finally forged an agreement with 25 Democratic and 19 Republican House members to establish a Climate Change Caucus. In an October 11 letter from Congressmen Olver and Gilchrest to the new members, the co-chairs indicate that the caucus will "hit the ground running in the 107th Congress," will serve as a clearing house on climate change information, and will be a forum to build support for policies appropriate to achieve global reductions in greenhouse gas emissions.

cc: The Vice President
John Podesta
Steve Ricchetti
Sandy Berger
Martin Baily
Chuck Brain
Charles Burson
George Frampton
Neal Lane
Robert Lawrence

THE WHITE HOUSE
WASHINGTON

October 6, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE 
RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press, Science and Industry

Energy efficiency standards for air conditioners will increase by 20 percent under a new DOE rule, the last in a series of appliance-related standards that included heat pumps, water heaters, refrigerators and fluorescent lamps. These standards will save 2.4 quads of energy by 2010, the equivalent of providing lighting for all U.S. households for two years, and will reduce U.S. greenhouse gas emissions by 21 million metric tons of carbon, or more than 1.3% of all U.S. emissions.

Oil companies around the world are increasing investments in renewable and alternative energy, *The Wall Street Journal* reported (10/4). British Petroleum and Shell each plan investments of between \$500 million and \$1 billion over the next few years. Texaco, the U.S. oil company most aggressively seeking alternative energy sources, is investing primarily in development of fuels cells.

An iceberg the size of Connecticut has splintered off the Ross Ice Shelf in Antarctica, part of an "increased amount of iceberg calving" according to NASA scientists, and reported by *CNN*, *ABC* and others (10/5). Researchers are not certain about the cause, but think global warming may play a role.

The sun's contribution to global warming may be overstated in some climate models according to scientists from the European Space Agency. "From 1970 on the main influence (on global warming) has been human activity," researchers stated. "All evidence suggests that it's greenhouse rather than solar forcing that's the problem."

The Kyoto Protocol

U.S. climate negotiators held four separate ministerial meetings in Europe this week with the EU, the African Ministers, other G-77 ministers, and our Umbrella Group allies to set the stage for the next major round of negotiations -- COP-6 -- in The Hague in mid-November. We seem to be making some progress with the EU in trying to balance the need for environmentally sound rules with the need to make the Kyoto Protocol as inexpensive as is feasible. The Europeans continued to press their concern that our desire to take full advantage of the flexibility mechanisms and to make extensive use of sinks will undermine the requirement for the U.S. to take strong domestic action. The G-77, under the very aggressive leadership of Nigeria, again threatened to block agreement at COP-6 if their demands are not met. These demands include that developed countries provide them with new financial resources and transfer of technology, as well as compensation for oil producing nations for any reduced global demand for their products. Clearly, seeking commitments for any additional developing country actions to fight climate change at COP-6 remains enormously challenging.

Legislative

On Tuesday, October 3, Senator James Inhofe (R-OK), Representatives Joseph Knollenberg (R-MI) and Jo Ann Emerson (R-MO), joined by several conservative interest groups, filed a lawsuit against YOU and Neal Lane in an attempt to prevent final publication of the National Assessment of the potential consequences of climate change for the United States. The assessment, which was mandated by Congress and tasked to the National Science and Technology Council (NSTC) of OSTP, is in the final stages of revision after three years of workshops, research, and analyses. The suit charges that the assessment process violated various aspects of the Federal Advisory Committee Act and the U.S. Global Change Research Act of 1990 (the authorizing legislation of the U.S. Global Change Research Program).

On the appropriations front, we are doing fairly well. In Energy and Water, we got an overall increase from FY00 of 20% for renewable energy and other Climate Change Technology Initiative (CCTI) accounts. In the Interior Bill, we secured a 10% increase over FY00 for our energy conservation and efficiency programs (more than half of our requested increase). Our negotiations over VA-HUD appear to have yielded a 20 % increase in EPA's climate programs over FY00.

cc: The Vice President
John Podesta
Steve Ricchetti
Sandy Berger
Martin Baily
Chuck Brain
Charles Burson
George Frampton
Neal Lane
Robert Lawrence

THE WHITE HOUSE

WASHINGTON

September 22, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE 

RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Press, Science and Industry

Old growth forests are far better than plantations of young trees at removing carbon dioxide from the air, according to a study appearing in the latest edition of *Science* (9/22) and reported by *The New York Times* (9/22). In old forests, huge amounts of carbon taken from the air are locked deep in the soil, where it can stay for many centuries, the study said. When such a forest is cut almost all of that stored carbon is eventually returned to the air in the form of carbon dioxide. Our position on sinks in the Kyoto negotiations includes provisions to prevent incentives to cut old growth forests. Environmentalists, however, continue to push us to take stronger positions.

Legislative

While the Senate Finance Committee mark-up of the New Markets tax package has been delayed, we expect that Chairman William Roth (R-DE) will include in his Mark several of our climate change tax proposals. The Chairman's Mark will likely include the hybrid car tax credit, and perhaps tax credits for biomass and super-efficient appliances.

Senator John McCain (R-AZ) held his third in a series of hearings on climate change before the full Senate Commerce Committee. The hearing featured a panel of energy industry representatives, environmentalists, and Senator Diane Feinstein (D-CA). McCain opened the hearing by stating that "it's time that Congress steps up to the plate".

cc: The Vice President
John Podesta
Steve Ricchetti
Mara Rudman
Martin Baily
Chuck Brain
Charles Burson
George Frampton
Neal Lane
Robert Lawrence

THE WHITE HOUSE
WASHINGTON

September 29, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE *RB*
RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press, Science and Industry

Honda Motor Co. has developed a four-seater fuel cell car, and Toyota Motor Corp. announced it would market a gas-electric hybrid minivan, *The Wall Street Journal* and others reported (9/29). Honda said its new FCX-V3 has a motor that is 25 percent lighter and offers 22 percent more power than two-seater versions of the car unveiled last September. Toyota said it plans to introduce a hybrid version of its popular Estima minivan to the Japanese market next spring. Toyota Chairman Hiroshi Okuda said the company intends to eventually use hybrid engines to power everything from compact cars to luxury sedans, sport utility vehicles and commercial trucks.

We held our first large meeting with members of the business community to hear their views as we begin to prepare in earnest for COP-6 in The Hague in November. Representatives from the oil, utility, forest products and auto sectors voiced specific concerns about a host of issues pertaining to the Kyoto Protocol.

The Kyoto Protocol

Next week in the Netherlands, our negotiators will attend the last Ministerial level meeting prior to COP-6. We intend to have frank discussions with the EU and with our "Umbrella Group" allies (including Canada, Japan and Australia) about our priorities and expectations for The Hague.

Legislative

Senator Roth's mark for the New Markets tax package contained not only our tax credit for hybrid autos (albeit reduced to one year), but also Administration tax credit priorities related to landfill methane-to-electricity projects and open-loop biomass energy production. We are working to include these provisions in any year-end tax vehicle.

Testifying before a joint hearing of the Senate Foreign Relations and Energy and Natural Resources Committees, Under Secretary of State for Global Affairs Frank Loy stressed the importance we attach to negotiating a Kyoto Protocol that is cost-effective in its approach to combating the effects of greenhouse gas accumulations in the atmosphere. Significantly, even those Majority members who have been climate change skeptics indicated acceptance that climate change is happening and that it requires a solution. However, few agreed that the Kyoto Protocol is the answer, and several cited the lack of developing country participation as a major stumbling block to Senate ratification.

Lands

Our success in adding guaranteed conservation funding in the Interior Appropriations Bill is being greeted with mixed reviews by those who have pushed for the Conservation and Reinvestment Act (CARA). In addition to Members of Congress from the producing coastal states, others who think that the deal is inadequate are those who had hoped for a higher priority in the package for state fish and wildlife agencies and state-directed land acquisition. A significant bipartisan coalition will likely continue to push for passage of CARA in the remaining days of the session. On the other hand, many environmental and conservation groups have hailed the agreement as an historic achievement for the environment.

cc: The Vice President
John Podesta
Steve Ricchetti
Sandy Berger
Martin Baily
Chuck Brain
Charles Burson
George Frampton
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Robert Lawrence

THE WHITE HOUSE
WASHINGTON

September 22, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE 
RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Press, Science and Industry

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Legislative

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cc: The Vice President
John Podesta
Steve Ricchetti
Mara Rudman
Martin Baily
Chuck Brain
Charles Burson
George Frampton
Neal Lane
Robert Lawrence

THE WHITE HOUSE
WASHINGTON

September 15, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE 
RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press, Science and Industry

The last century has been the hottest period in the past 1,000 years in the Himalayan Mountains, according to a study appearing today in the journal *Science*. The National Science Foundation-sponsored study used data from ice cores from a Himalayan glacier that contain chemical clues of climatic conditions that existed when the ice was deposited. Researchers called the findings "alarming."

Eight additional major corporations--including Intel, Alcoa and Georgia-Pacific--joined the Pew Business Environmental Leadership Council, a group of companies working to find climate change solutions (9/13).

International

During the Prime Minister's visit to Washington this week, India's Ministry of Power and the Department of Energy signed a Memorandum of Understanding to re-establish certain bilateral cooperation mechanisms for clean energy that you announced at Agra during your March trip. Other agencies signed several additional agreements including a feasibility study to establish an Integrated Gasification Combined Cycle demonstration project. We also helped finalize joint development agreements between India and US business associations on four power projects.

The Kyoto Protocol

Negotiators in Lyon, France finished up two weeks of talks today. This was the final session of the "subsidiary body" prior to the COP6 ministerial negotiations in The Hague, November 13-24. Progress was very slow on the actual negotiating text, but the atmospherics were markedly more positive than previous meetings.

Legislative

Senator John McCain will hold his third climate change hearing of the year next week in the Senate Commerce Committee. The focus will be on corporate responses to the climate challenge.

The Eco-Justice Working Group of the National Council of the Churches of Christ in the USA has formed a coalition of religious peoples from all faith communities in 16 states to educate and advocate on the issue of global warming. The working group has embarked on various campaigns as part of this endeavor, including meeting next week on the Hill to urge support for the Kyoto Protocol and for the Earth Day 2000 Clean Energy agenda.

cc: The Vice President
John Podesta
Steve Ricchetti
Mara Rudman
Martin Baily
Chuck Brain
Charles Burson
George Frampton
Neal Lane
Robert Lawrence

THE WHITE HOUSE
WASHINGTON

September 1, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE 
RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press, Science and Industry

This week, the Business Roundtable (BRT) convened more than fifty leaders from corporations, research labs, universities and government agencies to explore how the public and private sector can harness technology to address climate change. BRT will release a report this fall on the recommendations from the two-day "National Summit on Technology and Climate Change". The conference was divided into three segments: "Guiding Public R&D Investment and Policies", "Encouraging International Technology Transfer", and "Creating Public-Private Technology Partnerships". Officials from the White House, DOE, EPA, and AID participated. The dialogue was very positive, especially considering that BRT has been less than supportive in the past of strong efforts to combat climate change.

Increasingly clear signs that the Arctic ice sheet is melting prompted a flood of high profile press, including a feature article in Time magazine (9/4) ("The BIG Meltdown" – see attached). Prompted by the news from the Arctic, USA Today editorialized in favor of strong action to combat global warming (8/25). The editorial noted that "controlling greenhouse gases through the use of new technologies and alternative fuels is essential". The New York Times ran a front-page story on the Arctic ice melt (8/20). The Times article has generated some controversy, as many scientists think the story overplayed the rarity of the arctic melting and was too quick to link it to global warming.

Seventy-two percent of Americans believe CO2 emissions cause global warming, according to a new Harris poll (8/25). In addition, 85 percent of those surveyed consider global warming a "very serious" or "somewhat serious" problem. These numbers are generally higher than those in similar polling done last year, suggesting that global warming is of increasing concern to the public.

NASA scientist James Hansen, a leader since the late 1980's in bringing global warming to the attention of government officials, released a study suggesting that it may be more practical to slow global warming than is sometimes assumed by focusing in the short term on cutting greenhouse gases other than CO2. The study has attracted widespread media attention, including stories and Op-eds in The New York Times (8/20, 8/28), and a Washington Post editorial (8/28). Many have used this study to criticize our climate policy as too focused on energy and CO2, and say that a focus on other gases would be less costly to the economy. We have responded by pointing out that we do address other greenhouse gases (in fact it was the U.S. that insisted that the Kyoto Protocol include all greenhouse gases), and that reducing carbon emissions through increased energy efficiency and use of renewable energy will in fact benefit the economy while generating other environmental and health benefits.

Initiatives

We are making progress in our efforts to get the Washington Metropolitan Area Transit Authority (WMATA) to purchase natural gas buses. WMATA will likely vote on this issue next Thursday, and we are working with the Mayor's office, the D.C. Council, Governor Glendening and others to push for a successful outcome. We have continued to work with members of the WMATA board, Washington Gas, and NGOs to facilitate the efforts of those on the board who support the procurement of CNG buses for the WMATA fleet. We understand that the board will be considering this question at its September 7th meeting.

cc: The Vice President
John Podesta
Steve Ricchetti
Sandy Berger
Martin Baily
Chuck Brain
Charles Burson
George Frampton
Neal Lane
Robert Lawrence

The BIG

As the temperature rises in the Arctic, it sends a chill around



ON THE EDGE

Retreating coastal ice is forcing walrus to dive ever deeper for meals

Meltdown

the planet

By EUGENE LINDENHURCH III

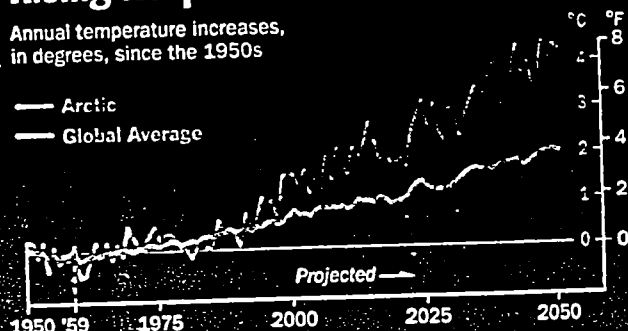
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Back from a cruise to the North

NIEL BEITRA—GREENPEACE

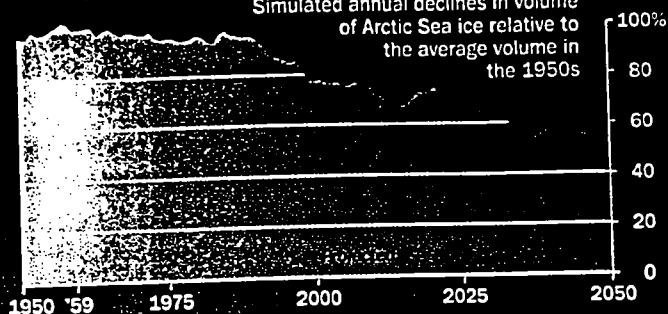
Rising temperatures...

Annual temperature increases, in degrees, since the 1950s



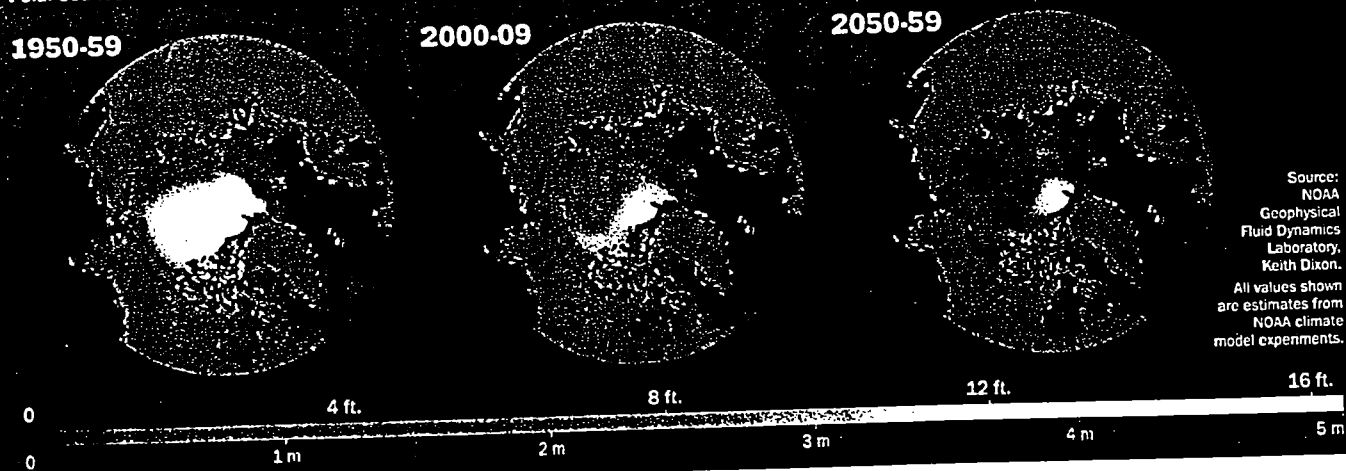
...will cause more ice to melt...

Simulated annual declines in volume of Arctic Sea ice relative to the average volume in the 1950s



...and the Arctic ice cap to shrink

Polar sea-ice thickness (see color scale below)



Source:
NOAA
Geophysical
Fluid Dynamics
Laboratory,
Keith Dixon.
All values shown
are estimates from
NOAA climate
model experiments.

Pole aboard the Russian icebreaker *Yamal*, tourists told the *New York Times* that a mile-wide lake had opened up at 90° north, with gulls fluttering overhead, and they had the pictures to prove it. The newspaper declared that such an opening in polar ice was possibly a first in 50 million years, though that claim was dismissed by scientists who nonetheless see other serious signs of Arctic warming (see box, page 56).

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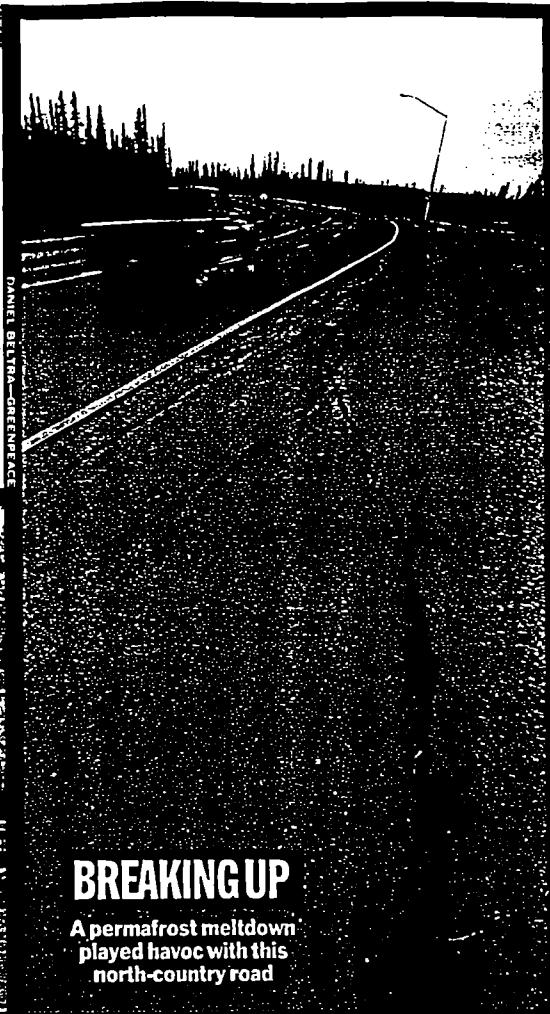
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These isolated dramas play out far from the mid-latitudes of the planet where the vast majority of people live, but the effects of warming are becoming more

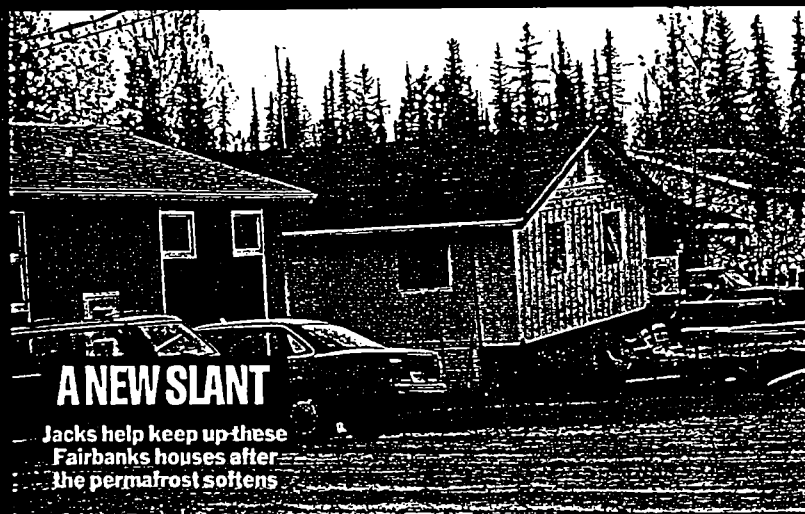


FORCED DIET

Early thaws and late freezes have cut short the polar bear's feeding time



DANIEL BELTRA—GREENPEACE



A NEW SLANT

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GARY BRASCH (2)

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Even greater climate change is likely

ocean circulation patterns that the Gulf Stream, the current that warms large parts of the northern hemisphere, could temporarily shut down. If that happens, global warming would, ironically, produce global cooling—and bring on a deep freeze.

Such a calamity could be self-inflicted. Many scientists believe that the current warming is related to the increased burning of fossil fuels, such as gasoline and coal, which overloads the atmosphere with carbon dioxide and other greenhouse gases. That's why 160 countries signed the 1997 Kyoto Protocol, which requires industrial nations to reduce their greenhouse emissions to an average of 5.2% below 1990 levels between the years 2008 and 2012. But even that weak treaty remains controversial, and governments have made little progress toward implementing the pact. The U.S. Senate hasn't even considered ratifying it. Opponents seize on the possibility that the treaty would hurt the econ-

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WITHOUT ACTION, MAJOR changes appear inevitable. Should surface water temperatures in the high Arctic rise just a few degrees, the sea ice could disappear entirely, but even a partial melting could devastate the northern hemisphere's climate. A combination of melting ice, increased precipitation, and runoff from melting glaciers could raise sea levels, flooding coastal cities and displacing millions of people.

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SO HOW WOULD THAT PRODUCE cooling? Ordinarily the conveyor is propelled by the pull created by masses of water sinking in the North Atlantic. When this pull diminishes, the movement of warm water north in the Gulf Stream could slow or stall, driving down temperatures in Europe and North America, and possibly elsewhere. It has happened before. Roughly 12,000

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Protecting civilization is the goal of the Kyoto Protocol, but the treaty allows 12 more years for implementation, on the assumption that climate change will be gradual. That assumption looks shaky. Studies of deep underground ice layers in Greenland, which reveal a record of climate changes over hundreds of thousands of

years, show that major climate shifts, like the onset of the Younger Dryas, can come very abruptly—within a few decades.

It probably won't be possible to avoid some climate change this century, up or down—and there's still a chance that the earth's systems will compensate for any that occurs—but the possibility that climate turns rapidly and unpredictably should spur us into doing whatever is practical to turn from fossil fuels—fast. If done right it

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POLAR NOTES

The Hole at 90°N



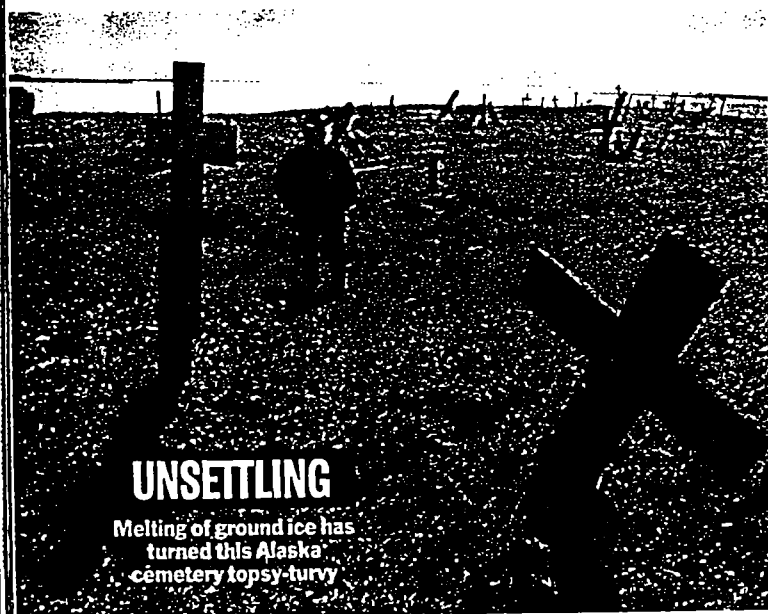
ARCTIC "LAKE": Not all that unusual

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Telling evidence of global warming, right? Not necessarily, climatologists quickly pointed out. Thanks to wind and waves, without any help at all from rising temperatures, fissures often form in the polar ice, especially in the warmer summer months. "In fact," says Claire Parkinson of NASA's Goddard Space Flight Center, whose satellites have long kept an eye on the polar ice cap, "it happens many, many times every year." Sometimes the openings can be hundreds of miles long, explains the Jet Propulsion Lab's Ronald Kwok, another Arctic observer.

Even so, the scientists did not dispute the many other signs of warming in the Arctic. It's just that one opening in the ice, even at the pole itself, doesn't mean a polar meltdown. But what about those ivory gulls? Aren't they pretty rare birds in a locale known more for fauna like polar bears? Not really, explains the Audubon Society's John Bianchi, who points out that the tough gulls are regular inhabitants of the Arctic Ocean. "If you've got open water at the pole or anywhere else up there," he says, "you're going to find these birds, because that's where they eat."

—By Frederic Golden.
Reported by Sara Song/New York



UNSETTLING

Melting of ground ice has turned this Alaska cemetery topsy-turvy

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DANIEL BELTRA—GREENPEACE

THE WHITE HOUSE
WASHINGTON

September 1, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE 
RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press, Science and Industry

This week, the Business Roundtable (BRT) convened more than fifty leaders from corporations, research labs, universities and government agencies to explore how the public and private sector can harness technology to address climate change. BRT will release a report this fall on the recommendations from the two-day "National Summit on Technology and Climate Change". The conference was divided into three segments: "Guiding Public R&D Investment and Policies", "Encouraging International Technology Transfer", and "Creating Public-Private Technology Partnerships". Officials from the White House, DOE, EPA, and AID participated. The dialogue was very positive, especially considering that BRT has been less than supportive in the past of strong efforts to combat climate change.

Increasingly clear signs that the Arctic ice sheet is melting prompted a flood of high profile press, including a feature article in Time magazine (9/4) ("The BIG Meltdown" – see attached). Prompted by the news from the Arctic, USA Today editorialized in favor of strong action to combat global warming (8/25). The editorial noted that "controlling greenhouse gases through the use of new technologies and alternative fuels is essential". The New York Times ran a front-page story on the Arctic ice melt (8/20). The Times article has generated some controversy, as many scientists think the story overplayed the rarity of the arctic melting and was too quick to link it to global warming.

Seventy-two percent of Americans believe CO2 emissions cause global warming, according to a new Harris poll (8/25). In addition, 85 percent of those surveyed consider global warming a "very serious" or "somewhat serious" problem. These numbers are generally higher than those in similar polling done last year, suggesting that global warming is of increasing concern to the public.

NASA scientist James Hansen, a leader since the late 1980's in bringing global warming to the attention of government officials, released a study suggesting that it may be more practical to slow global warming than is sometimes assumed by focusing in the short term on cutting greenhouse gases other than CO2. The study has attracted widespread media attention, including stories and Op-eds in The New York Times (8/20, 8/28), and a Washington Post editorial (8/28). Many have used this study to criticize our climate policy as too focused on energy and CO2, and say that a focus on other gases would be less costly to the economy. We have responded by pointing out that we do address other greenhouse gases (in fact it was the U.S. that insisted that the Kyoto Protocol include all greenhouse gases), and that reducing carbon emissions through increased energy efficiency and use of renewable energy will in fact benefit the economy while generating other environmental and health benefits.

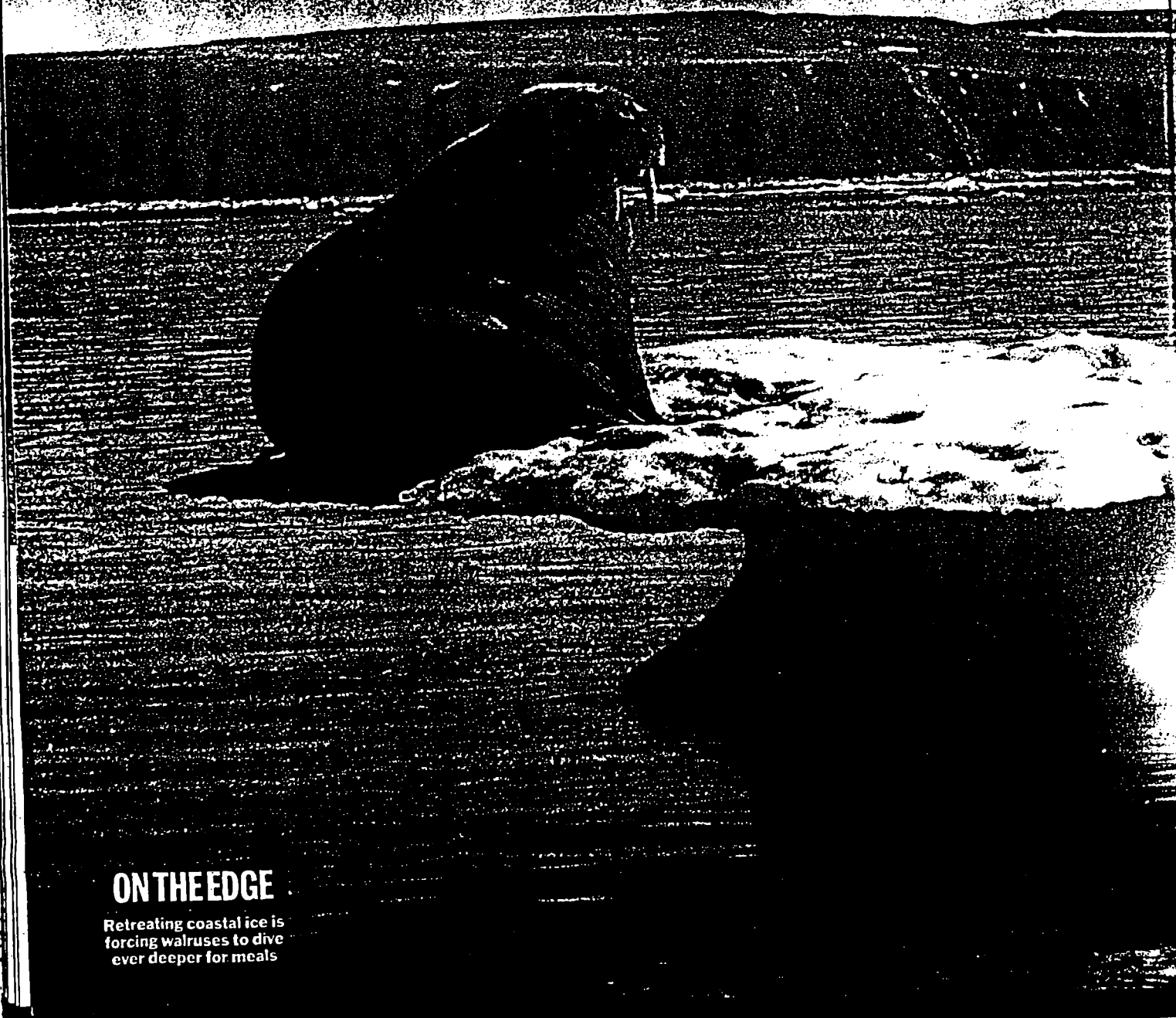
Initiatives

We are making progress in our efforts to get the Washington Metropolitan Area Transit Authority (WMATA) to purchase natural gas buses. WMATA will likely vote on this issue next Thursday, and we are working with the Mayor's office, the D.C. Council, Governor Glendening and others to push for a successful outcome. We have continued to work with members of the WMATA board, Washington Gas, and NGOs to facilitate the efforts of those on the board who support the procurement of CNG buses for the WMATA fleet. We understand that the board will be considering this question at its September 7th meeting.

cc: The Vice President
John Podesta
Steve Ricchetti
Sandy Berger
Martin Baily
Chuck Brain
Charles Burson
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The BIG

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ON THE EDGE

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Meltdown

the planet

By EUGENE LINDEN CHURCHILL

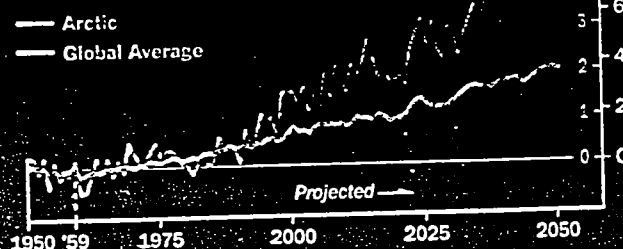
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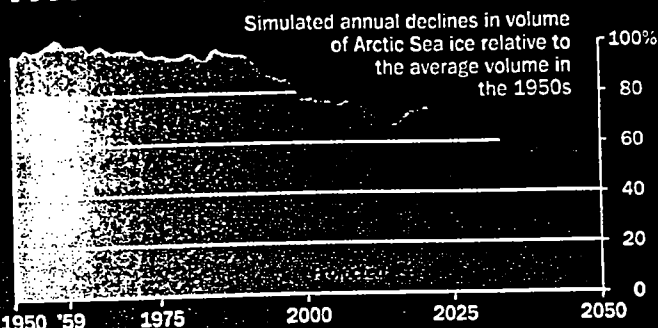
NIEL BELLIRA—GREENPEACE

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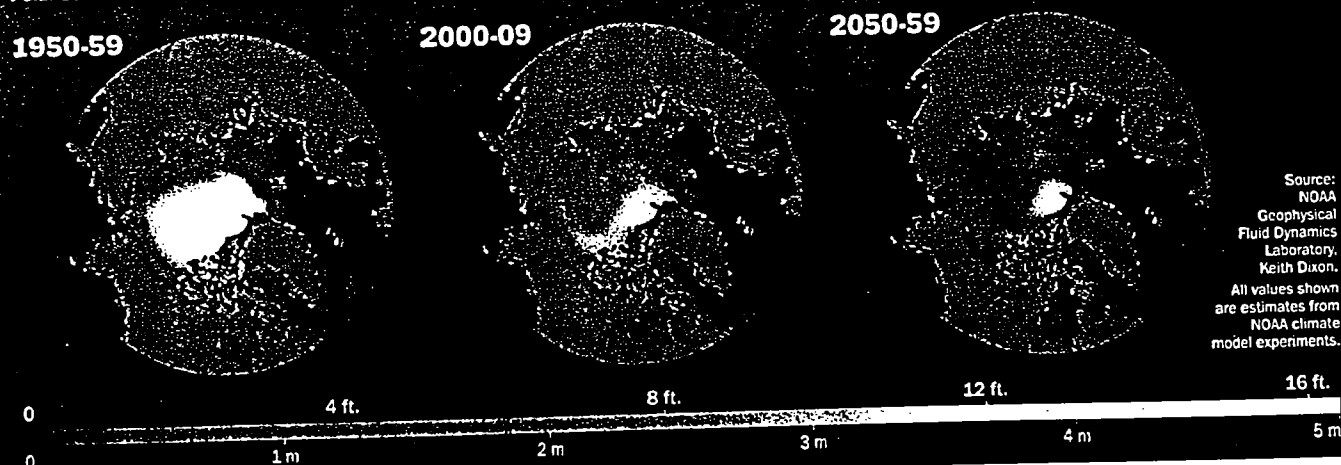


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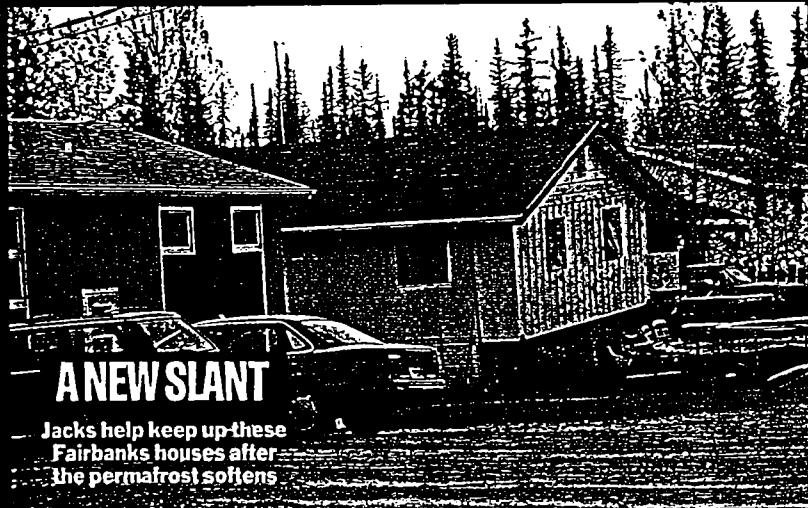
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A NEW SLANT

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BREAKING UP

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GARY BRASCH (2)

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POLAR NOTES

The Hole at 90°N



ARCTIC "LAKE": Not all that unusual

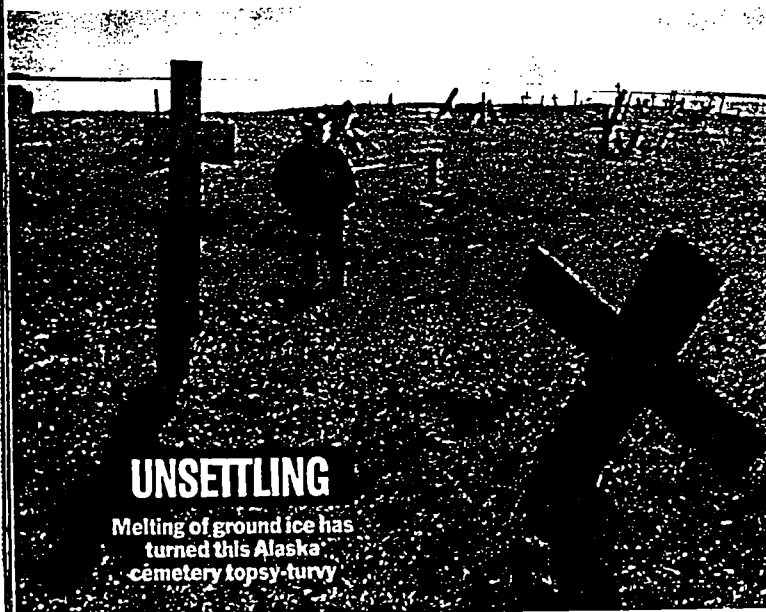
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UNSETTLING

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THE WHITE HOUSE
WASHINGTON

July 28, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE 
RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press, Science and Industry

Scientists have discovered increasing concentrations of a recently identified gas that “traps heat more effectively than all other known greenhouse gases” *The New York Times* reported (7/28). A study published in the journal *Science* (7/28) reveals that although the gas, trifluoromethyl sulfur pentafluoride (SF₅ CF₃), is extremely rare, concentrations are rising quickly and will have a lasting impact as the gas may take more than 1,000 years to break down.

As widely reported, The Ford Motor Company announced that it will increase the average fuel economy of its sport utility vehicles by 25 percent over the next five years. The increase amounts to approximately five miles per gallon and would be the most significant change in the fuel economy of a passenger vehicle class in nearly 20 years. The improvement will be on a fleet-wide average, with some of the decrease coming from the introduction of a new, smaller SUV and from the phase down in production of its largest SUVs.

Hydrofluorocarbons (HFCs), once touted as alternatives to ozone-destroying chloro-fluorocarbons (CFCs) in refrigeration equipment, have been condemned for their role in global warming, *The Financial Times* reported (7/26). Coca-Cola’s recent announcement that it will phase out HFC usage in its cold-drink equipment has greatly publicized the HFC debate, and sparked further discussion about alternative refrigerants. HFCs are controlled by the Kyoto Protocol, and the UK and Danish governments recognize their use as “unsustainable”.

Legislative

The Treasury Department testified this week on behalf of your climate tax package at a Senate Finance Subcommittee hearing held by Senator Orrin Hatch (R-UT) on energy and environmental taxes. In addition, many of our climate change tax proposals have been included in legislation introduced this week by Senators Jeff Bingaman (D-NM), Tom Daschle (D-SD), Robert Byrd (D-WV), Carl Levin (D-MI), and John Rockefeller (D-WV).

Senator Sam Brownback (R-KS) introduced his second bill on climate change. The International Carbon Sequestration Incentives Act was introduced on Thursday, with Senator Tom Daschle (D-SD) as the lead cosponsor. Additional cosponsors include Senators Robert Byrd (D-WV), Dick Lugar (R-IN), Bob Kerrey (D-NE), Chuck Grassley (R-IA), and Mike DeWine (R-OH), and supporters include Environmental Defense, the Nature Conservancy, and American Electric Power. The bill would provide either a domestic tax incentive, a guaranteed International Monetary Fund loan, or project insurance for agricultural conservation and carbon sequestration projects undertaken by U.S. entities both at home and abroad.

International

We had extensive meetings with a delegation from the Government of India. The meetings were the first follow up to the clean energy and environment agreement signed during your trip to that country. Discussions centered on the Kyoto process as well as on many other issues dealing with the promotion of clean energy trade and development.

Lands Legacy

The Senate Energy Committee reported the Conservation and Reinvestment Act on a bipartisan vote of 13-7, with Senators Frank Murkowski (R-AK), Gordon Smith (R-OR), Jim Bunning (R-KY) and Peter Fitzgerald (R-IL) voting with the Democrats. The approved version of the bill is significantly improved from the version that passed the House, although we still seek some changes, particularly regarding the permanence of the funding mechanism. Opponents of the legislation have vowed to use all rules and options to prevent the bill from reaching or clearing the Senate floor.

cc: The Vice President
John Podesta
Steve Ricchetti
Martin Baily
Chuck Brain
Lael Brainard
Charles Burson
George Frampton
Neal Lane
Jim Steinberg

THE WHITE HOUSE

WASHINGTON

August 11, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE 
RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

The U.S. Postal Service's airport facility in Anchorage, AK, will operate five fuel cells producing about 1 million watts of electricity-- one of the largest commercial fuel cell projects in the world (*Anchorage Daily News* 8/7). The project is a product of a partnership between several government agencies and Chugach Electric Association in Anchorage.

The number of city buses powered by natural gas in the United States is growing, but 93 percent of the nation's 50,000 transit buses still run on diesel, according to a study by an environmental research group (*AP/San Francisco Chronicle* 8/ 9). The study also reported that many cities, including New York City, Atlanta, Los Angeles and Sacramento, have said they will no longer purchase diesel buses. At your request, we are continuing to work on helping the District of Columbia use cleaner fuel and bus options.

Parts of Alaska and northern Eurasia have warmed by nearly 11 degrees Fahrenheit in the winter months over the past 30 years, according to climate data in a study by the University of Colorado's National Snow and Ice Data Center. No comparable warming has been documented using tree rings, ice cores or any other method.

Secretary Richardson and Senator Harry Reid (D-NV) announced the launch of a DOE partnership with private industry to develop geothermal energy in the West (*Las Vegas Review-Journal* 8/10). The goal of the program is to have geothermal energy account for 10 percent of the West's power supply within 20 years--primarily from Nevada, California, Utah and New Mexico. Funds will help develop new geothermal plants and advanced geothermal technology.

cc: John Podesta
Steve Ricchetti
Sandy Berger
Robert Lawrence
Chuck Brain
Charles Burson
George Frampton
Neal Lane

THE WHITE HOUSE
WASHINGTON

August 4, 2000

MEMORANDUM FOR THE PRESIDENT

FROM:

ROGER BALLENTINE 

RE:

OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

International

This week we made our much-anticipated submission to the Conference of the Parties to the UN Framework Convention on Climate Change on the role of sinks in the Kyoto Protocol. After an interagency process that also included the participation of NSC, NEC, CEA, OVP, CEQ, OSTP and others, the submission reflected a consensus reached on two critical points. First, the United States would support a definition of "reforestation" that would not create perverse incentives to log forests prior to the Kyoto period (by crediting the regrowth but not debiting the cut). Environmentalists and many in the international community expected us to maintain a hard line on this issue and leave open the possibility of pushing for the broader definition. Second, our submission makes clear that we believe, despite our support for a narrowing decision of "reforestation", that other sink activities should play a significant role in the fight against climate change. While a broad inclusion of these sink activities could account for as much as 300 million carbon tons saved a year (fully half of our Kyoto target) due to the net carbon absorption of U.S. lands and forests, our submission noted our willingness to limit to some degree the credit for carbon sinks available during the first compliance period (2008 to 2012). We struck this balance to address environmental concerns while keeping a significant role for sinks, which will lower compliance costs.

Press, Science and Industry

The submission of our proposal on carbon sinks to the UNFCCC received wide and generally positive media attention by *The New York Times*, *The Wall Street Journal* and others (8/2). Environmentalists' criticism--that sinks are a loophole to avoid emissions reductions--was present but somewhat muted by our helpful position on perverse incentives. *The Times* front-page story in particular stressed the political importance of sinks to farm state Senators generally skeptical about the Kyoto Protocol.

The surface temperature of ocean waters in the tropical Northern Hemisphere has increased at a rate of about 1-degree Fahrenheit per decade since 1984, according to a new NOAA analysis. The warming is being attributed to a combination of several factors, including global warming. The most immediate concern is the negative impact that the warming could have on coral reefs.

In an increasingly competitive race to see which US automaker can deliver bigger improvements in fuel economy, General Motors announced that it will produce a hybrid powertrain pick-up truck by 2005 and will begin delivering a hybrid powertrain transit buses by the end of this year, *The New York Times*, and others reported (8/3). GM Vice Chairman Harry J. Pearce flatly stated that GM's trucks would get better gas mileage than Ford's regardless of the improvements Ford pledged. Last week, Ford announced it would increase SUV gas mileage by 25% by 2005. In a statement, Vice President Gore noted that some of the technologies involved in these improvements were developed under PNGV, and called on Congress to pass our tax credit package for cleaner cars.

Researchers at universities and biotechnology firms are genetically modifying trees, potentially creating the largest, longest living, and most biologically productive land plants on Earth, *The Washington Post* reported (8/3). These "dream trees" could help combat global warming because they consume more CO2 during photosynthesis than their unmodified counterparts. Environmentalists remain concerned that such developments could lead to "mono-culture" lands that would threaten biodiversity.

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THE WHITE HOUSE

WASHINGTON

July 21, 2000

MEMORANDUM FOR THE PRESIDENT

FROM:

ROGER BALLENTINE 

RE:

OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press, Science and Industry

Researchers at the University of Michigan and elsewhere studying the impact of increased carbon dioxide levels on plants have discovered that while CO₂-rich air causes plants to grow faster, it decreases the nutritional value of their leaves. *The Seattle Times* reported (7/18). In one study, caterpillars eating plants grown in tanks that simulate global warming ate 50 percent more food but grew fifteen percent slower than caterpillars eating plants grown in tanks that simulate current conditions.

The Greenland Ice Sheet is melting at the rate of about twelve cubic miles per year, according to a NASA survey published in the journal *Science* (7/21). The study, based on laser surveys taken from an aircraft since 1993, shows the sheet is "amazingly stable" at the highest points, but is shrinking three feet or more per year at the margins. Scientists do not have an exact reason for the shrinkage, and are uncertain as to whether the melting is natural or due to global warming.

In his third column in a row on global warming ("Global Cooling", 7/17), *New York Times* columnist Bob Herbert urges aggressive domestic leadership as well as international cooperation to effectively curb human-induced global warming. The column advocates a mix of approaches very similar to our programs (we urged him to write about solutions and briefed him on our initiatives). Herbert writes, "To ignore those solutions, to be aware of them but not make use of them, is not just profoundly destructive, it's suicidal."

Legislative

Our progress on the appropriations front is a mixed bag. The House has underfunded your CCTI request by a total of \$403 million (28% below your request and \$66 million below last year's enacted level), funded only 54% of your International Clean Energy Initiative and is 31% (\$90 million) below your request for bio-energy. The Senate is not as far along, but appears prepared to fund more than 95% of your request for renewable energy.

International

I traveled to Beijing last week with Undersecretary of State Frank Loy to conduct the high level dialogue on climate change called for by Vice President Gore and Premier Zhu in April 1999. The twice-cancelled event assumed particular importance in light of COP6 this November in The Hague. Predictably, the Beijing meeting produced no major breakthroughs, but enabled us to achieve our primary goals. We explained to the Chinese the importance we attach to developing country action on climate change and indicated our willingness to work with them to structure a new international dialogue on this subject in a manner that would promote economic growth. We also expressed our willingness to consider new avenues for bilateral cooperation to increase exports of U.S. clean energy technologies.

The Chinese reaction was less than positive. In their view, we are not nearly as generous as other countries (Japan being the best example) in direct assistance and financing terms that would allow greater deployment of U.S. technologies. They also, of course, noted our sanctions.

Overall, our visit was productive. It was clear that, despite some difficulties, the Chinese understood and appreciated our offer to structure a dialogue about developing country action around the notion of the economic benefits and opportunities (as opposed to obligations and burdens) of greenhouse gas abatement.

State and Local

The National Association of Counties (NACO) failed to reaffirm an anti-Kyoto resolution passed at last year's annual meeting, thereby allowing the existing policy to expire. The group agreed to reexamine the entire issue of climate change next March at its annual legislative conference.

Lands Legacy

The Senate Energy Committee finally began its markup of the Conservation and Reinvestment Act (CARA). The markup was the result of an agreement on the bill reached by Chairman Frank Murkowski and Ranking Member Jeff Bingaman. A majority of the Republicans on the Committee strongly oppose the bill and Members have invoked procedural objections resulting in limiting the markup to two hours each day. Nevertheless, if Murkowski and Bingaman continue to stick together, the bill should make it out of Committee next week.

cc: The Vice President
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THE WHITE HOUSE
WASHINGTON

July 7, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE 
RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press, Science and Industry

Five environmental groups petitioned Governor George W. Bush and the Texas Natural Resource Conservation Commission to develop a plan to reduce and monitor GHG emissions in Texas, *The Houston Chronicle* reported (7/4). The groups assert that Texas should act because it has the highest GHG emissions in the country (14% of total U.S. emissions, but only 7 % of the population), and because rising sea levels will threaten its coast.

A coal-industry sponsored study released by several minority business groups predicted that Hispanic and African-American citizens would suffer large increases in unemployment if the U.S. adopts the Kyoto Protocol, *AP* and *C-SPAN* reported (7/6). The study uses false assumptions, such as excluding market-based, cost-effective approaches, to reach the conclusions that the Protocol would have severe economic impacts on lower income populations. Nevertheless, we are taking this issue very seriously and are working with relevant environmental and minority groups to quell any concerns.

In an Op-Ed in *USA Today* (7/6), Senator Tom Harkin (D-IA) noted that the U.S. will not solve its current gasoline problems by relaxing environmental regulations on reformulated gasoline, and that the U.S. must invest more in renewable fuels.

United Technologies is working on a plan to get 100 (200 kW) fuel cells installed at federal facilities and will also promote the use of fuel cells at U.S. embassies. This would enhance security, improve the environment, and act as demonstration projects for the host countries.

International

Undersecretary of State Frank Loy and I will travel to China next week for a high level dialogue on climate change. While our meetings with the Ministry of Foreign Affairs will focus on Kyoto and the outstanding issues heading into COP6, we intend to set these discussions within the context of our broader emerging cooperative relationship on the issues of energy and environment. Our short-term objective is to convince the Chinese to back down from their obstructive tendencies displayed at past COPs.

As reported to you by Secretary Richardson, Bolivia has agreed to take on an emissions target.

cc: The Vice President
John Podesta
Martin Baily
Steve Ricchetti
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George Frampton
Neal Lane
Jim Steinberg

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Gibson draft

6-26-00

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6-26-00

THE WHITE HOUSE
WASHINGTON

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entire report:
Ballentine
Podesta

June 23, 2000

pg 1

Burkhardt (for
reply)

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE

RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press, Science and Industry

Sharon Ba
not to COB

DaimlerChrysler announced this week that in two years it will become the first automaker to launch fuel cell vehicles on the market. Its first delivery will be of city buses equipped with fuel cell drives. At the same time, the company's Alabama plant will begin drawing power from a stationary fuel cell. The company plans to bring fuel cell passenger vehicles to the market in four years.

The U.S. Agency for International Development (USAID) released a report today predicting dramatic market growth over the next ten years for environmental technologies and services to support international efforts to reduce greenhouse gas emissions. According to the report, *Market Opportunities for Climate Change Technologies and Services in Developing Countries*, under business-as-usual conditions the market for mitigation technologies and services will grow from \$29.9 billion today to \$51.7 billion by 2010.

Legislative

In a significant win in the House on the issue of climate change, an amendment to narrow and clarify the Knollenberg (R-MI) anti-Kyoto rider passed by a vote of 314 to 108 during floor deliberations of the VA/HUD Appropriations Bill. Representatives Olver (D-MA), Mollohan (D-WV), Inslee (D-WA), Visclosky (D-IN), Waxman (D-CA), Kucinich (D-OH) and Gilchrest (R-MD) led the effort. Ranking Member Obey (D-WI) was also extremely helpful.

The Senate Agriculture Committee passed Senator Pat Roberts' (R-KS) soil carbon sequestration research bill. The bill, with bipartisan cosponsors including Senators Frank Murkowski (R-AK), Rod Grams (R-MN), Chuck Hagel (R-NE), Larry Craig (R-ID), Bob Kerrey (D-NE), Max Baucus (D-MT), and Tom Harkin (D-IA), provides \$5 million per year for 3 years for public and private cooperative research into best agricultural practices for sequestering carbon and \$5 million per year for 3 years for remote sensing research to monitor carbon levels in soils and rangelands.

International

The Australian government announced a goal of \$2.4 billion in annual sales by its renewable energy industry by 2010. Reaching the target would require an "ambitious" sales growth of about 25 percent per year, much of it from exports.

The Pew Center on Climate Change released a report predicting that several European nations will likely fail to meet their greenhouse gas emissions targets under the Kyoto Protocol. The *Financial Times* (6/22) reported that Pew has called for renegotiation of the Kyoto targets saying they are "unrealistic" goals and would undermine support "and provide opponents with additional ammunition".

Canadian utility TransAlta will purchase credits for 24,000 metric tons of CO2 from German company Hamburgische Electricitats-Werke AG (HEW), according to *Energy Daily* (6/19). This is the first trans-Atlantic carbon trade. An independent monitoring organization will verify the trade, which was brokered by a New York company, Natsource LLC.

cc: The Vice President
John Podesta
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THE WHITE HOUSE
WASHINGTON

June 23, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE 
RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press, Science and Industry

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Transportation: During mid-to-late May, a DOT technical transportation team will travel to Nigeria to begin work on the Nigerian Transportation Project. The project is the result of a proposal made following DOT's participation in an NSC/USAID interagency team in 1999. DOT will receive \$4M in funding from DOS/USAID to carry out the project to assist Nigeria in rehabilitating its transportation infrastructure.

Grade Crossing/Hazard Elimination: On May 12, Secretary Slater will announce financial assistance grants totaling \$5.3M to five federally-designated high-speed rail corridors to eliminate hazards at public and private highway-rail grade crossings. FY2000 apportionments to five designated corridors are the Pacific Northwest Corridor: WA, \$750,000; OR, \$500,000; Chicago Hub Corridor: WI, \$1M; Gulf Coast Corridor: LA, \$350,000; MS, \$320,000; AL, \$330,000; Southeast Corridor: NC, \$750,000; VA, \$750,000; and The Empire Corridor: NY, \$500,000. The funds will be used with other federal and state grade crossing funding to accelerate the implementation of high-speed rail in the designated high-speed rail corridors.

Seat Belt Grant Availability: During the two-week period starting May 15, a *Federal Register* Notice will be published to announce the availability of \$25-30M in Section 157 Discretionary Incentive grants will be published in the next two weeks. These grants are for states that develop innovative projects designed to increase seat belt use. Nearly 57 percent of those killed in motor vehicle crashes, both children and adults, are unbelted. These grants work to prevent death and reduce injury on America's roads and highways. The grants are authorized by the Transportation Equity Act for the 21st Century, which provides \$500M over five years for states to increase seat belt use.

DEPARTMENT OF ENERGY

Alternative Fuel Vehicles: On May 9, Secretary Richardson presented the National Partner and Clean Cities Coalition awards to two dozen industry partners and local coalitions from around the country. Each year, DOE honors cities and organizations that have made outstanding contributions in improving local air quality, reducing dependence on gasoline and diesel fuel, promoting the use of alternative fuel vehicles, and providing the resources to make these vehicles practical.

Fissile Material Transparency Technology: DOE's Los Alamos National Laboratory will be hosting a Russian delegation the week of May 15 for a technology demonstration. The demonstration will focus on the use of information barriers to protect sensitive and classified information during measurement of a classified nuclear weapons component. This directly supports the weapons origin determination for the Mayak Fissile Material Storage Facility and the proposed Processing and Packaging Implementing Agreement. DOD's Cooperative Threat Reduction Program is funding the demonstration.

*Have we
forgot all we
can?*

*Ray
can we do more?
JOH*

THE WHITE HOUSE
WASHINGTON

June 16, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE 

RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press, Science and Industry

The release of the national assessment of *Climate Change Impacts on the United States* received widespread media coverage, including a front-page story in *The New York Times* and reports in the *Washington Post*, *LA Times*, *Chicago Tribune*, *Atlanta Journal Constitution*, and many regional papers (6/12-13). Three of the four networks covered the study, including a *CNN* story that used your remarks at the Millennium event Monday calling for Congressional action. A *Washington Post* editorial called the report "a significant scientific milestone" and chastised Congress for its recalcitrance on the issue.

NOAA reported today that so far, this year has been the warmest ever recorded for the U.S.

Legislative

The climate rider initially introduced by Congressman Joe Knollenberg (R-MI) on one FY99 and on six appropriations bill in FY2000, has so far been included in seven FY2001 appropriations bills. The rider purports to prevent the Administration from issuing rules, regulations or orders to implement or prepare to implement the Kyoto Protocol prior to Senate ratification. However Knollenberg and others have attempted to use the language to block numerous climate change-related activities of the Administration.

Pursuant to an agreement between the proponents and the opponents to Corporate Average Fuel Economy standards, the Senate adopted a motion to instruct conferees to the Transportation Appropriations bill to accept the House CAFE rider. The instruction included, however, language purporting to instruct the conferees to authorize DOT to recommend (but not promulgate) new standards to the Congress after July 1, 2001, and only "pursuant to" a study to be undertaken by the National Academy of Sciences and completed by that date. That study must look at the safety impacts of CAFE, any disparate impacts on the U.S. auto industry, and any other labor impacts. DOT could promulgate new standards only after approval via a Joint Resolution of Congress.

Senator Larry Craig (R-ID), today on the Senate floor, assailed the national assessment as a politically driven document which relied on junk science to promote a politically pre-determined conclusion. He characterized the report as a "lie".

International

The first major negotiating session since last October on the rules for the Kyoto Protocol ended today. The two-week session in Bonn produced few dramatic changes, but was characterized by more collegiality and professionalism than at any point in the past two years.

Saudi Arabia remains the main force seeking to block progress, although with OPEC ally Nigeria acting as head of the G-77 developing countries, the Saudis were not the only cause for the lack of major progress. Our cooperation with the European Union improved somewhat, though a few countries, notably Germany and France, continue to advocate a number of unhelpful positions, such as a cap on the flexibility mechanisms, a stiff financial penalty for non-compliance and a dialogue that would seek to harmonize energy tax policies.

State and Local

This week the U.S. Conference of Mayors adopted a resolution recognizing that "global warming poses a real, serious threat" and calling upon "Congress and the Administration to work together to make the issue a priority and to develop and implement policies and programs that work with local communities" to reduce greenhouse gas emissions. The resolution also urges the Congress to fully fund the Clean Air Partnership Fund and "to support tax incentives and targeted investments that will accelerate the development and deployment of clean energy technologies". Mayor Marc Morial (D-New Orleans), Mayor Pat Hays (D-North Little Rock) and Mayor Rosemary Corbin (D-Richmond, CA) led this effort. They overcame strong industry-backed opposition that had led to a defeat of the resolution in committee the day before.

cc: The Vice President
John Podesta
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THE WHITE HOUSE
WASHINGTON

June 9, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE 

RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press, Science and Industry

The National Assessment of Climate Change Impacts on the United States is due to be released Monday for public comment. A draft was the subject of a widely run AP story (6/8), and of stories on network and cable outlets. The AP story focused primarily on the report's forecasting of the negative impacts likely to result from climate change over the next 100 years, including ecosystem destruction, sea level rise, and possible water shortages. We expect pieces based on the final draft in *The New York Times*, *Washington Post* and on the networks Sunday or Monday.

Hydroelectric dams, traditionally viewed as an energy source that emits few greenhouse gases, may make some contribution to global warming, according to a report by the World Commission on Dams and covered in *New Scientist* magazine (6/1). The report found that stagnant water with rotting vegetation gives off methane 20 times more potent than the CO2 given off by running water of a free-flowing river. The problem is worst in shallow reservoirs, many of which are found in developing nations.

Researchers believe that because of melting of the polar ice cap in the Canadian Arctic, a possible maritime shortcut from Europe to the East--the long-sought Northwest Passage--may be plied by ships within the next few decades, the *Christian Science Monitor* reported (6/7). Because the US and others nations do not accept Canada's claim to sovereignty over the waters of the Arctic archipelago, it is unclear what environmental and other regulations apply in the Arctic -- a vacuum which greatly concerns environmentalists worried about oil spills and other possible results of shipping in the area.

International

Under the leadership of the NEC, we continue to work with the U.K. on a proposed G8 Task Force on "Clean Energy for Sustainable Development". As you know, both the PCAST "Powerful Partnerships" report and your International Clean Energy Initiative reflect the idea embodied in the proposed Task Force--that a central part of the solution to the joint-challenges of climate change and of sustainable growth lie with clean energy technologies.

cc: The Vice President
John Podesta
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THE WHITE HOUSE
WASHINGTON

May 26, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE 
RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press, Science and Industry

The seasonal rise and fall of the Great Lakes is occurring earlier in the year signifying that global warming is shifting the seasons, according to a University of Wisconsin study reported by *Reuters* (5/24). The effect was most noticeable in the two smallest of the five lakes, Erie and Ontario, which are reaching their highest spring levels about a month earlier than they have in the past. The study posited that global warming has quickened the annual melting of winter snows feeding the lakes and hastening evaporation from warmer lake waters in the fall and winter.

A panel of preeminent scientists told the board of directors of the Metropolitan Water District of Southern California, which supplies water to 17 million people, to prepare for the consequences of climate change. "The vulnerability of the state's water resources to climate change is a serious concern for us," MET Chairman Philip Pace said, adding that they must now begin to factor climate change into their water supply calculations.

General Motors has joined forces with Giner Inc. to develop fuel cell vehicles. GM's head of research said that while the technology is "still immature," engineers already have solved a key problem by keeping the water involved from freezing in subzero temperatures. Meanwhile, Nissan Motor Company also announced it was looking to join with other companies to develop fuel cells vehicles, *Reuters* reported (5/23).

International

The Pew Center on Global Climate Change released three new studies Wednesday that outline the challenges and opportunities for China, Brazil and Argentina to address climate change. The conclusions of the Chinese analysis are particularly notable:

- Due to the heavy reliance on coal-fired power generation, baseline carbon dioxide and sulfur dioxide emissions from thermal plants will more than double by 2015.
- Increasing demand-side energy efficiency by 10 percent could reduce carbon dioxide and sulfur dioxide emissions by 19 and 13 percent, respectively, in 2015, while lowering costs.
- Expanding the availability of low-cost natural gas through market reforms could reduce emissions of carbon dioxide and sulfur dioxide in the power sector by 14 and 35 percent, respectively and increase costs by only 4 percent.

Legislative

The House and Senate yesterday passed, as part of the Crop Insurance Bill, a compromise version of Senator Dick Lugar's (R-IN) and Congressman Mark Udall's (D-CO) Biomass Research and Development Acts. The Biomass Act, which closely mirrors your August 1999 Executive Order, establishes a coordinated interagency research and development program in the use of biomass for the production of energy, fuels, and other products. It encourages the evaluation of new energy crops and accelerates the development of advanced biomass technologies to produce a variety of energy-related products and to reduce U.S. reliance on fossil fuels. The bill would authorize an additional \$49 million for USDA to award, cooperatively with DOE, competitive grants and contracts for bio-based product research and development.

Senator Pat Roberts (R-KS) also negotiated a provision in the Crop Insurance Bill to provide \$15 million in research funds for soil carbon research.

cc: The Vice President
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THE WHITE HOUSE
WASHINGTON

May 19, 2000

MEMORANDUM FOR THE PRESIDENT

FROM:

ROGER BALLENTINE 

RE:

OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press, Science and Industry

Sooty smoke and aerosols, once believed to help counteract the effects of global warming by facilitating cloud formation, may actually worsen the problem by making clouds less dense, NASA scientists reported in the journal *Science* (5/11). Clouds help cool the Earth by bouncing solar radiation back into the atmosphere.

A *New York Times* story (5/16) by lead science reporter Bill Stevens contends that a recent UN International Panel on Climate Change report may have overstated the potential of so-called "carbon sinks" to help alleviate global warming. The story notes that while more than half of all CO₂ emitted is absorbed by the oceans, plants and soils, many scientists believe that our ability to use the "terrestrial biosphere" to absorb CO₂ is limited. The rules governing carbon sinks is among the keys issues on the agenda at the Kyoto Protocol negotiations at The Hague in November.

Legislative

Senate Commerce Committee Chairman McCain held a hearing on the science of global warming Wednesday at which leading climate scientists testified. McCain admitted that there is "mounting evidence" that global warming was occurring and pledged to hold more hearings. The Commerce Committee hearing was the first held by the majority in Congress at which the real climate scientists were not contradicted in equal numbers by industry-paid naysayers.

Senators Orrin Hatch (R-UT) and Jim Jeffords (R-VT) introduced a bill this week to provide tax incentives to companies or individuals who purchase clean fuel vehicles. The bill also provides tax relief for the purchase of the fuel itself, and for companies that build the refueling stations. The bill would apply to vehicles powered by natural gas, propane, hydrogen, rechargeable batteries, or fuel cells.

International

This week in Beijing, U.S. Ambassador Joseph Prueher and Madame Zhu Lilan, China's Minister of Science and Technology, signed a Joint Statement focused on climate change. The Statement is the latest result of the U.S.-China Forum on Environment and Development co-chaired by Vice President Gore and Chinese Premier Zhu Rongji. The document states that the United States and China "recognize that countries can achieve sustained economic growth while protecting the environment and taking actions to combat climate change." The two countries also express their willingness "to entertain new and creative thinking and approaches to cooperation between developed and developing countries on climate change."

UK Environment Minister Michael Meacher released a report this week showing that extreme weather could cost the UK more than one billion pounds over the next 50 years.

Lands Legacy

The House Appropriations subcommittee markup of the FY 2001 Interior appropriations bill significantly cuts your Lands Legacy request, allocating only \$246 million of the \$971 million you requested. This is not even half of the FY2000 enacted level of \$561. Full Committee markup is tentatively scheduled for May 25.

cc: The Vice President
John Podesta
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Steve Ricchetti
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Lael Brainard
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George Frampton
Neal Lane
Jim Steinberg

THE WHITE HOUSE
WASHINGTON

May 12, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE 
RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press, Science and Industry

Businesses worldwide are increasing action to address greenhouse gas emissions and global warming, according to an article in *Business Week* magazine (5/15). The article cited the rise of carbon emissions trading, and actions by the World Bank, BP Amoco, United Technologies, Mitsubishi and other firms: "In anticipation of a global deal (to reduce greenhouse gas emissions), many companies are pledging to reduce emissions, figuring that they can't afford not to be on board."

New Jersey became the first state to set its own greenhouse gas emissions reduction goal. Through a mix of voluntary efforts by industry and through state initiatives, New Jersey officials hope to reduce emissions 3.5 percent from 1990 levels by 2005. One initiative will be to switch some New Jersey transit buses to a new "bio-fuel" that would be 80 percent diesel and 20 percent soy vegetable oil.

A new study by the Rand Corporation shows that energy conservation efforts have saved Californians \$34 billion, or approximately \$1,000 per resident, since 1977. The study illustrates how energy-saving efforts have played a significant role in helping the state's economy expand, and comes as the state legislature is considering extending a 'public benefits charge' on utility bills, which funds energy saving efforts.

A DoE sponsored process with industry has resulted in a consensus agreement on new heightened efficiency standards for clothes washers (the third largest household energy use after heating/cooling and refrigeration). The new standard, to be achieved by 2007, will represent about a 40% improvement over the current standards.

Legislative

As expected, Republicans added anti-climate change rider language to the House Agriculture Appropriations Act. On a party-line vote in subcommittee, the Members added language prohibiting any funds to be used "on the Kyoto Protocol." The intent of the language is to limit our ability to work on things such as carbon trading markets and developing country climate change efforts. As written, the language raises clear constitutional questions, as it appears to restrict your authority to conduct international negotiations.

Senator Sam Brownback (R-KS), with cosponsors Bob Kerrey (D-NE) and Frank Murkowski (R-AK) introduced S.2540, a domestic soil carbon sequestration bill, on Wednesday, May 10. The bill would amend the Food Security Act of 1985 to establish, through USDA, a program similar to the Conservation Reserve Program (CRP), but with the expressed intent of increasing soil carbon sequestration.

International

Last week, governments and scientists concluded the annual meeting of the Intergovernmental Panel on Climate Change (IPCC) in Montreal. This year's meeting was of particular importance because it adopted a major report on the extent to which land use change and forestry practices can lower atmospheric concentrations of carbon dioxide. This issue is of considerable importance to agricultural constituencies (who could benefit from broad inclusion of sinks) and certain environmental constituencies (who are concerned that a broad definition of sinks could divert attention away from reduction of industrial and transportation emissions in particular).

Lands Legacy

On Thursday, the House passed H.R. 701, the Conservation and Reinvestment Act, 315-102. Western property rights advocates and Members who opposed permanent funding were able to combine forces in passing an amendment by John Shadegg (R-AZ) which prohibited funds being expended under the bill unless numerous "certifications" are first made by the Congressional Budget Office. The certifications required include that there is no on-budget deficit, that Social Security is not scheduled to run a deficit, that Medicare is not scheduled to run a deficit, and that the Federal Government is on schedule to eliminate all debt by 2013.

cc: The Vice President
John Podesta
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Lael Brainard
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THE WHITE HOUSE
WASHINGTON

May 5, 2000

MEMORANDUM FOR THE PRESIDENT

FROM:

ROGER BALLENTINE 

RE:

OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press, Science and Industry

Scientists are blaming the highest sea temperatures ever recorded for the bleaching of coral reefs off the coast of Belize, according to a study in *Nature* (5/3). Researchers have used radiocarbon dating to determine that nothing similar has happened in 3,000 years, and blame the current destruction on global warming and El Nino. These are "novel events on a time scale of millennia," the scientists stated.

The Sun *does not* have an important role in recent global warming trends, according a study in *New Scientists* magazine (5/3). Danish researchers who earlier believed the sun may be playing a role now find that "Something else is acting on the climate (that) . . . has the fingerprints of the greenhouse effect."

A consortium of seven major energy corporations, lead by BP Amoco, and including Royal Dutch Shell and Texaco, announced a \$20 million joint project for research and development on the sequestration of CO₂.

British Deputy Prime Minister John Prescott in a speech in Washington (4/27) warned that nations must start delivering on promised steps to cut harmful greenhouse gas emissions to prevent disaster. Prescott praised both you and the Vice President for your leadership on the environment, noting that you have rightly been publicizing the fact that the earth's temperatures are rising. Prescott warned, however, that this is a make-or-break year for implementing the Kyoto Protocol, and that the U.S. is the key to success or failure. I attended a small dinner with Prescott earlier last week, and he made his frustration with our insistence on developing country "participation" very clear, saying that this "was not the deal you signed up to."

Legislative

On Thursday, May 4 during the House Agriculture Appropriations Subcommittee markup, Representative Jo Ann Emerson (R-MO) introduced a new climate change rider that would bar funds "for the Kyoto Protocol, including such Kyoto mechanisms as carbon emissions trading schemes and the Clean Development Mechanisms that are found solely in the Kyoto Protocol and nowhere in laws of the United States." The language goes far beyond previous rider language, and seems aimed at preventing the Administration from negotiating or even discussing the flexibility mechanisms that are key to keeping compliance costs of the Protocol to a minimum.

Also on May 4, Senators Pat Roberts (R-KS) and Bob Kerrey (D-NE), of the Agricultural Subcommittee on Production and Price Competitiveness, held a hearing on Carbon Sequestration Research Opportunities, and on Senator Roberts' legislation (S.1066, the Carbon Cycle and Agricultural Best Practices Research Act). The Members, including Senators Chuck Grassley (R-IA) and Tim Johnson (D-SD), agreed that climate change is a significant global environmental problem. All support additional research to understand the carbon cycle, and how agriculture can maximize sequestration of greenhouse gases.

International

The EU Commission has adopted a new plan to promote energy efficiency and reduce consumption by 18 percent, roughly the total energy demand of Austria, Belgium, Denmark, Finland, Greece and the Netherlands combined, *Reuters* reported (5/1). The commission will submit the plan to the EU energy ministers at their next meeting May 30.

Lands Legacy

The House leadership has agreed to take up H.R. 701, the Conservation and Reinvestment Act, next week. Co-sponsors Don Young (R-AK) and George Miller (D-CA) have expressed confidence that the bill will pass comfortably. After this news, Senate Energy Committee Chairman Murkowski (R-AK) announced that his Committee will mark up the Senate version of this legislation on June 14.

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THE WHITE HOUSE
WASHINGTON

April 21, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE 
RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press, Science and Industry

The first quarter of this year was the warmest January to March period in the U.S. since record keeping began more than 100 years ago, NOAA Director Baker announced. At the event, which highlighted the connection between global warming and extreme weather, FEMA Director Witt released data showing a six-fold increase in the costs of severe weather in the U.S. over the last 20 years. The event was the lead story on *NBC* and *CBS*, and was covered by *ABC*, *CNN*, *The Washington Post*, and others (4/18).

An early draft of an updated report by the U.N. Intergovernmental Panel on Climate Change said that human beings have “discernibly” influenced the planet’s climate, and that temperatures are likely to warm at least two degrees Fahrenheit to as much as nine degrees Fahrenheit by the end of this century.

Vice President Gore was in Detroit today to announce a new research partnership with nine of the nation’s largest heavy truck and bus manufacturers. He announced the 21st Century Truck Initiative, which works to develop super fuel-efficient vehicles, similar to the Partnership for a New Generation of Vehicles. Wednesday the Vice President announced a DOE rule to improve energy efficiency residential water heater standards.

The *ABC* prime time global warming special for which you were “interviewed” by Leonardo DiCaprio will air on Earth Day at 8:00pm, with the interview included. Other global warming specials have been or will be shown this week on *PBS* and *CNN*.

Legislative

Senator Harry Reid (D-NV), Ranking Member of the Energy and Water Appropriations Subcommittee, authored an article touting renewable energy resources as the key to future U.S. energy policy. He stated, "I believe that renewable energy sources must play a major role in combating our addiction to foreign oil," according to *The Hill* (4/19). This is significant because Reid has not been very supportive of increases for renewables in the past.

Senate Agriculture Committee Chairman Lugar (R-IN) is working on carbon emissions trading legislation for introduction this year, focusing on applications for soil and forestry sinks. Both our office and CEA are working closely with his staff.

International

Ministers and senior officials from 28 countries met in Perth, Australia this week to discuss the role carbon "sinks" (forests, agricultural soils, etc) will play in the Kyoto Protocol. At issue is how broadly to cast the definition of allowable sinks and how they may be included in offsetting a country's greenhouse gas emissions under the Protocol. The U.S. has pressed for a comprehensive accounting to help reduce the cost of compliance (a position not welcomed by the NGO community), and hopes for a resolution at COP6. The Perth meeting reflected the wide divergence of views on this complex issue, but did help set the stage for a highly ambitious workplan between now and November.

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THE WHITE HOUSE
WASHINGTON

April 14, 2000

MEMORANDUM FOR THE PRESIDENT

FROM:

ROGER BALLENTINE 

RE:

OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press, Science and Industry

Three large U.S. corporations announced that they have become "Climate Neutral", as part of a program organized by the non-profit group the "Climate Neutral Network" (4/12). Shaklee, Interface and Saunders Hotels pledged to become climate "neutral" by reducing their emissions and investing in "offsets" to their emissions. Examples of their certified offsets include energy efficiency investments in schools in Portland, OR and solar rural electrification investments in Sri Lanka. "Clearly, we believe the dialogue on global climate change must move from conversation to demonstration . . . [o]ur actions must speak as loudly as our words," affirmed Robert Schults, President and CEO of Shaklee.

Outbreaks of dengue fever will continue to increase across the Americas in the 21st century -- and spread in range because of global warming--unless governments take action, according to a report issued by the Ninth International Congress on Infectious Diseases (4/12). Warmer temperatures will increase the range of the dengue-carrying *Aedes Aegypti* mosquito and thus the disease, the panel said. The U.S. Centers for Disease Control reported the number of cases of dengue fever worldwide doubled from about 364,000 in 1998 to more than 741,000 in 1999.

Legislative

Senator Sam Brownback (R-KS) is holding an April 20 press conference in Kansas to announce his introduction of two carbon sequestration bills. The first bill would establish a pilot domestic incentives program for carbon sequestration on agricultural lands (similar to the Conservation Reserve Program), as well as an international carbon sequestration crediting program. The second bill would go beyond awarding credits, and would give real financial benefits (e.g. tax credits) for international sequestration activities. Minority Leader Daschle (D-SD) is expected to be the lead cosponsor on one or both bills.

Senator Pat Roberts (R-KS) spoke at the USDA Earth Day event on the Mall on Thursday, and led the crowd in a chant: "Carbon in the air -- bad! Carbon in the soil -- good!" (!!)

Senate Energy Committee Chairman Murkowski (R-AK) and Ranking Member Bingaman (D-NM) reportedly will introduce separate energy security/energy policy legislative packages after the Easter recess. The Chairman's package is expected to include ANWR drilling, domestic production incentives, and tax incentives for additional storage in the Northeast. The Democratic package will be based on S.1833, the Energy Security Tax Act introduced by Minority Leader Tom Daschle (D-SD) last year, but will also include marginal well production incentives. We are seeking to include all of your climate change tax incentives provisions in the Democratic bill.

International

Climate change was the top item on the agenda at the G-8 Environment Ministers meeting last weekend. European and Japanese ministers pushed hard for a communique pledging ratification of the Kyoto Protocol by 2002. (France recently took the political steps necessary to ratify the Protocol, and will likely become the first industrialized country to do so soon.) European ministers also pushed hard for "concrete ceilings" limiting the right to use emissions trading, while voicing considerable skepticism about the seriousness of U.S. efforts to limit greenhouse gas emissions to date. Other G-8 countries made clear that they do not believe "developing country participation" is a priority for this round of negotiations. In general, the meeting suggested that COP-6 (November 13-24, 2000) will be very challenging.

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THE WHITE HOUSE
WASHINGTON

April 7, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE 
RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press, Science and Industry

Ford Motor Co. announced that it would produce a gas-electric hybrid SUV by 2003 capable of getting 40 mpg. Ford did not make the announcement at last week's PNGV event with Vice President Gore because they "agreed months ago with our partners we wouldn't upstage each other," according to a *New York Times* article (4/7). The *Times* story did note industry support for your \$3,000 tax credit for hybrid cars and the Vice President's efforts to promote fuel economy.

A new study published in the journal *Nature* (4/5) finds that Greenland's ice mass is more vulnerable to melting because of global warming than previously thought, and more likely to melt than Antarctic ice sheets. Researchers found evidence that in an period of extreme warmth 110,000 years ago a massive Greenland melt off accounted for nearly all of a 13 to 20 feet rise in sea level worldwide. The study's co-author Kurt Cuffey of UC Berkeley noted: "If nothing is done to stabilize our climate and sea levels rise as much as 20 feet, you'll flood the southern half of Florida and Louisiana."

Legislative

Senator John Kerry (D-MA) and Congressman Frank Pallone (D-NJ) led a Democratic Earth Day kick-off press event in the Capitol on Tuesday, April 4. The event, which featured key administration speakers as well as a number of other Members of Congress, was a kick-off to the month-long celebration of Earth Day, with a particular emphasis on global climate change and clean energy, and calls to support your FY2001 budget in these areas.

Senator Jim Jeffords (R-VT) wrote you a letter this week asking that you consider vetoing the Energy and Water Appropriations bill if your budget request for renewable energy research and development is not met in full. The letter was accompanied by a March 30, 2000 bipartisan letter to Chairman Pete Domenici (R-NM) and Ranking Member Harry Reid (D-NV) of the Senate Appropriations Subcommittee on Energy and Water Development, signed by 56 senators. This letter urges increased funding for renewable energy research and development, pointing out that there were over \$20 million in cuts to renewables programs in FY2000, and \$85 million in cuts from FY1995 to FY1999.

The House approved \$47.5 million over five years to study methane hydrates, ice-like crystals buried beneath the ocean floor, as a possible clean fuel sources. A number of leading scientists voiced grave concern noting that the release of frozen methane from the ocean 55 million years ago caused an abrupt warming of the Earth that had a devastating effect on deep-sea life. The Energy Department's expert said the use of methane hydrates as an energy source was "speculative at best" but stressed Administration support of the study to understand the potential of the source.

International

The European Commission gave Denmark permission to begin trading CO2 emissions nationwide in 2001, the first in the EU. The UK will also begin a trading market in 2001.

Chile is considering a proposal to fertilize the sea to produce more plankton in a bid to reduce CO2 and claim carbon credits under the Kyoto protocol, *New Scientist* magazine reported (4/6). Some scientists doubt the plan will work and worry about overloading "the planet with nitrogen, already a major pollution problem in its own right."

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THE WHITE HOUSE
WASHINGTON

March 31, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE 
RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press, Science and Industry

In a critical confirmation of the extent of global warming, NOAA scientists released a report showing that the world's oceans have soaked up much of the warming of the last four decades, delaying its full effect on the atmosphere and thus on climate (3/24). The study, which received wide national media coverage, found that so far only part of the planet's warming has materialized at and above the earth's surface. Many experts believe that about half the greenhouse warming is still in the oceanic pipeline and will inevitably percolate to the atmosphere within a few decades. The new study shows that the average warming of the seas over the 40-year study period amounted to about one-tenth of a degree Fahrenheit for the top 1.9 miles of ocean water as a whole, and more than half a degree in about the top 1,000 feet. It is possible but not established that more frequent appearances of El Niño are related ocean warming.

Customers of TVA, the largest public power producer in the United States, will have the option of paying a small premium to ensure that part of their electricity comes from non-hydro renewable energy sources beginning this spring. The TVA will use three wind turbines, solar panels and a landfill gas-to-energy project as sources.

A new California law will allow solitary drivers in low-polluting alternative-fuel cars and light trucks to use the carpool lanes. This is a new use for the world's largest network of high-occupancy vehicle lanes, which are now used only to about one-eighth of capacity [we are looking into a possible federal initiative to promote such a policy].

As you know, the Vice President held an event yesterday with the Big 3 automakers, at which they displayed their PNGV passenger sedans. The companies made non-specific commitments to move such vehicles into production, and to apply such technologies to SUV's. Dodge will unveil a hybrid Durango SUV next week. Each company asked for a consumer tax credit such as you have proposed.

Environmental Defense (formerly Environmental Defense Fund) released an analysis indicating that global average temperatures have increased nearly 1 degree Fahrenheit since the first Earth Day in 1970. During the same period, total energy consumption in the US has increased almost 40%, and U.S. population has increased 34%.

Legislative

The Senate Energy Committee held a March 30 hearing on two climate change bills, sponsored by Senators Murkowski (R-AK) and Craig (R-ID). The bills represent a shift in the debate on global warming, as their sponsors now acknowledge that climate change *may* be a problem. Both bills focus on long-term research. Critics believe that the bills are designed to give opponents of more significant action on climate change something they can support. I sent a letter to the Committee praising their recognition of the issue, but noting that "[w]hile these bills do contain some very positive elements, they should not, in our view, be mistaken for an adequate response to the challenge -- and opportunities -- posed by global warming."

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Britain's Deputy Prime Minister, John Prescott, announced last week that the U.K. will surpass its Kyoto targets for reducing greenhouse gas emissions by a large margin. Britain committed in the Kyoto Protocol to a reduction of 12.5% below 1990 levels by 2008-2012, but now estimates that it will reduce emissions by 20% in that timeframe, yielding "surplus" tons to sell on the world market. Most of their reduction comes from switching from coal to natural gas.

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March 31, 2000

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Climate Change

Press, Science and Industry

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Climate Change

Press, Science and Industry

In a critical confirmation of the extent of global warming, NOAA scientists released a report showing that the world's oceans have soaked up much of the warming of the last four decades, delaying its full effect on the atmosphere and thus on climate (3/24). The study, which received wide national media coverage, found that so far only part of the planet's warming has materialized at and above the earth's surface. Many experts believe that about half the greenhouse warming is still in the oceanic pipeline and will inevitably percolate to the atmosphere within a few decades. The new study shows that the average warming of the seas over the 40-year study period amounted to about one-tenth of a degree Fahrenheit for the top 1.9 miles of ocean water as a whole, and more than half a degree in about the top 1,000 feet. It is possible but not established that more frequent appearances of El Niño are related ocean warming.

Customers of TVA, the largest public power producer in the United States, will have the option of paying a small premium to ensure that part of their electricity comes from non-hydro renewable energy sources beginning this spring. The TVA will use three wind turbines, solar panels and a landfill gas-to-energy project as sources.

A new California law will allow solitary drivers in low-polluting alternative-fuel cars and light trucks to use the carpool lanes. This is a new use for the world's largest network of high-occupancy vehicle lanes, which are now used only to about one-eighth of capacity [we are looking into a possible federal initiative to promote such a policy].

As you know, the Vice President held an event yesterday with the Big 3 automakers, at which they displayed their PNGV passenger sedans. The companies made non-specific commitments to move such vehicles into production, and to apply such technologies to SUV's. Dodge will unveil a hybrid Durango SUV next week. Each company asked for a consumer tax credit such as you have proposed.

Environmental Defense (formerly Environmental Defense Fund) released an analysis indicating that global average temperatures have increased nearly 1 degree Fahrenheit since the first Earth Day in 1970. During the same period, total energy consumption in the US has increased almost 40%, and U.S. population has increased 34%.

Legislative

The Senate Energy Committee held a March 30 hearing on two climate change bills, sponsored by Senators Murkowski (R-AK) and Craig (R-ID). The bills represent a shift in the debate on global warming, as their sponsors now acknowledge that climate change *may* be a problem. Both bills focus on long-term research. Critics believe that the bills are designed to give opponents of more significant action on climate change something they can support. I sent a letter to the Committee praising their recognition of the issue, but noting that "[w]hile these bills do contain some very positive elements, they should not, in our view, be mistaken for an adequate response to the challenge -- and opportunities -- posed by global warming."

There will be a Democratic Bicameral Earth Day Kickoff Event on Tuesday, April 4. The event is being organized by Congressman Frank Pallone (NJ) and Senator John Kerry (D-MA). The message will be climate change and clean energy.

International

The European Commission this month released a draft plan for a Europe-wide carbon emissions trading system to take effect by 2005. The plan was developed with the assistance of a U.S. NGO, the Center for Clean Air Policy, and would establish a "cap and trade" program for electric utilities, oil refining, iron and steel, pulp and paper, cement and chemicals. The EU has previously been reluctant to embrace emissions trading, but the draft plan suggests that the EU could gain a "leading edge" in the use of market mechanisms to address greenhouse gasses.

Britain's Deputy Prime Minister, John Prescott, announced last week that the U.K. will surpass its Kyoto targets for reducing greenhouse gas emissions by a large margin. Britain committed in the Kyoto Protocol to a reduction of 12.5% below 1990 levels by 2008-2012, but now estimates that it will reduce emissions by 20% in that timeframe, yielding "surplus" tons to sell on the world market. Most of their reduction comes from switching from coal to natural gas.

cc: The Vice President
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THE WHITE HOUSE
WASHINGTON

March 31, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE 
RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press, Science and Industry

In a critical confirmation of the extent of global warming, NOAA scientists released a report showing that the world's oceans have soaked up much of the warming of the last four decades, delaying its full effect on the atmosphere and thus on climate (3/24). The study, which received wide national media coverage, found that so far only part of the planet's warming has materialized at and above the earth's surface. Many experts believe that about half the greenhouse warming is still in the oceanic pipeline and will inevitably percolate to the atmosphere within a few decades. The new study shows that the average warming of the seas over the 40-year study period amounted to about one-tenth of a degree Fahrenheit for the top 1.9 miles of ocean water as a whole, and more than half a degree in about the top 1,000 feet. It is possible but not established that more frequent appearances of El Niño are related ocean warming.

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THE WHITE HOUSE
WASHINGTON

March 17, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE 

RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press, Science and Industry

An environmental study released by the Union of Concerned Scientists (3/16) ranked DaimlerChrysler, Ford and General Motors second, third and fourth "worst" in the pollution performance of their 1998 model-year vehicles, following pollution leader Isuzu Motors of Japan (49% of which is owned by GM). The study blamed the poor ratings on Detroit's reliance on light trucks and SUVs. Additionally, General Motors withdrew from the anti-Kyoto Global Climate Coalition (GCC) March 13, making it the last of the big 3 automakers to leave the group, *AP*, *Dow Jones* and other wire services reported.

Environmental advocates from around the world unveiled an "Earth Charter" March 14, designed to be a new code of conduct for government, business and private citizens. The organizers, who include former Soviet President Mikhail Gorbachev and former Dutch Prime Minister Ruud Lubbers, said their 16 principles reflect a growing global need for moral and ethical values in business and public affairs. The Earth Charter aims to be a long-term basis for environmental policies modeled after the Universal Declaration of Human Rights.

Legislative

EPA Administrator Carol Browner testified Thursday, March 16 before the House Appropriations Subcommittee on VA-HUD and Independent Agencies. Congressman Joe Knollenberg (R-MI) continued his campaign of claiming that Administration activities related to climate change are in violation of the Knollenberg provision attached to six FY2000 appropriations bills. Congressman Knollenberg announced at the hearing that he had a list of at least ten activities EPA was engaged in that he considered to be in violation of the rider, although he did not disclose any new allegations.

Ranking Member Joe Lieberman (D-CT) and Chairman Fred Thompson (R-TN) will hold a Senate Governmental Affairs Committee hearing next Friday on the topic of increasing oil prices and the need for a strong, long-term Federal strategy to reduce U.S. dependence on foreign oil imports. Lieberman will call for support of your energy efficiency and renewables budget as part of a responsible, environmentally-friendly energy policy.

Democratic House and Senate members, led by Congressman Pallone (D-NJ) and Senator John Kerry (D-MA) will host an Earth Day kick-off event in the Capitol on April 4. They intend to highlight climate change and your related budget programs.

Initiatives

We are completing the final details on two new initiatives. We have in final OMB clearance an Executive Order that would instruct federal agencies to achieve significant improvements in their transportation efficiency. We have also reached an agreement in principle with the heavy truck industry on a "21st Century Truck Initiative", which would be a public-private partnership designed to produce heavy trucks and buses with 2X and 3X improvements in efficiency.

Lands Legacy

As the House moves closer to possible floor consideration of OCS-revenue sharing legislation, two new bills were introduced in the Senate. Senators Lott, Murkowski, Landrieu and Breaux introduced a bill identical to the Miller (D-CA)-Young (R-AK) bill in the House; Senator Bingaman, on behalf of several Democrats, introduced an OCS revenue-sharing bill that more closely reflects the priorities represented by your Lands Legacy budget.

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THE WHITE HOUSE
WASHINGTON

February 25, 2000

MEMORANDUM FOR THE PRESIDENT

FROM:

ROGER BALLENTINE 

RE:

OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press, Science and Industry

The current issue of *US News and World Report* features a cover story about how increased temperatures on the Antarctic Peninsula are a harbinger of the adverse impacts of global climate change. Melting ice sheets and receding glaciers reflect an average year round temperature on the peninsula that has gone up 3 to 4 degrees Fahrenheit since the mid-1940s, a rate of warming 10 times the global average. Researchers studying penguins, seals, and other Antarctic species believe that temperature changes have caused significant migration and population fluctuations.

The debate over differences between surface temperature measurements and satellite atmospheric measurements continued, with two articles in last week's *Science*. Climate skeptics have used these differences to cast doubt on the surface temperature measurements and the veracity of computer models that are used to predict climate change. One study showed that state-of-the-art models come close to reproducing the difference in trends, supporting and extending the recent conclusion of the National Research Council (NRC) that the differences in no way invalidate the reality of warming on the Earth's surface. The other study performed additional analyses on temperatures from weather balloons to bolster the NRC's conclusion that the two temperature trends are not incompatible.

The *Washington Post* and the *LA Times* reported on a study to be published March 1 in *Geophysical Research Letters* by Thomas Karl and his colleagues at NOAA's National Climatic Data Center, stating that the record-breaking 16-month warm period of 1997 and 1998 may reflect a "change point" at which the surface of the planet began to heat up at a faster rate. They believe that the resulting rate could mean a warming of 5.4 to 6.3 degrees Fahrenheit per century, compared to the twentieth century warming rate of 1.1 degrees. Statistical tests in this study show that there is only a 5% chance that this hot snap occurred as a result of natural variability.

DaimlerChrysler unveiled its PNGV high-mileage prototype, the ESX3, a five seat, diesel-electric hybrid that gets 72 miles per gallon. Some environmentalists are critical of such vehicles because of their toxic diesel fuel emissions, while automakers see diesel as a necessary compromise to achieve fuel-efficiency goals and comply with federal clean air laws.

The *New York Times*, *Philadelphia Enquirer*, and the *Associated Press* reported on efforts by researchers at the University of California Berkeley and the Oak Ridge National Laboratory to use "pond scum" to produce cheap, pollution-free hydrogen fuel. The process, which uses renewable inputs and generates only water as a waste product, may greatly reduce the cost of hydrogen production. Current experiments yield a tenth of an ounce of hydrogen per liter of algae culture, but researchers think this rate could be increased 100 fold. This research was funded by DOE with CCTI money, and the ongoing research will be eligible for funds from your bioenergy initiative.

Legislative

Congressman Jay Inslee (D-WA) has formed a bipartisan Climate Change Caucus. Inslee and Wayne Gilchrest (R-MD) will co-chair the soon-to-be announced caucus, the founding Members of which are Sherwood Boehlert (R-NY), Chris Shays (R-CT), Jim Greenwood (R-PA), Jim Saxton (R-NJ), Alcee Hastings (D-FL), Lloyd Doggett (D-TX), Karen McCarthy (D-MO), Henry Waxman (D-CA), Jim McDermott (D-WA), and George Miller (D-CA). They plan a Caucus kick-off event in March with business leaders, environmentalists, and the Administration. Congressman Gilchrest is a recent "climate convert," subsequent to a visit this year to Antarctica.

Congressman Joe Knollenberg (R-MI) has reportedly contacted the Inspector Generals of DOE, EPA and State, to request investigations of agency participation in climate change activities related to the negotiation of the Kyoto Protocol. He is also investigating USAID. Knollenberg believes that any such actions are in violation of the appropriations rider he authored meant to prevent "backdoor" implementation of the Protocol. According to staff, Congressman Dingell (D-MI) is supportive of Knollenberg on the issue.

Senators Jeffords (R-VT) and Lieberman (D-CT) held a press conference today on oil prices. Following (and acknowledging) your lead, they focused on the "big picture" of diversifying our energy sources and becoming more efficient energy users. They applauded your bioenergy initiative, and also vowed to support budget requests for increased funding for solar, wind, fuel cells and natural gas technologies. They also condemned the CAFÉ rider and the current trend toward a less efficient automotive fleet.

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THE WHITE HOUSE
WASHINGTON

February 18, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE 
RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press, Science and Industry.

An unusual experiment using hundreds of boreholes in the earth's surface has added powerful new evidence that global warming is happening at an increasingly rapid pace. A study in the British journal *Nature* (2/16), and reported by *NBC News*, the *BBC*, *Reuters* and others, found that atmospheric temperature has risen by about one degree Celsius over the past five centuries -- more than half of which occurred in the 20th century.

The United States could be unable to significantly cut its use of gasoline because alternative fuels are too expensive and not widely available, according to a report from the General Accounting Office. The study found that "[t]he general public would shift significantly towards alternative fuels only if there are 1) dramatic and sustained increases in the price of gasoline and/or 2) very large incentives to reduce the cost of alternative fuel vehicles and encourage their use."

Climate change may be disrupting the hibernation and migration patterns of animals and birds, according to a recent study by the National Academy of Sciences (2/15). The study indicates that global warming may pose special challenges to species that depend on seasonal cues for their survival. For example, marmots are emerging from hibernation 38 days earlier than they did 23 years ago. This puts them at risk of starvation, as the average date of snowmelt has not changed.

BP-Amoco's internal carbon trading system is now operating in real-time, trades have been occurring in the range of \$10-\$12/ton. The company held a briefing on its trading system on Capitol Hill this week.

Legislative

We are working with a number of House Democrats, led by Congressmen Frank Pallone (D-NJ) and Dennis Kucinich (D-OH), to raise the visibility of the issue of climate change between now and Earth Day. We will also help to facilitate joint Earth Day-related events with Members and Administration officials.

International

The Government of India has invited a group of us to travel to India on March 6 to work on possible joint statements and commitments in the area of clean energy development and climate change.

Lands Legacy

After bipartisan briefings in both the House and the Senate, it is clear that your Lands Legacy budget proposal has been well-received. The Miller-Young authorizing legislation has now attracted almost 300 co-sponsors.

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THE WHITE HOUSE

WASHINGTON

February 11, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE 
RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Press, Science and Industry.

Harvard Professor John P. Holdren will receive the 2000 Tyler Prize for Environmental Achievement on April 14 for his work on sustainable development, climate change and nuclear weapons material. The \$200,000 prize is an international award honoring achievements in environmental science, energy and medical discoveries of worldwide importance that impact upon human existence.

The Heinz Family Foundation has given its 1999 award for work in the environment to Paul Gorman, founder and executive director of the National Religious Partnership for the Environment. The prize carries a cash award of \$250,000. (We have been working with him on climate change matters in general, and in preparation for Earth Day 2000).

Legislative.

Senator Brownback (R-KS) is circulating draft legislation that would give domestic companies credits for certain types of overseas carbon reductions and sequestration, such as forest or agricultural soil conservation. In his paper promoting the proposal, Senator Brownback says that he seeks to "link" valuable overseas "environmental investments" with "domestic environmental credits". These credits would be available for sale or use against any future domestic carbon regulatory regime. Aware of your upcoming trip to India and our preparations for it, Brownback (Chair of the South Asia subcommittee of the Senate Foreign Relations Committee) has asked the State Department to float his idea with the Government of India.

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THE WHITE HOUSE
WASHINGTON

February 4, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE 

RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press, Science and Industry.

Your global warming budget -- the international clean energy initiative and the tax package -- received widespread media attention this week, including coverage by *CBS Evening News*, *CNN*, *MSNBC*, *The Wall Street Journal*, *The Washington Post*, *AP*, *Reuters* and others. Virtually all of these outlets picked up on your message that we can de-link carbon emissions from economic growth, saving money and curbing global warming at the same time.

A survey of the business leaders at the Davos Economic Forum last week demonstrated that they believe climate change is the single greatest challenge we face in the next century. This surprise verdict was reached after five of the world's leading thinkers presented their visions for the future and the participants present voted electronically to support or reject their scenarios.

A study appearing in the Jan. 27 issue of the journal *Nature* reported newly analyzed satellite data showing that the Earth's atmosphere has gotten warmer and wetter over the past 11 years, with the amount of water vapor increasing 2 percent. The satellite data "provides some of the strongest evidence so far of a climate trend of increasing air temperature and humidity," says physicist Frank Wentz.

Legislative.

On February 2, the House Government Reform Committee Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs (Chairman McIntosh) held a hearing on "The Kyoto Protocol and the Internet Economy." McIntosh held the hearing in an effort to promote the theory that Kyoto would increase electricity prices and thus cause great harm in an economy more and more dependent on electricity. As you know, however, the weight of analysis suggests that the internet will provide vastly offsetting increases in efficiencies in the economy and decreases in energy consumption.

International/Diplomatic

The UK this week set a target for its electricity sector of 10 percent of total production from renewable sources by the year 2010, according to *Reuters* (02/01).

A report issued this week by the Canadian Climate Change Secretariat predicts a grim future for the world's most productive sockeye salmon river system. The Fraser River salmon fishery could collapse within a few decades because of global warming, according to a government study released this week. Warmer water means salmon tire faster as they fight upstream for hundreds of miles past rapids and predators to reach their spawning grounds. "If the summer temperatures go a degree or two higher Celsius most of the spawning fish will die, causing a collapse of the salmon resource in the system," the report said.

Canada appears to be pushing an initiative similar to our international clean energy proposal. Canadian Minister of Natural Resources Canada Ralph Goodale led a trade mission to China, South Korea and Japan to promote clean energy opportunities. He spoke to a workshop in Beijing entitled "Meeting China's Future Energy Needs and Addressing Climate Change," where he announced new federal assistance to promote clean energy technology export and deployment.

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THE WHITE HOUSE
WASHINGTON

January 21, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE 
RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press, Science, and Industry

For the second time in ten days, *The Washington Post* ran a positive editorial about our climate change program, citing the recent National Academy of Sciences conclusion that global warming is real: "There should be no more time wasted on claims that global warming is unreal". The *Post* applauded your commitment to increase the climate change budget, and urged Congress to help us fight the problem.

New satellite data released this week shows that part of the Pacific Ocean may be undergoing a cooling which could influence US weather patterns over the next years and even decades, the *New York Times*, *Los Angeles Times* and other major outlets reported. 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 interannual El Niño-La Niña cycle in the tropical Pacific. The research suggests that the U.S. entered the "cool" phase of the PDO (similar to the La Niña 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.

International/Diplomatic

The World Bank announced this week 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. Reports in the *Washington Post* and *Wall Street Journal* speculated that the initiative is "essentially a pilot program that assumes the Kyoto Protocol will eventually be ratified" and that it 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 this week, according to Reuters and other reports. The French plan contains 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 also includes a domestic emissions trading system, despite the EU's strong criticism of our desire for a robust trading system in the Kyoto framework.

cc: The Vice President
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THE WHITE HOUSE
WASHINGTON

January 14, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE 
RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press, Science and Industry.

As you likely saw, *The Washington Post* ran "Warming to Reality" as its lead editorial last Sunday (1/9). The piece listed many of your initiatives, adding: "[b]ut there is a limit to what the Administration can do without the cooperation of Congress." The National Academy of Sciences released a major new study this week, 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."

CBS News aired six separate global warming stories this week over three nights running more than 15 minutes in total and featuring sound bites from your statement at the Grand Canyon, two interviews with Dr. James Baker of NOAA and an interview with 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 to increased incidence of jellyfish blooms worldwide. The Wednesday climate piece was the lead story, and Dan Rather began: "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* ran two global warming stories this week emphasizing increasing certainty of science.

Our bioenergy budget received positive coverage in agricultural press throughout the farm belt, as well as wire stories out of Washington with a complementary quote from Senator Lugar. Meanwhile, Cargill Inc. and Dow Chemical this week announced a \$300 million program for full-scale commercial production of a new kind of plastic made from plants instead of petroleum, which is being called "Natural Plastic," the *Wall Street Journal* and other outlets reported.

At the Detroit Auto Show this week, virtually every major auto manufacturer unveiled prototype hybrid cars that get better than 70 mpg. Ford's entry, the Prodigy, is "a family car that get nearly 80 mpg without sacrificing performance or functionality," according company documents. GM's Precept has similar qualities. Both were developed under our Partnership for a New Generation of Vehicles program. Chrysler is to display their entry later this year. The Ford hybrid electric vehicle is expected to add approximately \$3,000 to the vehicle price, and the company called for a federal tax credit to make up that difference. Your budget and climate tax package will include precisely such a credit.

International/Diplomatic

At the third US-China Forum on Environment and Development held in Honolulu this week, the Chinese agreed to a U.S. proposal to engage in a high level dialogue on the Kyoto negotiations, but declined to meet before June. Substantive progress, however, was made on bilateral cooperation on clean energy technology transfer, trade in clean energy products, and natural resource management issues. The Chinese seem increasingly willing to link such matters to climate change.

France this month will announce an "eco-tax" on carbon specifically aimed at reducing greenhouse gases and global warming, *Reuters* reported. The tax would be based on the amount of carbon produced by various energy sources, and apply to the electric power sectors, makers of cement and steel, and others.

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THE WHITE HOUSE
WASHINGTON

January 7, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE 
RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press, Science and Industry.

Following the lead of Ford last month, DaimlerChrysler Corp. this week withdrew from the Global Climate Coalition, the major business lobbying group opposed to the Kyoto climate treaty. This leaves GM as the only American carmaker still in the anti-Kyoto group. BP/Amoco, Sunoco and Shell have left the GCC within the last two years. We are pushing the *Washington Post* to run an editorial on this subject, and are optimistic.

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 Exxon-Mobil, they are also targeting GM, Cinergy, Goodyear, Duke Power, CSX, Southern Co., Chevron, Texaco, Allegheny Energy.

NBC Nightly News, at our prompting, devoted their "In-Depth" segment (01/04) to the latest global warming data indicating that since the mid-1970's global temperatures are rising .35 degrees Fahrenheit a decade, validating earlier predictions. *CBS Evening News* is planning a similar piece for next week.

As part of its special millennium edition, the *New York Times* compared two scenarios for global weather and temperature in the year 2100. The "high emissions" future (which assumed little emphasis on improved technology and high population) predicted temperature increases of five degrees worldwide and two foot sea level rises. The "low emissions" future (use of cleaner technologies, lower population growth) predicted increased temperatures of 3.5 degrees and sea levels rising 1.5 feet. The low emissions scenario, however, assumed that no "policy steps to reduce greenhouse gases specifically."

International/Diplomatic

Next week in Hawaii we will have discussions on climate change with representatives of the People's Republic of China in conjunction with the third meeting of the U.S-China Forum on Environment and Development. While the Chinese remain extremely reluctant to discuss climate change and the Kyoto Protocol, we hope to focus the discussion on the opportunities for U.S.-China cooperation on clean energy practices, as you have suggested. It remains a diplomatic imperative that we make some progress in this area with China, India and/or Brazil this year.

Lands Legacy

We are already seeing positive signs from the Hill on efforts to permanently fund environmental priorities from off-shore oil and gas production royalties. Congressmen Young (R-AK), Miller (D-CA), Dingell (D-MI) and others have indicated a high priority of trying to move their legislation to the House floor, having succeeded in passing committee. While we have concerns about some of the specifics of their bill, it is likely the best vehicle for House consideration. Senate Energy Committee Chairman Murkowski, perhaps responding to Congressman Young's success, has listed this issue as one of his three top priorities for this year. It is likely that his preferred bill, similar to the bill he co-sponsored with Senator Landrieu, would not be completely acceptable to us. We hope that our budget submission will help define the debate.

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THE WHITE HOUSE

WASHINGTON

December 10, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE 
RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press, Science and Industry.

Numerous news outlets (e.g., *New York Times*, *Washington Post*, *AP*) reported on Ford's decision to withdraw from the Global Climate Coalition, an anti-Kyoto lobbying group. In its announcement, Ford said there is credible evidence of global warming and companies should work together to find technological solutions. Others that have left the coalition include British Petroleum, Shell Oil, and Dow Chemical.

Time magazine ran a full-color, two-page map of the world highlighting recent events attributed by many to climate change ("Greenhouse Effects – Global warming is well under way. Here are some telltale signs", 12/13).

Dow Jones Newswires (12/10) reported on a new study by the Center for Energy and Climate Solutions claiming that the growth in e-commerce has driven not only the U.S. economy but also its relatively flat greenhouse gas emissions profile. The report concludes that eventually Internet shopping could reduce U.S. greenhouse gas emissions by up to 75 million metric tons (equal to 31 average-sized power plants) through reduced energy consumption at retail outlets and reduced commuting by both consumers and workers.

The Washington Post (12/9) reported on a new study by the U.S. National Research Council and the Chinese Academies of Science and Engineering that urges greater collaboration between the U.S. and Chinese governments on developing clean energy technologies to reduce greenhouse gases. The report said the U.S. Congress and the President should authorize U.S. agencies to promote more efficient energy use in China and to help it pursue advanced, less-carbon intensive technologies for coal, renewable energy, nuclear energy, petroleum, and natural gas.

A new study in *Science* (12/10) shows that the periodic El Nino warming of the Pacific Ocean – which blocks the normal upwelling of cold, deep ocean water – sharply reduces the amount of carbon dioxide released into the atmosphere. The study reports that the 1997-98 El Nino kept 700 million metric tons of carbon from being released into the atmosphere – equal to half of the total U.S. annual emissions from burning fossil fuel.

New Initiatives

Heavy Duty Truck Initiative. We have been coordinating an inter-agency team led by the Department of the Army to develop a public-private partnership with truck and engine manufacturers. This partnership would be a research and development effort to double or triple the fuel efficiency and to reduce air pollutants from heavy duty trucks. In addition to the obvious environmental benefits, this program would improve the deployment readiness of our military forces by reducing fuel transport and use associated with military operations. Industry appears ready to commit to share the costs of the research, and to aim for the ambitious program goals.

Federal Transport EO. We are prepared to submit into OMB clearance an Executive Order that would require federal agencies to reduce their petroleum consumption from vehicles by 20% by 2005 (with appropriate exclusions, such as for tactical and law enforcement vehicles) through increased use of alternative fuels in the alternative fuel vehicles they are already required to purchase, and by acquiring vehicles with greater fuel efficiency.

Lands Legacy

On Monday, the Vice President released new figures showing that the conversion of farmland to developed land more than doubled in recent years. He then voiced strong support for USDA's Farmland Protection Program – a key part of your Lands Legacy Initiative – which helps states, local governments, and private groups purchase permanent development easements from farmers. That arrangement allows farmer and ranchers to resist offers from developers and allows them to continue farming and to pass the farm or ranch on to their children. On Tuesday, Secretary Glickman echoed support for the FPP program in an event in Iowa highlighting the same report (USDA's Natural Resources Inventory).

cc: The Vice President
John Podesta
Martin Baily
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New Initiatives

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THE WHITE HOUSE

WASHINGTON

December 3, 1999

MEMORANDUM FOR THE PRESIDENT

FROM:

ROGER BALLENTINE 

RE:

OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press, Science and Industry.

Your "Greening of the White House" initiative drew wide coverage, highlighted by the 6-minute CBS Early Show segment with Bob Vila, which aired on Thursday. Later that morning, Secretary Richardson and Administrator Browner officially released the report in the Roosevelt Room, with coverage by the *Washington Post*, *AP*, *Reuters*, *C-SPAN* and other outlets. The Cabinet members were joined by executives of Phillips Lighting, Home Depot, Whirlpool, Sears, and Maytag, each of whom pledged new promotions for energy efficient home products while reiterating our central message -- that average Americans can save money and help fight global warming by taking the same steps at home that we have taken at the White House.

The *Washington Post* (12/3) ran a front page story on a study reported in the journal *Science*, which found that the Arctic ice cap may be melting as a result of global warming -- the latest in a series of studies reaching this conclusion. Since the ice is floating, the melting does not affect sea levels, but the study "strongly suggests that the observed decrease in Northern Hemisphere sea ice extent is related to human-caused global warming."

Nature (12/2) reported on a new study showing that the Earth's average temperature can change dramatically over just a few decades. In particular, the study noted that 12,000 years ago, when the Earth was emerging from the last ice age, gradual warming across the globe was interrupted by a sudden return to ice-age conditions. New evidence suggests that changes in ocean circulation were responsible. "The findings hint that environmental changes that alter circulation in the North Atlantic -- a possible corollary of global warming caused by greenhouse gases -- can have a rapid and profound impact on climate."

In a significant shift in policy, the American Petroleum Institute this week hosted a conference on voluntary actions by the oil and gas industry to address climate change. API President Red Cavaney stated that "[w]e cannot wait for all the answers to begin taking action . . . inaction is not an option."

New Initiatives

We will soon have a new Executive Order in OMB clearance aimed at the reducing the petroleum consumption and increasing the efficiency of the federal agency automotive fleet. This order will, of course, provide another key piece in your overall efforts to have the federal government lead the way in reducing emissions and saving money.

We are also working hard to finalize an initiative that responds to your instructions given in reaction to the PCAST "Powerful Partnerships" report. This "Clean Energy for the 21st Century" initiative would focus on policies and programs that will promote U.S. trade and help developing countries choose an energy growth path that is clean, as well as reliable and cost effective. As this is an enormous potential market, it poses tremendous opportunities for U.S. businesses and U.S. workers.

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David Beier

THE WHITE HOUSE
WASHINGTON

November 12, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE 
RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press, Science and Industry.

As part of a cover story on issues "Beyond 2000," *Time* magazine ran several stories on the environment. Included was an essay by author Mark Herdsgaard noting that the first step toward reducing global warming should be improving energy efficiency, which will be increasingly viewed by the private sector as a profit-making venture.

A *Financial Times* editorial on the last day of the Bonn climate conference strongly defended emissions trading as the best way to quickly and cheaply reduce greenhouse gas emissions and called on the EU to drop its insistence that, for the purpose of the Kyoto targets, a cap be placed on US emissions trading.

A study by the Union of Concerned Scientists found that increased temperatures over the next century could have a devastating effect on California, especially on water supplies for agriculture, according to reports in *The Los Angeles Times*, *San Francisco Chronicle* and other outlets. The study found that decreased snowfall at mid-elevations in the winter would mean less water would be available for irrigation during the dry summer months. Meanwhile, a regional assessment of climate change impacts devoted to the Pacific Northwest found that global warming will have a similar effect on snowpack in that region, the *Seattle Post-Intelligencer* reported, and could adversely effect salmon recovery efforts. This is the first regional report of an on-going national assessment, conducted by various labs around the country and partially funded by NOAA, to be ready for release in March or April of next year.

Legislative

The results of our current FY2000 climate change efforts are still not ideal. On the spending side, we are looking at a small increase over FY99. Unfortunately, this overall modest increase has been accompanied by an increase in anti-Kyoto riders and cuts below FY99 in some of the key climate change programs such as renewable energy. On the tax credit front, Treasury continues to engage with the Hill on the length of the extenders and whether and how they are paid for. Once these issues are resolved, the discussion will turn to which extenders to include in the package. We are concerned that the Roth bill's renewable energy credits may not survive.

The "Knollenberg" rider prohibiting back door implementation of the Kyoto Protocol remains in both the Foreign Operations and the Commerce, Justice, State appropriations bills. Since the development of the mountaintop mining controversy, Senator Byrd has not helped to remove these riders. Again, however, we believe that we can interpret the language so as to render it largely harmless.

We remain in negotiations over the energy efficiency funding in the Interior appropriations bill. The conference report is \$125 million below your request. We requested an additional \$95 million, and the appropriators offered \$41 million. We pushed back, and the Hill is now at \$56 million. We will push for more.

Lands Legacy

The House Resources Committee this week passed OCS revenue-sharing/LWCF legislation worked out between Chairman Don Young (R-AK) and George Miller (D-CA). All Democrats voted for the legislation, while Republicans split 13-12. We do not expect additional House action this year.

As you know, we floated a proposal for permanent funding of the Land and Water Conservation Fund in the context of the Interior negotiations. Our proposal was not greeted favorably. Despite the fact that Senator Landrieu felt betrayed by our efforts, it is becoming clear that we will not be successful in achieving permanent funding this year, and that next year we will again work with the authorizing committees on legislation along the lines of her bill. Meanwhile, we continue to push for FY2000 funding. We asked for an additional \$250 million over the conference levels, and the Hill has offered an increase of a little over \$200 million. We will counter again.

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THE WHITE HOUSE
WASHINGTON

October 29, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE 
RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Legislative

We have not resolved any of our remaining climate change issues (as described in last week's report). We continue to work hard to secure an additional \$100M in the Interior bill for energy efficiency programs and sinks research, and for an additional \$35M in the Foreign Operations bill for the Global Environment Facility. Finally, we hope to remove the anti-Kyoto rider from both the Foreign Operations and Commerce, Justice, State bills. The Senate passed Senator Roth's tax extenders package, which includes our proposed wind and biomass tax credit. Securing this credit, along with achieving the appropriations goals mentioned above, would provide us with a strong climate change success story for this year.

Diplomatic

The Fifth Conference of the Parties (COP-5) to the UN Framework Convention on Climate Change completed its first week in Bonn. Chancellor Schroeder made the biggest news so far by calling for the Protocol to enter into force by 2002. Our efforts this week focused on compliance rules, sinks, additional work on technology transfer and capacity building, and determining how to deter efforts by Saudi Arabia to include a process for compensating oil producing countries for their expected losses if the Kyoto targets are implemented. We have made good progress. However, Saudi Arabia, China and their allies have been obstructionist and will resist joining the efforts to address the array of complicated issues between the end of this conference and the start of COP-6, which will probably now be held between November 14-24 next year.

As anticipated, Secretary Richardson secured a very positive joint statement with India, suggesting India's willingness to pursue additional talks with us about ways to deal with the issue of climate change. The Vice President touted the agreement in his town hall meeting in New Hampshire this week.

Press, Science and Industry.

Reuters (10/28) reported that 25 top British firms have signed up to participate in a greenhouse gas emissions trading system. The system is being set up to minimize companies' costs under the government's Climate Change Levy, which goes into effect next year.

The Miami Herald (10/22) reported on a new study by NOAA that indicates that "humidity [is] likely to cause much of the pain of global warming," and that soaring heat indexes over the next 50 to 60 years may "significantly increase the yearly number of heat-related deaths in America – from about 1,200 now to several thousand, one expert says."

In Ohio, Pennsylvania, Michigan, Iowa, and West Virginia approximately 150 senior religious leaders signed public statements on the issue of global warming, voicing strong concern on the issue, urging specific action in the electric, oil, and transportation sectors (and on CAFÉ), and supporting the Kyoto Protocol. We met this week with the National Council of Churches of Christ, which has been very active in raising awareness of the climate change issue within their nationwide constituency, and is actively involved in planning for Earth Day 2000.

Lands Legacy

In our Interior and Commerce, State, Justice negotiations, we are pushing for significant additions to your Lands Legacy accounts. On the authorizing side, the Senate Energy Committee is scheduled to mark up legislation next week that would, in part, permanently fund the Land and Water Conservation Fund (LWCF). A diverse group, co-chaired by Lady Bird Johnson, and including a large number of Governors, Mayors, corporate CEO's, Hollywood personalities, environmental leaders and others ran a full page add in several major newspapers calling for enactment of permanent funding for LWCF and other environmental priorities.

cc: The Vice President
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THE WHITE HOUSE
WASHINGTON

October 22, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE 
RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Legislative

Despite the strong efforts of your negotiating team, we are doing poorly on climate change funding. For the Climate Change Technology Initiative as a whole, we are a few million above FY99, but more than \$300 million below your request. We are *below* FY99 in both DOE's solar and renewable energy programs (Energy and Water) and EPA's climate change programs (VA-HUD). The Clean Air Partnership Fund was zeroed out completely (VA-HUD). We hope to improve our overall climate budget situation by adding at least \$75 - \$100 million to the Interior Appropriations bill. The Interior bill funds DOE's energy efficiency programs and the Forest Service's biomass and sinks programs. In the Foreign Operations bill we hope for another \$35 million for the Global Environment Facility.

The Senate Finance Committee completed action on a short-term tax credit extenders package. The bill includes our proposed modifications to the wind and biomass tax credit. We will need to press hard to keep the credit, however, as Chairman Archer strongly opposes the provision.

Diplomatic

The Fifth Conference of the Parties to the U.N. Framework Convention on Climate Change starts Monday in Bonn. We hope to make good progress on emissions trading and related issues to pave the way for a successful meeting next year when the details of the Kyoto Protocol should be finalized. Argentina and Kazakhstan are expected to announce their targets for emissions reductions. Secretary Richardson will travel to India next week, and we are negotiating a joint statement on climate change for him to sign while he is there. We hope to lay the groundwork for even further progress if you visit India next year.

Press, Science and Industry.

The Wall Street Journal published a story, "Kyoto Treaty's Foes In US Could Kill Pact Around the World", which notes that because Senate ratification of the Protocol is viewed as uncertain, some foreign businesses and governments are reluctant to take action. For example, the Dutch parliament is readying a package of measures to sharply reduce CO2 emissions, but may shelve the program unless they believe the US is taking action.

In the first transaction to involve a large quantity of greenhouse gas reductions derived from the agricultural sector, the largest US environmental brokerage, Cantor Fitzgerald, sold 2.8 million tons of greenhouse gas reductions to a consortium of Canadian energy companies. The Canadian emitters will pay 400 Midwest farmers \$3-\$5 per acre *not* to till the soil or use high-nitrogen fertilizer.

Federal Government

On November 8, we will host 100+ Administration personnel at a series of workshops and a reception to encourage their rapid implementation of your Executive Order (13123, signed 6/3/99) directing increased energy efficiency in federal buildings. Agencies have the potential to save taxpayers \$750,000 each year, but need continued pressure from the White House.

Lands Legacy

While members of the House Resources Committee continue to claim progress on drafting authorizing legislation that would permanently fund various accounts, including the Land and Water Conservation Fund, attention is focused on the appropriations negotiations. Environmental groups and others still hope that we can get authorizing legislation into an end game bill. As that will be difficult, we are focusing on the funding levels in the FY 2000 bills.

Overall, your Lands Legacy programs have been funded at almost \$700 million below your request and \$100 million below FY 99 enacted. Fortunately, the two bills containing Lands Legacy funds are still in play: Interior and Commerce, Justice, State (NOAA). We hope to add at least \$250-\$300 million to Interior and \$25-\$30 million to CJS.

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October 15, 1999

MEMORANDUM FOR THE PRESIDENT

CC: JOHN PODESTA

FROM: GEORGE T. FRAMPTON, JR.

SUBJECT: CEQ WEEKLY REPORT

This is a joint report from CEQ and the Office of Environmental Initiatives.

BUDGET

Appropriations

Unfortunately, today's conference report of the Interior Appropriations Bill significantly underfunds your Lands Legacy Initiative and has retained a large number of anti-environmental riders. We expect that Congress will deliver an unsatisfactory bill to you next week.

PROTECTING COMMUNITIES FROM TOXICS

Agreement with Animal Rights Groups

A number of animal protection groups agreed yesterday to end a major campaign to stop an EPA initiative to ensure public access to basic health screening data on 2,800 chemicals used in high production volume (HPV) in the United States. Studies by EPA and environmental groups showed that the public has access to basic health information for only a fraction of these chemicals. The HPV initiative, launched by Vice President Gore in April 1998 as a challenge to the chemical industry, led EPA to negotiate with the Chemical Manufacturers Association (CMA) and the Environmental Defense Fund (EDF) to provide this information to the public voluntarily. The Vice President announced the agreement with Administrator Browner in October 1998.

In the months following the announcement, People for the Ethical Treatment of Animals (PETA) led a coalition of animal protection groups in a campaign to stop the initiative, asserting that the initiative would lead to unnecessary and excessive testing using animals. At the Vice President's request, CEQ convened a broad-based discussion among EPA, EDF, CMA, and a range of environmental, scientific, and company representatives to identify ways to respond to these concerns. Based on these discussions, and with the support of EDF and CMA, EPA is taking a series of steps to incorporate animal protection concerns into the program that were

memorialized in an letter released yesterday evening. Today, PETA and related groups announced an end to their campaign.

Superfund Markup

On Wednesday, the House Commerce Committee held a markup on a Superfund bill that the Administration (EPA, DOJ, DOI, USDA, NOAA) strongly opposes. Democrats sided with the Administration in opposing the bill, and supporting Superfund reform proposals on brownfields, small business relief, and recycling that the Administration supports. This contrasts with earlier action in the Transportation and Infrastructure Committee, where a similar Boehlert bill we strongly oppose cleared the full committee by a 69-2 margin.

Speaker Hastert has stated that he intends to bring Superfund to the floor before Congress recesses. We are therefore rushing headlong toward a pre-rules miniconference in which we will have to negotiate among the proposals in two bills that the Administration strongly opposes.

RESOURCE STEWARDSHIP

Roadless

Your roadless announcement this week received overwhelmingly positive applause from the environmental community and the media in general (see attachments). The timber industry and several western Republican Senators have voiced concern with the plan, citing a possible loss of jobs.

Atlantic Salmon

On October 15, the Department of Justice filed a motion in Federal district court in response to a suit against the Departments of Commerce and Interior brought by Defenders of Wildlife and Trout Unlimited. Today's court filing certifies to the court that an "emergency listing" of Atlantic salmon under the Endangered Species Act (ESA) is not warranted at this time and advises the court that the Departments are preparing a "proposed listing" of Atlantic salmon as "endangered" under ESA. A final listing determination will be made within one year. Atlantic salmon populations have continued to decline since the 1997 decision, in large part due to failure by the State of Maine to fully implement its Conservation Plan. Commerce and Interior will continue to work with Maine this period to strengthen this implementation, and such action may allow for a final listing determination of "threatened" rather than "endangered."

CLIMATE CHANGE

Press, Science, Industry

As the world population reaches six billion, scientists are beginning to believe that pollution – rather than resource depletion – will be the most daunting challenge facing the planet in the next century, CNN reported. In particular, scientists are concerned that by the time world population reaches nine billion by 2050, energy use will triple – and so will greenhouse gas emissions and other forms of air pollution.

A study by researchers at Harvard University's Department of Earth and Planetary Sciences in *New Scientist* magazine finds an increased frequency of El Niño events in the last quarter century and speculates that the increase is due to global climate change.

Legislation

Although the Interior bill remains in conference, preliminary reports from OMB are that DOE's energy efficiency programs are, at best, funded at FY99 levels and may be slightly below FY99. Both DOE's renewable programs and EPA's climate programs have already been cut below FY99 levels. In order to maintain the Administration's \$1 billion annual commitment to climate programs, we must increase the funding in the Interior bill and add back funding for renewables.

In addition, both the Foreign Operations and the Commerce, Justice, State bills contain Representative Knollenberg's rider prohibiting implementation of the Kyoto Protocol prior to Senate ratification. Mr. Knollenberg has made it very clear that he intends this provision to prohibit us from engaging developing countries regarding the Kyoto Protocol. Clearly, such an interpretation would be completely unacceptable. This issue will be raised in your Foreign Operations veto statement and we are hopeful that – working with Senator Byrd and other Democrats – we will be able to remove this provision from both of these bills.

October 8, 1999

MEMORANDUM FOR THE PRESIDENT

CC: JOHN PODESTA

FROM: GEORGE T. FRAMPTON, JR.

SUBJECT: CEQ WEEKLY REPORT

This is a joint report from CEQ and the Office of Environmental Initiatives.

BUDGET

Appropriations

So far the Administration has had mixed success on environmental funding issues. For FY 2000, the Administration proposed more than \$1.6 billion in increases in spending (from \$3.58 billion to \$5.22 billion) on four hallmark issues – Climate Change, Land Legacy, the Clean Water Action Plan, and Northwest salmon. To date, in the Energy and Water bill and the VA-HUD bill, Congress has provided overall funding for Climate Change and Clean Water that is far below Administration requests on climate change and slightly below FY 1999 enacted. (See Climate Change report attached).

Our current priorities include:

1. *Lands Legacy* – Our federal land acquisition requests have been gutted in the Interior bill with some coastal components in the Commerce-State-Justice bill. House and Senate versions cut funding substantially below FY 1999 enacted and provide only 30% of the amounts requested for FY 2000.

Key land acquisition priorities include:

- (1) Baca Ranch (\$95 million, \$55 million if we can hold onto last year's \$40 million);
- (2) Catellus-California Desert (\$36 million with an equal private match to acquire almost 500,000 acres in California Desert parks and wilderness);
- (3) Everglades (\$45 million);
- (4) Civil War Battlefields (\$22 million); and
- (5) Grants to states for forest easements, particularly in Northern New England (\$50 million)

2. *Pacific Salmon* – In CJS, the Senate has given us barely enough to get by (\$130 million total for

coastal restoration to the four governors plus Pacific Salmon Treaty funding), but the House zeroed out the entire account. We must fight to keep the Senate money. Also, we need about \$20 million additional for NMFS's salmon operating program in the Northwest, under the Endangered Species Act.

3. *Climate Change* – We need to plus up the reductions in Energy Efficiency and Renewables in the Interior bill to compensate for the reductions from FY 99 that were contained in the VA-HUD and Energy & Water bills. This means an increase of \$50-75 million from the House and Senate marks – which would still be far below our FY 2000 request.
4. *Riders* – There are about three dozen riders in the Interior, CJS and Foreign Operations bills, almost all of which are completely unacceptable.

A victory on the environment this year will require prevailing on all four of the above.

RESOURCE STEWARDSHIP

Atlantic Salmon Recovery

In December 1997, the Commerce and Interior Departments withdrew a proposed listing of Maine Atlantic salmon as “threatened” under the Endangered Species Act. The decision against listing was contingent on efforts by the State of Maine to protect and conserve Atlantic salmon. The Commerce and Interior Departments again reviewed the status of Atlantic salmon this year and found deficiencies in the implementation of Maine's conservation measures. While the Departments have been working with the State to try to improve implementation, deficiencies remain, and it is their current intention to propose a threatened listing for Atlantic salmon. This listing would be publicly announced by October 15 (court filing deadline).

INTERNATIONAL LEADERSHIP

Trade/Forest Products Tariff Reduction Measure

Next week, a group of forest protection advocates from across the country will be in Washington to lobby the Administration and Congress to remove the Accelerated Tariff Liberalization initiative in forest products from the U.S. agenda for the WTO Ministerial in Seattle. This proposed measure has become the poster child for environmental opposition to the WTO and has served as a rallying point for forest activists to join trade activists in criticizing our trade policy – and what they believe is a lack of a comprehensive policy to assess the environmental implications of trade agreements. We are prepared to release an Environmental Review of the timber tariff reduction proposal, showing that it will have only negligible impacts on demand for timber or on the environment. The NGOs remain concerned about non-tariff barriers, but these are not being negotiated at this time.

CLIMATE CHANGE

Press, Science and Industry

Fighting global warming could cost as much as 60 percent less than most analysts have predicted, researchers reported in the journal *Nature*. Previous studies have focused almost exclusively on reducing emissions of carbon dioxide, the main greenhouse gas. But the cost of complying may be much less than previously estimated when efforts are made to reduce all six types of gases covered by Kyoto, according to the new analysis by researchers at MIT.

Three environmental groups launched an \$8 million TV and newspaper advertising campaign Wednesday regarding the dangers of global warming. The 30 second ads, created by Mandy Grunwald and funded largely by Ted Turner, will run in 220 cities in prime time between now and Thanksgiving. The National Environmental Trust, the Union of Concerned Scientists and Physicians for Social Responsibility said they planned to spend another \$3 million for a longer-range "grassroots" campaign on climate change.

Leaders of more than two dozen church bodies in Pennsylvania, including Protestant denominations, the Greek Orthodox Church and the Philadelphia Board of Rabbis, have signed a "Religious Leaders Statement on Global Warming". The statement warns that human beings are doing violence to God's creation by causing global warming and urges support for the Kyoto Protocol.

Legislation

Conferees finished work on the VA, HUD, Independent Agencies appropriations bill this week. Working with the both the majority and minority, we succeeded in preventing Representative Knollenberg (R-MI) from expanding the scope of his rider prohibiting implementation of the Kyoto Protocol prior to Senate ratification. Thus, the language is the same as the provision contained in last year's enacted bill – which does not prevent EPA from undertaking climate change programs.

We did not fare so well with respect to climate change funding. The Clean Air Partnership Fund was zeroed out. EPA's portion of the Climate Change Technology Initiative received \$102 million, \$6 million below FY99. Thus, both DOE's renewable energy programs and EPA's climate change programs have been funded significantly below FY99 levels. It is absolutely critical to both our domestic and international audiences that the Administration not be perceived as backing off our commitment to taking action to address climate change. Therefore, it is very important that DOE's energy efficiency programs – contained in the Interior bill – be funded substantially above FY99 levels.

THE WHITE HOUSE
WASHINGTON

October 1, 1999

MEMORANDUM FOR THE PRESIDENT

FROM:

ROGER BALLENTINE

ACM for Roger Ballentine

RE:

OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press

An announcement by more than 500 mayors and local officials of their commitment to climate change action, and your statement of support for the mayors and criticism of Congress, received wide-spread coverage by AP, AP Radio, Reuters, *The Boston Globe*, *The Sacramento Bee* and others.

The Financial Times ran a column "Green Lobbyists Breathe Down the Neck of 'Ozone Man,'" which strongly criticized the Vice President and U.S. climate policy.

Legislative

Congress is on track to deny your requested increase in funding for the Climate Change Technology Initiative, leaving the FY 2000 budget at or below FY 99 levels. You requested \$686M for the Department of Energy's energy efficiency portfolio in the Interior appropriations bill, but both the House and Senate marks are down from that request more than \$100M. In VA-HUD appropriations, you requested \$216M for EPA's climate change programs, but the House and Senate marks are more than \$100M down from that request. The Clean Air Partnership Fund – a \$200M initiative – has been zeroed out in the Senate and received \$36M in the House. You requested \$399M in the Energy and Water appropriations bill for the Energy Department's solar and renewable energy portfolio, and the signed bill contains \$315M.

We continue to work with Senator Byrd (D-WV) to block the unacceptable "Knollenberg" rider from the VA-HUD bill, which would prohibit backdoor implementation of the Kyoto Protocol and could restrict EPA's voluntary programs such as Energy Star.



cc: The Vice President
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THE WHITE HOUSE
WASHINGTON

September 24, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE 
RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press, Science and Industry.

An increasing number of scientists are studying the possible link between increased encephalitis incidence and global warming, according to an op-ed on climate change in the *New York Times* by Bob Herbert (his third in five weeks) and a story on *CNN.com*. *CNN* also ran a story noting that researchers are looking more closely into connections between global warming and increased hurricane severity and incidence, even though scientists have found no direct connection between a warming atmosphere and Atlantic hurricane activity.

The Christian Science Monitor reported that Canada has signed a debt-for-carbon agreement with Honduras. Canada will forgive about US\$680,000 in debt in exchange for a Honduran "joint implementation office" to promote reforestation and monitor forest conservation programs there. Canada might then receive credits for helping "cut" greenhouse gas emissions under a Kyoto framework. Environmentalists expressed mixed views, as they remain concerned that reliance on "sinks" could displace other emission-reducing actions.

Legislative

Despite the personal intervention of Senator Byrd, the conferees to the Foreign Operations bill are likely to retain the "Knollenberg" rider prohibiting back door implementation of the Kyoto Protocol. The proponents' intention is to limit USAID's climate change activities – efforts aimed at encouraging developing countries to reduce emissions. Similar language, aimed at the State Department, is in the Commerce, Justice, State appropriations bill. While we will continue to work to remove this text, we believe that we can interpret the language so as to render it largely harmless.

The Senate finished action on the VA-HUD-Independent Agencies appropriations bill today. Out of your \$216 million request for the Climate Change Technology Initiative, the bill provides \$102 million, and \$0 for the Clean Air Partnership Fund. We still face very problematic report language in the House version of this bill.

Diplomatic

Undersecretary Loy led a small delegation to Warsaw this week for a small ministerial meeting in preparation for COP 5 at the end of the month in Bonn. Loy reiterated the importance of showing some specific progress in Bonn, particularly in the area of developing country participation and market mechanisms.

Lands Legacy

The House Resources Committee held a members only meeting this week in an effort to restart negotiations on OCS revenue-sharing/LWCF legislation. It appears that Representatives Young (R-AK) and Miller (D-CA) may be getting closer to agreement. The biggest point of controversy remains the desire of western Republicans to place new limitations on federal land acquisition.

The Senate is in a slightly worse position, as no real bipartisan negotiations are underway. Senator Landrieu continues to push very hard for a bill to emerge from the Energy Committee, and she will solicit your help when you see her on Monday. Her primary motivation is the section of her bill that provides vast sums of money to coastal states for "coastal impact assistance". While your Lands Legacy initiative provides significant funding for federal coastal programs like the Coastal Zone Management Act (CZMA), Landrieu wants unrestricted funds without federal oversight. She knows that we have serious problems with aspects of her bill (such as the perception that it could create incentives for additional offshore drilling by tying state aid to production, and its new limitations on federal land acquisition). We would, however, like to see the process move forward so we can get permanent funding for our environmental priorities. Nevertheless, we are concerned with how such an expensive bill (over \$2 billion) would be paid for.

cc: The Vice President
John Podesta
Martin Baily
Maria Echaveste
Steve Ricchetti
Charles Burson
George Frampton
Neal Lane
Joe Lockhart
Gene Sperling
Larry Stein
Jim Steinberg

THE WHITE HOUSE
WASHINGTON

September 17, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE 
RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press, Science and Industry.

As you know, this week Dupont announced ambitious, voluntary measures to combat climate change. The company will reduce its greenhouse gas emissions by 65% from 1990 levels, hold its energy use flat at 1990 levels, and use renewable energy for 10% of its energy needs in the next decade. I have attached a copy of the speech and a copy of the ad Dupont ran in the major papers.

Reuters reported that Price Waterhouse Coopers and EcoSecurities Ltd. have formed a partnership to meet the "explosive growth" anticipated in greenhouse gas mitigation services for corporations. *Reuters* (9/13) also reported that within months Honda and Toyota will introduce hybrid electric vehicles into the American market that get 65 to 70 miles per gallon. Detroit automakers continue to say it will be at least 2004 until they have commercially viable high-efficiency vehicles on the market.

Global sea temperatures last year were the warmest in at least 1,000 years, according to a worldwide study of 300 coral reefs published in the *Philippine Daily Inquirer*. *ABC World News Tonight* (9/12) aired a report positing a connection between the recent outbreak of encephalitis in New York and global warming, noting likely increases in such outbreaks if temperatures rise in northern climates. Our own scientists agree that a warmer, wetter climate will change the ideal ranges for diseases, enhancing their transmission, but do not believe one can say explicitly that global warming is behind the current NY outbreak.

Legislative

Senators Feinstein, Gorton and Bryan offered a Sense of the Senate resolution to the DOT appropriations bill that the Senate should not accept the House rider prohibiting examination of the Corporate Average Fuel Economy (CAFE) standards. Although the resolution was defeated 55-40, the proponents and the environmental community viewed 40 votes (with supporters Chafee, Daschle and McCain absent) as a great victory. The environmental community will use the vote to encourage you to veto the transportation bill, which passed 95-0.

Last week, the House completed action on the FY2000 VA-HUD appropriations bill, which contains the Knollenberg (R-MI) rider prohibiting "backdoor" implementation of the Kyoto Protocol. The Republicans have expanded the report language to cover EPA's voluntary programs and that instructs EPA to include opposing viewpoints at all scientific forums and other public discussions of climate change. The Senate Appropriations Committee marked up the VA-HUD bill this week. The Committee mark is \$102M -- \$7M below last year and \$114M below our FY2000 request for EPA's climate programs. Furthermore, the Committee zeroed out both the Clean Air Partnership Fund and funding for the Montreal Protocol. The Senate bill contains the same rider language from last year, which was acceptable to us. We are working with Senator Byrd to fight off the House language.

The House this week passed the Science Committee's DOE research authorization bill. During consideration, Representatives Mark Udall (D-CO) and Sherry Boehlert (R-NY) offered an amendment to increase the authorization for renewable energy and energy efficiency research to our request level. This amendment was adopted by voice vote.

Diplomatic

The United Nations will hold a special session of its General assembly on Sept. 27 and 28 to hear the concerns of several dozen small island nations regarding climate change and other matters. Forty-two countries and territories will be represented at the session, and will request "concrete relief measures" to combat climate change.

We have begun developing message and communications strategy for the Fifth Conference of the Parties to be held in Bonn in October. Our major focus will be the U.S. domestic climate change program and its accomplishments, since demonstrating domestic action will be key to convincing developing countries to participate.

Lands Legacy

FY2000 Budget.

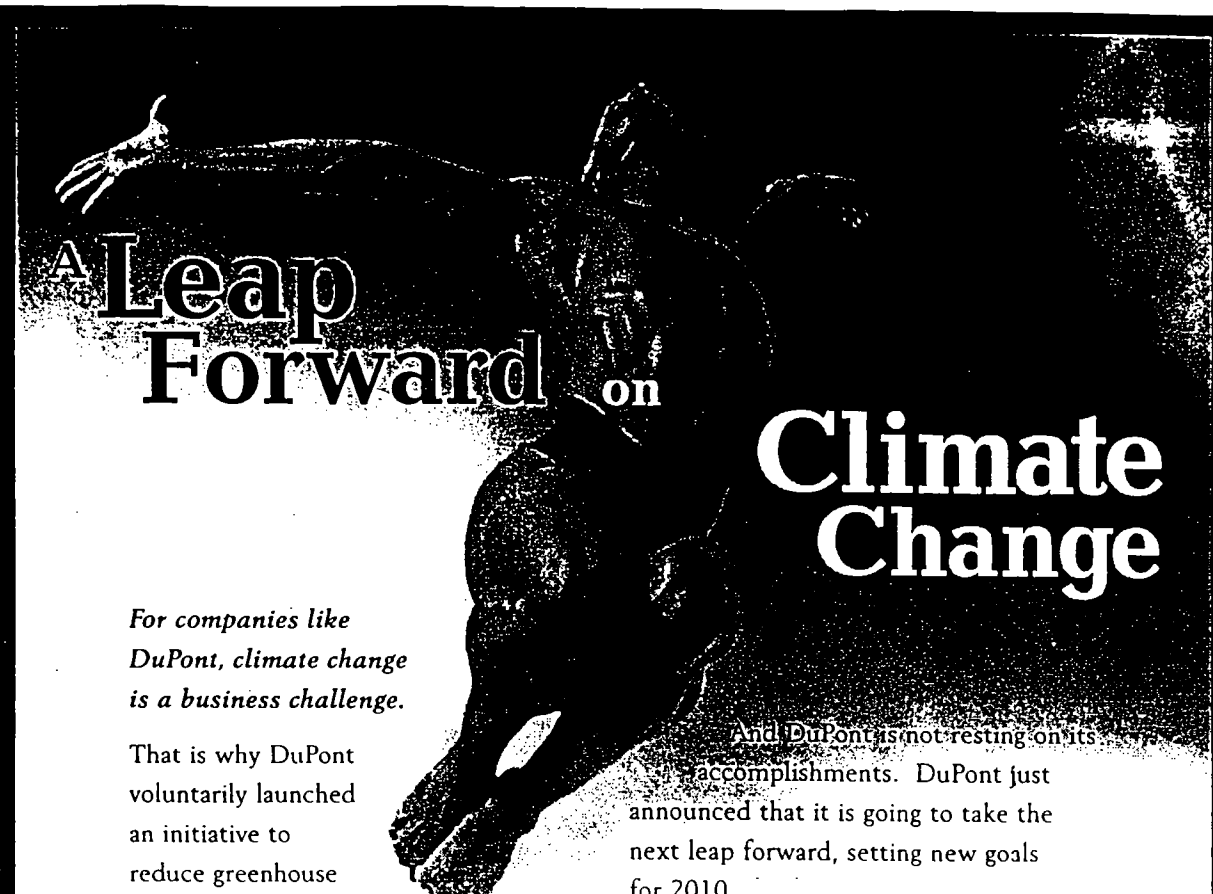
We continue to do poorly in the appropriations process. To date, our Lands Legacy programs have been funded at a level about 65% below your request. The bulk of these programs are funded in the Interior bill, which has passed the House is now being considered by the full Senate.

Authorizing Legislation

As you know, our efforts to provide permanent funding for environmental priorities -- such as the Land and Water Conservation Fund -- have been linked to legislation in both Houses of Congress that dedicate off-shore oil royalties on a permanent basis to various programs. There has been intensive lobbying on the Hill by state Fish and Wildlife agencies, environmental groups, mayors, governors, and local parks and recreation groups. The House Resources Committee is close to marking up a bill, and the Senate Energy Committee is hoping to do the same. We

continue to look for ways to build on such efforts and support to pass a bill that meets our principles and provides a true legacy of guaranteed funding for conservation and recreation purposes. Secretary Babbitt has launched a nationwide "Lands Legacy" tour, touting the merits of your proposal with local officials, Civil and Revolutionary War Battlefield groups, youth athletic program directors and the like.

cc: The Vice President
John Podesta
Martin Baily
Maria Echaveste
Steve Ricchetti
Charles Burson
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Ron Klain
Neal Lane
Joe Lockhart
Gene Sperling
Larry Stein
Jim Steinberg



A Leap Forward on Climate Change

For companies like DuPont, climate change is a business challenge.

That is why DuPont voluntarily launched an initiative to reduce greenhouse gas emissions.

The results have been dramatic. By the year 2000, DuPont will have reduced emissions from global operations by 45 percent and improved energy efficiency by 15 percent below 1990 levels. DuPont also has succeeded in holding energy use constant for the last ten years.

And DuPont is not resting on its accomplishments. DuPont just announced that it is going to take the next leap forward, setting new goals for 2010.

- Reducing global carbon-equivalent greenhouse gas emissions by 65 percent, using 1990 as a base year;
- Holding total energy use flat, using 1990 as a base year; and,
- Using renewable resources for ten percent of global energy use.

DuPont's leadership shows that it is possible to address climate change and maintain economic growth.



PEW CENTER
Global CLIMATE CHANGE

DuPont is a member of the Pew Center on Global Climate Change's Business Environmental Leadership Council. The Pew Center does not receive corporate contributions.

Paid for by the Pew Center on Global Climate Change
www.pewclimate.org

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Business Week
October 4, 1999

Newsweek
September 27, 1999

Philadelphia Inquirer
Wednesday, September 15, 1999

Wall Street Journal
Wednesday, September 15, 1999

Washington Post
Tuesday, September 14, 1999

Wilmington News Journal
Wednesday, September 15, 1999

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

THE WHITE HOUSE
WASHINGTON

August 6, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE 
RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press

Time magazine ran a major report on climate change with a specific focus on Congressional inaction in the face of growing scientific evidence ("Capitol Hill Meltdown"). The article makes specific note of Congress' failure to support federal energy conservation efforts, R&D for renewables, higher fuel efficiency standards for light trucks and SUVs, and Administration - proposed tax credits for consumers who buy more efficient air conditioners, cars, and rooftop solar units.

A Bob Herbert op-ed in the *New York Times* ("Hot Enough For You?") chastised Americans for ignoring global warming. He described some of the causes and the consequences of climate change, and exhorted the world to show more "political leadership and willpower" to "get this problem under control."

We understand that the *Washington Post* will run a story next week on electricity supply shortfalls that will point to low efficiency - particularly with air conditioners - as a major part of problem. We hope to relate this story to the your proposed tax credits for efficient homes and appliances.

Events and Initiatives

On Monday, the Vice President and children's TV personality Bill Nye "the Science Guy" addressed a group of fifth graders on climate change science at the National Geographic Society in Washington. The Vice President released previously classified data on Arctic ice, which has thinned one meter and shrunk by 5% in area since the 1970s. He also released the recent report of the President's Advisory Committee on Science & Technology report (chaired by John Holdren) recommending that we double U.S. funding for international energy programs to help U.S. business capture growing markets in developing countries for energy efficient technologies.

You are scheduled to open an event next Thursday on how bio-energy and bio-products will be a major component of a clean energy future, a strong farm economy, and the fight against global warming. We plan to have Secretaries Glickman and Richardson join you, along with industry, academic and environmental representatives, to talk about a 21st Century energy economy that prominently features technologies that will allow us to use virtually any plant matter (cellulosic biomass) to create fuel. Thus, current waste (such as corn stalks) can become economically and environmentally valuable. Such technology will help us apply some of the concepts presented by Amory Lovins in his article "A Road Map for Natural Capitalism", such as "eliminating the very concept of waste" in parts of the agriculture sector, making "radically more productive use of natural resources", and exemplifying that reducing the wasteful use of resources can present major business opportunities. We have prepared an Executive Order for you that would establish an interagency process to coordinate and promote public and private efforts to develop bio-energy and other bio-products.

Legislative

The House completed action on the Commerce, Justice, State bill but put off action on the VA-HUD bill until September. The Knollenberg rider prohibiting funding from being used to implement the Kyoto Protocol remains in both bills. Representative Inslee (D-WA) offered and withdrew an amendment to strike the Knollenberg language on the CJS bill. We coordinated this approach with the Democrats as a method of raising the profile of this issue for conference without risking a bad vote. The intention of the rider on this bill is to prevent any diplomatic efforts specifically related to the Kyoto Protocol.

On the tax front, the Republican conference report dropped most of the renewable energy tax credits that had been in the Senate bill. The Conferees extended the wind tax credit for four years and added Senator Roth's poultry waste tax credit, but eliminated two of our biomass proposals. Therefore, despite spending almost \$800 billion, the Republican tax bill does virtually nothing to help protect the environment.

cc: The Vice President
John Podesta
Martin Baily
Maria Echaveste
Steve Ricchetti
George Frampton
Ron Klain
Neal Lane
Joe Lockhart
Gene Sperling
Larry Stein
Jim Steinberg

THE WHITE HOUSE
WASHINGTON

July 30, 1999

MEMORANDUM FOR THE PRESIDENT

FROM:

ROGER BALLENTINE 

RE:

OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press and Industry.

CNN ran stories this week on the current heat wave and whether or not it was evidence of global warming. The report noted that this is the 23rd consecutive year that global temperatures are above the long-term average for the century. This programming may or may not be evidence of Ted Turner's growing interest in climate change. His foundation will be funding a significant media campaign starting this fall drawing attention to the issue of climate change.

Legislative.

We had mixed success in the House appropriations process this week. We anticipate a VA-HUD bill that will include around \$40M of your \$200M request for the Clean Air Partnership Fund and \$100M of your \$216M request for EPA's portion of the Climate Change Technology Initiative. We have done reasonably well on your renewable energy portfolio in both the House and Senate: the House is currently at \$309M and the Senate is at \$306M. Our request was \$399M.

Representative Knollenberg (R-MI) continues to add his rider prohibiting "back door" implementation of the Kyoto Protocol to numerous appropriations bills. While we have lived with this language after narrowing it last year, we have two new potential problems. First, the language he added at subcommittee to the VA-HUD bill is significantly broader and purports to prevent any EPA activity that "contemplates" or "prepares" for Kyoto. The breadth of this language could stymie a host of popular EPA programs as well as EPA participation in international efforts to secure developing country participation in the Kyoto framework.

Second, Rep. Knollenberg also added the original limiting language to the Commerce, Justice State and Foreign Operations bills. Not only may application of this limitation to the State Department and USAID be an unconstitutional limitation on your purview to conduct foreign affairs, it also would severely limit our ability to work with other nations, particularly developing countries, in seeking a global solution to climate change.

Our wind/biomass renewable energy tax credit remains in the Senate tax package. In addition, Senators Daschle, Kerrey, Baucus, Bingaman and Byrd filed an amendment containing our tax credits for hybrid vehicles and energy efficient homes. The Senators do not plan to push their amendment to a vote but want to work on getting components of it included in whatever tax package is ultimately enacted.

Lands Legacy

In the face of strong Republican opposition on his Committee, Energy Committee Chairman Murkowski postponed a mark up S. 25, the OCS revenue sharing/Land and Water Conservation Fund bill that is the vehicle by which we hope to enact your Lands Legacy Initiative. In the House, Resources Committee Chairman Young (R-AK) and Ranking Member Miller (D-CA) appear close to agreeing on a compromise OCS/LWCF bill. While it is unlikely they will be able to move such a bill to the House floor, having a committee-passed bill could help us in an end-game scenario.

cc: The Vice President
John Podesta
Maria Echaveste
Steve Ricchetti
George Frampton
Ron Klain
Neal Lane
Joe Lockhart
Gene Sperling
Larry Stein
Jim Steinberg
Janet Yellen

THE WHITE HOUSE
WASHINGTON

July 23, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE 
RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press and Industry.

- In an event attended by Senators Murkowski and Hagel and Representative Dingell, the Business Roundtable on Wednesday released a report calling for the accelerated development and deployment of energy efficient technologies to meet the challenge of climate change. While the event was intended to argue for an alternative to the Kyoto Protocol, a *Wall Street Journal* article on the release quoted our statement calling the report a "positive step" and pointing out that BRT's suggestions largely mirror many aspects of your climate budget package.
- On Friday, EPA announced that it has signed a three year contract for "green power" at its Richmond, California lab, making it the first federal facility to be powered entirely by renewable energy.

Legislative.

- After House Appropriations Committee action this week we are still about \$40M below your request for renewable energy programs and \$93M below your request for the Global Environment Facility. Representatives Salmon (R-NM) and Udall (D-NM) are planning on offering an amendment to restore the renewable portfolio to the FY99 level. With Secretary Richardson's help, we are seeking acceptable offsets to allow us to support that effort.

- Representative Knollenberg's (R-MI) rider prohibiting funds from being used to implement the Kyoto Protocol prior to Senate ratification was adopted by voice vote at the Full Committee mark up of the Foreign Operations bill. Currently the rider is on four House appropriations bills: Foreign Operations, Energy and Water, Agriculture and Interior. We expect it to be on the VA-HUD and perhaps the Commerce, Justice & State bills as well. We are working with DOJ to determine the Constitutional and statutory construction issues raised by the application of this rider to USAID and the Department of State.
- We were successful in getting the wind and biomass renewable energy tax credit into the tax package reported out by the Finance Committee. The credit was offered as an amendment by Senator Grassley. All Democrats on the Committee except Senator Moynihan voted for the amendment.

Lands Legacy

Chairman Murkowski intends to mark up S. 25, the legislation he and Senator Landrieu have introduced to dedicate permanently offshore oil royalties to coastal states and for some environmental purposes. In its current form, this bill is entirely unacceptable, particularly as it places significant new restrictions on federal land acquisition. John Podesta, George Frampton and I met this week with Senator Bingaman, the Ranking Member on the Senate Energy Committee, who is similarly opposed to the bill in its current form. He will offer a substitute consistent with our Lands Legacy principles. That amendment will likely fail, as Republicans and several Democrats, led by Senator Landrieu, will vote no.

cc: The Vice President
 John Podesta
 Maria Echaveste
 Steve Ricchetti
 George Frampton
 Ron Klain
 Neal Lane
 Joe Lockhart
 Gene Sperling
 Larry Stein
 Jim Steinberg
 Janet Yellen

THE WHITE HOUSE
WASHINGTON

August 13, 1999

MEMORANDUM FOR STEPHANIE STREETT

FROM: ROGER BALLENTINE 
Deputy Assistant to the President for Environmental Initiatives

RE: Richardson/Climate Change Request

Attached is a scheduling request that was sent to you a few weeks ago. The request is to have the President meet with the heads of state of the world's island nations on the subject of climate change. I have discussed this request with both the State Department (Undersecretary Loy) and the Energy Department (Deputy Secretary Glauthier). Secretary Richardson also raised this with me yesterday.

While I was skeptical of the wisdom of this meeting, I am now supportive of this idea pending some clarifications from DOE. I am told that Secretary Richardson will seek certain commitments in advance from the leaders. If he is successful, this would be a very positive event. I would very much like to see the internal process for scheduling this meeting go forward as we await confirmation of the Secretary's efforts.

Thank you!

Cc: John Podesta
George Frampton
Goody Marshall
Jim Steinberg

June 18, 1999

MEMORANDUM FOR THURGOOD MARSHALL, JR.
ASSISTANT TO THE PRESIDENT
AND CABINET SECRETARY

FROM: GARY FALLE
CHIEF OF STAFF

SUBJECT: Request for White House Summit for Small Island States
to be held in Washington in late September

The Secretary of Energy and the U.S. AID Administrator are writing to recommend that the President convene a summit in Washington for Small Island States. They are requested that the summit be held at the White House shortly succeeding the United Nations Special Session on the Small Island Developing States in New York on September 27-28.

The Summit would provide the President and Vice President a forum to discuss climate change and sustainable energy and development issues with the Heads of State of more than three dozen countries. Holding the summit in Washington to succeed the two-day United Nations session would most likely draw a majority of participants.

June 18, 1999

_____ Regret

_____ Accept

_____ Pending

TO: Stephanie Streett
*Assistant to the President and
Director of Scheduling and Advance*

FROM: Thurgood Marshall, Jr.
*Assistant to the President and
Cabinet Secretary*

REQUEST: For the President to convene a White House Summit for Small
Island States.

PURPOSE: To elevate the importance of climate change and sustainable
energy and development issues and to seek full participation by
developing countries in the Kyoto Protocol. To raise the awareness of the
American public about climate change and to highlight for Congress, the
Administration's continuing effort to find a solution to this critical global
environmental problem that include all countries.

The Summit would be valuable to the President's foreign policy goals as well as specific climate change objectives. While President Bush met in Hawaii with Heads of State from small island nations, no President has hosted the group at the White House. Despite strains over current trade disputes, such an event in Washington would symbolize a new broad relationship built on mutual respect. Small island states have similar interests to the U.S. in key sustainable areas such as global warming, natural disaster emergency response, coral reefs, fisheries and other coastal zone issues. Collectively these nations are the most vulnerable to greenhouse gas emissions, yet contribute the least to global warming; highlighting this unique case among "G77" nations and seeking to gain their full participation in the Kyoto Protocol would be beneficial to the U.S. position on climate change.

BACKGROUND: Since 1992, over 170 nations ratified the United Nations

Framework Convention on Climate Change (FCCC) to address the growing global concentration of greenhouse gas emissions. At the 3rd Conference of the Parties in 1997, the Kyoto Protocol was adopted to require mostly *developed* countries to reduce their greenhouse gas emissions below 1990 levels. Developing countries were given incentives through market-based programs such as the Clean Development Mechanism (CDM). They may voluntarily adopt but are not required to commit to binding emissions targets.

The United States has signed the Kyoto Protocol but has not submitted it to the U.S. Senate for ratification. In July, 1997, the Senate unanimously passed a resolution, S. 98, calling for “meaningful participation” by developing countries before the Senate would ratify the Protocol.

President Clinton and the Administration have been working to seek the full participation of developing countries in the Kyoto Protocol. Two developing countries, Argentina and Kazakhstan are working on an emissions target to be announced in November, 1999 at the 5th Conference of the Parties. More developing countries are needed before the Senate is likely to consider ratification of the Protocol.

To assist the Administration in this effort, Secretary of Energy Bill Richardson has developed and implemented a climate change strategy focusing on key developing countries to fully participate in the Kyoto Protocol; this includes seeking commitments from developing countries to voluntarily commit to take on an emissions growth targets. One of Secretary Richardson’s goals is to encourage several developing countries to announce efforts to develop an emissions target by the 6th Conference of the Parties, currently planned for November, 2000.

PREVIOUS PARTICIPATION: None

DATE/TIME: Late September, to follow closely the September 27-28 United Nations Special Session for Small Island States in New York.

DURATION: TBD

LOCATION: The White House

PARTICIPANTS: Approximately 40 Heads of State from Small Island Nations.
 Invitation list TBD but could include Members from the Alliance of Small Island States (AOSIS).

OUTLINE OF EVENTS: TBD

REMARKS REQUIRED: Yes

MEDIA COVERAGE: Yes, Domestic and International

RECOMMENDED BY: Secretary of Energy Bill Richardson
US AID Administrator Brian Atwood

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202-456-2572

Gary Falle, DOE Chief of Staff
202-586-6210

THE WHITE HOUSE
WASHINGTON

July 16, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE 
RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press and Industry. The *Wall Street Journal* this week ran a story (with our prompting) on the effort by certain utilities to block your Executive Order on energy efficiency. The article reprints comments from your Georgetown address, and is very favorable to our position. We are working with industry and environmental groups to remove this rider from the Senate Interior Appropriations bill. Also this week, the *Concord (NH) Sunday Monitor* ran an article entitled "Gift from the Sky for Gore?" arguing that having endured a series of warm winters and hot summers, New Hampshirites are becoming convinced that global warming is a serious problem and are looking for candidates to take a strong position on seeking solutions.

We are beginning to speak with various major players in the utility industry to explore the possibility of these companies taking on voluntary carbon reduction targets. In return, we would work with EPA to give industry some added certainty as to how we will regulate other "criteria" pollutants (NOX, SO2 and mercury).

Legislative. On the House appropriations front, the Foreign Operations Subcommittee funded the Global Environment Facility at \$50M, well below your \$143M request. The Energy and Water Subcommittee adopted a Knollenberg (R-MI) amendment aimed at prohibiting backdoor implementation of the Kyoto Protocol. That Subcommittee also severely cut the Renewable Energy portfolio -- \$119.5M below your request and \$40M below FY99 enacted. There will be a bipartisan effort to restore this funding, and if the offsets are not objectionable, we will support that effort.

The House Republicans' tax bill does not contain any pieces of your climate change tax package. It does not even extend the existing wind and biomass tax credits. We are working with Congressman Matsui (D-CA) and others to include some or all of the climate change package in any Democratic alternative. On the Senate side, Chairman Roth's mark does at least include an extension of the existing wind and biomass credits and expands the biomass credit to

cover additional activities (poultry waste). We are working with Democrats and Republicans to support adding our auto, energy efficient housing, and expanded biomass tax credits.

Congressman Lazio (R-NY) and Congressman Dooley (D-CA) introduced a modified version of the credit for early action legislation introduced by Senators Chafee, Lieberman and Mack.

Lands Legacy

FY2000 Budget. The House passed an Interior Appropriations bill that funds your Lands Legacy Initiative at a level 71% below your request. On a positive note, the full House added a net \$28M to the bill as reported from committee, including the full amount you requested for the Urban Parks and Recreation Program, as well as \$30M for the stateside portion of the Land and Water Conservation Fund.

Authorizing Legislation. We continue to negotiate with both Democrats and Republicans on authorizing legislation that would fulfill your call for permanent funding of conservation, acquisition and restoration priorities. As you know, a disparate array of Members has introduced bills that dedicate offshore oil revenues to environmental and coastal restoration on a permanent basis. These include bills sponsored by Senators Murkowski and Landrieu (co-sponsored by Senator Lott); Senator Feinstein; Senator Boxer; Senator Lieberman; Congressman Don Young; and Congressman George Miller. We hope to reach agreement on as much as possible in the short term (for example, we are close to agreement with enviros, state fish and game agencies, and Republicans on language protecting wildlife habitat). This approach will leave us less to work out in an end-game scenario – the most likely context in which we could enact such legislation.

cc: The Vice President
John Podesta
Maria Echaveste
Steve Ricchetti
George Frampton
Ron Klain
Neal Lane
Joe Lockhart
Gene Sperling
Larry Stein
Jim Steinberg
Janet Yellen