

# FOIA MARKER

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C O P I E D

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BOWLES

THE WHITE HOUSE  
WASHINGTON

September 4, 1998

98 SEP 4 PM 5:02

MEMORANDUM FOR THE PRESIDENT

FROM: TODD STERN *TS*

SUBJECT: Climate Change Weekly Report

9-8-98

Congressional

*Budget package.* The Senate passed the Foreign Ops bill this week. Two climate change amendments offered by Senators McConnell and Leahy were adopted. One amendment narrowed the scope of bill language requiring that State and AID notify the Committee prior to expending funds to promote climate change activities. We plan to continue to work with Senators McConnell, Leahy and Hagel to further narrow this language. The second amendment added language allowing funding for energy programs aimed at reducing greenhouse gas emissions in situations where such aid money would otherwise not be permitted. The Senate also passed the Treasury-Postal appropriations bill, which included report language prohibiting the spending of funds on actions called for "solely" under the Kyoto Protocol and meant to "implement" the treaty prior to ratification.

On the tax front, we continue to work with Congressman Matsui and Senator Breaux to have our climate tax incentive package introduced. We are working with these Members on a possible press event to introduce the package, perhaps as early as next week.

*Oversight:* Extensive document production requests continue to absorb a lot of time. The Administration has received a total of 7 subpoenas from the House Government Reform and Oversight Committee (Reps. Burton and McIntosh) requesting climate change documents.

Press

During the past few weeks, there has been a good deal of coverage on climate change. Among the significant stories: **August 10** -- a front page *New York Times* article on the public health aspects of climate change, such as heat stress and a rise in infectious disease; **August 12** -- a story in the *Wall Street Journal* on the recent warming trend, the lack of preparedness for the predicted increase in flooding and the potential economic impact of not acting; **August 15** -- a story in the *New York Times* about the effort of religious groups to gain Congressional support for the Kyoto Protocol; **August 16** -- a powerful Molly Ivins (syndicated) column pivoting off the Texas heat wave and criticizing the media for ignoring global warming or adopting a false even-handedness, which gives undue credence to scientists underwritten by the American Petroleum Institute; **August 18** -- a *New York Times* story detailing the rapid rise in temperature in Alaska, its dramatic impact on the previously frozen environment, and its consistency with global warming

predictions; **August 24** -- a *Time Magazine* one-page feature entitled "Global Warming: It's Here...And Almost Certain to Get Worse" that included recent high temperatures and their impacts as well as a section on what people can do to prevent climate change; **August 27** -- a *CBS Evening News* story on oceans and efforts to use them to better understand climate change.

### **Diplomatic**

The next conference of parties to the climate convention starts in two months in Buenos Aires. Intense preparations are underway.

In general, diplomatic progress since Kyoto has been slow, with countries absorbing complex new concepts in the Protocol (such as the Clean Development Mechanism) and arguing about issues, such as international emissions trading, where the Protocol is ahead of the global consensus. Steps beyond the Kyoto agreement, such as our efforts to more deeply engage developing countries, have met with significant resistance.

At Buenos Aires we expect incremental advance, not historic achievement. Much of the agenda will focus on work plans and time lines for future work. We will seek agreement on several technical issues, such as certain rules for emissions trading, but highly-charged political issues may interfere with progress. Of particular concern are European proposals -- backed by many developing countries -- to impose quantitative caps on emissions trading.

One positive development since Kyoto has been the emergence of a more cohesive "Umbrella Group"-- the negotiating bloc made up of industrialized countries not in the EU, including the US, Canada, Japan, Australia, New Zealand, Russia and Ukraine. Members of the Umbrella Group share a strong common interest in shaping a credible and unrestricted emissions trading regime. Your joint statement with Boris Yeltsin included a strong reference to this topic.

As we approach Buenos Aires, we may recommend calls for you and the Vice President to help advance key objectives. We will forward more detailed information on our Buenos Aires strategy as it develops.

cc: Vice President  
Erskine Bowles  
Sandy Berger  
John Podesta  
Ron Klain  
Jack Lew  
Mike McCurry  
Katie McGinty  
Gene Sperling  
Jim Steinberg  
Janet Yellen

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## THE WHITE HOUSE

WASHINGTON

August 1, 1998

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## MEMORANDUM FOR THE PRESIDENT

FROM: TODD STERN

SUBJECT: Climate Change Weekly Report

Domestic policy

*Industry consultations.* We had a constructive meeting yesterday with top management of 14 major electric power providers, a sector that produces a third of the nation's carbon emissions. The group included CEOs of American Electric Power, the Southern Company, the Tennessee Valley Authority, Texas Utilities, Wisconsin Electric, Illinova, Public Service Electric and Gas (New Jersey) and Trigen, as well as the President of Edison Electric Institute, the industry association. The Vice President did a very effective drop-by for around 30 minutes. Three issues were raised over and over: credit for early action; extending the life of nuclear (and to a lesser extent, hydro) plants, which emit no greenhouse gases but face major hurdles on the relicensing and waste fronts; and a more coordinated, rational approach to environmental regulation.

On this last point, many argued that they face contradictory air pollution requirements on varying time schedules, which can result in their having to ameliorate one problem (say, sulphur or NOX) at the cost of exacerbating another, like CO2. Tom Casten claimed that there are innovative solutions on CO2 that could be put into effect if we had performance-based standards for pollutants. Tom made the useful suggestion to establish an informal task force of people from their side and our side to examine this regulatory question, and the Vice President agreed. We will follow this up on a fast track. On the other points, we were already planning (this week if possible) a working session on early credit with our interagency team and the three outside groups who have done significant thinking in this area (one of these is a joint group from the Environmental Defense Fund and several utilities); and we will move our dialogue on the nuclear and hydro issues to a more technical level to see if helpful options can be developed.

*Economic analysis.* We released our economic analysis yesterday. Janet Yellen and I briefed several environmental reporters. We also sent it up to all interested Members on the Hill, did a small House and Senate staff briefing, and will do further briefings both on the Hill and for business, labor and environmental groups on Monday. As expected, the analysis has been criticized from both left and right -- the left saying we rely too much on buying permits from abroad, the right saying it's a rosy scenario. The *New York Times* and *AP* both ran stories, which emphasized the report's reliance on international trading. Janet and I both pushed back on this in our briefing; *AP* gave more attention to our arguments than the *Times* did.

## **Congressional**

Rep. Matsui is planning to introduce our climate change tax package at an event on the Hill Wednesday morning. Larry Summers and I are going to participate. The Matsui bill will include our auto tax credit as we proposed it, but we are continuing to work with GM to see if a modified auto tax credit can be fashioned that they can support. To this end, we sent a two-person team from CEA and NEC to Detroit this week to meet with GM. The toughest part of this will be to develop a proposal that gains some support from the environmental community.

cc: Vice President  
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THE WHITE HOUSE  
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'98 JUL 11 PM2:50

July 11, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: TODD STERN

SUBJECT: Climate Change Weekly Report

**Congressional**

*Appropriations.* The House was in recess. The Senate began deliberation on the VA-HUD appropriations bill, which sharply cuts funding for EPA energy efficiency programs (\$91 million below your request, though \$25 million above FY 98) and includes broad report language barring the use of funds to support activities "related to implementation of the Kyoto protocol." Senators Chafee, Bond and Byrd are working on colloquies that would seek to interpret the report language narrowly. The House is expected to take up their VA-HUD bill this coming week, including the highly objectionable Knollenberg language, which would, among other things, bar EPA and CEQ (and, arguably, the White House Climate Change Task Force) from "educational outreach or informational seminars" on climate change. We are working actively on a strategy to delete or nullify the Knollenberg language.

On another front, we have worked successfully with Senator Byrd to modify report language in the Senate Interior Appropriations bill, turning it into something we can live with.

*Radio address.* Given the extreme nature of the Knollenberg language, and repeated, bogus attacks on our climate change activities and budget package as "back door" implementation of Kyoto, I think a hard hitting radio address might be in order. I envision a speech that would pivot off the extraordinary weather statistics and events of late and take to task those in Congress whose answer to this serious problem is to put a gag order on the Administration and prevent the public from hearing an open, honest discussion. People look to government for solutions, not know-nothing, head-in-the-sand rhetoric. Congress fiddles while Florida burns.

*Document requests.* We continue to be inundated with congressional document requests and interrogatories. We spent a great deal of time this week assisting the State Department in producing a 123-page set of answers to an enormous set of questions from Senator Hagel. Cong. McIntosh, meanwhile, has sent out dozens of documents requests plus three subpoenas. We are keeping track of basic statistics such as person-hours spent, pages produced, etc.

**Domestic Policy**

We held the first two meetings with senior industry executives this week: aluminum on July 8 and the public and cooperative power sectors on July 10. I chaired both meetings. Our basic

approach is to ask industries to agree to four basic objectives: (1) establish a capacity to measure emissions; (2) review their energy practices; (3) agree to an ambitious goal for reductions; (4) develop a concrete plan to get there. At the same time, we are inviting their input as to how the federal government can potentially help, through appropriate regulatory relief, cooperative R&D, the provision of credit for early action, etc. Both these meetings were quite constructive. They will need to be followed up with very active engagement on both sides. This coming Thursday (July 16) we are meeting with the steel industry.

### **Diplomatic**

Your trip to China was terrific on the climate change front, demonstrating to both foreign and domestic audiences your commitment to this issue and to Chinese participation in a solution.

### **Communications**

Last week we sent out an editorial memo to the top 250 national daily papers sharply criticizing the House VA-HUD climate language as a gag order and the budget cuts as short-sighted. Thus far, the *Seattle Post Intelligencer* and the *Atlanta Journal/Constitution* have editorialized on our side and the *Buffalo News* ran a favorable column, while the *Washington Times* ran a column praising the rider. There has also been news coverage of this story on the *AP* wire and in the *Boston Globe*, *LA Times*, and *Houston Chronicle*. In other climate news, the *Dallas Morning News* ran a piece entitled "Scorched Earth" saying that Texas cities saw 70 daily temperature records broken in June and that experts believe global warming is affecting the weather; the *Washington Post* reported on your global warming comments in Florida; and the *New York Times* and *US News* ran stories about the long-term potential for melting of the Antarctic ice sheet. The *Cincinnati Enquirer* and the *Fort Worth Star-Telegram* ran pieces questioning whether human activity has had any effect on temperature.

### **Science**

There has been some press interest in the comments you made about the Chinese temperature records going back to 1400; McCurry got a question on this in his briefing Friday. To make sure we stay straight on the facts, I asked OSTP for an explanation of what we know. It follows:

The records showing that this century, particularly the 1990s, are very warm come from thermometers, ice cores, and tree rings.

**Thermometers.** Thermometer records date from about the late 1800's. These records show that globally, the five warmest years were 1997, 1995, 1990, 1991, and 1994. In addition, 1998 is the warmest January-June ever, exceeding 1997.

**Proxy Records.** Longer-term reconstructions of annual-average temperatures are made with "proxy" information, derived from tree rings, ice cores, etc., available back to about 1400. These

results are most complete for the Northern Hemisphere and show the twentieth century as being unusually warm compared to earlier centuries. (Ice cores give records for the planet back more than 200,000 years, but you can't derive year-by-year temperatures from them.)

The combination of the proxy and instrumental records indicate that there is a better than 95% chance that the 5 warmest years in the 1990's are also the warmest in the Northern Hemisphere since 1400. The fact that there have been so many warm years in the 1990s (and 1980s) is what leads climate scientists to conclude "there is a discernible human influence on the climate".

**Chinese data.** The 500-year record available from Chinese scientists is for only a limited part of the Northern Hemisphere and generally provides proxy climatic information such as length of the growing season, soil moisture, and precipitation that is interesting but cannot be used to get at estimates of global or Northern Hemisphere temperatures. These data do suggest, however, that climate change is occurring in this region.

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Jack Lew  
Katie McGinty  
Mike McCurry  
Gene Sperling  
Jim Steinberg  
Janet Yellen

THE WHITE HOUSE  
WASHINGTON

June 23, 1998

7-14-98

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MEMORANDUM FOR THE CHIEF OF STAFF

FROM: TODD STERN *TS*

SUBJECT: Potential Climate Change Events/Announcements

Below are several ideas for climate change announcements and events for the President:

*Call  
a group  
1/25/98*

**Combined Heat and Power.** Pepco and a company called Trigen (CEO Tom Kasten has been very supportive on climate change) are ready to move forward on a fascinating project that would capture the wasted energy from a major Pepco power station and use it to heat much of the federal government. Work will need to be done by GSA and DOE to assess feasibility, but assuming we get a green light, a Presidential announcement that the federal government was going to be heated through recaptured energy would be a striking example of federal leadership in energy efficiency.

*Call  
a group  
1/25/98*

**Meet with CEOs of Industries Who Agree to Voluntary Reduction Goals and Action Plans.** Sectoral CEO meetings will be taking place at the White House during the summer. Meetings with aluminum (July 8), steel (July 16) and forest products (July 23) have been set, and discussions are underway with airlines, bulk chemicals, ~~semi-conductors/electronics~~, glass, metal casting, and gas pipelines. Our aim is to get industries, by the fall, to (1) agree to inventory and monitor their emissions; (2) agree to do a bottoms-up review of their energy practices; (3) announce a stretch goal for reducing emissions; and (4) agree to develop an action plan for achieving their goal. Assuming we get a critical mass of industries prepared to do these things, a White House meeting with the President and Vice President announcing the agreements would be a powerful statement of government/business cooperation, both for the domestic and international audience.

*Call  
a group  
1/25/98*

**Announcement of Federal Energy Plan.** The federal government has a critical role to play both in setting an example of energy efficiency and in accelerating the introduction of new technologies that help reduce emissions. The President could announce a federal energy plan including the following elements: (1) a directive to promote greater use of Energy Savings Performance Contracts; (2) an executive order setting minimum standards for the federal purchase of renewable energy; (3) an executive order to encourage procurement of energy efficient products; (4) a campaign to promote the government's use of highly efficient compact fluorescent bulbs; (5) a similar campaign to promote the government's use of highly energy efficient windows; (6) electrifying the federal postal fleet; (7) completing DOD base-by-base energy audits by the end of FY 2000; (8) constructing all new government buildings after FY 2000 using sustainable design to achieve 30-50 percent energy savings; (9) a directive to require agencies to

7-14-98

report annually to the President on the actions they have taken to reduce their emissions of greenhouse gases. We are also trying to work up an idea on saving emissions from the federal vehicle fleet. At least two or three elements should be ready to be rolled out at the time of the announcement.

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**Release a Report, Prepared by EPA, Detailing What Business and Others Are Already Doing to Reduce Emissions, on a Sector-by-sector Basis.** There are significant success stories out there -- many that have resulted from EPA and DOE programs undertaken pursuant to our 1993 Climate Change Action Plan. This would be an opportunity to highlight the best practices of companies and that are already reducing greenhouse gas emission and to challenge others to get moving. Along with release of this report, in an effort to highlight the common-sense, cost-effective nature of these programs, the President could announce a new significant voluntary action, such as Coca-Cola's leadership in making vending machines 50% more energy efficient; or an EPA & DOE partnership with Sears to market Energy Star products; or the energy efficiency efforts at the Olympic village in Salt Lake City, Utah where the Mayor is constructing the village with sustainable building practices and installing Energy Star products.

**Announce a New Partnership with Local Governments to Combat Climate Change.** The President could recognize and encourage energy-saving efforts by cities and counties that reduce greenhouse gas emissions and save taxpayers money. A growing number of municipalities are adopting climate change plans that produce real savings by, for instance, switching to more efficient bulbs in traffic lights. By visiting one of these cities or inviting relevant mayors to the White House, the President would highlight concrete efforts being taken at local initiative to fight climate change. This would take the issue out of Washington, while sending a message back to Congress that local officials -- who will have to contend directly with extreme weather, heat-related illness, and other impacts of climate change -- take the issue seriously and are responding. We could facilitate these efforts by announcing a new program of technical assistance to local governments in drawing up and implementing these plans.

THE WHITE HOUSE  
WASHINGTON

July 11, 1998

7-13-98

'98 JUL 11 PM 2:50

MEMORANDUM FOR THE PRESIDENT

FROM: TODD STERN ~~TDS~~  
SUBJECT: Climate Change Weekly Report

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Congressional

*[Handwritten checkmark]*  
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THE WHITE HOUSE  
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'98 JUL 11 PM 2:50

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SUBJECT: Climate Change Weekly Report

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THE WHITE HOUSE

WASHINGTON

June 27, 1998

7-7-98

MEMORANDUM FOR THE PRESIDENT

FROM: TODD STERN<sup>1001</sup>

SUBJECT: Climate Change Weekly Report

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Podesta Foley  
Lew Calvert  
McGinty  
Stein  
Spaulding

Congressional

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It was another busy, difficult week on the appropriations front. The most contentious development was language proposed by Rep. Knollenberg (R-Mich.) as a rider to the VA-HUD bill and in the VA-HUD Committee Report. The rider would, in essence, bar EPA, CEQ and OSTP from developing, proposing or taking any executive action "for the purpose of implementation of or in contemplation of implementation" of the Kyoto Protocol. That is bad enough, but the report language is worse. It would bar EPA and CEQ from engaging in "educational outreach or informational seminars" on issues underlying the Kyoto Protocol -- which would seem to cover most anything related to global warming. Rep. Fazio offered an amendment to modify the bill language and strike the report language, but it failed despite an active effort to push it. While this was disappointing, the language is such an obvious overreach that we should be able to take advantage of it. We will try to do that during the next two weeks.

Wrap up on the three appropriations bills:

*Energy and Water:* Bill passed by House on June 22. Cuts the total increase (about \$100M) requested in our budget for solar and renewable energy. Reps. Fazio, Cook, and McDade expressed support for working with Senate to find additional R&D funding for renewables. Recall that Senate bill includes \$70 million of your request.

*Interior:* House and Senate Appropriations Committees reported out bills, which are now ready for floor action after recess. House bill cut our entire requested increase (about \$193M) for DOE's energy efficiency portfolio, and could be read to cut \$25M more. Senate bill cut program by \$160M (\$30M increase from FY98 levels). Both bills contain report language stating that none of funds are to be used to implement Kyoto, but we worked successfully with Senator Byrd's staff to make the language harmless.

*VA-HUD:* House bill cuts your energy efficiency request for EPA by about \$106M (a \$10M increase from FY98 levels), and includes Knollenberg language discussed above. Both House and Senate bills are now ready for floor action.

*Hearing.* Rep. McIntosh held another hearing focussed on the coal and utility industries. The witnesses consisted of Senator Enzi (R-WY), a panel of coal and utility industry and labor folks, and DOE Undersecretary Ernie Moniz. The Chairman questioned DOE about their performance measures for climate change programs and about baselines for evaluating the performance of these programs. Senator Enzi and the industry panel were all adamantly opposed to the Kyoto Treaty. Representatives Tierney (D-MA) and Kucinich (D-OH) once again defended the Administration's climate change budget request as well as the Administration's efforts to respond to the voluminous McIntosh oversight requests.

### **Press Coverage**

On Thursday, *The Washington Post* ran a story in the business section about GMAC's agreement to provide more favorable financing of solar energy systems in new and existing homes. On Friday, *The New York Times* ran a piece on the Knollenberg rider and report language.

cc: Vice President  
Erskine Bowles  
John Podesta  
Ron Klain  
Jack Lew  
Katie McGinty  
Gene Sperling  
Jim Steinberg  
Janet Yellen

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COS  
Burkhardt

THE WHITE HOUSE

WASHINGTON

June 19, 1998

6-23-98

MEMORANDUM FOR THE PRESIDENT

FROM: TODD STERN *TS*  
SUBJECT: Climate Change Weekly Report

Dan Burkhardt:  
Please coordinate  
the reply.

Domestic

*Industry consultations.* Following a number of preparatory meetings, CEO meetings at the White House have now been set for Aluminum (July 8), Steel (July 16) and Forest Products (July 23), and we are working on electric power and cement. Preparatory discussions are underway with airlines, bulk chemicals, semi-conductors/electronics, glass, metal casting, and gas pipelines. These industries represent 80-90% of industrial emissions. Several oil companies are also showing some interest -- BP, Sun, Arco, Shell, Citgo. Our aim for the consultations is to get industries, by the fall, to (1) agree to inventory and monitor their emissions; (2) agree to do a bottoms-up review of their energy practices; (3) announce a stretch goal for reducing emissions; and (4) agree to develop an action plan for achieving their goal.

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*Combined heat and power.* After long negotiations, Trigen and Pepco are apparently ready to move forward on a fascinating project that would capture the wasted energy from a major Pepco power station and use it to heat much of the federal government. I will convene a meeting shortly with relevant agencies and private parties to explore the feasibility of the project. If it proves feasible, it could be a striking example of federal leadership in using energy more efficiently.

Diplomatic

EU environment ministers agreed this week on a deal to allocate the 8% emissions reduction agreed at Kyoto among Member States. Ministers also agreed on general policies for achieving reductions, stressing the importance of renewable energy and the need to curb emissions in the transport sector. On the issue international emissions trading, although the EU has been pressing for restrictions -- a bad idea we strongly oppose -- the meeting this week gave cause for a bit of optimism, since there was clearly disagreement within the EU ranks on the issue.

## Congressional

There was action on all three of the appropriations bills that contain portions of the Climate Change Technology Initiative. The general GOP approach to these bills has been to eliminate our requested increase and return funding to about the FY 98 level. In addition, egregious anti-climate language has been proposed for the Committee Report to the House VA-HUD bill. And there is an undesirable anti-climate rider in the House VA-HUD. The one piece of good news is that the full Senate accepted the Jeffords renewable energy amendment restoring around \$60 million to the Senate Energy and Water bill (your requested increase was \$100 million). We are reviewing strategy for the Interior and VA-HUD bills now, but it seems likely at this point that we will have to fight for add-backs during the end game this fall.

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## Weekly Press Coverage

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cc: Vice President  
Erskine Bowles  
John Podesta  
Ron Klain  
Jack Lew  
Katie McGinty  
Gene Sperling  
Jim Steinberg  
Janet Yellen

5-11-98

THE WHITE HOUSE

WASHINGTON

May 8, 1998

4:48 PM 7:49

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COS

MEMORANDUM FOR THE PRESIDENT

FROM: TODD STERN

SUBJECT: Climate Change Weekly Report

Domestic Policy

*PATH.* The event in LA got PATH off to a strong start. The NAHB is enthused and has put a big article about PATH on the cover of its newsletter going to over 200,000 builders on May 11 (see attached). Media coverage of the event was good, with strong articles in the *New York Times*, *Washington Post*, *L.A. Times* (front page plus follow-ups) and many other papers. The event was covered by CNN during the day; included on the NewsHour's summary; covered by the local TV affiliates; and covered on NPR's "Morning Edition" and "Marketplace."

*Bethlehem Steel.* On April 30, I joined CEO Hank Barnette at the company's mill in Burns Harbor, Indiana for a ceremony with EPA and DoE. Bethlehem became the 400th company to join EPA's ClimateWise program and showcased six energy-efficient technologies it has deployed in collaboration with DoE. Hank, incidentally, conveyed his warmest regards to you.

*Federal energy.* We have a draft memo, which DoE took the lead on, with a lot of promising ideas. I am convening an interagency group next week to establish (a) agreement on a set of proposals we can move forward on, and (b) a work plan for the ideas that need further interagency work. I'll send you a final memo as soon as possible. The ideas include (1) enhancing Energy Saving Performance Contracts; (2) minimum standards for federal purchase of renewable energy; (3) procurement reform to encourage purchase of energy efficient products; (4) a compact fluorescent campaign; (5) promoting federal purchase of energy efficient windows; (6) expanded federal use of combined heat and power; (7) electrifying the federal postal fleet; (8) completing DOD base-by-base energy audits by the end of FY 2000; (9) constructing all new military buildings after FY 2000 using sustainable design to achieve 30-50 percent energy savings.

Outreach

*Pew Center.* Formation of the new Pew Center on Global Climate Change was announced today with an article in the *New York Times*. The Center was conceived and put together by former NSC Senior Director and Assistant Secretary of State Eileen Claussen. Thirteen major companies -- including Boeing, BP, Toyota, Enron, Maytag, Whirlpool, Lockheed Martin, United Technologies, Sunoco, 3M and American Electric Power -- have signed onto a very positive statement (see attached). A series of major print ads will start running next week (see attached) and there will be TV ads as well. The new center will work on public education domestically, as

well as efforts to build greater international consensus on key issues. This is important news. I think it would be a good idea if you sent short notes to the CEOs of the listed companies, as well as to Eileen, who has done a great job on this. I will prepare notes for your signature.

### **Diplomatic**

*G-8.* With Kyoto done, we don't expect as contentious a discussion of climate change as at last year's Denver meeting. Preparations have focused on the need to (1) take domestic action to reduce greenhouse gas emissions, (2) establish rules for market-based mechanisms, and (3) forge a strategy for securing the participation of key developing nations. As I have noted before, emphasizing your commitment to domestic action is important because the Europeans wrongly see our push for efficient, unrestricted international permit trading as a stratagem to escape reducing emissions at home. In fact, unimpeded trading is designed to bring down the world-wide cost of reducing emissions, which would be good for everyone. The G-8 meeting will include announcement of a G-8 Climate Change Working Group, which we hope will help engage foreign and finance ministries, who are more likely to appreciate market-based mechanisms than their counterparts in environment ministries.

*Umbrella Group.* U.S. negotiators are in Reykavjrik this week at the second meeting of the "Umbrella Group," an emerging negotiating bloc including the U.S., Canada, Japan, Australia, New Zealand, Russia and other non-EU industrialized countries. The group shares a strong common interest in building an effective emissions trading regime under the climate treaty.

### **Congressional**

There was little action on climate change on the Hill this week. We continued to push for our budget initiatives, such as by organizing a bipartisan Dear Colleague letter, spearheaded by Vic Fazio (D-CA), in support of our energy R&D proposals. On the tax side, Cong. Matsui (D-CA) has agreed to lead the fight in Ways and Means for our tax package. We hope to have Sen. Breaux and others take the lead in Senate Finance. Sen. Byrd's staff organized a briefing for White House staff, Treasury, DoE and other Senate staff by the coal industry, which is pushing for tax credits for "clean coal technology." Treasury has concerns about the proposals, but I have asked that they be reviewed carefully to see if there's anything we could work with.

cc: Vice President  
Erskine Bowles  
John Podesta  
Ron Klain  
Katie McGinty  
Gene Sperling  
Jim Steinberg  
Janet Yellen

THE WHITE HOUSE

WASHINGTON

June 19, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: TODD STERN <sup>TDS</sup>

SUBJECT: Climate Change Weekly Report

**Domestic**

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cc: Vice President  
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Jack Lew  
Katie McGinty  
Gene Sperling  
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Janet Yellen

THE WHITE HOUSE

WASHINGTON

June 15, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: TODD STERN 

SUBJECT: Climate Change Weekly Report

**Diplomatic**

*Bonn.* Mid-level climate negotiators in Bonn concluded two weeks of difficult discussions on related to post-Kyoto follow-up. The next high-level meetings are in November in Buenos Aires.

Beneath the surface of these technical talks, there were troubling signs regarding prospects for progress at Buenos Aires and beyond. (See yesterday's *NYT* story, attached.) The European Union continued to insist on restricting international emissions trading, and had a good deal of developing country support. Several leading U.S. environmental groups purchased a full-page ad in the *New York Times* attacking trading as a loophole, though, on the other hand, the Environmental Defense Fund is one of the leading proponents of unrestricted trading.

Several key developing countries used the Bonn talks to stress their unwillingness to take on any targets under the climate treaty. China, India and Brazil worked to block efforts to shape a mechanism for developing countries to voluntarily assume binding commitments under the treaty. The Mexicans urged their Korean counterparts to resist U.S. pressure for a Korean target. (Your discussions with Presidents Kim and Zedillo, however, should help to pave the way for progress on these issues with Korea and Mexico. We are planning visits to these countries this summer by our energy, environment and economics experts, following up on your talks.)

*Binational Commission Meeting.* Climate change discussions figured prominently at the 1998 U.S.-Mexico Binational Commission Meeting held on June 10-11 in Washington and we agreed with Mexico's Environment Ministry to set up a process for continued cooperation and discussion on climate change.

**Congressional**

Your Climate Change Technology Initiative has faced rough sledding so far. In markup of the VA-HUD appropriations bill, the Senate Appropriations Committee cut our requested \$115 million increase for EPA's climate change portfolio by \$91 million. The Committee Report states that "none of the funds provided to EPA are to be used to support activities related to implementation of the Kyoto protocol prior to its ratification." Senator Boxer (D-CA) pointed out that this language is meaningless because none of EPA's programs have been or are intended to implement the treaty. In the House, the Energy and Water Subcommittee followed its Senate

counterpart by eliminating our total requested increase (about \$100 million) for the solar and renewable energy portfolio. Congressman Fazio (D-CA) worked to retain at least level funding of the renewable portfolio and helped stave off a potential amendment by Rep. Knollenberg (R-MI) to prohibit funding for any program that contemplated implementation of the Kyoto Protocol before Senate ratification.

Meanwhile, with the Energy and Water bill coming to the Senate floor soon, Sen. Jeffords is working on his floor amendment, and looking for offsets, to add back the renewable money.

### **Communications**

The Vice President's El Niño event last Monday was widely covered. He announced record temperatures this year and global warming's potential effect on El Niño. The story ran on the page one of the *New York Times* Monday, led the CBS and NBC evening news broadcasts and ran in the *Washington Post* and significant regional papers on Tuesday.

On Monday, the *Wall Street Journal* ran a letter we worked on with DOD Assistant Secretary Sherri Goodman's responding to an inaccurate op-ed by former Sec. of Defense Frank Carlucci regarding Kyoto's impact on military readiness.

On Monday, *Roll Call* ran an interview with Rep. Dingell attacking the Kyoto Protocol as "the most asinine treaty I've ever seen."

cc: Vice President  
Erskine Bowles  
John Podesta  
Ron Klain  
Katie McGinty  
Gene Sperling  
Jim Steinberg  
Janet Yellen

# Inching Forward on Emissions Curbs

By WILLIAM K. STEVENS

BONN, June 13 — Six months ago, in a sleepless, adrenaline-fueled rush of last-minute dealing in Kyoto, Japan, delegates from around the world agreed for the first time to make specific, legally binding reductions in industrialized countries' emissions of heat-trapping gases believed to affect Earth's climate.

Now, in something of a morning-after, what-have-we-done state of mind, negotiators grappling with the details of putting the first cuts into effect are finding the task as difficult as that of hammering out the original accord.

As they made their first formal efforts to flesh out the Kyoto accord in talks here over the last two weeks, it became clear that the agreement remains largely a work in progress. Thanks to the same clash of interests that nearly scuttled the negotiations in Kyoto, the work may not be finished for quite some time.

Before the Kyoto meeting took place, said Michael Zammit Cutajar of Malta, who heads the United Nations climate secretariat, the initial agreement was seen as a kind of summit to be reached. But "when we got to Kyoto, we saw it wasn't a peak at all but a plateau." With a new mountain ahead, he added, "we are not anywhere near the top."

As the next phase of the struggle got under way, developing countries renewed their insistence against submitting to specific, mandatory emissions caps until wealthier nations achieve reductions. That left open the question of whether the poorer nations can be drawn more fully into the reduction program anytime soon. If not, American politicians say, the Kyoto Protocol, as the agreement is called, cannot be approved by the United States Senate.

The talks here set the stage for the next high-level conference of the more than 150 countries that signed the 1992 treaty under which the Kyoto Protocol was negotiated. The conference is scheduled for Buenos Aires in November. Its main objective will be to make as much progress on the details of the protocol as possible.

The Kyoto Protocol requires industrialized countries to reduce emissions of carbon dioxide and five other heat-trapping atmospheric gases by an annual average of about 5 percent below 1990 levels for the period 2008

through 2012. Some countries are to cut their emissions by more than that, some less. The United States' reduction target is 7 percent. Carbon dioxide is produced by the burning of fossil fuels like coal and oil.

The Kyoto targets are widely viewed as a first step, since overall concentrations of greenhouse gases in the atmosphere will continue to rise if deeper cuts are not eventually made. Without any reductions at all, scientific advisers to the delegates here say, the Earth's average surface temperature will rise by 2 to 6 degrees Fahrenheit, with a best estimate of 3.5 degrees, by 2100.

A warning of this magnitude, the scientists say, would cause the sea level to rise and inundate many coastal areas. It would also worsen droughts and rainstorms, cause more heat waves and floods, increase precipitation generally and shift climatic and agricultural zones.

For the countries here, the immediate challenge is to enable the first steps included in the Kyoto accord to be taken. That involves agreeing on how new mechanisms for cutting emissions will work in practice.

One, which negotiators have named the clean-development mechanism, is a system for channeling and certifying rich countries' investment in emissions-reducing projects in poor countries — power plants that emit less carbon dioxide, for instance. The two nations involved would share the credit for emissions reductions achieved, and part of the proceeds would help the developing countries adapt to climatic change.

Another mechanism is called emissions trading. In this system, much favored by the United States, a country or private company could achieve its reductions target partly by buying reductions from a country or company with excess cuts. Proponents say this arrangement would work globally, and at lowest cost.

These two mechanisms are the operational heart of the protocol, and both came under criticism in the talks just concluded. Developing countries balked, resisting pressure to move rapidly until questions about the mechanisms are answered.

What is required now is "to learn and understand," said Vijai Sharma, the chief delegate from India, who said that much had been unclear in the chaos of Kyoto. Answering the questions and then formulating rules for operating the mechanisms "is

going to take long," he said.

One reason for the developing countries' caution is that they are likely, eventually, to come under the same rules as the rich nations. And many delegates from the poorer countries say privately that while the clean-development mechanism holds apparent benefits for them, it is unclear what the costs might be.

On emissions trading, a split developed between the European Union and much of the rest of the industrialized world, including the United States, over the critical issue of how much of a given country's reduction it should be allowed to achieve by purchasing emissions rights from another country.

The Europeans insisted that some cap be placed on the proportion of a country's reduction that can be achieved through trading.

The United States and other countries insist just as strongly that trading should be unrestricted. Otherwise, they say, the market mechanism will not function properly and the cost of reductions will rise. The Americans say it is simply not yet known how much emissions can be reduced by domestic action.

**The New York Times**  
Sunday, June 14, 1998

6-8-98

THE WHITE HOUSE  
WASHINGTON

June 6, 1998

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MEMORANDUM FOR THE PRESIDENT

FROM: TODD STERN   
SUBJECT: Climate Change Weekly Report

**Congressional**

 *Appropriations:* The Energy and Water appropriations bill was reported out of full committee on Thursday, and the climate change portion -- which funds our renewable energy efforts -- was slashed. Our proposed increase for FY 99 was rejected, while funding actually dropped below the FY 98 level. Sen. Jeffords, who secured 42 signatures on a Dear Colleague letter in April supporting our renewables request, plans to fight the renewables cut with a floor amendment. We are working with him, and provided a strong OMB letter to Sen. Stevens, the Appropriations Committee Chair, protesting the cut in renewables, as well as several other cuts in the Energy and Water bill. The Senate may take up the bill on the floor Wednesday. The House Energy and Water Subcommittee is scheduled to mark up their version of the bill on Wednesday as well.

*Hearings.* Climate change hearings were held in the House Small Business Committee and the Senate Energy and Natural Resources Committee. Janet Yellen gave her usual overview of climate change economics in the House hearing. The Senate hearing, chaired by Sen. Murkowski, who is hostile to our policy, focussed on a critical GAO report and included several mid-level Administration witnesses. Murkowski was particularly critical of what he sees as our perverse opposition to nuclear and hydro power, since neither emit greenhouse gases. Senators Grams and Craig were also hostile to our climate policy, while Sen. Bumpers was a strong defender.

**Diplomatic**

*Bonn.* The Bonn meeting (preparatory to the November "Conference of the Parties" meeting in Buenos Aires) began Monday and continues through the upcoming week. This is a mid-level, mostly technical meeting. The most controversial issue is emissions trading, which remains under attack from much of the EU and developing world. The EU released a paper today proposing tight restrictions on emissions trading, including a cap on the amount of emission allowances a country could purchase from abroad.

*China.* China signed the Kyoto Protocol this week, without fanfare. The signature doesn't mean that much, since the Protocol subjects China to no binding obligations (though China may cite it as evidence that it takes climate change seriously). To date, more than 35 countries -- including Canada, Australia, Japan and the EU -- have signed the Kyoto Protocol.

*Korea.* State Department officials met with Korean counterparts several times this week on climate change, in preparation for next week's summit. We are seeking Korean agreement to take an emissions target, and offering assistance from energy, environment and economics experts in that regard. No very positive response yet. Discussions will continue over the weekend.

### **Science**

On Monday, the Vice President will hold an event in the Roosevelt Room presenting a new analysis by the National Oceanic and Atmospheric Administration suggesting that global warming is leading to more frequent and more intense El Ninos. The Vice President also will announce that each of the first five months of this year set a new temperature record, further evidence of a warming trend. NOAA Administrator Baker will summarize the impacts of this winter's El Niño and explain how early forecasts of the El Niño helped reduce the toll.

cc: Vice President  
Erskine Bowles  
John Podesta  
Ron Klain  
Katie McGinty  
Gene Sperling  
Jim Steinberg  
Janet Yellen

5-25-98

THE WHITE HOUSE

WASHINGTON

May 23, 1998

98 MAY 22 PM 5:33

MEMORANDUM FOR THE PRESIDENT

FROM: TODD STERN  
SUBJECT: Climate Change Weekly Report

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stern  
COS  
Burchard  
(for response)  
by Adams  
for response

Domestic Policy

I convened an interagency economic group this week to work up a proposal on how credit could be awarded to companies that take action early. This is a matter of considerable importance to many in business who worry that government will encourage them to act but then fail to provide adequate emissions credit.

Diplomatic

Japan and the European Union agreed today to join efforts to convince the United States to sign the Kyoto Protocol and to encourage developing countries to reduce greenhouse gas emissions. The agreement came after two days of annual, high-level consultations.

More than 35 countries have signed the Kyoto Protocol, including Canada, Australia, Japan and all members of the EU. We have said we will sign within the one-year signing period (March 1998 - March 1999), when most appropriate in light of the overall diplomatic situation.

Congressional

This week the House passed an amendment to the Defense Authorization bill that would prevent regulations issued under the Kyoto Protocol from restricting operations of the U.S. military. The amendment is broadly consistent with policy guidance you approved on this topic several months ago. We did not oppose the amendment, although we have technical concerns with the provision that we will work address as the bill proceeds to the Senate and conference.

Janet Yellen again testified about the Administration's assessment of the economic impact of the Kyoto Protocol. Cong. McIntosh (R-IN), a vocal opponent of Kyoto, quizzed Janet extensively and chided her for not producing more documents in support of our position. Cong. Dennis Kucinich (D-OH) was an equally vocal defender of our policies and processes. We also continued this week pushing for our climate change - related budget initiatives.

Good!

need to push developing countries to reduce greenhouse gas emissions

Long to him from me

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5-25-90

Outreach

We had a useful meeting on Thursday with a joint labor/environmental group at the AFL-CIO. The two communities have tended to come at this issue from opposite directions -- the enviros have argued that our approach should be more aggressive and labor has argued that our approach is too aggressive. If they can find some common ground, that would be all to the good. At our meeting, labor made it clear, as they had in previous meetings, that they want a chance to participate with respect to our industry consultations. We have assured labor that we will consult with them about our industry talks and that we will encourage industries to include labor in formulating their plans for cutting greenhouse gases.

cc: Vice President  
Erskine Bowles  
John Podesta  
Ron Klain  
Katie McGinty  
Gene Sperling  
Jim Steinberg  
Janet Yellen

Good!  
very important  
to get them as close  
as possible →

5

WASHINGTON

FOR PRESIDENT WES TERRY  
5-20-98

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FROM: TODD STERN 

SUBJECT: Climate Change Weekly Report



John

On Wednesday, Janet Yellen and Stu Eizenstat testified before the House International Relations Committee on Kyoto. The hearing was sparsely attended and little new occurred. Both were pushed to elaborate on the potential economic effects of the treaty and the details of implementation. Also in the House, Cong. Knollenberg (R-MI) introduced a bill mandating that no monies be expended to implement any aspect of the Kyoto Protocol, or to implement regulations limiting CO2 emissions, prior to ratification of the treaty or passage of a law granting such authority. Senator Ashcroft (R-MO) introduced identical legislation in the Senate. We also

continued to meet with staff and Members in both Houses in support of our climate change budget initiatives, and to address specific concerns of the agricultural sector.

### **Communications**

The new Pew Center ran their first set of ads on Wednesday in the *New York Times*, *Washington Post* and *Wall Street Journal*. They were nearly full page and very impressive. The next day the *Post* editorialized on the ads, commending the companies that signed on. We have prepared draft letters to the CEOs for your signature when you get back.

On Monday, the *Washington Post* ran a lengthy front page story on a team of scientists studying the Arctic ice formation --the heat sink for the Northern Hemisphere --to understand why it is shrinking and the connection to global warming. On Tuesday, NPR did a piece on energy efficient housing in the D.C. area and referenced the PATH announcement.

cc: Vice President  
Erskine Bowles  
John Podesta  
Ron Klain  
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Gene Sperling  
Jim Steinberg  
Janet Yellen

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Frankel

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- ② Early Credit + Gunter

③

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Lineman

Summarizing literature

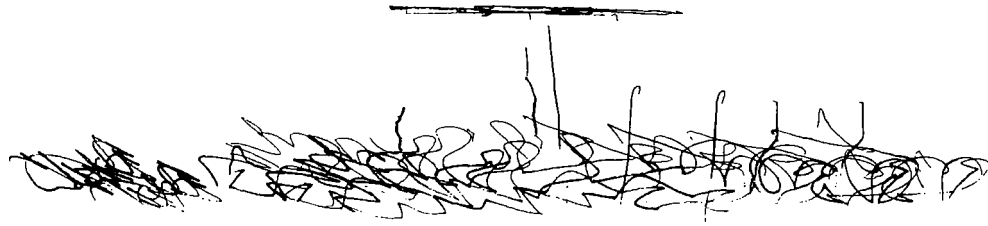
WEC Labor & Communist

C. C. Prouse

Princeton Labor Economist

④

Restructuring intl<sup>l</sup> trading



# THE WHITE HOUSE

WASHINGTON

May 8, 1998

## MEMORANDUM FOR THE PRESIDENT

FROM: TODD STERN 

SUBJECT: Climate Change Weekly Report

### Domestic Policy

*PATH.* The event in LA got PATH off to a strong start. The NAHB is enthused and has put a big article about PATH on the cover of its newsletter going to over 200,000 builders on May 11 (see attached). Media coverage of the event was good, with strong articles in the *New York Times*, *Washington Post*, *L.A. Times* (front page plus follow-ups) and many other papers. The event was covered by CNN during the day; included on the NewsHour's summary; covered by the local TV affiliates; and covered on NPR's "Morning Edition" and "Marketplace."

*Bethlehem Steel.* On April 30, I joined CEO Hank Barnette at the company's mill in Burns Harbor, Indiana for a ceremony with EPA and DoE. Bethlehem became the 400th company to join EPA's ClimateWise program and showcased six energy-efficient technologies it has deployed in collaboration with DoE. Hank, incidentally, conveyed his warmest regards to you.

*Federal energy.* We have a draft memo, which DoE took the lead on, with a lot of promising ideas. I am convening an interagency group next week to establish (a) agreement on a set of proposals we can move forward on, and (b) a work plan for the ideas that need further interagency work. I'll send you a final memo as soon as possible. The ideas include (1) enhancing Energy Saving Performance Contracts; (2) minimum standards for federal purchase of renewable energy; (3) procurement reform to encourage purchase of energy efficient products; (4) a compact fluorescent campaign; (5) promoting federal purchase of energy efficient windows; (6) expanded federal use of combined heat and power; (7) electrifying the federal postal fleet; (8) completing DOD base-by-base energy audits by the end of FY 2000; (9) constructing all new military buildings after FY 2000 using sustainable design to achieve 30-50 percent energy savings.

### Outreach

*Pew Center.* Formation of the new Pew Center on Global Climate Change was announced today with an article in the *New York Times*. The Center was conceived and put together by former NSC Senior Director and Assistant Secretary of State Eileen Claussen. Thirteen major companies -- including Boeing, BP, Toyota, Enron, Maytag, Whirlpool, Lockheed Martin, United Technologies, Sunoco, 3M and American Electric Power -- have signed onto a very positive statement (see attached). A series of major print ads will start running next week (see attached) and there will be TV ads as well. The new center will work on public education domestically, as

well as efforts to build greater international consensus on key issues. This is important news. I think it would be a good idea if you sent short notes to the CEOs of the listed companies, as well as to Eileen, who has done a great job on this. I will prepare notes for your signature.

### **Diplomatic**

*G-8.* With Kyoto done, we don't expect as contentious a discussion of climate change as at last year's Denver meeting. Preparations have focused on the need to (1) take domestic action to reduce greenhouse gas emissions, (2) establish rules for market-based mechanisms, and (3) forge a strategy for securing the participation of key developing nations. As I have noted before, emphasizing your commitment to domestic action is important because the Europeans wrongly see our push for efficient, unrestricted international permit trading as a stratagem to escape reducing emissions at home. In fact, unimpeded trading is designed to bring down the world-wide cost of reducing emissions, which would be good for everyone. The G-8 meeting will include announcement of a G-8 Climate Change Working Group, which we hope will help engage foreign and finance ministries, who are more likely to appreciate market-based mechanisms than their counterparts in environment ministries.

*Umbrella Group.* U.S. negotiators are in Reykavjik this week at the second meeting of the "Umbrella Group," an emerging negotiating bloc including the U.S., Canada, Japan, Australia, New Zealand, Russia and other non-EU industrialized countries. The group shares a strong common interest in building an effective emissions trading regime under the climate treaty.

### **Congressional**

There was little action on climate change on the Hill this week. We continued to push for our budget initiatives, such as by organizing a bipartisan Dear Colleague letter, spearheaded by Vic Fazio (D-CA), in support of our energy R&D proposals. On the tax side, Cong. Matsui (D-CA) has agreed to lead the fight in Ways and Means for our tax package. We hope to have Sen. Breaux and others take the lead in Senate Finance. Sen. Byrd's staff organized a briefing for White House staff, Treasury, DoE and other Senate staff by the coal industry, which is pushing for tax credits for "clean coal technology." Treasury has concerns about the proposals, but I have asked that they be reviewed carefully to see if there's anything we could work with.

cc: Vice President  
Erskine Bowles  
John Podesta  
Ron Klain  
Katie McGinty  
Gene Sperling  
Jim Steinberg  
Janet Yellen

**BOEING**

**U.S. Generating  
Company**



**TOYOTA**



**INTERCONTINENTAL ENERGY CORPORATION**



**MAYTAG**

QUESTION:

**WHAT DO  
WE ALL  
AGREE ON?**



**LOCKHEED MARTIN**

**United  
Technologies**



**3M**

**AEP  
AMERICAN  
ELECTRIC  
POWER**

**We believe** we must address one of the major challenges of the 21st Century: responding to global climate change while maintaining economic growth. We are working together through the Pew Center on Global Climate Change, as members of its Business Environmental Leadership Council to educate the public in the U.S. and abroad, conduct studies and policy analyses and increase international understanding.

**We begin this effort united in several beliefs:**

**First,** we accept the views of most scientists that enough is known about the science and environmental impacts of climate change for us to take actions to address its consequences.

ANSWER:  
**TAKING  
ON THE  
CHALLENGE  
OF GLOBAL  
CLIMATE  
CHANGE.**



PEW CENTER  
ON  
Global CLIMATE  
CHANGE

**Second,** businesses can and should take concrete steps now in the U.S. and abroad to assess their opportunities for emission reductions, establish and meet their emission reduction objectives, and invest in new, more efficient products, practices and technologies.

**Third,** the Kyoto agreement represents a first step in the international process, but more must be done both to implement the market-based mechanisms that were adopted in principle in Kyoto and to more fully involve the rest of the world in the solution.

**Fourth,** we can make significant progress in addressing climate change and sustaining economic growth in the United States by adopting reasonable policies, programs and transition strategies.

**Preventing climate change is serious business...for all of us.**

PLEASE VISIT OUR WEBSITE AT [WWW.PEWCLIMATE.ORG](http://WWW.PEWCLIMATE.ORG)

PAID FOR BY THE PEW CENTER ON GLOBAL CLIMATE CHANGE

# Nation's Building News

The Voice of America's Housing Industry

Volume 12 Number 1

## New Building Technology Partnership Gets a White House Thumbs-Up

**P**resident Clinton on May 4 visited California's San Fernando Valley to see first-hand how home builders are embracing advanced construction technologies and materials under PATH, a partnership between the White House and leaders in the private sector designed to improve the quality, durability, environmental efficiency and affordability of the new and existing housing stock.

In addition to discussing innovations that local builder Jeff Lee is using in his new homes in the valley, Clinton heard from NAHB President Don Martin about what the association is doing around the country to save energy and cut housing costs.

One of the goals of the voluntary PATH program is to reduce monthly housing costs by 20%.

"NAHB is eager to work with the Administration to form voluntary partnerships to bring new technology into home construction," Martin told Clinton.

"This means not just the 1.4 million new homes we are building each year," Martin said, "but also the nation's 100 million existing homes. To make significant improvements by the year 2010 we must focus considerable effort on our existing housing stock. After all, more than 85% of the nation's housing inventory in 2010 will have been built prior to today."

President Clinton praised the PATH (Partnership for Advancing Technologies in Housing) project as the "most ambitious effort ever to help private home builders and home owners make cost-effective, energy-saving decisions" that will cut energy use by 50% in the estimated 15 million new homes to be built over the next decade and by



**THE GREEN HOUSE EFFECT** — NAHB President Don Martin and President Bill Clinton meet in California to discuss using voluntary innovations in construction technologies and products to help improve the environment and housing affordability.

30% in 15 million existing homes.

"If we achieve that goal, it means by the year 2010 we'll save consumers \$22 billion a year in energy costs and reduce annual carbon emissions by 24 million tons, equivalent to the amount produced each year by 20 million cars," Clinton said. "For new homes and old ones, therefore, PATH will lead us toward a cost-effective solution to help preserve our real home, the planet Earth."

President Clinton paid special thanks to Don Martin for "coming a good long way" to be at the event, adding that the NAHB president's participation demonstrates the association's commitment to the PATH project.

Citing the voluntary, market-driven Green Builder programs of the HBA of Central New Mexico, Martin described for the President what builders are doing in his home town of Albuquerque on

behalf of reducing greenhouse emissions, preventing changes in the global climate and building affordable housing.

Under the program — one of the most ambitious in the country — affordable houses in the \$80,000-\$85,000 range are being built to conserve energy, reduce waste, promote the use of energy efficient materials and advance in-

door air quality.

"We started the program last fall," Martin said, "and have already signed up more than 50 builders representing a total of more than 500 homes."

Both the program in New Mexico and the development President Clinton was visiting will serve as models for NAHB's more than 800 affiliated local associations

across the country.

Martin also thanked the many members of the industry working to make the voluntary Andrew Cuomo Partnership goals of the PATH program a reality. He also thanked Secretary Clinton and his staff for helping the industry to create the PATH program and for supporting the program for the federal government.

Through its Research Center, NAHB has already established HomeBase, which uses the Internet, CD-ROMs and other approaches to provide builders with information about innovative technologies and access to technical specialists.

For more information on the technologies and resources available through HomeBase, NAHB members can call the HomeBase Hotline at 1-800-808-2842, or visit the Research Center's website at [www.nahb.org/homebase](http://www.nahb.org/homebase).

Federal partners in the PATH program include HUD, the Department of Energy, the Department of Commerce, the EPA and the Federal Emergency Management Association.

To find out more about PATH, contact Deane Evans at 202-508-1600 (fax: 202-619-8000).



**ON THE RIGHT PATH** — From the podium, NAHB President Don Martin discusses green builder programs that the housing industry has initiated in Albuquerque and around the country.

National Association of Home Builders  
1201 15th Street, N.W.  
Washington, D.C. 20005-2941

<http://www.nahb.com>

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and additional mailing offices

THE WHITE HOUSE

41-27-98

WASHINGTON

April 24, 1998

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MEMORANDUM FOR THE PRESIDENT

FROM: TODD STERN

SUBJECT: Climate Change Weekly Report

Communications

*183*  
*✓* **Networks.** We had a good week in the media. The NBC and CBS evening news on Earth Day both did substantial features keyed off a new article in *Nature* on a study showing 1990, 1995 and 1997 to have been the three warmest years since at least 1400 A.D., and the 1990s to have been the warmest overall decade since that time. The study indicated that greenhouse gases are emerging as the dominant climate force in the 20th century. Both networks used good visual footage, including the recent break in the Antarctic ice shelf. CNN, meanwhile, did an Earth Day feature showing the kinds of products people can buy to make their homes more energy efficient.

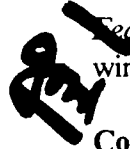
*✓* **Albright speech.** *The Washington Post* ran a very good editorial today about Sec. Albright's Earth Day speech on climate change. In the speech, Sec. Albright announced a "diplomatic full court press" to encourage meaningful participation by developing countries, including the planned appointment of a special State Department Coordinator for Global Climate Change. The editorial also commended the Chile announcement, which I discussed with the *Post's* editorial writer, Fred Hiatt, last week.

*✓* **Science petition.** OSTP did good work behind the scenes with the National Academy of Sciences to beat back the Seitz petition. The *New York Times* ran a very good piece about the Academy disputing the petition (circulated by a past NAS President). The NAS noted that its most recent report on global warming, done in 1991, concluded that greenhouse warming posed a threat sufficient to merit a prompt response.

*✓* **Shell Oil.** Shell announced that it was leaving the Global Climate Coalition, the major anti-Kyoto corporate coalition. *Washington Post*: "Royal Dutch/Shell Group yesterday dealt a blow to oil industry efforts to fight the Kyoto Treaty by withdrawing from a coalition of oil companies, automakers, electric utilities and others opposed to the treaty's terms for reducing global warming." Shell issued a very good statement.

Domestic

*183*  
*✓* **PATH.** We are continuing work on a May 4 event for you in Los Angeles rolling out the Partnership for Advancing Technologies in Housing (PATH), pending a final go-ahead from scheduling. Note that the LA City Council is expected to pass a resolution today declaring that they are formally joining the PATH partnership.

 **Federal Energy.** We have been working with several agencies on a federal energy plan (lighting, windows and a lot more) that I hope to have to you within one-two weeks.

### Congressional

 We have begun extensive staff level meetings in the House and Senate in support of our climate budget initiative, making joint visits with Treasury on the tax incentives. Sen. Bumpers and Rep. Fazio have agreed to circulate letters from Frank Raines explaining the high priority the Administration places on these budgetary requests and knocking down the bogus claim that our requests amount to "backdoor" implementation of the Kyoto treaty. We are also staying in close touch with the industries and advocacy groups most interested in our budget initiative. This week, several Republican Senators, led by Sen. Hagel, denounced Kyoto on the Senate floor. Sen. Kerry is writing an article for *Roll Call* supporting our efforts and responding to recent articles by Senators Murkowski and Hagel. On Thursday, Rep. McIntosh chaired a hearing entitled, "Kyoto Protocol: Is the Clinton-Gore Administration Selling Out America." Witnesses included Members (among them Sen. Hagel), economists, state/local officials, environmentalists and ordinary citizens. Witnesses, from EPA, Labor and DoE also testified. The hearing turned out to be more balanced than expected.

### Diplomatic

 G-8. There are G-8 preparatory meetings this weekend in London. Jim Steinberg and Stu Eizenstat will be negotiating climate change language as part of both the Leaders' Communique and the Statement of Foreign Ministers. We are (1) pushing for strong language on why developing countries must participate and why it is in their self-interest to do so; (2) pushing for the establishment of a G-8 working group focussing on developing countries and the so-called flexibility mechanisms in preparation for the Buenos Aires Conference in November; and (3) pushing back on language proposed by the Brits suggesting that there should be limits on international trading. There is deep suspicion in the EU that we intend to use trading to buy our way out of our obligations, doing nothing at home. That is obviously false, and it is important for us to underscore the seriousness of our commitment to taking action here at home. At the same time, it would be highly undesirable to limit trading, interfering with the efficiency of a trading system and boosting the cost of reductions worldwide. The lower the worldwide cost of reducing carbon emissions, the more carbon we'll all be able to reduce.

cc: Vice President  
Erskine Bowles  
John Podesta  
Ron Klain  
Katie McGinty  
Gene Sperling  
Jim Steinberg  
Janet Yellen

# The Washington Post

FRIDAY, APRIL 24, 1998

## *It's Their Climate, Too*

SECRETARY OF STATE Madeleine Albright this week announced a "diplomatic full-court press" to encourage developing nations to help avert the danger of climate change. A first, uncharitable reaction might be to ask what took so long, given that combating global warming ostensibly has been a Clinton administration priority for some time now. But it would be fairer to credit the administration with gradually increasing the prominence of environmental issues in its diplomacy, and to welcome Secretary Albright's pledge of increasing attention now.

The administration last year helped negotiate and then signed a treaty committing the United States and other developed nations to sharply reduce their emissions of greenhouse gases. Those are the byproducts of burning oil, gas and coal that are accumulating in the atmosphere and which most knowledgeable scientists believe will increasingly affect the global climate in coming decades, potentially in destructive and destabilizing ways. President Clinton said, however, that he wouldn't submit the treaty for Senate ratification until developing countries also agreed to take on some responsibility.

This was a bow to political reality; the Senate has made clear it won't ratify any treaty until China, India and other powerhouses of the developing world sign on in a meaningful way.

But it is in line with scientific reality, too. America emits more greenhouse gas than China, and far more per person; but in total output, China is expected to surpass the United States within 20 years. A nation as poor as China shouldn't be expected to accept limits on its growth. But it could commit to making its energy use increasingly efficient as it grows. That would benefit not only global climate but China's environment and economy, too.

There's been plenty of room to criticize the administration for the gap between rhetoric and effort on climate change. But welcome evidence that the president is taking the issue more seriously came during his trip to Chile last week. There, he and President Eduardo Frei agreed that developed countries must set an example in greenhouse-gas reduction, but that developing countries also must play a role. They agreed that market-based mechanisms are the most efficient way to achieve their common goal, something many developing countries still balk at. At about the same time, the leaders of wealthy Japan and impoverished Russia were pledging similar forms of cooperation. Neither step offered the kind of firm commitment many U.S. senators will be looking for, but both provided encouraging evidence that developing countries are beginning to see the benefit to themselves of joining in this global effort.

NBC NIGHTLY NEWS  
Wednesday, April 22, 1998

TOM BROKAW, anchor:

NBC NEWS IN DEPTH tonight, does it seem it's been warmer than usual where you live? Well, it's not your imagination. Scientists have figured out ways to trace climate changes over hundreds of years now, and their findings are out tonight. The world, in fact, is getting warmer. Our IN DEPTH report now from NBC's chief science correspondent Robert Bazell:

ROBERT BAZELL reporting:

Terrible storms, floods, heat waves: Is something unnatural really happening to our weather? The answer is yes. The study out today examines detailed records of the earth's climate for 600 years.

Dr. MICHAEL MANN (University of Massachusetts): The unusual warmth of the 20th century, and the 1990s in particular, which have been an especially warm decade, are unprecedented over a much longer period of time than we previously have been able to establish.

BAZELL: How do they know? Dr. Michael Mann and his team analyze human historical records--tree rings, glaciers, and all sorts of other evidence from as far back as the year 1400. Their conclusion: The earth has never been as warm as it is now. The reason: We burn things. And everything we burn from a match, to gasoline for cars, to coal for plants that generate electricity, pours the invisible gas carbon dioxide into the atmosphere, where it traps the sun's heat, the greenhouse effect.

Dr. MANN: This very unprecedented warmth of the 20th century had a--had a--had a very close relationship with the increase in greenhouse gases during the past century.

BAZELL: And the problem is only getting worse. A Department of Energy report out today says greenhouse gas emissions will rise by as much as 80 percent in the next 20 years. So there seems to be little question that the earth will continue to get warmer, probably a lot warmer. But what does that mean for this environment that we all live in? Most scientists agree that oceans will keep rising, and that a warmer atmosphere will hold more water and dump more moisture in storms in both winter and summer, and those storms will get more and more severe all over the world. Of course, no single weather event can be linked to global warming, and no one can say exactly what change will strike what part of the earth.

Dr. STEVEN SCHNEIDER (Stanford University): We're performing an experiment in this lab. It's a lab, however, that happens to be earth. And it's not made up of--you know, of glass and wires; it's made up of soils and animals and insects and us.

BAZELL: Scientists say some parts of the world could actually end up much better off with more water for farming and less need for heating fuel. Other places could face sustained heat and drought. The only certainty is a rapidly changing climate. Robert Bazell, NBC News, New York.

BROKAW: The study was released today, not coincidentally, to coincide with Earth Day, which President Clinton and Vice President Gore marked by visiting the Appalachian Trail--a section of it in West Virginia. And on other side of the country, 3,000 Los Angeles schoolchildren hit the beaches to pick up litter. They're expected to haul away several tons of it.

When we come back, are you on overload? Our special series, ENOUGH IS ENOUGH. How to balance your job and your life.

Later, the legend of the USS Indianapolis. How one young boy is attempting to correct history, teaching everyone a lesson about justice.

TEXT:

Mercury Rising

The Greenhouse Effect: How does it work?

An interactive report

[www.msnbc.com](http://www.msnbc.com)

CBS Evening News with Dan Rather  
Wednesday, April 22, 1998

Newscast: Researchers believe the latest read on global warming is cause for concern

DAN RATHER, anchor:

But to hear some researchers here on the ground tell it tonight, the latest read on global warming is cause for concern now and for the future. So is Mother Earth really running a temperature? CBS' John Roberts has the latest on this heated dispute.

JOHN ROBERTS reporting:

At the University of Massachusetts, researcher Michael Mann has been studying history; specifically, climate history, all the way back to the Middle Ages. And what he's announced today has added fuel to the fire in the debate over how what we burn may be affecting the environment.

Mr. MICHAEL MANN (Researcher, University of Massachusetts): We know that three years in this current decade--1990, 1995 and 1997--were warmer than any other single year back to at least AD 1400.

ROBERTS: Using natural thermometers, such as measurements of tree rings and ice cores, Mann says he has been able to calculate ancient temperatures to a fraction of a degree and found that the average yearly temperature is now two degrees Fahrenheit warmer than before the industrial revolution.

Mr. MANN: We believe we are seeing the effect of human beings on the climate of the 20th century.

ROBERTS: Scientists disagree on whether warming temperatures are part of a man-made problem or just a cycle of nature. Even Mann admits, he isn't 100 percent certain.

Mr. MANN: This isn't definitive proof, but it's a very, very strong suggestion.

ROBERTS: While a 2-degree average rise in temperature might not seem like much, it's having a profound effect. Last week it was announced a piece of the Antarctic ice shelf, the size of Washington, DC, broke off. In Alaska, where temperatures have risen 5 degrees in just the past two decades, the great Bering Glacier is slowly receding.

It will take years of research to determine exactly what's behind this trend and what, if any, dangers it might pose. But one thing is certain, the heat is on. Global temperatures for the first three months of 1998 were the warmest on record. John Roberts, CBS News, New York.

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THE WHITE HOUSE  
WASHINGTON

THE PRESIDENT'S OFFICE  
4-22-98

April 17, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: TODD STERN

SUBJECT: Climate Change Weekly Report

Todd - we need event in  
building, transportation, and  
electricity - aren't there good  
examples of building heat at home  
by heat recovered from generation  
(ie your United Center?) -  
→ also I think we should  
come up w/ a more comprehensive effort  
to get gov't as an example by lighting  
homes, vehicles - when can we on  
that?

Domestic/Communications

*Todd  
We do it!*  
**PATH.** We are working on a May 4 event for you in Los Angeles: the formal roll out of PATH -- the Partnership for Advancing Technologies in Housing. PATH is designed to be a partnership among builders, suppliers, insurers, State/local officials and the federal government, led by HUD and DOE, to develop hi-tech homes and move them to market. Compared to ordinary homes, PATH homes would be affordable, more durable, cheaper to maintain and cut energy use by 50% within a decade. LA is a good site for the roll out because the first PATH pilot project -- 186 moderate income homes -- is ready for ground breaking there. This event would also present a good opportunity for you to plug our budget initiative, which includes hi-tech housing measures on both the appropriations and tax sides. As you know, the building sector accounts for around 30% of all greenhouse gases, half of that from residential and half from commercial.

*Todd*  
**Energy Star Buildings.** There is action on the commercial side as well. On April 21, the day before Earth Day, Secretaries Pena and Browner will announce a new Energy Star Buildings program at the site of a 48-story building going up in Times Square. The big news for this program, however, is that three of our great landmark buildings -- the Empire State Building, the World Trade Center and Chicago's Sears Tower -- are joining the program with pledges to reduce their energy use by 30%. To highlight this, we worked the story with *USA TODAY* and gave them an advance copy of a Presidential Statement; they plan to run the story Monday. And we are working with the Vice President's office on a radio actuality, also for Monday.

Diplomatic/Communications

**Chile.** Your agreement with President Frei was an important step forward, with Chile becoming only the second developing country, after Argentina, to suggest that it might be appropriate for developing countries to take on emissions targets -- though Chile itself hasn't yet agreed to do so. At the same time, our unsuccessful efforts to include strong climate language in the Santiago Plan of Action underscored the difficulties we face with developing countries. Venezuela, an OPEC member, predictably acted to block progress.

4-22-98

*Secretary of State.* On April 21, the Secretary of State will give a major climate change speech to an invited audience of NGOs, business people and diplomats at the Museum of Natural History. Dr. James Baker of NOAA will open the event. Sec. Albright will focus on the need for all countries -- developing as well as developed -- to do their part. After the speech, she will participate in an interactive session with D.C. kids in the audience, other children from around the country, and a scientist from the Brazilian rain forest.

### Congressional

During the second week of the recess, we continued to meet with staff in support of our budget priorities. Senator Bumpers has tentatively agreed to circulate a Dear Colleague which would attach a Presidential letter (1) reaffirming that our climate budget initiative is a high priority and (2) refuting the bogus claim that this initiative is "back door" implementation of the Kyoto Protocol. We will seek to have a similar circulation in the House. On April 23, Congressman McIntosh (R-IN) will hold a wide-ranging hearing in his Government Reform and Oversight Subcommittee aimed at demonstrating that our climate change initiative will hurt ordinary workers, farmers, etc. Our witnesses will likely be from EPA, DOE and DOL and State. One other interesting tidbit: Newt Gingrich has asked Dr. Jane Lubchenco and Nobel Laureates Sherwood Rowland and Mario Molina, all of whom participated in our East Room science round table on climate change last July, to brief him on climate change April 20 in Atlanta.

Shouldn't  
come from  
the  
committee?

### Science

*Seitz petition.* A petition critical of climate change science and the Kyoto Protocol, with over 16,000 signatures, may be released Monday, April 20. The petition was circulated by a past President of the National Academy of Sciences, Frederick Seitz, and encloses a non-peer reviewed article by a father and son team from the Oregon Institute of Medicine and two others from the conservative George C. Marshall Institute. The article is deceptively made to look like published proceedings from the National Academy of Sciences. It claims that global warming is a blessing: "Our children will enjoy an Earth with far more plant and animal life as that with which we now are blessed. This is a wonderful and unexpected gift from the Industrial Revolution."

The petition, sent to tens, perhaps hundreds, of thousands of scientists, has caused a stir in the scientific community. *Science* and *Nature* have covered the story, focussing on the deceptive nature of the petition. On April 16, six prominent National Academy members, led by Nobel Laureate Sherwood Rowland and Harvard physicist John Holdren, distributed a letter attacking the petition to 400 editors and journalists. Should release of the petition stir mainstream press interest, top science supporters (like Holdren) will be available for press calls.

*Breakup of an Antarctic Ice Shelf.* Recent images from a NOAA satellite show that Antarctica's 12,000 square km Larsen B ice shelf appears to have started breaking up, receding past its historical minimum extent. A 40 km long and 5 km wide section broke off, according to the National Snow and Ice Data Center (NSIDC) in Boulder. This appears to be a consequence of a

4-22-98

Regional climate warming of 4.5 degrees F since the 1940s -- a rate of warming several times that of the global average -- but its exact cause is not known. An NSIDC research associate said:

The warming trend appears to be related to a reduction in sea ice. The question now is what is causing the reduction. At this point we do not have enough evidence to find a smoking gun."

cc: Vice President  
Erskine Bowles  
John Podesta  
Ron Klain  
Katie McGinty  
Gene Sperling  
Jim Steinberg  
Janet Yellen

April 22, 1998

Letter -  
my draft.  
What do you think?  
WDE

Dear Mr. Chairman:

I am writing ~~to~~ with regard to the hearing you have scheduled on climate change for April 23. As you know, the Administration has offered to send several witnesses to testify at the hearing, including Edward Montgomery, Chief Economist at the Department of Labor, Dan Reicher, Assistant Secretary for Energy Efficiency and Renewable Energy at the Department of Energy, and David Gardiner, Assistant Administrator for Policy, Planning and Evaluation at the Environmental Protection Agency. We have also made clear that Dr. Janet Yellen, Chair of the Council of Economic Advisors, who was unavailable as a result of a previous out-of-town commitment, would be happy to testify on another occasion, as would Stuart Eizenstat, Under Secretary of State for Economic, Business and Agricultural Affairs, who similarly has a previous out-of-town commitment on the 23rd.

CC's  
MARTHA  
Roger  
Julie

out of town  
We were, however, disappointed to learn that, although you have planned six different panels, including one made up of Members of Congress and four made up of private sector witnesses, you have insisted on mixing the panel of Administration witnesses with two representatives of ~~environmental~~ organizations. We have high regard for the ~~environmental~~ organizations in question, but we think it inappropriate, and inconsistent with the objective of fairly informing the public about this issue, to insist that Administration witnesses be placed on a single panel with them or with any other organizations who represent a particular viewpoint on climate change. The proper protocol in a case like this would be for Administration witnesses to testify as their own panel. That approach would help to insure a fair presentation of Administration views and a more balanced hearing.

outside

We ask that you reconsider your decision so that a panel of Administration witnesses can appear and represent the Administration's views on this important issue. Our witnesses have prepared their testimony and are looking forward to participating in the hearing. Let me also add that, whether or not you deem it possible to have an Administration panel for this hearing, we stand ready to appear at any subsequent hearings you may hold on climate change.

Sincerely,

very ready want to come. Want  
vast majority of times Admin. view  
Inst'l  
concerns



Russell, J. P.

State  
Staff Meeting -- April 20, 1998

- **Diplomatic**

- Diplo. papers/summary: summaries and tee up for Oversight review
- Signing/Congressional report
- System for input to Sandalow/Kimble process by companies. Need someone at State to coordinate this and be more systematic about it. Perhaps provide a forum or two.

- **Congressional**

- McIntosh hearing
- Kerry Roll Call piece
- "Backdoor implementation" letter
- Economic analysis (For May 13 hearing)

mtg. w/ Energy Eff. groups

- **Domestic**

- PATH: HUD/DOE meeting. May 4 in LA is likely.

- **Communications**

- USA TODAY
- Science Petition
- Foreign Affairs -- Stu; (Stiglitz?)
- Validators: Woolsey, et al.; date for lunch

Energy Stan Bldgs.

Sec. State

- **Other**

- Oceans conference

NDAA

NBC  
Long Run  
15 Ltries

- **Personnel**

- Leites

Indian comment:  
need private sector  
involvement in I-4u

THE WHITE HOUSE

WASHINGTON

April 17, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: TODD STERN 

SUBJECT: Climate Change Weekly Report

**Domestic/Communications**

*PATH.* We are working on a May 4 event for you in Los Angeles: the formal roll out of PATH -- the Partnership for Advancing Technologies in Housing. PATH is designed to be a partnership among builders, suppliers, insurers, State/local officials and the federal government, led by HUD and DOE, to develop hi-tech homes and move them to market. Compared to ordinary homes, PATH homes would be affordable, more durable, cheaper to maintain and cut energy use by 50% within a decade. LA is a good site for the roll out because the first PATH pilot project -- 186 moderate income homes -- is ready for ground breaking there. This event would also present a good opportunity for you to plug our budget initiative, which includes hi-tech housing measures on both the appropriations and tax sides. As you know, the building sector accounts for around 30% of all greenhouse gases, half of that from residential and half from commercial.

*Energy Star Buildings.* There is action on the commercial side as well. On April 21, the day before Earth Day, Secretaries Pena and Browner will announce a new Energy Star Buildings program at the site of a 48-story building going up in Times Square. The big news for this program, however, is that three of our great landmark buildings -- the Empire State Building, the World Trade Center and Chicago's Sears Tower -- are joining the program with pledges to reduce their energy use by 30%. To highlight this, we worked the story with *USA TODAY* and gave them an advance copy of a Presidential Statement; they plan to run the story Monday. And we are working with the Vice President's office on a radio actuality, also for Monday.

**Diplomatic/Communications**

*Chile.* Your agreement with President Frei was an important step forward, with Chile becoming only the second developing country, after Argentina, to suggest that it might be appropriate for developing countries to take on emissions targets -- though Chile itself hasn't yet agreed to do so. At the same time, our unsuccessful efforts to include strong climate language in the Santiago Plan of Action underscored the difficulties we face with developing counties. Venezuela, an OPEC member, predictably acted to block progress.

*Secretary of State.* On April 21, the Secretary of State will give a major climate change speech to an invited audience of NGOs, business people and diplomats at the Museum of Natural History. Dr. James Baker of NOAA will open the event. Sec. Albright will focus on the need for all countries -- developing as well as developed -- to do their part. After the speech, she will participate in an interactive session with D.C. kids in the audience, other children from around the country, and a scientist from the Brazilian rain forest.

### **Congressional**

During the second week of the recess, we continued to meet with staff in support of our budget priorities. Senator Bumpers has tentatively agreed to circulate a Dear Colleague which would attach a Presidential letter (1) reaffirming that our climate budget initiative is a high priority and (2) refuting the bogus claim that this initiative is "back door" implementation of the Kyoto Protocol. We will seek to have a similar circulation in the House. On April 23, Congressman McIntosh (R-IN) will hold a wide-ranging hearing in his Government Reform and Oversight Subcommittee aimed at demonstrating that our climate change initiative will hurt ordinary workers, farmers, etc. Our witnesses will likely be from EPA, DOE and DOL and State. One other interesting tidbit: Newt Gingrich has asked Dr. Jane Lubchenco and Nobel Laureates Sherwood Rowland and Mario Molina, all of whom participated in our East Room science round table on climate change last July, to brief him on climate change April 20 in Atlanta.

### **Science**

*Seitz petition.* A petition critical of climate change science and the Kyoto Protocol, with over 16,000 signatures, may be released Monday, April 20. The petition was circulated by a past President of the National Academy of Sciences, Frederick Seitz, and encloses a non-peer reviewed article by a father and son team from the Oregon Institute of Medicine and two others from the conservative George C. Marshall Institute. The article is deceptively made to look like published proceedings from the National Academy of Sciences. It claims that global warming is a blessing: "Our children will enjoy an Earth with far more plant and animal life as that with which we now are blessed. This is a wonderful and unexpected gift from the Industrial Revolution."

The petition, sent to tens, perhaps hundreds, of thousands of scientists, has caused a stir in the scientific community. *Science* and *Nature* have covered the story, focussing on the deceptive nature of the petition. On April 16, six prominent National Academy members, led by Nobel Laureate Sherwood Rowland and Harvard physicist John Holdren, distributed a letter attacking the petition to 400 editors and journalists. Should release of the petition stir mainstream press interest, top science supporters (like Holdren) will be available for press calls.

*Breakup of an Antarctic Ice Shelf.* Recent images from a NOAA satellite show that Antarctica's 12,000 square km Larsen B ice shelf appears to have started breaking up, receding past its historical minimum extent. A 40 km long and 5 km wide section broke off, according to the National Snow and Ice Data Center (NSIDC) in Boulder. This appears to be a consequence of a

regional climate warming of 4.5 degrees F since the 1940s -- a rate of warming several times that of the global average -- but its exact cause is not known. An NSIDC research associate said: "The warming trend appears to be related to a reduction in sea ice. The question now is what is causing the reduction. At this point we do not have enough evidence to find a smoking gun."

cc: Vice President  
Erskine Bowles  
John Podesta  
Ron Klain  
Katie McGinty  
Gene Sperling  
Jim Steinberg  
Janet Yellen

THE WHITE HOUSE  
WASHINGTON

April 9, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: TODD STERN

SUBJECT: Climate Change Weekly Report

Communications

In appearances on *Larry King Live* and the *NBC Nightly News*, Dr. James Baker, NOAA Administrator, very effectively delivered the message that this winter's record-breaking El Nino provides a preview of the extreme weather we can anticipate in the warmer, wetter world that climate change is predicted to bring. The two-minute NBC segment was among the best climate change coverage we have received (see attached transcript). Via satellite, Dr. Baker also taped interviews with 15 of the weather casters who visited the White House last fall at 15 stations in areas hard hit by El Nino. Three of those interviews have aired so far (in Boston, Washington and Jacksonville), more are expected to air soon. Stories also were carried by *Associated Press* and *Reuters*.

Congressional Situation

Our climate change legislative activity for the week focused on our technology initiatives in the budget. We face a tough battle on these priorities, and in our various meetings with friends on the Hill and outside environmental and energy groups we are hearing a frequent refrain -- that the Administration is not making the climate change technology initiative portions of our budget a high enough priority. All concerned believe that we can win support for our energy efficiency and renewable energy provisions if we fight hard enough, especially since we have a strong message that these items are important not just from a climate change perspective, but because they make independent economic and environmental sense. We will continue to carry this message to the Hill, focusing on relevant Appropriations Committee members.

Diplomatic Situation

*Summit of Americas.* We continue to try to shape a strong climate change message for your Santiago trip. Mack is actively pursuing a bilateral declaration that would include a Chilean statement that developing countries should take on emissions targets. At this point success is uncertain. In addition, as a result of U.S. efforts, the Inter-American Development Bank will announce a pilot program to explore what role the IDB could play in implementing the Clean Development Mechanism.

Weekly  
Report

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EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF SCIENCE AND TECHNOLOGY POLICY  
WASHINGTON, D.C. 20502

weekly  
Report

SE 100 10 1998

April 10, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: KERRI-ANN JONES <sup>AK-61</sup>  
CC: ERSKINE BOWLES  
SUBJECT: OSTP WEEKLY REPORT

4-10-98

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SCIENTISTS PROTEST DECEPTION BY CLIMATE CHANGE SKEPTICS

This week, *Science* magazine (article attached) will report on the outcry from hundreds of scientists who received, under a cover letter from Frederick Seitz (a former president of the National Academy of Sciences and of Rockefeller University), a paper critical of consensus climate change science and a petition for their signature urging lawmakers to reject the Kyoto treaty (copy attached). The paper "appears" to be a reprint from the prestigious *Proceedings of the National Academy of Sciences*. In fact, it is not a peer-reviewed article at all, and many describe it as "full of half truths." The Union of Concerned Scientists and the Sierra Club have mounted a Web-based counter campaign.

MEDIA GIVES MAJOR PLAY TO ADMINISTRATION'S CLIMATE CHANGE MESSAGE

OSTP worked closely with CEQ and NOAA to craft the climate change message and assemble background information for a very successful round of major media coverage earlier this week featuring Jim Baker. The print press carried stories based on these interviews and a special El Nino weather summary issued by NOAA. The message was straight forward: a climate-changed world will resemble an El Nino world. This year's weather is consistent with a worldwide trend toward warmer, wetter, and more severe weather and is a taste of what we can expect to experience more frequently as climate changes.

STUDY ON ENDANGERED PLANTS REINFORCES PCAST RECOMMENDATIONS

The first comprehensive look at the conservation status of plants, the *Red Book of Threatened Plants*, was released Wednesday at a Smithsonian event. The data show almost one-eighth, or 34,000, of the world's plant species are "at risk" of extinction. Too often we envision "charismatic" animals when thinking about threats of extinction, while neglecting economically and environmentally valuable plant life. This 20 year collaborative effort among scientists and conservationists around the globe is an important step toward protecting plant biodiversity by identifying what we have and where the risks are. The United States is among the five countries with the greatest proportion of flora at risk -- in part because plants in this country are better known than in many areas of the world. Your Committee of Advisors on Science and

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Technology (PCAST) recently completed a report recommending specific steps toward conservation, management, and use of our natural capital. A central theme of PCAST's report is that new technology -- from gene sequencers to advanced information systems and global satellites -- can provide us with the tools of discovery and the techniques of analysis that will catapult us into position to meet the challenges of 21st century environmental and economic policy planning at modest cost.

#### NSTC TAKES ON CRITICAL INFRASTRUCTURE PROTECTION R&D

NSTC's Critical Infrastructure Protection R&D working group has met twice since it was established at the end of March. The overarching objective of the working group is to develop and coordinate a Federal government critical infrastructure protection R&D agenda. The agenda will be integrated into the Federal government's overall critical infrastructure protection program, and will encourage the development and fielding of advanced technologies to further protect our critical infrastructures. In particular, the agenda will identify R&D areas requiring additional focus and resources. A key element of the working group's activities will be to develop proposals to establish a partnership among the government, private sector, and academia for critical infrastructure protection R&D.

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## SCIENCE

### CLIMATE CHANGE: Advocacy Mailing Draws Fire

In early March, tens of thousands of U.S. scientists received a bulk-mailed letter from Frederick Seitz, a former president of the National Academy of Sciences (NAS) and of Rockefeller University in New York City. It invited them to sign an enclosed petition urging lawmakers to reject the 1997 Kyoto climate treaty (Science, 19 December 1997, p. 2048), which awaits approval by the U.S. Senate.

The substance of the mailing might have attracted little notice in the flurry of position papers that the treaty has spawned. But some scientists and environmentalists are crying foul because its centerpiece is an article that looks like--but is not--a reprint from the Proceedings of the National Academy of Sciences. "The mailing is clearly designed to be deceptive by giving people the impression that the article, which is full of half-truths, is a reprint and has passed peer review," says Raymond Pierrehumbert, an atmospheric chemist at the University of Chicago.

The eight-page review article concludes that predictions of global warming "are in error" and that rising levels of carbon dioxide in the atmosphere are "a wonderful and unexpected gift from the Industrial Revolution," because they have produced "an increasingly lush environment of plants and animals." Its co-authors are chemist Arthur Robinson of the Oregon Institute of Science and Medicine in Cave Junction; Robinson's 22-year-old son, Zachary; and astrophysicists Sallie Baliunas and Willie Soon of the George C. Marshall Institute, a Washington, D.C., think tank and vocal critic of any government efforts to curb greenhouse gas emissions.

Pierrehumbert says he became concerned when a colleague, confused by Seitz's affiliations, called to ask whether the academy had indeed taken a stand against the Kyoto treaty. The call moved Pierrehumbert to post an e-mail harshly criticizing the mailing to several scientific mailing lists. He was not the only scientist angered by the faux reprint. "We've gotten several hundred calls from scientists asking what we are going to do about this," reports Darren Goetze of the Union of Concerned Scientists (UCS) in Boston, an advocacy group that last year signed up 1558 scientists in urging the federal government to take action on global warming. Officials at the Sierra Club and the NAS say they, too, have gotten a flurry of complaints. Researchers "are wondering if someone is trying to hoodwink them," says atmospheric chemist F. Sherwood Rowland, NAS foreign secretary.

Robinson admits it is no coincidence that the article, which he designed on his computer, looks like one published by the academy. "I used the Proceedings as a model," he says, "but only to put the information in a format that scientists like to read, not to fool people into thinking it is from a journal." He says he plans to submit a version shortly to a peer-reviewed journal.

Robinson says he didn't want to wait for formal publication of his article, for fear that the Senate might vote on the Kyoto treaty before he could distribute his petition. The goal, he says, is to counter the perception created by the UCS petition and other statements that there is a scientific consensus in favor of the Kyoto treaty. "Scientists who have spoken out [against the treaty] keep getting marginalized as nuts. I want to demonstrate that there is no consensus," he says. Critics are attacking his mailing's style, he believes, to sidestep a debate on its scientific substance.

Robinson says his petition has gathered 15,000 signatures. But Pierrehumbert and others say that Robinson's views on climate change are suspect, because he has never published research in the field.

Volume 280, Number 5361 Issue of 10 April 1998, p 195

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THE WHITE HOUSE

WASHINGTON

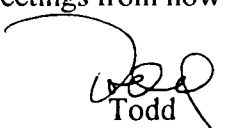
April 9, 1998

Jim --

It would be helpful if you could include me in China meetings in the future. The reason is that I want to be helpful in making sure that environment/climate change is a first tier issue on our agenda, and I can't do that very effectively if I have no context. Hearing the wide-ranging discussion that I understand occurred at today's meeting would have been especially useful. That's why I called to see if it would make sense for me to come. I said that I'd like to come unless the meeting had nothing to do with climate related stuff. But it clearly did.

I'm particularly focussed on China both because it is clear that all roads on climate change (politically) lead through China and because Wendy made it clear to me last week that we will need an active White House push to get this issue onto first tier rather than second tier for China trip.

Anyhow, I know there was no malice intended, but I think it would make good sense to include me in relevant China preparatory meetings from now on. Many thanks.



Todd

## Points for Erskine

- **What's going on?**

Lot of activity. Domestic: Federal energy plan. Preparing to launch industry consultations. Budget (see Hill). Hill: Roger excellent. Good number two from EPA. Working to find champions for R&D on renewables and energy efficiency; and for the elements of the tax plan. **Biggest problem: constant refrain that at highest levels it's clear this isn't a top priority.** See, e.g., OMB Priorities Paper; what POTUS says; what our top people on budget are apparently saying. Environment never makes cut. Diplomatic: Pushing State interagency process hard to produce policy/strategy papers on the key diplomatic issues, such as developing countries and trading. G-8; Summit; China; Bonn; Umbrella group. Communications: NOAA success. *Foreign Affairs*. Need POTUS event. VP and Sec. State possibilities. Plan underway with Loretta, etc. Outreach/political: Frampton.

- **What's going on with Deutch and Lovins?**

Called Deutch. Also have a few other names. Have til recently been unsatisfied with state of preparation of program, so didn't want to make these calls. But can begin now. Deutch has somewhat problematic op-ed. Evaluating how big a problem.

Lovins -- will call very soon. Wanted to have program outlined first.

- **Where are memos and time lines?** Memos in progress on Federal energy; industry consultations; communications plan; diplomatic papers (though these would need to be summarized). No memo working right now on congressional or outreach. Hopefully can have outreach done after Frampton on board. Congressional could be done, but we've been scrambling to stay a step ahead of sheriff.
- **How are we doing on personnel?** Doing much better. Lost two months. But have recruited a number of good people and am on verge of getting Frampton in. Loretta Ucelli after losing Anne Lewis. Roger. **Problem**: Lost several weeks in Counsel's Office hang-up on getting two people -- Shelley Fidler and Strobe Talbott's former speech writer. Agency rep issue. Believe ok now, but still awaiting memo. Possible that I'll need EOP slot or two -- meeting with Ginny Apuzzo today. Or may need help getting, e.g., State to agree to hire.
- **Do we need EB to do anything?**

Possibly: (1) call to Deutch or ex-CEO; (2) call to an agency or to Ginny.

**Botswana.** The Southern Africa Regional Environmental Assessment you announced in Botswana on March 31 will help us improve understanding of the significant effect of land use change on greenhouse gas emissions in this region, and it provides a means of positive interaction with a set of developing nations on the climate change issue.

### Congressional Situation

In the Senate, the focus this week was, of course, on the Budget, and for climate change there was no difference. As you know, there is non-binding language in the Republican budget resolution expressing the Sense of the Senate that no money should be appropriated to put the Kyoto protocol "into effect". There were no floor amendments offered on climate change. As part of the appropriations process, a bipartisan group of about 40 Senators -- led by Sens. Jeffords (R-VT) and Chafee (R-RI) -- sent a letter to the Appropriations Committee asking that the Administration's request for funding of renewable energy programs be funded (the letter did not mention that these initiatives were part of our Climate Change Technology Initiative). In the House, a group of Members led by Reps. Waxman (D-CA) and Pallone (D-NJ), and including several Republicans, sent a letter to the Appropriations Committee asking that all of the Administration's requests for renewables, energy efficiency initiatives, and clean energy technology be funded.

### Communications

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*OSTP.* OSTP is reprinting its glossy, very informative "State of Knowledge" Primer on climate change for the third time. We have distributed over 35,000 copies since October 1997.

*Bethlehem Steel.* The Bethlehem event I mentioned in last week's report is not going to work, but we are looking for an alternative site that might be a good place to roll out your plan for industry by industry collaborations.

### Science

This week, the first official meeting to conduct "An Assessment of the Impacts of Climate Change on the US" was held by our Global Change Research Program. The effort will build on the results of the 20 OSTP regional workshops (14 have been completed), conduct reviews of the impacts on agriculture, water, human health, coastal systems, and forests, and produce a synthesis by the end of 1999.

## Staff Meeting -- April 6, 1998

- **Congressional**

- Documents; McIntosh hearing
- Kerry *Roll Call* piece
- Plan for budget/tax: identifying industries by state/district; meeting with energy efficiency folks; PCAST, etc. Autos. Use of Eizenstat.
- Larger briefing plan; science briefing; etc.
- Correspondence
- Murkowski letter [Elliot]

- **Domestic**

- *Federal energy*: Bill to follow up with Reicher. [Shelley]
- *Industry by Industry*: Need event [Sunoco follow-up]. Need ex-CEOs and current CEOs to be part of event, when we have it. Need answers to all the tough questions and associated paper.
- *Other initiatives*: TDS briefing.
- Rosina: Henry's memo; Lovins book

- **Communications**

- NOAA [Elliot]
- Back to school [Martha]
- GAO [Martha/Bill]
- Validators: VP dinner [Beth]
- BRT: "GAP" report

- **Diplomatic**

- Jim Rubin
- Diplo. papers/summary -- Oversight review
- China
- Summit

(5) Carolyn

(1) TDS Call/  
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SPECIAL ANALYSIS**Opportunities for Mutually Beneficial Trade in Emissions Permits with Developing Countries**

Many observers worry that it will be difficult to entice developing countries to accept binding targets for greenhouse gas emissions under the Kyoto agreement. But evidence on compliance cost differences between industrialized and developing countries suggests that, with the right emissions targets for developing countries, both they and industrialized countries can gain from trade in international permit markets.

**Gains from targets and trade.** An analysis conducted prior to Kyoto found that developing countries would gain if they adopted greenhouse gas emissions targets slightly below their business-as-usual (BAU) levels. The gains come about because developing countries have per-ton reduction costs substantially below those of industrialized countries. This difference allows them to sell tradable permits to industrialized countries and thereby earn billions of dollars over and above their emissions reduction costs. Industrialized countries would also gain, because the permits let them avoid more costly domestic emissions reductions.

\* A CEA analysis of the Kyoto agreement finds results similar to this earlier work. During the initial 2008-2012 commitment period, for example, estimates of annual gains from trade are roughly \$900 million for Mexico, \$1.6 billion for India, or \$3.6 billion for China, if each alone were to adopt a target set at its BAU emissions level and trade permits with industrialized countries. The cost to the United States of meeting the Kyoto commitments would fall with such participation; for example, Chinese participation alone would reduce U.S. compliance costs by an estimated \$12 billion (see box on next page).

**Environmental benefits.** These estimates of gains from trade reflect binding emissions targets for developing countries at the BAU level. Targets slightly below BAU would provide climate benefits from reduced carbon emissions and preserve most of the gains from trade. Reducing carbon emissions through this "target and trade" approach has the additional environmental benefit of reducing emissions of local air pollutants in developing countries.

**Allaying competitiveness concerns.** Adoption of targets even at BAU levels by developing countries would result in carbon permit prices and energy price increases that are the same in these countries as in the United States. With comparable energy price changes, the Kyoto agreement would leave the competitive playing field level among all countries with targets, alleviating concern that energy-intensive industries would flee to developing countries.

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THE WHITE HOUSE

WASHINGTON

April 3, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: TODD STERN *TS*

SUBJECT: Climate Change Weekly Report

**Diplomatic Situation**

*Summit of Americas.* Efforts to shape a strong climate change message for your Santiago trip did not go well this week. First, at final preparatory meetings for the Summit, nations rejected strong climate change language for the multilateral Plan of Action. A call from the Vice President to President Zedillo cleared away objections from the Mexican delegation, and Mack worked this issue personally with his contacts, but several nations (led by the Venezuelans) refused to accept language emphasizing the importance of engaging all countries in efforts to address climate change. The language as agreed encourages the nations of the hemisphere to work together on the Clean Development Mechanism and other matters in preparation for Buenos Aires.

In addition, this week the Chileans rebuffed our request to sign a bilateral environment declaration with a strong statement on climate change. Sandy has asked Mack to keep pushing with the Chileans, and he is doing so. On a more encouraging note, we are working with the Inter-American Development Bank on a possible study of their role in the Clean Development Mechanism. The study may be ready for announcement in Santiago.

*G-8.* Climate change was an important agenda item at the G-8 Energy Ministerial in Moscow this week. Secretary Pena spoke on the topic, as did other Ministers. Several delegations spoke to the importance of developing country participation.

*China.* Considerable efforts are underway to shape a climate change agenda for your China trip. In the next month, several administration officials (including Madeline Albright, Tom Pickering and Katie McGinty) will raise this issue in trips to China. In early May, Chinese officials will travel to Washington to discuss this topic and others under the auspices of the Vice President's environment dialogue with Li Peng.

*Botswana.* The Southern Africa Regional Environmental Assessment you announced in Botswana on March 31 will help us improve understanding of the significant effect of land use change on greenhouse gas emissions in this region, and it provides a means of positive interaction with a set of developing nations on the climate change issue.

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THE WHITE HOUSE

WASHINGTON

March 28, 1998

4-6-98

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MEMORANDUM FOR THE PRESIDENT

FROM: TODD STERN

SUBJECT: Climate Change Weekly Report

I thought it would be useful to start giving you a weekly report on our climate change efforts. In this report, I will provide an overview on domestic, diplomatic, congressional and communications activity. In subsequent reports, we'll just give you updates.

**Domestic Policy**

There are three principal climate change initiatives, as well as a number of smaller initiatives and ideas on the drawing board. The major initiatives are (1) the \$6.3 billion budget package (\$3.6 billion tax/\$2.7 billion spending); (2) our federal energy usage and procurement effort; and (3) our industry by industry collaboration. As you know, our electricity restructuring proposal was also announced this week, with some anticipated environmental criticism on climate change (reiterated by the *Washington Post* on its editorial page). See CEQ Report for more on this.

*Budget package.* The action on the budget package is on the Hill, reported below. Like your other initiatives, this one faces tough sledding.

*Federal energy.* There are a number of interesting ideas on the federal energy side -- such as expanding Energy Saving Performance Contracts (e.g., to leased federal and subsidized non-federal facilities, or assisting state and local governments to adopt ESPCs); doing a new executive order on federal procurement to speed the acquisition of energy efficient equipment; a new partnership to improve the energy efficiency of federal aircraft, ships and vehicles (43% of the government's \$8 billion energy bill); an executive order to promote combined heat and power (the Trigen idea); electrifying the federal postal fleet. We need a unified plan for federal energy built around these or other good ideas, to be rolled out over the next several months. I am pushing to get this developed rapidly.

*Private sector collaboration.* This initiative will be ready to launch soon. Preliminary meetings have been going on for several weeks, both internally, and with several industries and labor. The basic idea, patterned in part on DOE's successful Industries of the Future program, is to collaborate with the key energy intensive industries on establishing ambitious goals for reducing emissions as well as roadmaps for achieving those goals. The dialogue will include exploring ways the government can remove barriers or otherwise promote energy efficient activity. We are likely to begin consultations with the steel, aluminum, pulp and paper, chemicals, cement, electric

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power and airlines industries, all of whom have expressed interest. We will work with scheduling to set up a meeting for you and the Vice President with top CEOs in the key industries to help launch this effort and underscore its importance.

### Diplomatic Situation

The Kyoto agreement was an historic step forward, but it left a substantial unfinished diplomatic agenda. Developing countries must be engaged; rules for emissions trading must be written; the "Clean Development Mechanism" must become a reality. Work is underway on many fronts. The next full-scale international meeting following Kyoto will be in November in Buenos Aires, with a preparatory mid-year meeting in Bonn in June.

Last month, Stu Eizenstat hosted a meeting of the "umbrella group" -- like-minded developed nations not in the EU who share our interest in a robust emissions trading regime. Key players include Russia, Japan, Canada, Australia and New Zealand. Bilateral meetings are scheduled between many key countries, including Russia, Chile, Brazil, India, Japan and others. In early May, key Chinese officials will be in Washington under the auspices of the Vice President's environmental dialogue with Li Peng, with climate change high on the agenda.

Climate change is on the agenda at the Summit of the Americas in Santiago (April 18-19) and G-8 Summit in Birmingham (May 15-17). In preparation for your Santiago state visit, we are working intensively with the Chileans to fashion a forward-leaning statement on climate change similar to the "Declaration of Bariloche" you signed in Argentina last fall. We expect climate change to be an important topic of discussion during your China trip in June.

### Congressional Situation

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✓ On the floor in support of the energy R & D portions of our requests. In the House, we are similarly seeking bipartisan support for our budget proposals in the face of unwarranted criticism that such requests are merely a "back-door" attempt to implement Kyoto prior to ratification.

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#### Communications/Upcoming Events

✓ *PATH/Energy Star Buildings/Houses.* We are working on an event -- potentially for Earth Day -- featuring three building sector announcements: (1) launch of DOE/HUD Partnership for Advanced Technology in Housing (PATH), bringing the federal government together with construction, insurance and financial industries to develop new technologies for building houses that will be far more energy efficient and durable, and cost less to own and operate than conventional houses; (2) announcement that Energy Star label will be available for retrofitting houses with a checklist of energy efficient technologies; (3) announcement that Energy Star label will be available for commercial buildings.

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THE WHITE HOUSE

WASHINGTON

March 28, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: TODD STERN 

SUBJECT: Climate Change Weekly Report

I thought it would be useful to start giving you a weekly report on our climate change efforts. In this report, I will provide an overview on domestic, diplomatic, congressional and communications activity. In subsequent reports, we'll just give you updates.

**Domestic Policy**

There are three principal climate change initiatives, as well as a number of smaller initiatives and ideas on the drawing board. The major initiatives are (1) the \$6.3 billion budget package (\$3.6 billion tax/\$2.7 billion spending); (2) our federal energy usage and procurement effort; and (3) our industry by industry collaboration. As you know, our electricity restructuring proposal was also announced this week, with some anticipated environmental criticism on climate change (reiterated by the *Washington Post* on its editorial page). See CEQ Report for more on this.

*Budget package.* The action on the budget package is on the Hill, reported below. Like your other initiatives, this one faces tough sledding.

*Federal energy.* There are a number of interesting ideas on the federal energy side -- such as expanding Energy Saving Performance Contracts (e.g., to leased federal and subsidized non-federal facilities, or assisting state and local governments to adopt ESPCs); doing a new executive order on federal procurement to speed the acquisition of energy efficient equipment; a new partnership to improve the energy efficiency of federal aircraft, ships and vehicles (43% of the government's \$8 billion energy bill); an executive order to promote combined heat and power (the Trigen idea); electrifying the federal postal fleet. We need a unified plan for federal energy built around these or other good ideas, to be rolled out over the next several months. I am pushing to get this developed rapidly.

*Private sector collaboration.* This initiative will be ready to launch soon. Preliminary meetings have been going on for several weeks, both internally, and with several industries and labor. The basic idea, patterned in part on DOE's successful Industries of the Future program, is to collaborate with the key energy intensive industries on establishing ambitious goals for reducing emissions as well as roadmaps for achieving those goals. The dialogue will include exploring ways the government can remove barriers or otherwise promote energy efficient activity. We are likely to begin consultations with the steel, aluminum, pulp and paper, chemicals, cement, electric

power and airlines industries, all of whom have expressed interest. We will work with scheduling to set up a meeting for you and the Vice President with top CEOs in the key industries to help launch this effort and underscore its importance.

### **Diplomatic Situation**

The Kyoto agreement was an historic step forward, but it left a substantial unfinished diplomatic agenda. Developing countries must be engaged; rules for emissions trading must be written; the "Clean Development Mechanism" must become a reality. Work is underway on many fronts. The next full-scale international meeting following Kyoto will be in November in Buenos Aires, with a preparatory mid-year meeting in Bonn in June.

Last month, Stu Eizenstat hosted a meeting of the "umbrella group" -- like-minded developed nations not in the EU who share our interest in a robust emissions trading regime. Key players include Russia, Japan, Canada, Australia and New Zealand. Bilateral meetings are scheduled between many key countries, including Russia, Chile, Brazil, India, Japan and others. In early May, key Chinese officials will be in Washington under the auspices of the Vice President's environmental dialogue with Li Peng, with climate change high on the agenda.

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**Core Group Meeting**  
**March 30, 1998**  
**1:30 pm**

- **Communications**

Earth Day -- alternative of scenic event where P and VP talk of climate, but no announcement.

Housing/buildings announcements -- Earth Day or separate event  
(If not Earth Day, then need to evaluate a set of event possibilities and decide on what we want to push over next few months. Shouldn't just be ad hoc.)

NOAA (Elliot) - report; list of statistics

Roll Call (Roger)  
Hagel; Murkowski op-ed and press release  
TP to Kate English

**Congressional**

Update from Roger's Hill meetings (House group?)  
Budget strategy  
Tax strategy: Dirk/Reicher list; follow-up  
Sensenbrenner/Roll Call  
Target list  
Briefing program/science briefing  
Document requests

**Domestic**

Federal energy -- Shelley  
Industry by industry -- Where are we? Meeting with Gardiner and Reicher  
HAVE TO HAVE EX-CEO RECOMMENDATIONS  
TDS briefing on other initiatives  
Credit for early action  
Economic analysis