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Climate Change Hill DoC Requests/Hill Questions [3]

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United States Senate

COMMITTEE ON
AGRICULTURE, NUTRITION, AND FORESTRY
WASHINGTON, DC 20510-6000
202-224-2035

March 14, 1997

The Honorable Al Gore
Vice President
The White House
Washington, D.C.

Dear Mr. Vice President:

Farm state members of Congress have become increasingly concerned with the lack of adequate attention given to agricultural concerns as the Administration works on the United Nations Framework Convention on Climate Change (UNFCC). As you know, this treaty, if ratified, could affect U.S. agricultural production and competitiveness.

American agricultural interests must be adequately represented during the upcoming negotiations. This representation will ensure the continued success of farmers and ranchers and allow them to maintain their productivity, which ultimately benefits consumers. We believe we can address the global greenhouse gas issue and protect the environment while carefully considering the interests of America's farmers, ranchers and consumers. However, before the United States is committed to a final international agreement to limit greenhouse gases, it is essential that we know more about the treaty's impact on our nation's largest employer and the world's most efficient producers of food and fiber.

We will be closely monitoring the negotiations as work continues on the final agreement before its submission to the Senate for ratification. We request an analysis and briefing by the Administration on the following issues as soon as possible:

1) The potential effects of climate change on U.S. agriculture and livestock production.

2) The estimated greenhouse gas emissions resulting from the production of crops and livestock in the U.S.

3) The net contribution of U.S. forests and crops in the sequestration of greenhouse gases.

4) Actions or controls necessary to reduce agricultural greenhouse gas emissions to comply with obligations that may arise under the treaty and an economic analysis of their impact on U.S. farmers and ranchers.

The Honorable Al Gore
March 14, 1997
page 2

5) Whether and to what extent greenhouse gas emission controls would disadvantage agricultural producers in this country compared to producers in other countries with less stringent emission controls or no controls at all.

We understand that serious discussions in preparation for the Kyoto meeting may commence during July and August of this year. We firmly believe this information, as well as the Administration's formal economic analysis, should be submitted to Congress well before then so that the various options for U.S. policy may be understood and their impact on American agriculture and the American economy may be carefully assessed.

We look forward to working with you on this important issue.

Sincerely,

Dick Lugar — Tom Harkin

Thad Cochran

Rick Santorum — Jesse Helms

Max Baucus — Tim Johnson

Kent Conrad — Pat Roberts

Larry E. Craig — Chuck Grassley

Mitch McConnell — Kerrey

cc: The Honorable Madeleine Albright
The Honorable Dan Glickman

Jeff Berman

OFFICE OF THE VICE PRESIDENT

WASHINGTON

May 22, 1997

The Honorable Richard G. Lugar
Chairman
Committee on Agriculture, Nutrition, and Forestry
United States Senate
Washington, D.C. 20510-6000

Dear Mr. Chairman:

Thank you for the letter from you and other members of the Senate Committee on Agriculture, Nutrition and Forestry regarding the climate change negotiations and the potential impacts of climate change on U.S. agricultural production and competitiveness.

The issue of global climate change is an important one for agriculture. Over the next 50 years, U.S. food and fiber producers face major challenges in keeping pace with the ever increasing demands of a growing world population. Climate changes, environmental degradation, and increasing competition for land and freshwater supplies will make these challenges even greater. Based on current trends the Intergovernmental Panel on Climate Change projects significant impacts to ecological systems and the economy, including food security, water resources, coastal zones, and human health.

Information on the potential impacts of climate change on agriculture and net greenhouse gas emissions from agriculture and forestry activities is currently available. The White House Climate Change Task Force can arrange a briefing on this at your earliest convenience.

In light of the potential environmental consequences of climate change, this Administration has called on developed countries to agree to realistic and achievable binding targets for greenhouse gas emissions in the current climate negotiations. We believe that each nation needs the flexibility to determine its own cost-effective means of reducing emissions. And finally, everyone -- all nations (including developing countries) and all economic sectors -- must contribute to the solution because climate change is a global problem. We must begin now to lead the way to a sustainable future.

Further commitments under the United Nations Framework Convention on Climate Change must ensure that the U.S. economy remains strong and internationally competitive. To help find the best solution, the Administration is engaged in an assessment of the economic impacts of various emissions targets [coordinated by Dr. Everett Ehrlich: Undersecretary for

Economic Policy at the Department of Commerce.] This assessment includes a variety of aggregate national economic impacts, as well as sectoral and international economic impacts. This analysis is currently underway. As it progresses, it will be subject to a peer review process. Once this process is completed, we fully expect to brief Congress.

As part of this assessment, the Department of Agriculture will analyze the impact of any new agreement on America's food sector and our farmers, ranchers and consumers. Evaluation of the agricultural sector impacts of emissions reductions scenarios is contingent in some cases on national macroeconomic results. As a result, an agricultural sector analysis will follow Dr. Ehrlich's modeling results.

I appreciate your concerns and look forward to working with you on this important environmental issue.

Sincerely,

Al Gore

Al Gore

AG/pgu

JAMES M. TALENT, MISSOURI
CHAIRMAN

JOHN J. LAFALCE, NEW YORK

Daniel
Dirk
Shelley
Wes
Katie
Dinah
Judy
Robert

Congress of the United States
House of Representatives
105th Congress
Committee on Small Business
2361 Rayburn House Office Building
Washington, DC 20515-6315

March 2, 1998

The Honorable Kathleen A. McGinty, Chair
Council on Environmental Quality
Executive Office of the President
360 Old Executive Office Building
Washington, DC 20500

Dear Ms. McGinty:

As you are aware, the Third Session of the Conference of Parties to the UN Framework Convention on Climate Change (COP-3) was held in Kyoto, Japan from December 1-11, 1997. On December 11, COP-3 adopted the Kyoto Protocol to the United Nations Framework Convention on Climate Change (UNFCCC), which sets binding greenhouse gas (GHG) emissions targets for developed nations.

Due to the potential economic impact of this Protocol, the House Committee on Small Business is reviewing this agreement, pursuant to its oversight jurisdiction, based on the accord's perceived economic impact on small business.

Please provide the Committee with the following information regarding the Kyoto Protocol:

1. Any and all regulatory impact or economic analyses performed by federal agencies, contractors or grantees regarding the implementation of the Kyoto Protocol in the United States; CEA
2. Any and all activities and/or plans for federal agency implementation of the Kyoto Protocol; State
3. Any and all evidence, documentation, or scientific bases for the existence of the phenomenon described as Global Warming; OSTP
4. Any known or perceived specific time frame for signing of the Kyoto Protocol by the President of the United States; and State

5. Copies of any side agreements, memoranda, protocols or other documents concerning the Kyoto Protocol entered into or contemplated between the Executive Branch and other nations, parties or non-governmental entities. State

Please deliver these materials to the Committee on Small Business, Room 2361 Rayburn House Office Building, by March 18, 1998.

If you ~~have any questions~~ regarding this request, please contact Peter Brechtel of the Committee staff at 225-5821.

Thank you for your prompt attention to this matter.

Sincerely,

Jim Talent

James M. Talent
Chairman

ONE HUNDRED FIFTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

March 6, 1998

BY FACSIMILE

The Honorable Franklin D. Raines
Director
Office of Management and Budget
Washington, D. C. 20503

The Honorable Kathleen A. McGinty
Chair
Council on Environmental Quality
Washington, D. C. 20502

Dear Director Raines and Chair McGinty:

The Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs is conducting an inquiry concerning the economic, legal, and regulatory implications of the Administration's efforts to jump-start the process of reducing greenhouse gas emissions under the terms of the Kyoto Protocol.

Pursuant to the Constitution and Rules X and XI of the United States House of Representatives, please provide the Subcommittee with detailed information in response to the attached questions. In responding to this inquiry, please restate each question and subpart with each of your answers, and please follow the definitions and instructions concerning the production of records on the attached page.

Please provide your responses to the written questions and requests for production of records by March 20, 1998 to the Subcommittee's office in Room B-377 Rayburn. In addition, please contact Larisa Dobriansky, Senior Counsel, at (202) 225-4407 as soon as practicable to coordinate the timely production of the information to the Subcommittee.

Thank you for your cooperation in this matter.

Sincerely,

David McIntosh

David M. McIntosh
Chairman
Subcommittee on National Economic Growth,
Natural Resources, and Regulatory Affairs

cc: The Honorable Dan Burton, Chairman
Committee on Government Reform and Oversight

The Honorable John Tierney, Ranking Member
Subcommittee on National Economic Growth,
Natural Resources, and Regulatory Affairs

The Honorable Henry Waxman, Ranking Member
Committee on Government Reform and Oversight

Questions on the Administration's Global Climate Change Policy Actions

IMPLEMENTATION WITHOUT RATIFICATION

"We have no intention through the back door or anything else, without Senate confirmation, of trying to impose or take any steps to impose what would be binding restrictions on our companies, on our industry, on our business, on our agriculture, on our comerce, or on our country, until and unless, the Senate of the United States says so."

Statement of the Honorable Stuart E. Eizenstat
Under Secretary of State for Economic, Business, and Agricultural Affairs
Before the U.S. Senate Committee on Foreign Relations
February 1998

"Whether there is an agreement in Kyoto or not, the United States is prepared, under President Clinton's leadership, to unilaterally take steps that we believe should be taken in order to deal with this problem."

Statement of Vice President Gore
December 1997

Unilateral Executive Actions on a Global Issue.

1. Given that the Kyoto Protocol seeks to address a global issue, isn't it harmful to U.S. interests to proceed without the full participation of developing countries? State

2. Besides being unconstitutional, isn't it also premature and possibly counterproductive for the United States to take unilateral executive branch action, without ratification, when the Administration has characterized the Protocol as a "work in progress"? State

A Budget Request without Justification or Ratification.

3. How can the Administration claim that its proposed Climate Change Technology Initiative (CCTI) is not intended to implement the Kyoto Protocol, when this initiative has been made an integral part of the President's Global Climate Change Initiative, and the initiative is specifically designed to alter market behavior in furtherance of the treaty's emissions reductions targets? CC Task Force

4a. In a hearing before the Senate Foreign Relations Committee on February 11, 1998, Under Secretary of State Eizenstat testified that the tax incentives and research funding that the President requested in his Fiscal Year (FY) 1999 Budget proposal are necessary to place the U.S. in a "position where we will be further down the road and won't have to make the kind of drastic CEA

NEC?

reductions that otherwise might be called for." Please provide all of the economic data and analyses upon which the Administration relied for this determination. As to any analysis, please identify who prepared it and provide all records containing comments by other federal agencies on the drafts.

4b. Explain why the President decided to request $6.3 billion in his budget proposal instead of the $5 billion that he stated he would seek at the time that he announced his Climate Change Action Proposal on October 22, 1997. Was this decision affected by the fact that the Administration agreed at Kyoto to commit the U.S. to reducing greenhouse emissions by 7% below 1990 levels rather than stabilizing emissions at 1990 levels? OMB

5a. Article 3.2 of the Kyoto Protocol states: "Each Party included in Annex I, by 2005, shall have made demonstrable progress in achieving its commitments under this Protocol." Please explain how the Administration is interpreting this provision of the treaty. State

5b. Does the Administration believe that its Global Climate Change Initiative, including the CCTI, will enable the U.S. to make demonstrable progress in achieving its commitments under the Kyoto Protocol? CC Task Force

5c. Please provide and document the Administration's annual performance measures for its 5-year Climate Change Technology Initiative (CCTI). In this regard, provide the following: the 1990 U.S. emissions level, data on actual emissions reductions for Fiscal Year 1997, and then projected emissions reductions beginning with Fiscal Year 1997 and then for each year up to and including Fiscal Year 2003. OSTP

5d. Please specify the annual greenhouse gas emissions reductions that the Administration estimates will occur between FY 1999 and FY 2005 from implementing each element of its Global Climate Change Initiative. OSTP

6a. The Administration has maintained that the CCTI is a "no-regrets" proposal; that is, regardless of whether or not there is a real threat of global warming, this proposal is justified on its own merits as good energy and environmental policy. In view of this claim, please demonstrate the need for this initiative based on reasons other than facilitating greenhouse gas emissions reductions. CEA

6b. In this regard, provide the environmental and economic data and analyses that support this request on its own merits. CEA

6c. Can the Administration point to a significant market failure or demonstrate a compelling public need that necessitates $3.6 billion of new tax incentives and a 73 percent increase in funding to accelerate the development and diffusion of more energy efficient technology? According to OECD data, U. S. energy efficiency since 1980 has improved more than that of most industrialized countries. CEA

6d. Please provide a detailed explanation of and produce all records indicating the alternative policy options that the Administration analyzed, including more broadly-based options, such as integrated pollution prevention, performance-based regulation, and multi-media regulation. In this regard, did the Administration evaluate whether existing regulation may be a significant barrier to improving energy efficiency and the environment?

6e. Please explain in detail and fully document the cost-effectiveness of the Administration's proposal when compared to other available options for improving energy efficiency and the environment.

6f. Please explain in detail and fully document the opportunity costs of committing such a significant amount of our nation's resources in this manner.

6g. As to any analysis provided, identify who prepared it and provide all records of comments by other federal agencies.

7. How realistic and achievable are the targets and timetables that the U.S. delegation agreed to at Kyoto, if it is necessary to take unilateral executive branch actions prior to Senate ratification in order "to get us in a position where we will be further down the road and won't have to make the kind of drastic reductions that otherwise might be called for"?

8. Under section 102 of the **National Environmental Policy Act**, the federal government is required to provide a detailed environmental impact statement (EIS) and to follow specified procedures for review and comment whenever it is recommending to Congress legislation that "affects the quality of the human environment". Please provide any EIS (or draft EIS, if not finalized) that was prepared in connection with the Administration's requests for tax incentives and research funding to facilitate greenhouse gas emission reductions. With respect to any EIS, identify who prepared the document and provide all records of written and oral comments from other federal agencies.

The Inescapable Regulatory Backdoor.

9. In its 1997 U. S. Climate Action Report under the current Framework Convention on Climate Change, the Administration made this statement: "Recognizing that even the most draconian measures would likely be insufficient to reverse the growth in greenhouse gases and return U.S. emissions to their 1990 levels by the year 2000, new U.S. efforts are focusing most intensively on the post-2000 period." Based on this assessment, how can the President assert that the U.S. commitments under the Kyoto Protocol are achievable with minimum economic costs? Provide any economic and legal analyses that demonstrate that U.S. obligations can be met without constraining U.S. economic growth and without imposing onerous and costly regulation. Also, please provide two copies of the 1997 U.S. Climate Action Report.

POLICIES WITHOUT ECONOMIC ANALYSIS

"By providing incentives for early action to reduce emissions, attacking domestic energy inefficiencies, and putting in place a market-based emissions trading system, we can reach [our emission reduction targets] with minimum economic costs."

Statement of President Clinton
Climate Change Proposal
October 1997

The Administration's Repeated Failure to Conduct Economic Analysis.

14a. Given the significant economic costs projected by private sector studies, why did the Administration abandon a year and a half-long effort to develop cost estimates of the President's proposed policies to reduce greenhouse emissions? In testimony before the House Subcommittee on Energy and Power on July 15, 1997, the Chair of the Council of Economic Advisers, Dr. Janet Yellen, stated that President Clinton's top priority since his first days in office "has been revitalizing the U.S. economy, creating jobs, and investing in people and technology to enhance long-term growth." CEA

14b. How can the Administration defend its policy actions based on the results of climate models that must take into account significant uncertainties surrounding the effects of human activities on the climate, yet nevertheless consider economic modeling to be "futile" (Dr. Yellen's expression at the House Commerce hearing on July 15, 1997)? CEA

15a. In testimony before the House Commerce Committee in 1997, former Under Secretary of State Timothy Wirth stated that an interagency "economics team" was formed to analyze the impacts of climate change policies.

15b. Please provide the following background information regarding that group: when it was formed, the names of the participants and their agencies, the head of the team, the scope of the group's responsibilities, and to whom the group reported. CEA

15c. Please produce records of all meetings of this group and information on any workshops conducted. Also, produce all analyses performed by the group and provide all records of written or oral comments from other federal agencies on the team's analyses and advice. CEA

16. In developing its positions for the Conference in Kyoto, did the Administration at any point renew its efforts to estimate the costs of various policies to reduce greenhouse gas emissions? If so, please provide all economic analyses that were prepared for the Administration and the U.S. delegation to review. As to each analysis, please indicate who prepared the analysis CEA

No Cost/Benefit Analysis of the Kyoto Treaty.

24a. Please provide any and all analyses that the Administration or any federal agency prepared (or is preparing) of the costs and benefits of imposing on the U.S. the binding targets and timetables set forth in the Kyoto Protocol for reducing greenhouse gas emissions, taking into account the global implications of the way in which this agreement is structured. Also, please analyze and document the following: CEA

24b. Whether the benefits of implementing this Protocol are justified by the costs; CEA

24c. Evaluate the effectiveness of this agreement by comparing the marginal abatement costs of the most plausible alternative scenarios for meeting the Kyoto targets, given the way in which this agreement is structured, with the marginal costs of other reasonable alternative compliance schemes; CEA

24d. With respect to each scenario that is analyzed, identify the assumptions used, explain any uncertainties concerning the assumptions, and examine the sensitivity of net benefits to the different compliance strategies, using a range of plausible assumptions about future economic development and about fundamental climate processes; CEA

24e. Evaluate the opportunity costs of pursuing the Administration's strategy for the abatement of greenhouse gas emissions under the terms of the treaty; and CEA

24f. Evaluate how the benefits and burdens of complying with this treaty would be distributed on the national and household levels, describing, among other things, the disparate regional and industrial sector impacts, and the effects on different income levels. CEA

25a. In evaluating alternative scenarios, please examine the following:

25b. Compare the economic and environmental effects of not including developing countries in the effort to reduce global emissions (with the potential for binding developed countries to even greater obligations, without limiting developing countries) against the effects of addressing greenhouse gas mitigation on a global scale by the international community. CEA

25c. Compare the economic and environmental effects of complying within the timeframes set forth in the Kyoto Protocol with the effects of complying over a longer time period. CEA

25d. Compare the impacts of reducing greenhouse emissions using international emissions trading, joint implementation, and the Clean Development Mechanism with the impacts of relying upon domestic emissions permit trading. In this regard, evaluate alternative international trading scenarios: trading only between Annex I countries, trading that extends to a number of "key" developing countries, and trading in which all countries are fully participating. CEA

26. With respect to any analysis provided, please identify and explain the basis for assumptions used regarding such factors as the rate of improvement in energy efficiency, the effectiveness of market incentives in increasing the market share of fuels that emit less carbon, and economic and demographic growth. Also, explain fully any assumptions on how emissions reductions will be achieved, as for example, through the early retirement of coal plants or nuclear plant life extensions. CEA

27. In considering the opportunity costs, evaluate the extent to which the Administration's climate change strategy will require the diversion of funds from savings and/or investments which would have provided other benefits, such as saving social security, or more funding for education, health care, etc. CEA

28. In assessing the impacts on the U.S. of complying with the Kyoto targets and timetables, please explain in detail the potential effects on the following indicators of economic performance: gross domestic product (GDP), per capita GDP, unemployment, income and real wages, trade competitiveness, and energy prices. CEA

29. In assessing the benefits of complying with the Kyoto treaty, please evaluate fully the potential offsetting negative effects of exempting developing countries and of "carbon leakage." Also, if the economies of developed countries experience reductions in economic growth, evaluate the impact that this will have on the ability of emerging countries with export markets to transition to more energy efficient technologies. CEA

30. President Clinton has suggested that the U.S. economy can continue to grow under this agreement. Please indicate at what rate the Administration expects that the economy will continue to grow during the next ten to 20 years if the treaty is ratified and at what rate it is expected to grow if the treaty is not ratified. CEA

31. Have any of the cost/benefit analyses performed by the Administration or any agency been peer-reviewed? If so, please identify the reviewers provide their comments on the analyses. If not, does the Administration plan to do so? Please describe fully the steps that the Administration plans to take. CEA

32. Please describe in detail the strengths and weaknesses of the methodology of any economic models used. Also, indicate the differences between the models used in any of the cost/benefit analyses performed post-Kyoto and those used in any prior analyses performed by the Administration. CEA

33. In connection with these cost-benefit analyses, fully explain how the baseline(s) against which costs and benefits were calculated was determined. CEA

34a. Please provide all records of written or oral comments from other federal agencies on each of the cost/benefit analyses that were performed. CEA

34b. Please provide all records of comments submitted by federal agencies on Dr. Janet Yellen's draft testimony about the economics of Kyoto for the hearing before the House Commerce Committee on March 4, 1998. CEA

International Emissions Trading: Not a Panacea.

35. As a practical matter, until the Conference of the Parties makes all of the decisions that it is empowered to make under Article 17 of the Kyoto Protocol concerning the establishment of rules and procedures for international emissions trading, isn't it premature for the Administration to forecast definitively that the agreement would result in, at most, modest energy price hikes? CEA

36a. With respect to the rules and procedures for international emissions trading that have yet to be developed, what are the minimum requirements that the Administration is seeking to assure an efficient and effective system for lowering the costs of emissions reductions? CEA

36b. Does the Administration intend to confer with Congress and obtain comments from Congress and the public in developing negotiating positions for Buenos Aires on rules and procedures for an international emissions trading system and for obtaining joint implementation project credit, including the Clean Development Mechanism? State

37a. Why does the Administration believe it can obtain meaningful participation by developing countries and what steps is the Administration taking to achieve this? What indications of potential meaningful participation have been shown by developing countries that prompt this optimism? State

37b. In particular, what are the steps being taken with respect to China, India, Mexico, Brazil, and South Korea and what indications of potential meaningful participation has the Administration received from these countries? State

37c. Which countries does the Administration consider "key," in assuring that "meaningful participation" is secured? State

38. Why does the Administration maintain that the U. S. acid rain program experience "clearly demonstrates how programs like international permit trading, joint implementation and the Clean Development Mechanism will lead firms to find cheaper ways of reducing emissions that can lead to unexpectedly low costs"? Is it appropriate for the Administration to extrapolate from that experience to the global arena? Won't the effectiveness of the international system, joint implementation, and the Clean Development Mechanism depend on such factors as the rules and procedures governing these mechanisms, the extent of participation by other countries, including developing countries, etc? CEA

39a. Even assuming that effective rules and procedures can be developed for an international emissions trading system and for joint implementation projects and that key developing countries agree to participate, isn't there a real risk that these mechanisms could effect an enormous transfer of wealth and jobs out of this country overseas, especially to the countries of the former Soviet Union and emerging countries (i.e., that this system would be essentially a foreign aid program)? Some studies have estimated that more than 50% of our reductions would have to be purchased from other countries. CEA

39b. Please provide and document estimates of the percentage of U.S. emissions reductions that might have to be purchased from other countries to minimize the costs of reducing emissions and which countries likely would be the beneficiaries. CEA

U.S. HOUSE OF REPRESENTATIVES

COMMITTEE ON SCIENCE

SUITE 2320 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6301
(202) 225-6371
TTY: (202) 226-4410
http://www.house.gov/science/welcome.htm

February 26, 1998

The Honorable Kathleen A. McGinty
Chair
Council on Environmental Quality
Room 360
Old Executive Office Building
Washington, D.C. 20503

Dear Ms. McGinty:

I wish to express my sincere appreciation for your testimony during the February 4, 1998 Committee on Science "The Road from Kyoto—Part 1: Where Are We, Where Are We Going, and How Do We Get There?" hearing.

Enclosed are additional questions from Members of the Committee, as well as a copy of the hearing transcript. Your responses will be published as part of the official record of the hearing. In addition to a hard copy of your answers, the Committee requires an additional copy, including any supporting graphs or charts, saved on a DOS formatted 3.5 inch diskette, in either Word Perfect, Word or ASCII text. Please send your responses to Ms. Sarah Monahan of the Committee staff. If you prefer, you may E-mail your responses to sarah.monahan@mail.house.gov.

I would appreciate receiving your responses to the enclosed questions by **Thursday, March 19, 1998.**

Also enclosed is a copy of the verbatim transcript for your review. The Committee's rule pertaining to the printing of transcripts is as follows:

> *The transcripts... shall be published in **verbatim form**, with the material requested for the record, as appropriate. Any requests to correct any errors, other than transcription, shall be appended to the record, and the appropriate place where the change is requested will be footnoted.*

The complete revisions to the transcripts submitted for the record must be received by Thursday, March 12, 1998, and should be sent to Ms. Sarah Monahan, Subcommittee on Energy and Environment, H2-389 Ford House Office Building, Washington, DC 20515. If you have any questions, please contact Ms. Monahan at (202) 225-9662.

Thank you again for making this hearing successful. Once the transcript has been completed and published, a copy will be forwarded to you.

Sincerely,

Jim Sensenbrenner

F. JAMES SENSENBRENNER, JR.
Chairman

FJS:hlw

COMMITTEE ON SCIENCE
U.S. HOUSE OF REPRESENTATIVES

Hearing
on

The Road from Kyoto—Part 1:

Where Are We, Where Are We Going, and How Do We Get There?

Wednesday, February 4, 1998

Post-Hearing Questions
Submitted to

The Honorable Kathleen A. McGinty
Chair
Council on Environmental Quality

Post-Hearing Questions Submitted by Chairman Sensenbrenner

Documentation of 1997 Temperature Statistics

6STP

1. On page 1 of your written testimony, you state:

"Based on extensive ground-based measurements, the National Oceanic and Atmospheric Administration (NOAA) -- our lead national agency for collecting weather statistics -- reported that 1997 was the warmest year based on records that date back over a century. While the temperature in any one year cannot prove or disprove anything about global warming, this year's statistics, further confirmed by two other sources of information about global surface temperatures (the Goddard Institute for Space Studies/NASA and the researchers at East Anglia University in the U.K.), follow a clearly emerging pattern. The nine warmest years of the century have occurred in the past 11 years."

1.1 Please provide a copy of NOAA report and accompanying data/statistics referred to in your statement above.

1.2 Please provide a copy of the Goddard Institute for Space Studies/NASA confirmation and accompanying data/statistics referred to in your statement above.

1.3 Please provide a copy of the East Anglia University confirmation and accompanying data/statistics referred to in your statement above.

1.4 Please document your statement that "The nine warmest years of the century have occurred in the past 11 years."

Temperature Record: Land-Based Versus Satellite Data

OSTP

2. Your testimony refers to the recent announcement that 1997 was the warmest year in the temperature record. However, the land-based temperature data do no comport with satellite data, which show a slight cooling trends (-0.05°C per decade) over the last 19 years. In fact, 1997 was the 8th coolest year in the satellite record, just slightly less than the 19-year average. How do you explain the discrepancy between these two data sets?

The Lancet Study on Particulate Matter-Related Health Impacts of Greenhouse Gas Mitigation and Reduction in Deaths and Greenhouse Gas Emissions Doe to EPA's Recently Promulgated Fine Particulate Standard

3. On page 2 of your written testimony, you state:

OSTP / EPA. OAR

"A second development relates to a study published in November in the medical journal Lancet. Most studies have examined the impacts of climate change on human health in terms of increased fatalities due to heat stress or the spread of infectious diseases. While by themselves, these areas represent considerable human health risks, this new study by the Working Group on Public Health and Fossil Fuel Combustion looked at the short-term impacts on mortality from air-borne particulate matter assuming no changes in estimates of energy use from fossil fuels. The analysis found that an estimated 8 million deaths globally due to exposure to fine particulates could be avoided between 2000 and 2020 if substantial steps were taken to limit greenhouse gas emissions from burning fossil fuels. In the United States alone, the study reports that thousands of deaths annually could be avoided during the 2000-2020 period. This study presents an important near-term benefit from actions to reduce greenhouse gas emissions that must be considered in addition to the long-term benefits of avoiding climatic disruptions. EPA's recently promulgated fine particulate standard begins to address this public health concern and should result in both some reductions in greenhouse gas emissions along with reducing the number of deaths associated with exposure to fine particulates."

3.1 Please provide a copy of *The Lancet* article referred to above.

3.2 What level of reductions in greenhouse gas emissions and in the number of deaths associated with exposure to fine particles will result from EPA's recently promulgated fine particulate standard. begins to address this public health concern and should result in both some reductions in greenhouse gas emissions along with reducing the number of deaths associated with exposure to fine particles."

3.3 Please document the figures provided in the response to question 3.2 above.

The Kyoto Protocol and the Rate of Increase of the Build-Up of Greenhouse Gases in the Atmosphere and the Corresponding Temperature Changes

4. On page 2 of your written testimony, you also state: OSTP

"Although the agreement reached in Kyoto will not reverse the build-up of greenhouse gases in the atmosphere, it will begin slowing the rate of increase."

4.1 How much will the Kyoto Protocol slow the rate of increase of the build-up of greenhouse gases in the atmosphere?

4.2 What is the estimate of the atmospheric concentrations of each of the six greenhouse gases in each of the years 2050 and 2100, and what is the estimate of the corresponding warming due to those increased concentrations in the absence of the Kyoto Protocol?

4.3 What is the estimate of the atmospheric concentrations of each of the six greenhouse gases in each of the years 2050 and 2100, and what is the estimate of the corresponding warming due to those increased concentrations if the terms of the Kyoto Protocol are met?

Submission of the Kyoto Protocol to the Senate for Ratification and "Meaningful Participation by Key Developing Countries"

State

5. On page 2 of your written testimony, you also state:

"The President has made it clear that he does not intend to send the Kyoto Protocol to the Senate for ratification until we have achieved meaningful participation by key developing countries."

5.1 Which developing nations are "key?"

5.2 What does "meaningful participation" mean and what will the United States seek from developing countries? Please be specific about the kinds of limitations, reductions, or other obligations that the United States will be seeking in negotiations and discussions.

5.3 Please explain all of the considerations that bear on the issue of when the President will submit the Kyoto Protocol to the Senate for ratification.

5.4 Before the President submits the Kyoto Protocol to the Senate for ratification, do "key" developing countries have to make legally binding, quantitative commitments to limit the growth of their greenhouse gas emissions, and if so, which countries would have to make such commitments?

5.5 Whatever it is that "key" developing countries have to do before the President submits the Kyoto Protocol to the Senate for ratification, will it satisfy the Administration's requirement if it is done by means of a bilateral or multilateral agreement with the United States that is not in the form of a new protocol or an amendment to the Convention or to the Kyoto Protocol?

<u>Signing of the Kyoto Protocol</u>

State

6. Will the President, or the Vice President, or another person with the authority to do so sign the Kyoto Protocol as it currently exists and if so, when the signing take place?

7. If your answer to question 6 above is not definitive, please explain all of the considerations that bear on the issue of whether or when the President, or the Vice President, or another person with the authority to do so will sign the Kyoto Protocol.

<u>U.S. Reductions of Greenhouse Gas Emission Required by the Kyoto Protocol/Emissions Trading</u>

8. On page 3 of your written testimony, you state:

CEA

"Ultimately, the U.S. agreed to a target of a 7% reduction from baseline levels. Given the changes in the definition of the baseline for the three long-lived chemical compounds (HFCs, PFCs and SF6) from 1990 to 1995 combined with a change in the way sinks are accounted for in the baseline, the actual reduction required in the U.S. is no more than 2-3% more than the President originally proposed as the U.S. negotiating position."

Please provide a detailed calculation, including a listing of all assumptions that verifies your statement that "the actual reduction required in the U.S. is no more than 2-3% more than the President originally proposed as the U.S. negotiating position."

9. What is the actual reduction in emissions within the borders of the United States would have to be to meet the U.S. obligation as outlined in the treaty and what data uncertainties still exist with respect to calculating this number?

10. Article 6.1(d) of the Kyoto Protocol states that "The acquisition of emission reduction units shall be supplemental to domestic actions for the purposed of meeting the commitments under Article 3 [of the Protocol]"

State

10.1 What does this mean?

10.2 Since Russia and the Ukraine will be substantially below their emission targets in the Protocol, they can sell large amounts of emissions credits. Why should the American public be willing to underwrite the transfer of what could be billions of dollars to those nations so the United States could reach its emissions reduction targets?

10.3 What is the Administration assuming about the proportion of our reductions that can be met through these means, and what is the limit acceptable within the terms of the Protocol?

International Emissions Trading and the Costs of Kyoto Protocol Compliance

CEA / DOE / EPA

11. On page 4 of your written testimony, you state:

"A number of studies have suggested that the costs of compliance can be significantly reduced if flexible implementation is permitted."

Please provide for the record a copy of each of the studies referred to in your statement"

Clean Development Mechanism

State / DOE / EPA

12. On page 4 of your written testimony, you also state:

"Clean Development Mechanism: Under this innovative provision, developed countries will be able to use certified reductions from project activities in developing countries to contribute to compliance with greenhouse gas reduction targets. This provides both a mechanism to secure low cost reductions throughout the world and a powerful economic incentive to lead developing countries toward more climate-friendly technologies. This represents an important avenue for developing country actions to reduce emissions in cooperation with U.S. private sector firms that have the technology, resources and know-how to make such reductions in ways that save energy, reduce emissions and improve performance. This provision effectively embodies the U.S. proposal for joint implementation with credit for activities in developing countries. It also provides, again at U.S. insistence, an incentive for early action by permitting credit for reductions that occur beginning in the year 2000."

12.1 Article 12 of the Kyoto Protocol, which establishes the Clean Development Mechanism, appears to have potential for creating a huge bureaucracy inserted between the investing and the recipient countries. Why did the Administration agree to such an arrangement?

12.2 Why is there a need for such an institutional mechanism for joint implementation (JI) projects?

12.3 Under the Kyoto Protocol, what would be the status of existing and pending bilateral JI projects promoted by the U.S. Initiative on Joint Implementation?

12.4 What is the Administration's position on JI going into the November 1998 negotiations with respect to how this Clean Development Mechanism should work?

12.5 What criteria would you expect for projects that qualify for Clean Development Mechanism financing?

12.6 How would emissions credits under the Clean Development Mechanism be allocated to contributing/investing countries or entities?

12.7 Isn't Clean Development Mechanism another form of foreign assistance by another name, only funded by the private sector, and if not, why not?

Emission from the Military

13. On page 4 of your written testimony, you also state: State

"Emissions from the Military: The U.S. obtained agreement on its proposal for an exemption for emissions from multilateral operations pursuant to the United Nations charter. This decision will ensure that nations do not hold back from participating in humanitarian, peacekeeping and other operations due to concerns about greenhouse gas emissions."

13.1 Please cite the specific text of the Kyoto Protocol that provides such an exemption.

13.2 Are unilateral operations subject to the terms of the Kyoto Protocol? If your answer is no, please cite the specific Protocol text that provides that unilateral operations are not subject to the Protocol.

13.3 To be more specific, if the Kyoto Protocol was in force would unilateral military action by the United States against Iraq be subject to its terms? If your answer is no, please cite the specific Protocol text that provides that unilateral military action by the United States against Iraq would not be subject to the Protocol.

13.4 If unilateral military action were subject to the terms of the Kyoto Protocol, what would be the national security implications?

13.5 Will domestic emissions from military training exercises be counted against the U.S., and if so, what are the implications for our military readiness?

13.6 Concerning U.S. troops stationed overseas, will emissions from training and operations be counted against the host country or the U.S.? And if the host country, does that mean that U.S. troops overseas will be subjected to greater control by the host country, and how will this affect readiness?

President's FY 1999 Budget Tax Credits for Highly Fuel Efficient Vehicles

Treasury

14. On page 5 of your written testimony, you state:

"Tax credits for highly fuel efficient vehicles: This credit would be $4,000 for each vehicle that gets three times the base fuel economy for its class beginning in 2003. A credit of $3,000 would be available beginning in 2000 for vehicles that get double the base fuel economy for its class. These credits would be available to jump start these markets and would be phased out over time."

Please specify—by year—the greenhouse gas reductions expected to be achieved through the application of the tax credit for highly fuel efficient vehicles.

President's FY 1999 Budget Tax Credits for Energy Efficient Equipment

Treasury / DOE

15. On page 5 of your written testimony, you also state:

"Tax credits for energy efficient equipment: These credits (all of which are subject to caps) would include a 20% credit (subject to a cap) for purchasing certain types of highly efficient building equipment, a 15% credit for the purchase of solar rooftop systems, and a 10% credit for the purchase of highly efficient combined heat and power systems."

Please specify—by year and by tax credit—the greenhouse gas reductions expected to be achieved through the application of the tax credits for energy efficient equipment.

President's FY 1999 Budget Proposal for Two New Partnerships for Heavy Trucks and Light Trucks, including Sport-Utility Vehicles

16. On page 5 of your written testimony, you also state: CEQ - Linda Lance

"Two new partnerships are proposed for heavy trucks and light trucks, including sport-utility vehicles."

Please describe these two new partnerships in detail, including funding, duration, participants, and cost-sharing requirements.

Fuel Efficient Vehicles

CEQ - Linda Lance

17. On page 6 of your written testimony, you state:

"Fuel Efficient Vehicles: At the recent automobile show in Detroit, General Motors (GM) announced four passenger hybrid electric and fuel cell vehicles that can achieve fuel efficiency of up to 80 miles per gallon -- production prototypes of which could be available in 2001 and 2004. Ford also unveiled a prototype of a mid-size high efficiency sedan that achieves 63 miles per gallon using an advanced diesel engine. Ford also plans to develop hybrid electric and fuel cell versions of this prototype. Chrysler unveiled its full-size experimental hybrid electric vehicle with a projected 70 miles per gallon fuel economy. These technological advances were made possible through the efforts of the Partnership for a New Generation of Vehicles between the Administration, U.S. auto companies, and their suppliers."

Please document your statement that "These technological advances were made possible through the efforts of the Partnership for a New Generation of Vehicles between the Administration, U.S. auto companies, and their suppliers."

Compressed Air Challenge

DOE

18. On page 6 of your written testimony, you also state:

"Compressed Air Challenge: Air compressors represents about 3% of total industrial electricity use and 1% of total U.S. electricity consumption. In mid-January, DOE and major equipment manufacturers announced a new agreement aimed at significantly enhancing efficiency in this sector. Under the agreement, changes in equipment and operating practices are anticipated to reduce energy use in this category by 10% by 2010 at a cost savings of $150 million per year while reducing greenhouse gases by 700,000 metric tones of carbon."

Definitions and Instructions for the Production of Records

1. When a request calls for the production of records, the Subcommittee requests all responsive records that EPA has in its possession, custody, or control through the date of the final submission of records to the Subcommittee, unless the request clearly states that the Subcommittee is only interested in records EPA received during a particular time period.

2. Please sequentially number all records that you produce to the Subcommittee, and indicate the source of any record if the source is not accurately reflected on the record itself. Please submit all records on single-sided paper and submit an inventory of records produced if the volume is more than 100 pages.

3. To the extent practicable, please organize the records or documents in tabbed binders or folders that indicate which records are responsive to which requests for information.

4. For the purposes of this and related requests in the future, the word "record" or "records" shall include any and all drafts, originals, and non-identical copies of any item whether written, typed, printed, electronically recorded, transcribed, punched, or taped, however produced or reproduced, and includes but is not limited to any writing, transcription, or recording, produced or stored in any fashion, including any and all computer entries, memoranda, notes, talking points, letters, journal entries, reports, studies, calendars, manuals, press releases, opinions, documents, analyses, messages, summaries, bulletins, e-mail messages (in hard copy and electronic forms), disks, the text of any alphanumeric messages or other electronic paging devices, briefing materials, cover sheets or routing cover sheets and any other machine readable material of any sort whether prepared by current or former officers and employees, agents, consultants or by any non-employee without limitation. "Record" or "records" shall also include redacted and unredacted versions of the same record.

18.1 Please provide a listing of the participants of the Compressed Air Challenge.

18.2 Please provide the FY 1998 and proposed FY 1999 funding for the Compressed Air Challenge.

18.3 Please document your statement that "Under the agreement, changes in equipment and operating practices are anticipated to reduce energy use in this category by 10% by 2010 at a cost savings of $150 million per year while reducing greenhouse gases by 700,000 metric tones of carbon."

BP Solar Opening

19. On page 6 of your written testimony, you also state:

CEQ

"BP Solar Opening: Last Friday, BP Solar opened its first manufacturing plant in the United States. Located outside San Francisco, the Vice President flipped a switch to start the plant. This facility will produce a new generation of thin film photovoltaic cells. Spurred by DOE's recently announced Million Solar Roof Initiative, planned plant expansions and openings by other solar cell manufacturers, as well as the President's budget request for enhanced funding for renewable technologies, demonstrate that efforts to increase market penetration based on harnessing the sun's energy are now making significant advances. In fact, the Vice President was able to announce that the private partners in the Million Solar Roofs Initiative have already announced plans for well over half the solar panels needed to get to our goal--a full ten years early."

19.1 Why did the Vice President "flip the switch" to start a foreign-owned manufacturing plant? Has the Vice President ever "flipped the switch" to start a domestic-owned manufacturing plant?

19.2 Please provide documentation for your statement that "the private partners in the Million Solar Roofs Initiative have already announced plans for well over half the solar panels needed to get to our goal--a full ten years early."

19.3 If indeed "the private partners in the Million Solar Roofs Initiative have already announced plans for well over half the solar panels needed to get to our goal--a full ten years early" in the absence of taxpayer subsidies, then why is the Administration proposing that taxpayers now subsidize that effort?

VCR/TV Energy Star Program

DOE

20. On page 6 of your written testimony, you also state:

"VCR/TV Energy Star Program: TV and VCRs represent one of the fastest growing sources of electricity demand. Consumers spend over $1 billion annually to power VCRs and TVS that are switched off. In early January the Vice President announced a pathbreaking partnership between EPA and the major manufacturers of these electronic goods. The program is quite ambitious with a goal of achieving up to a 70% reduction in energy use when the equipment is turned off without sacrificing product quality, utility or increasing costs. The average household could cut its energy bills by 30% or $400 per year by switching to the full line of Energy Star products."

20.1 Please identify the TV and VCR manufacturers participating in this partnership.

20.2 Please document the statement that "The average household could cut its energy bills by 30% or $400 per year by switching to the full line of Energy Star products."

Administration's Economic Analysis of the Impact of the Targets Reached in Kyoto

CEA

21. Finally, on page 6 of your written testimony, you state:

"The Administration is working on a more detailed economic analysis of the impact of the targets reached in Kyoto. Council of Economic Advisers Chair Janet Yellen will be prepared to discuss the analysis at a hearing next week before the Senate Foreign Relations Committee."

Please provide a copy of that "more detailed economic analysis" for the record.

Administration Plans for Legislation and Regulations

c.c. Task Force

22. In the President's State of the Union Address and in the Budget he submitted to the Congress on February 2, there were provisions for federal research and development expenditures and for certain tax incentives for the purpose of reducing U.S. greenhouse gas emissions.

22.1 What is the reason the President has made those proposals prior to his signing the Kyoto Protocol and prior to his submitting the Protocol to the Senate for its advice and consent?

22.2 Is the Administration contemplating submitting to Congress any other legislative proposals, or is it contemplating proposing any new or amended regulations, any of which are intended to reduce U.S. greenhouse gas emissions, prior to the President's signing the Kyoto Protocol and submitting it to the Senate for its advice and consent? If so, please describe the substance of any such legislative or regulatory proposals that are being contemplated?

23. Has any Department or agency of the Executive Branch, or any interagency body, been given the responsibility to develop potential proposals for legislation or regulations that would be intended to facilitate compliance by the United States with the Kyoto Protocol if the Protocol ever were to become binding on this nation?

CC Task Force

23.1 If your answer is yes, please identify the Departments, agencies, or interagency body; and, if it is an interagency body, who is the head of it.

23.2 If there is no interagency body, who in the Executive Branch has the responsibility to coordinate or review these efforts for the purpose of making recommendations to the President?

Entry Into Force

State

24. It will require ratification by 55 countries, representing 55% of developed country greenhouse gas emissions, for the treaty to enter into force. The United States accounts for nearly 40% of these emissions.

24.1 Do you see any chance that the treaty would enter into force if the United States does not ratify it?

24.2 Do you expect other countries ratify the treaty if the United States does not, and if so, which countries?

24.3 What is the earliest you would expect the treaty to enter into force if the United States does not ratify it?

24.4 If there is a prolonged delay in entry into force, what are the consequences for this treaty? For climate change?

Contradictions between the Kyoto Protocol and the Montreal Protocol State

25. Among the six gases to be limited under the Kyoto Protocol are substitutes for chlorofluorocarbons (CFCs) that deplete the stratospheric ozone layer. Therefore, the world's nations have agreed under the Montreal Protocol (to reduce ozone depleting chemicals) that they will seek the use of these substitutes, yet under the Kyoto Protocol they seek to limit use of the substitutes.

   25.1 How will this contradiction be dealt with?

   25.2 What will the United States do to reconcile these opposing goals?

Electricity Restructuring and Emissions Reductions CEA

26. The Administration has suggested on several occasions that electricity restructuring is one of the means by which the United States will reduce its emissions of greenhouse gases because it will result in greater efficiency and therefore lower emissions of greenhouse gases. However, the October 1997 report by the Energy Information Administration (EIA), *An Analysis of Carbon Stabilization Cases*, projects more emissions of carbon dioxide—not less—as a direct result of currently developed state restructuring efforts.

   26.1 How do you explain this apparent direct contradiction?

   26.2 If the Administration had counted on reductions in emissions from electricity restructuring, and if on the other hand, EIA is right that state restructuring efforts will result in higher levels of emissions, then how will this affect your calculus of how the United States will meet emission reduction targets?

   26.3 When is the Administration releasing its electricity restructuring proposal?

Compliance and Enforcement State

27. The Kyoto Protocol is very vague with respect to compliance and enforcement.

   27.1 Is the November 1998 meeting in Buenos Aires going to address these issues" Will specific compliance guidelines result from that meeting?

   27.2 What is Administration's position on what those guidelines should be?

27.3 How does the Administration propose to enforce any such compliance guidelines in the United States, ad how can verification and enforcement in other countries be achieved?

Greenhouse Gas "Sinks" CEA

28. It seems unclear in the Kyoto agreement what will qualify as a greenhouse gas sink—what kinds of forests, forest projects, land use changes or management, etc.

28.1 Please explain the U.S. position on what could constitute a sink, and how they should be counted in assessing our reductions in the greenhouse gas emissions.

28.2 What proportion of U.S. emissions could be offset by these sinks?

Roles of the Council on Environmental Quality (CEQ) and the Chair of CEQ in the Development of the Administration's Climate Change Policy and in the Kyoto Protocol Negotiations

29. Please describe the roles played by the Council on Environmental Quality (CEQ) and the Chair of CEQ in developing:

CEQ

29.1 The statement of the Administration's climate change policies in the President's October 22, 1997 speech at the National Geographic Society.

29.2 The Administration's policy approach to, and strategies concerning, the international climate-change negotiations during the period between the President's October speech and the first day of the Kyoto Conference (December 1, 1997); and

29.3 The Administration's policy approach to, and the strategies concerning, the international climate-change negotiations in Kyoto.

White House Task Force on Climate Change cc Task Force

30. When was the White House Task Force on Climate Change established and what its purpose?

31. Please provide a list of all staff and members of the White House Task Force on Climate Change—including detailees from other Executive agencies, consultants, etc.—from its date of establishment to the present.

Post-Hearing Questions Submitted by Representative Roscoe G. Bartlett (R-MD)

Role of Nuclear Power in Reduction of Carbon Dioxide Emissions

DOE

1. It the Administration feels that carbon dioxide (CO_2) production is such a menace to our society, why is it not more vigorously proposing an increase in the use of nuclear power production, since that produces no CO_2?

Global Warming

OSTP

2. Why does the Administration believe that the modest increase in mean global temperatures over the past century (about 1 degree) is not due to normal fluctuations in the Earth's climate, rather than signaling a permanent "global warming"?

3. If we're moving to global warming, so what? In the past, the Earth has been much warmer than today, and Russia and Canada may not be all adverse to a bit of global warming. There will be winners and losers, but in terms of a global perspective, so what if we're having a bit of global warming?

4. The oceans are enormous sinks for CO_2. What can be done to enhance the effectiveness of oceans as carbon sinks?

Post-Hearing Questions Submitted by Minority Members

Discrepancies Among Economic Analyses of the Costs of Complying with the Kyoto Protocol

CEA

1. Most of the witnesses today have cited various economic studies that purport to show the cost of complying with the Kyoto Protocol. Some of these studies seem to suggest that the costs will be minimal and painless, or even result in net economic benefits. Other studies cited seem to show just the exact opposite: that compliance costs will be staggering and result in job losses and economic stagnation. What accounts for such wide discrepancies in these economic analyses?

Relationship of U.S. Commitments Under the Kyoto Protocol to Changes Caused by Electricity Restructuring and Implementation of the New, More Stringent, Clean Air Act Requirements

EPA

2. The energy industry is already facing challenges in meeting changes caused by electricity restructuring and implementation of the new, more stringent, Clean Air Act requirements. How will the proposed U.S. commitments under the Kyoto protocol relate to those on-going efforts?

Military/National Security Implications of the Kyoto Protocol State

3. Does the Kyoto agreement in any way interfere with the ability of the U.S. military to carry out any military mission or protect our national security?

Administration's Intentions to Implement the Kyoto Protocol in the Absence of Senate Ratification CC Task Force

4. The President has proposed a $6 billion R&D and tax credit program to begin to reduce greenhouse gas emissions. Does this mean that the Administration intends to proceed with implementation, even though the treaty by the Administration's own admission does not meet the President's requirements, and despite the lack of Senate ratification?

STATEMENT OF THE HONORABLE DAN SCHAEFER
SUBCOMMITTEE ON ENERGY AND POWER

HEARING ON THE KYOTO PROTOCOL AND ITS ECONOMIC IMPLICATIONS

MARCH 4, 1998

I'd like to welcome everyone to today's hearing on the Kyoto Protocol and its economic Implications.

Unfortunately, after 6 hearings, my concerns about where the Administration is headed with this agreement seem to increase rather than decrease with every time we have an opportunity to look closely at the domestic implications of this Issue.

Today I hope to focus my questions on the results of the economic analysis contained in the prepared testimony for today. Last July, the Administration released a document at least 59 people across the Administration spent nearly two years developing. That economic analysis determined the cost of stablizing greenhouse gas emissions to 1990 levels by the year 2010 would require the equivalent of a $95 per ton carbon tax. The day that document was made public the Administration called it a "flawed" effort.

Today we are presented with the result of analysis conducted, I presume, in the three months post-Kyoto that, apparently using at least one of the same models used in the previous analysis, produces vastly different results for a more ambitious target, $14-23 per ton of carbon.

What disturbs me the most about this outcome is it appears to be based on assumptions about the outcome of future negotiations that may never materialize. To be specific: according to Ms. Yellen's testimony, the cost of complying with the Kyoto Protocol is reduced between 50 and 75 per cent if there is efficient international emissions trading. However, the details of emissions trading are, unfortunately, one of the things the Administration has left to work out in a future negotiation. And other parties to this agreement and non-governmental groups are already positioning themselves to place as many restrictions as possible on emissions trading. In this context, I would remind you of the history of joint implementation. The Rio Treaty provides for it, but in subsequent negotiations the promise it held for significantly reducing costs of compliance proved hollow when it was limited to developed countries only.

Similarly, Ms. Yellen's testimony notes that the cost of compliance is further reduced if we can secure full participation by developing countries in the emissions trading markets. I am extremely disturbed if this was relied upon to reach the cost prediction in today's testimony because with respect to meaningful developing country commitments under the Kyoto Protocol: it is a done deal and they don't have any.

In order for us to fully analyze the Administration's economic analysis and the assumptions used, I am formally requesting that the Administration provide to this Subcommittee, no later than two weeks from today, the complete analysis of the conclusions presented in today's testimony, any other economic analysis that was done that reached different conclusions, and I ask that the Administration send its analysis out for peer review. The reason why understanding this analysis is so important was highlighted in an article that appeared in the Washington Post this morning: Robert Stavins, an economist at Harvard noted: the impact can be relatively small if done in the smartest possible way. "But if we don't do it that way it will cost 10 times what the Administration is saying."

Finally, I am pleased that the Administration is supportive of the idea of electricity restructuring. I too believe it will bring real savings to electricity consumers. Unfortunately, it is becoming clear to me that the Administration support restructuring as a way to mask the costs of complying with this treaty from American consumers. As I stated at the last hearing I would like the benefits of restructuring to flow to the consumers and not be spent buying emissions credits from a foreign government.

I hope today the Administration can answer our questions about the agreement in a straightforward manner. I look forward to the testimony and exploring all of these issues during the question and answer period.

Thank you.

HOUSE REQUESTS FOR CLIMATE CHANGE MATERIALS:
Requests for new analysis or existing documents

[checked with NEC, CEA, CEQ, OMB, OSTP, State, Treasury, Commerce, Energy]

Schaefer -- COMMERCE

to Yellen during Subcommittee Chair Schaefer's opening statement (due March 18)

- provide the complete analysis of the conclusions presented in Yellen's testimony and any other economic analysis that was done that reached different conclusions

McIntosh (I) -- GOVERNMENT REFORM AND OVERSIGHT

to OMB and CEQ from McIntosh (due March 20)

- all of the economic data and analyses upon which the Administration relied to determine that the President's FY99 budget proposal is necessary to place the US in a "position where we will be further down the road and won't have to make the kind of drastic reductions that otherwise might be called for"and provide all records containing comments by other federal agencies on the drafts.

- provide and document the Administration's annual performance measures for its 5-year Climate Change Technology Initiative (CCTI)... the 1990 US emissions level, data on actual emissions reductions for FY97, and then projected emissions reductions beginning in FY97 and then for each year up to and including FY2003.

- provide the environmental and economic data and analyses that support the claim that the CCTI is a "no regrets" policy

- produce all records indicating the alternative policy options that the Administration analyzed, such as integrated pollution prevention, performance-based regulation, and multi-media regulation.

- fully document the cost-effectiveness of the Administration's proposal when compared to other available options

- fully document the opportunity costs of committing such a significant amount of our nation's resources

- provide all records of comments by other federal agencies on analyses of alternative policy options, their cost-effectiveness and the opportunity costs

- provide any Environmental Impact Statement (EIS) that was prepared in connection with the Administration's requests for tax incentives and research funding to facilitate greenhouse gas emissions.

- provide any economic and legal analyses that demonstrate that US obligations can be met without constraining U.S. economic growth and without imposing onerous and costly regulation

- provide all records of deliberations and all economic analysis and comments on whether emissions reductions would result in lower growth

- provide analyses upon which Administration relied in deciding that emissions reductions below the 1990 baseline are acceptable

- provide federal agency comments on any private sector analyses that Admin reviewed prior to Kyoto

- document steps that the Administration has taken to comply with Byrd-Hagel Resolution

- provide records of all meetings of the IAT group and information on any workshops conducted. Also produce all analyses performed by the group and provide all records of written or oral comments from other federal agencies on the IAT's analyses and advice.

- provide all economic analyses that were prepared for the Administration and the US delegation to review in developing its positions for Kyoto and provide all records containing comments from other agencies

- provide any and all analyses that the Administration or any Federal agency prepared (or is preparing) of the costs and benefits of imposing on the US the binding targets and timetables set forth in the Kyoto Protocol

- provide all records of written or oral comments from other federal agencies on each of the cost/benefit analyses that were performed

- analyze whether the benefits of implementing the Protocol are justified by the costs

- evaluate the effectiveness of the agreement by comparing marginal abatement costs of alternative scenarios (to be evaluated under specific conditions listed in ltr)

- evaluate the opportunity costs of pursuing the Admin's strategy for the abatement of greenhouse gas emissions (to be evaluated under specific conditions listed)

- evaluate how benefits and burdens of complying with this treaty would be distributed on the national and household levels, describing the disparate regional and industrial sector impacts and the effects on different income levels (to be evaluated under specific conditions listed

- explain potential effects of Kyoto on GDP, per capita GDP, unemployment, income and real wages, trade competitiveness and energy prices

- evaluate fully the potential offsetting negative effects on exempting developing countries and of "carbon leakage"

- evaluate the impact that this will have on the ability of emerging countries with export markets to transition to more energy-efficient technologies

- provide all records of comments submitted by federal agencies on Dr. Janet Yellen's draft testimony about the economics of Kyoto

- provide and document estimates of the percentage of US emissions reductions that might have to be purchased from other countries to minimize the costs of reducing emissions

<u>McIntosh (II) -- GOVERNMENT REFORM AND OVERSIGHT</u>

to OMB and CEQ from McIntosh (due March 24)

- provide a table with FY 89 - FY 99 historical budget authority, on agency-by-agency basis, for the various components of the President's "Climate Change Technology Initiative"... For each component, please indicate each specific budget account and a brief description of the program (with requests to explain specific budget provisions)

- provide a table with FY 89- FY99 historical budget authority, on an agency by agency basis, for the various components of the "US Global Change Research Program," which were or are devoted exclusively to climate change R&D (with requests to explain specific budget provisions)

- provide a table with FY89-FY99 historical budget authority, on an agency by agency basis, for any other components of the Administration's climate change program (with requests to explain specific budget provisions)

<u>McIntosh (III) -- GOVERNMENT REFORM AND OVERSIGHT</u>

to NEC and Treasury from McIntosh (due March 31)

- provide a table with FY 89 - FY 99 historical budget authority, on agency-by-agency basis, for the various components of the President's "Climate Change Technology Initiative"... For each component, please indicate each specific budget account and a brief description of the program.

- provide a table with FY89-FY99 historical budget authority for your agency for the various components of the "US Global Change Research Program"

- provide a table with FY89-FY99 historical budget authority for your agency for any other components of the Administration's climate change program

- provide a table showing what part of FY99 request is funding to continue initiatives funded in

FY 98 or prior years and what part is brand new activity.

- provide a table for FY93-FY97 identifying all assistance and contract awards to non-profit and for-profit organizations for any climate change activity. Provide a copy of any final report from these awards

- provide all drafts and analyses from any interagency effort since 1993 re: current or new legislation or rules, production or review of any environmental data and/or analyses, production or review of any cost-benefit data or analyses, production or review of any economic data and/or economic analyses, and any comments from your agency on any drafts

- provide a copy of all data or analyses prepared or any comments by your agency on any environmental cost-benefit and/or economic data and analyses relating to the White House Initiative on Global Climate Change

- provide a copy of any draft testimony on climate change by Administration witnesses since the President's 1998 State of the Union address and comments by your agency

- provide a copy of all drafts and supporting analyses and any comments from other Fed agencies on any alternative policy options for climate change that were suggested by your agency

- provide any and all legal and policy analyses regarding the applicability and availability of existing legislation to implement the Kyoto Protocol and any comments from other Federal agencies on the analyses

- provide any and all analyses that were prepared or considered of the cumulative effects on the US economy and/or energy system of all or any combination of regulations that were issued since 1992, that were proposed, and that are being developed that have or will have such effects

- provide copies of all drafts and any comments provided by your agency on documents relating to international emissions trading, joint implementation, and/or the Clean Development Mechanism

McIntosh (IV) -- GOVERNMENT REFORM AND OVERSIGHT

to CEA from McIntosh (due April 7)

- provide a table with FY 89 - FY 99 historical budget authority for your agency for the various components of the President's "Climate Change Technology Initiative"... For each component, please indicate each specific budget account and a brief description of the program.

- provide a table with FY 89- FY99 historical budget authority for your agency for the various components of the "US Global Change Research Program," which were or are devoted exclusively to climate change R&D.

    - if funded in any of FY93-FY97, provide evidence of any accomplishments from these dollars. Also, for requested funding in FY99, please indicate any program performance measures for the requested funding, and for each such measure, please provide data for the 1990 base year and annual data for the most recent 3-year period for which data are available.

- provide a table with FY89-FY99 historical budget authority for your agency for any other components of the Administration's climate change program

- provide a table showing what part of FY99 request is funding to continue initiatives funded in FY 98 or prior years and what part is brand new activity.

- identify the full set of your agency-specific performance measures for the Administration's Climate Change proposal, including data for at least the 1990 base year, FY97, FY98 and FY99. Also, please identify how any of your agency specific measures relate to those for any other Federal agency. Describe any interagency efforts to identify and relate the entire set of climate change performance measures, including which agencies are involved and the names of the agency representatives.

- provide a table for FY93-FY97 identifying all assistance and contract awards to non-profit and for-profit organizations for any climate change activity. Provide a copy of any final report from these awards

- provide all drafts and analyses from any interagency effort since 1993 re: current or new legislation or rules, production or review of any environmental data and/or analyses, production or review of any cost-benefit data or analyses, production or review of any economic data and/or economic analyses, and any comments from your agency on any drafts

- provide a copy of all data or analyses prepared or any comments by your agency on any environmental cost-benefit and/or economic data and analyses relating to the White House Initiative on Global Climate Change

- provide a copy of any draft testimony and comments by your agency on climate change by Administration witnesses since the President's 1998 State of the Union address

- provide a copy of all drafts and supporting analyses and any comments from other Fed agencies on any alternative policy options for climate change that were suggested by your agency

- identify and describe all agency initiatives to revise any existing legislation or propose any new legislation relating to climate change

- provide any and all legal and policy analyses regarding the applicability and availability of existing legislation to implement the Kyoto Protocol and any comments from other Federal agencies on the analyses

- identify and describe all such initiatives to revise any existing rules or propose any new rules relating to climate change, including any cost-benefit analysis, and a timetable for their development and promulgation.

- provide any and all analyses that were prepared or considered of the cumulative effects on the US economy and/or energy system of all or any combination of regulations that were issued since 1992, that were proposed, and that are being developed that have or will have such effects

- provide copies of all drafts and any comments provided by your agency on documents relating to international emissions trading, joint implementation, and/or the Clean Development Mechanism.

- provide all analyses that support the Administration's conclusion that impacts on the US economy of complying with the terms of the Kyoto Protocol "are likely to be modest." and all records of comments from federal agencies

- analyses that support the statement that US electricity restructuring "will offer approximately $20 billion in cost savings." and all records of comments from other agencies

- analyses that support the statement that emissions trading among Annex I countries "can reduce the cost to the United States of achieving its targets for 2008-2012 emissions by about half" and all records of comments from other agencies

- analyses that support the statement that emissions trading among a subset of Annex I countries "can reduce costs by an estimated 60-70 percent" and all records of comments from other agencies

- explain and fully document how more limited trading among the subset of countries would produce greater cost reductions than from either trading among all Annex I countries or trading with the full participation of non-Annex I countries. And provide all records of comments from other agencies

- analyses that supports the statement that the Clean Development Mechanism "might shave costs by roughly another 20 to 25 percent" and all records of comments from other agencies

- analyses that supports the statement that overall costs "would reach roughly one tenth of one percent of projected GDP in 2010" and all records of comments from other agencies

- analyses that supports the assumption that the rate of improvement in energy efficiency will be 1.0 percent per year and all records of comments from other agencies

- analyses that supports the statement that the estimated effect on energy prices will range from $14 to $23 per ton of carbon equivalent" and all records of comments from other agencies

- analyses that supports the statement that "in energy-intensive sectors some employment reduction could occur, although given the very small predicted change in energy prices, impacts in most such sectors are apt to be minimal. Furthermore, a large number of jobs will be created in other sectors -- many of them high-tech jobs paying high wages", and all records of comments from other agencies

- analyses that support the Administration's estimate that benefits relating to traffic congestion, highway accidents and air pollution unrelated to climate change "could offset approximately a quarter of the resources cost of climate change policy", and all records of comments from other agencies

- specify all of the models and analytical tools that the Administration has used and describe in detail their strengths and weaknesses

- specify all the Administration's estimates that were derived by the SGM model, indicate why many of the Administration's key estimates were derived from this model, and identify the corresponding estimates derived from each model that the Administration has used in assessing the impacts of the Kyoto Protocol

- provide the 1990 baseline, the FY97-98 data, and the annual outyear estimates until 2012 for the following outcome performance measures: morbidity rates for some diseases, mortality rates for some causes, monetary damages from temperature increases, consequences from some catastrophes, traffic congestion, highway accidents and air pollution unrelated to climate change

- provide any and all analyses that the Administration or any Federal agency prepared (or is preparing or is having prepared) of the costs and benefits of imposing on the US the binding targets and timetables set forth in the Kyoto Protocol

- analyze whether the benefits of implementing the Protocol are justified by the costs

- evaluate the effectiveness of the agreement by comparing marginal abatement costs of alternative scenarios (to be evaluated under specific conditions listed)

- evaluate the opportunity costs of pursuing the Admin's strategy for the abatement of greenhouse gas emissions (to be evaluated under specific conditions listed)

- evaluate how benefits and burdens of complying with this treaty would be distributed on the national and household levels, describing the disparate regional and industrial sector impacts and the effects on different income levels (to be evaluated under specific conditions listed

- for any analysis provided, identify and explain the basis for assumptions used regarding such factors as the rate of improvement in energy efficiency, the effectiveness of market incentives in increasing the market share of fuels that emit less carbon, and economic and demographic growth. And explain fully any assumptions on how emissions reductions will be achieved as, for example, through the early retirement of coal plants or nuclear plant life extensions.

- evaluate the extent to which the Administration's climate change strategy will require the diversion of funds from savings and/or investments which would have provided other benefits , such as social security, or more funding for education, heath care, etc.

- explain potential effects of Kyoto on GDP, per capita GDP, unemployment, income and real wages, trade competitiveness and energy prices

- evaluate the potential offsetting negative effects of exempting developing countries

- evaluate the impact that exempting developing countries will have on the ability of emerging countries with export markets to transition to more energy efficient technologies

- the rate that the Admin expects the economy to grow during the next 10 to 20 years with or without the Kyoto treaty

- provide peer-reviewer comments on all drafts of cost-benefit analyses performed by the Administration

- provide all records of written or oral comments from other federal agencies on each of the cost-benefit analyses that were performed

- provide all records of comments submitted by federal agencies on Yellen's testimony before the House Commerce Committee on March 4

- identify all private parties that are currently performing economic analysis of the Kyoto treaty, describe their work and provide all products of their work in draft of final form

- provide and document estimates of the percentage of US emissions reductions that might have to be purchased from other countries to minimize the costs of reducing emissions and which countries would be the beneficiaries

<u>Talent -- SMALL BUSINESS</u>

to CEQ from Talent (due March 18)

- any and all regulatory impact or economic analysis performed by federal agencies, contractors or grantees regarding implementation of the Kyoto Protocol

- any and all activities and/or plans for federal agency implementation of the Kyoto Protocol;

- any and all evidence, documentation or scientific bases for the existence of the phenomenon described as Global Warming

- copies of any side agreements, memoranda, protocols or other documents concerning the Kyoto Protocol entered into or contemplated between the Executive Branch and other nations, parties or non-governmental entities

<u>Sensenbrenner (I) -- COMMITTEE ON SCIENCE</u>
to CEQ from Sensenbrenner (due March 19)

- copy of NOAA report and accompanying data/statistics

- copy of Goddard Institute for Space Studies/NASA confirmation

- copy of East Anglia University confirmation

- copy of Lancet article

- a copy of the studies that suggest that the costs of compliance can be significantly reduced if flexible implementation is permitted

- a copy of the "more detailed economic analysis"

<u>Sensenbrenner (II) -- COMMITTEE ON SCIENCE</u>
to OSTP from Sensenbrenner (due March 19)

- copy of NOAA report and accompanying data/statistics

- copy of Goddard Institute for Space Studies/NASA confirmation

- copy of East Anglia University confirmation

- copy of study that estimates that climate change could double the number of weather-related deaths

Schaefer

STATEMENT OF THE HONORABLE DAN SCHAEFER
SUBCOMMITTEE ON ENERGY AND POWER

HEARING ON THE KYOTO PROTOCOL AND ITS ECONOMIC IMPLICATIONS

MARCH 4, 1998

I'd like to welcome everyone to today's hearing on the Kyoto Protocol and its economic implications.

Unfortunately, after 6 hearings, my concerns about where the Administration is headed with this agreement seem to increase rather than decrease with every time we have an opportunity to look closely at the domestic implications of this issue.

Today I hope to focus my questions on the results of the economic analysis contained in the prepared testimony for today. Last July, the Administration released a document at least 59 people across the Administration spent nearly two years developing. That economic analysis determined the cost of stabilizing greenhouse gas emissions to 1990 levels by the year 2010 would require the equivalent of a $95 per ton carbon tax. The day that document was made public the Administration called it a "flawed" effort.

Today we are presented with the result of analysis conducted, I presume, in the three months post-Kyoto that, apparently using at least one of the same models used in the previous analysis, produces vastly different results for a more ambitious target, $14-23 per ton of carbon.

What disturbs me the most about this outcome is it appears to be based on assumptions about the outcome of future negotiations that may never materialize. To be specific: according to Ms. Yellen's testimony, the cost of complying with the Kyoto Protocol is reduced between 50 and 75 per cent if there is efficient international emissions trading. However, the details of emissions trading are, unfortunately, one of the things the Administration has left to work out in a future negotiation. And other parties to this agreement and non-governmental groups are already positioning themselves to place as many restrictions as possible on emissions trading. In this context, I would remind you of the history of joint implementation. The Rio Treaty provides for it, but in subsequent negotiations the promise it held for significantly reducing costs of compliance proved hollow when it was limited to developed countries only.

Similarly, Ms. Yellen's testimony notes that the cost of compliance is further reduced if we can secure full participation by developing countries in the emissions trading markets. I am extremely disturbed if this was relied upon to reach the cost prediction in today's testimony because with respect to meaningful developing country commitments under the Kyoto Protocol: it is a done deal and they don't have any.

seek derivation of #5

In order for us to fully analyze the Administration's economic analysis and the assumptions used, I am formally requesting that the Administration provide to this Subcommittee, no later than two weeks from today, the complete analysis of the conclusions presented in today's testimony, any other economic analysis that was done that reached different conclusions, and I ask that the Administration send its analysis out for peer review. The reason why understanding this analysis is so important was highlighted in an article that appeared in the Washington Post this morning: Robert Stavins, an economist at Harvard noted: the impact can be relatively small if done in the smartest possible way. "But if we don't do it that way it will cost 10 times what the Administration is saying."

Finally, I am pleased that the Administration is supportive of the idea of electricity restructuring. I too believe it will bring real savings to electricity consumers. Unfortunately, it is becoming clear to me that the Administration support restructuring as a way to mask the costs of complying with this treaty from American consumers. As I stated at the last hearing I would like the benefits of restructuring to flow to the consumers and not be spent buying emissions credits from a foreign government.

I hope today the Administration can answer our questions about the agreement in a straightforward manner. I look forward to the testimony and exploring all of these issues during the question and answer period.

Thank you.

→ Provide analysis that supports our policy –
testimony

these materials are at the testimony that support

→ other material makes assumps that are not our policy

McIntosh I

ONE HUNDRED FIFTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT
2157 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6143

March 6, 1998

BY FACSIMILE

The Honorable Franklin D. Raines
Director
Office of Management and Budget
Washington, D. C. 20503

The Honorable Kathleen A. McGinty
Chair
Council on Environmental Quality
Washington, D. C. 20502

Dear Director Raines and Chair McGinty:

The Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs is conducting an inquiry concerning the economic, legal, and regulatory implications of the Administration's efforts to jump-start the process of reducing greenhouse gas emissions under the terms of the Kyoto Protocol.

Pursuant to the Constitution and Rules X and XI of the United States House of Representatives, please provide the Subcommittee with detailed information in response to the attached questions. In responding to this inquiry, please restate each question and subpart with each of your answers, and please follow the definitions and instructions concerning the production of records on the attached page.

Please provide your responses to the written questions and requests for production of records by March 20, 1998 to the Subcommittee's office in Room B-377 Rayburn. In addition, please contact Larisa Dobriansky, Senior Counsel, at (202) 225-4407 as soon as practicable to coordinate the timely production of the information to the Subcommittee.

Thank you for your cooperation in this matter.

Sincerely,

David McIntosh

David M. McIntosh
Chairman
Subcommittee on National Economic Growth,
Natural Resources, and Regulatory Affairs

cc: The Honorable Dan Burton, Chairman
Committee on Government Reform and Oversight

The Honorable John Tierney, Ranking Member
Subcommittee on National Economic Growth,
Natural Resources, and Regulatory Affairs

The Honorable Henry Waxman, Ranking Member
Committee on Government Reform and Oversight

Questions on the Administration's Global Climate Change Policy Actions

IMPLEMENTATION WITHOUT RATIFICATION

"We have no intention through the back door or anything else, without Senate confirmation, of trying to impose or take any steps to impose what would be binding restrictions on our companies, on our industry, on our business, on our agriculture, on our comerce, or on our country, until and unless, the Senate of the United States says so."

Statement of the Honorable Stuart E. Eizenstat
Under Secretary of State for Economic, Business, and Agricultural Affairs
Before the U.S. Senate Committee on Foreign Relations
February 1998

"Whether there is an agreement in Kyoto or not, the United States is prepared, under President Clinton's leadership, to unilaterally take steps that we believe should be taken in order to deal with this problem."

Statement of Vice President Gore
December 1997

Unilateral Executive Actions on a Global Issue.

Q 1. Given that the Kyoto Protocol seeks to address a global issue, isn't it harmful to U.S. interests to proceed without the full participation of developing countries? Globe

Q 2. Besides being unconstitutional, isn't it also premature and possibly counterproductive for the United States to take unilateral executive branch action, without ratification, when the Administration has characterized the Protocol as a "work in progress"? Globe

A Budget Request without Justification or Ratification.

Q 3. How can the Administration claim that its proposed Climate Change Technology Initiative (CCTI) is not intended to implement the Kyoto Protocol, when this initiative has been made an integral part of the President's Global Climate Change Initiative, and the initiative is specifically designed to alter market behavior in furtherance of the treaty's emissions reductions targets? CC Task Force

4a. In a hearing before the Senate Foreign Relations Committee on February 11, 1998, Under Secretary of State Eizenstat testified that the tax incentives and research funding that the President requested in his Fiscal Year (FY) 1999 Budget proposal are necessary to place the U.S. in a "position where we will be further down the road and won't have to make the kind of drastic CEA

NEC?

reductions that otherwise might be called for." Please provide all of the economic data and analyses upon which the Administration relied for this determination. As to any analysis, please identify who prepared it and provide all records containing comments by other federal agencies on the drafts.

4b. Explain why the President decided to request $6.3 billion in his budget proposal instead of the $5 billion that he stated he would seek at the time that he announced his Climate Change Action Proposal on October 22, 1997. Was this decision affected by the fact that the Administration agreed at Kyoto to commit the U.S. to reducing greenhouse emissions by 7% below 1990 levels rather than stabilizing emissions at 1990 levels? Q OMB

5a. Article 3.2 of the Kyoto Protocol states: "Each Party included in Annex I, by 2005, shall have made demonstrable progress in achieving its commitments under this Protocol." Please explain how the Administration is interpreting this provision of the treaty. Q State

5b. Does the Administration believe that its Global Climate Change Initiative, including the CCTI, will enable the U.S. to make demonstrable progress in achieving its commitments under the Kyoto Protocol? Q CC Task Force

5c. Please provide and document the Administration's annual performance measures for its 5-year Climate Change Technology Initiative (CCTI). In this regard, provide the following: the 1990 U.S. emissions level, data on actual emissions reductions for Fiscal Year 1997, and then projected emissions reductions beginning with Fiscal Year 1997 and then for each year up to and including Fiscal Year 2003. OSTP

5d. Please specify the annual greenhouse gas emissions reductions that the Administration estimates will occur between FY 1999 and FY 2005 from implementing each element of its Global Climate Change Initiative. Q OSTP

6a. The Administration has maintained that the CCTI is a "no-regrets" proposal; that is, regardless of whether or not there is a real threat of global warming, this proposal is justified on its own merits as good energy and environmental policy. In view of this claim, please demonstrate the need for this initiative based on reasons other than facilitating greenhouse gas emissions reductions. Q CEA

6b. In this regard, provide the environmental and economic data and analyses that support this request on its own merits. CEA

6c. Can the Administration point to a significant market failure or demonstrate a compelling public need that necessitates $3.6 billion of new tax incentives and a 73 percent increase in funding to accelerate the development and diffusion of more energy efficient technology? According to OECD data, U. S. energy efficiency since 1980 has improved more than that of most industrialized countries. Q CEA

6d. Please provide a detailed explanation of and produce all records indicating the alternative policy options that the Administration analyzed, including more broadly-based options, such as integrated pollution prevention, performance-based regulation, and multi-media regulation. In this regard, did the Administration evaluate whether existing regulation may be a significant barrier to improving energy efficiency and the environment? CEA

XQ

6e. Please explain in detail and fully document the cost-effectiveness of the Administration's proposal when compared to other available options for improving energy efficiency and the environment. CEA

6f. Please explain in detail and fully document the opportunity costs of committing such a significant amount of our nation's resources in this manner. CEA

6g. As to any analysis provided, identify who prepared it and provide all records of comments by other federal agencies. CEA

Q

7. How realistic and achievable are the targets and timetables that the U.S. delegation agreed to at Kyoto, if it is necessary to take unilateral executive branch actions prior to Senate ratification in order "to get us in a position where we will be further down the road and won't have to make the kind of drastic reductions that otherwise might be called for"? CEA

8. Under section 102 of the National Environmental Policy Act, the federal government is required to provide a detailed environmental impact statement (EIS) and to follow specified procedures for review and comment whenever it is recommending to Congress legislation that "affects the quality of the human environment". Please provide any EIS (or draft EIS, if not finalized) that was prepared in connection with the Administration's requests for tax incentives and research funding to facilitate greenhouse gas emission reductions. With respect to any EIS, identify who prepared the document and provide all records of written and oral comments from other federal agencies. CEQ

The Inescapable Regulatory Backdoor.

9. In its 1997 U. S. Climate Action Report under the current Framework Convention on Climate Change, the Administration made this statement: "Recognizing that even the most draconian measures would likely be insufficient to reverse the growth in greenhouse gases and return U.S. emissions to their 1990 levels by the year 2000, new U.S. efforts are focusing most intensively on the post-2000 period." Based on this assessment, how can the President assert that the U.S. commitments under the Kyoto Protocol are achievable with minimum economic costs? Provide any economic and legal analyses that demonstrate that U.S. obligations can be met without constraining U.S. economic growth and without imposing onerous and costly regulation. Also, please provide two copies of the 1997 U.S. Climate Action Report. CEA

and provide all records containing comments from other federal agencies. If not, please explain fully why not.

Q 17. Is there currently in place an interagency body that is analyzing the economic impacts on the U.S. of the mandatory restrictions specified in the Kyoto Protocol and evaluating alternative domestic policies to achieve those requirements? If so, please provide the same type of information about this group, as well as produce the same type of documents, which were requested in question number 15 above with respect to the "economics team." CEA

18. During its deliberations prior to Kyoto, did the Administration consider whether an agreement to stabilize emissions at 1990 levels or to reduce emissions below 1990 levels would result in <u>lower economic growth</u>? If so, how much lower economic growth did the Administration consider as acceptable in exchange for a treaty that would have at best only a marginal impact on reducing emissions? Please produce all records of such deliberations and all economic analyses and comments thereon (from federal agencies and private parties) that the Administration considered. CEA

Q 19. If the Administration did not prepare cost estimates of the impacts on the U.S. economy and the American people, how did the Administration determine its policy position first to stabilize emissions at 1990 levels by 2008-2012 and then later to deviate with confidence from that position and commit the U.S. to reducing emissions by 7 percent below 1990? CEA

20. At what point prior to or during the negotiations, did the Administration decide that emissions reductions below the 1990 baseline were acceptable? Who in the Administration and in Congress were consulted in making this decision? Did the Administration examine any public or private analyses in reaching this decision? If so, identify and provide the analyses upon which the Administration relied, with all comments that were submitted by any federal agency. CEA

Q 21. If economic analyses were prepared internally to support positions that the Administration intended to take at the Conference, why weren't these analyses made available to Congress and the American public, who all have a right-to-know the potential economic consequences of the President's climate change policies? CEA

22. Did the Administration review any private sector analyses completed prior to Kyoto? If so, please provide all records of comments thereon by federal agencies. CEA

23. The Clinton Administration indicated its recognition of Senate Resolution 98 (the Byrd-Hagel Resolution). Please describe in detail and document the steps that the Administration already has taken and intends to take to assure compliance with each provision of that Resolution.

State

POLICIES WITHOUT ECONOMIC ANALYSIS

"By providing incentives for early action to reduce emissions, attacking domestic energy inefficiencies, and putting in place a market-based emissions trading system, we can reach [our emission reduction targets] with minimum economic costs."

Statement of President Clinton
Climate Change Proposal
October 1997

The Administration's Repeated Failure to Conduct Economic Analysis.

14a. Given the significant economic costs projected by private sector studies, why did the Administration abandon a year and a half-long effort to develop cost estimates of the President's proposed policies to reduce greenhouse emissions? In testimony before the House Subcommittee on Energy and Power on July 15, 1997, the Chair of the Council of Economic Advisers, Dr. Janet Yellen, stated that President Clinton's top priority since his first days in office "has been revitalizing the U.S. economy, creating jobs, and investing in people and technology to enhance long-term growth." CEA

14b. How can the Administration defend its policy actions based on the results of climate models that must take into account significant uncertainties surrounding the effects of human activities on the climate, yet nevertheless consider economic modeling to be "futile" (Dr. Yellen's expression at the House Commerce hearing on July 15, 1997)? CEA

15a. In testimony before the House Commerce Committee in 1997, former Under Secretary of State Timothy Wirth stated that an interagency "economics team" was formed to analyze the impacts of climate change policies.

15b. Please provide the following background information regarding that group: when it was formed, the names of the participants and their agencies, the head of the team, the scope of the group's responsibilities, and to whom the group reported. CEA

15c. Please produce records of all meetings of this group and information on any workshops conducted. Also, produce all analyses performed by the group and provide all records of written or oral comments from other federal agencies on the team's analyses and advice. CEA

16. In developing its positions for the Conference in Kyoto, did the Administration at any point renew its efforts to estimate the costs of various policies to reduce greenhouse gas emissions? If so, please provide all economic analyses that were prepared for the Administration and the U.S. delegation to review. As to each analysis, please indicate who prepared the analysis CEA

Sdw

No Cost/Benefit Analysis of the Kyoto Treaty.

24a. Please provide any and all analyses that the Administration or any federal agency prepared (or is preparing) of the costs and benefits of imposing on the U.S. the binding targets and timetables set forth in the Kyoto Protocol for reducing greenhouse gas emissions, taking into account the global implications of the way in which this agreement is structured. Also, please analyze and document the following: CEA

New analysis

24b. Whether the benefits of implementing this Protocol are justified by the costs; CEA

New analysis

24c. Evaluate the effectiveness of this agreement by comparing the marginal abatement costs of the most plausible alternative scenarios for meeting the Kyoto targets, given the way in which this agreement is structured, with the marginal costs of other reasonable alternative compliance schemes; CEA

New analysis

24d. With respect to each scenario that is analyzed, identify the assumptions used, explain any uncertainties concerning the assumptions, and examine the sensitivity of net benefits to the different compliance strategies, using a range of plausible assumptions about future economic development and about fundamental climate processes; CEA

New analysis

24e. Evaluate the opportunity costs of pursuing the Administration's strategy for the abatement of greenhouse gas emissions under the terms of the treaty; and CEA

New analysis

24f. Evaluate how the benefits and burdens of complying with this treaty would be distributed on the national and household levels, describing, among other things, the disparate regional and industrial sector impacts, and the effects on different income levels. CEA

25a. In evaluating alternative scenarios, please examine the following:

25b. Compare the economic and environmental effects of not including developing countries in the effort to reduce global emissions (with the potential for binding developed countries to even greater obligations, without limiting developing countries) against the effects of addressing greenhouse gas mitigation on a global scale by the international community. CEA

25c. Compare the economic and environmental effects of complying within the timeframes set forth in the Kyoto Protocol with the effects of complying over a longer time period. CEA

25d. Compare the impacts of reducing greenhouse emissions using international emissions trading, joint implementation, and the Clean Development Mechanism with the impacts of relying upon domestic emissions permit trading. In this regard, evaluate alternative international trading scenarios: trading only between Annex I countries, trading that extends to a number of "key" developing countries, and trading in which all countries are fully participating. CEA

New analysis

26. With respect to any analysis provided, please identify and explain the basis for assumptions used regarding such factors as the rate of improvement in energy efficiency, the effectiveness of market incentives in increasing the market share of fuels that emit less carbon, and economic and demographic growth. Also, explain fully any assumptions on how emissions reductions will be achieved, as for example, through the early retirement of coal plants or nuclear plant life extensions. CEA

27. In considering the opportunity costs, evaluate the extent to which the Administration's climate change strategy will require the diversion of funds from savings and/or investments which would have provided other benefits, such as saving social security, or more funding for education, health care, etc. CEA

Q New Analysis

28. In assessing the impacts on the U.S. of complying with the Kyoto targets and timetables, please explain in detail the potential effects on the following indicators of economic performance: gross domestic product (GDP), per capita GDP, unemployment, income and real wages, trade competitiveness, and energy prices. CEA

New analysis

29. In assessing the benefits of complying with the Kyoto treaty, please evaluate fully the potential offsetting negative effects of exempting developing countries and of "carbon leakage." Also, if the economies of developed countries experience reductions in economic growth, evaluate the impact that this will have on the ability of emerging countries with export markets to transition to more energy efficient technologies. CEA

Q

30. President Clinton has suggested that the U.S. economy can continue to grow under this agreement. Please indicate at what rate the Administration expects that the economy will continue to grow during the next ten to 20 years if the treaty is ratified and at what rate it is expected to grow if the treaty is not ratified. CEA

Q

31. Have any of the cost/benefit analyses performed by the Administration or any agency been peer-reviewed? If so, please identify the reviewers provide their comments on the analyses. If not, does the Administration plan to do so? Please describe fully the steps that the Administration plans to take. CEA

Q

32. Please describe in detail the strengths and weaknesses of the methodology of any economic models used. Also, indicate the differences between the models used in any of the cost/benefit analyses performed post-Kyoto and those used in any prior analyses performed by the Administration. CEA

Q

33. In connection with these cost-benefit analyses, fully explain how the baseline(s) against which costs and benefits were calculated was determined. CEA

34a. Please provide all records of written or oral comments from other federal agencies on each of the cost/benefit analyses that were performed. CEA

34b. Please provide all records of comments submitted by federal agencies on Dr. Janet Yellen's draft testimony about the economics of Kyoto for the hearing before the House Commerce Committee on March 4, 1998. CEA

International Emissions Trading: Not a Panacea.

Q 35. As a practical matter, until the Conference of the Parties makes all of the decisions that it is empowered to make under Article 17 of the Kyoto Protocol concerning the establishment of rules and procedures for international emissions trading, isn't it premature for the Administration to forecast definitively that the agreement would result in, at most, modest energy price hikes? CEA

Q 36a. With respect to the rules and procedures for international emissions trading that have yet to be developed, what are the minimum requirements that the Administration is seeking to assure an efficient and effective system for lowering the costs of emissions reductions? CEA

Q 36b. Does the Administration intend to confer with Congress and obtain comments from Congress and the public in developing negotiating positions for Buenos Aires on rules and procedures for an international emissions trading system and for obtaining joint implementation project credit, including the Clean Development Mechanism? State

Q 37a. Why does the Administration believe it can obtain meaningful participation by developing countries and what steps is the Administration taking to achieve this? What indications of potential meaningful participation have been shown by developing countries that prompt this optimism? State

Q 37b. In particular, what are the steps being taken with respect to China, India, Mexico, Brazil, and South Korea and what indications of potential meaningful participation has the Administration received from these countries? State

Q 37c. Which countries does the Administration consider "key," in assuring that "meaningful participation" is secured? State

Q 38. Why does the Administration maintain that the U. S. acid rain program experience "clearly demonstrates how programs like international permit trading, joint implementation and the Clean Development Mechanism will lead firms to find cheaper ways of reducing emissions that can lead to unexpectedly low costs"? Is it appropriate for the Administration to extrapolate from that experience to the global arena? Won't the effectiveness of the international system, joint implementation, and the Clean Development Mechanism depend on such factors as the rules and procedures governing these mechanisms, the extent of participation by other countries, including developing countries, etc? CEA

39a. Even assuming that effective rules and procedures can be developed for an international emissions trading system and for joint implementation projects and that key developing countries agree to participate, isn't there a real risk that these mechanisms could effect an enormous transfer of wealth and jobs out of this country overseas, especially to the countries of the former Soviet Union and emerging countries (i.e., that this system would be essentially a foreign aid program)? Some studies have estimated that more than 50% of our reductions would have to be purchased from other countries. CEA

39b. Please provide and document estimates of the percentage of U.S. emissions reductions that might have to be purchased from other countries to minimize the costs of reducing emissions and which countries likely would be the beneficiaries. CEA

McIntosh II

ONE HUNDRED FIFTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT
2157 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6143

March 2, 1998

BY FACSIMILE

The Honorable Franklin D. Raines
Director
Office of Management and Budget
Washington, D.C. 20503

The Honorable Kathleen A. McGinty
Chair
Council on Environmental Quality
Washington, D.C. 20502

Dear Director Raines and Chair McGinty:

The Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs is conducting oversight of the White House Initiative on Global Climate Change.

Pursuant to the Constitution and Rules X and XI of the United States House of Representatives, please provide the Subcommittee with detailed information in response to the attached questions regarding the budget and performance measures for this initiative. Please restate each question before the corresponding answer.

Please contact Subcommittee Staff Director Mildred Webber at 225-4407 if you have any questions about this request. Please provide this information not later than 12 noon, March 24, 1998 to the Subcommittee in Room B-377 Rayburn.

Thank you in advance for your attention to this request.

Sincerely,

David McIntosh

David M. McIntosh
Chairman
Subcommittee on National Economic Growth,
Natural Resources, and Regulatory Affairs

cc: The Honorable Dan Burton
The Honorable Bernard Sanders

Enclosure

Questions on the White House Initiative on Global Climate Change

1. Please provide a table with Fiscal Year (FY) 89 - FY 99 historical budget authority, on an agency-by-agency basis, for the various components of the President's "Climate Change Technology Initiative," including the previous "Climate Change Action Program/Plan" and any other new or previously authorized Research and Development (R&D) herein (except for the U.S. Global Change Research Program included in Question 2 below). For each component, please indicate each specific budget account and a brief description of the program.

OMB
- For FY 93 and FY 95, please explain why the details in Table S-10 do not equal the totals in Table 6-2 in the Budget of the United States Government Fiscal Year 1996.

OMB
- For FY 97, please explain the difference between the published figures in the Budget of the United States Government Fiscal Year 1998 (estimated $183 million) and the Budget of the United States Government Fiscal Year 1999 (actual $743 million), including any reprogramming from other budget accounts.

OMB
- For FY 99, please explain why the published figures (the requested funding for key sectors) in Table 6-3 of the Budget of the United States Government Fiscal Year 1999 do not equal the total.

Q

OMB DOE EPA USDA DOC
- In Section 2 ("Programmatic Details") of OMB's February 2, 1998 handout, "Climate Change Technology Initiative - 1999 Budget Briefing Materials," please provide the following information associated with each paragraph description: each affected agency and, for each agency, the associated funding in FY 97, FY 98, and FY 99. Also, for each paragraph, and for each agency, please provide evidence of any accomplishments from the FY 97 funding. Lastly, for each paragraph, and for each agency, please indicate any program performance measures for the requested funding and, for each such measure, please provide annual data for the most recent three-year period for which data are available.

2. Please provide a table with FY 89 - FY 99 historical budget authority, on an agency-by-agency basis, for the various components of the "U.S. Global Change Research Program" which were or are devoted exclusively to climate change R&D. For each component, please indicate each specific budget account and a brief description of the program.

OMB
- For FY 93 actual figures for the "U.S. Global Change Research Program," please explain the differences among the published figures in the Budget of the United States Government Fiscal Year 1996 ($1531 million), the Budget of the United States Government Fiscal Year 1997 ($1319 million), and the Budget of the United States Fiscal Year 1998 ($1464 million), including any reprogramming from other budget accounts.

OMB • For FY 95 and FY 96, please explain why the details in Table 7-2 do not equal the totals in Table 6-2 of the Budget of the United States Government Fiscal Year 1996.

USGCRP / IFRIL • For each agency with funding in FY 97, please provide evidence of any accomplishments from the FY 97 funding. Also, for each agency requesting funding in FY 99, please indicate any program performance measures for the requested funding and, for each such measure, please provide annual data for the most recent three-year period for which data are available.

OMB 3. Please provide a table with FY 89 - FY 99 historical budget authority, on an agency-by-agency basis, for any other components of the Administration's climate change program (i.e., in addition to those included in answer to questions 1 and 2). For each component, please indicate each specific budget account and a brief description of the program.

Q 4. Since the Government-wide Performance Plan for FY 1999 does not include any performance measures for the Administration's Climate Change proposal, please identify all government-wide and agency-specific performance measures for the Administration's Climate Change proposal, including data for at least FY 97, FY 98, and FY 99.

DOE • The Performance Plan in DOE's FY 99 Budget submission includes goals of reducing gas emissions by 5 percent in 2010 and reducing energy consumption by 25 percent in 2010. Please provide at least FY 97, FY 98, and FY 99 data on gas emissions and energy consumption to meet these goals.

EPA • EPA's FY 99 Budget includes goals of reducing emissions by 40 million metric tons and reducing energy consumption by 45 billion kilowatts. Please provide at least FY 97, FY 98, and FY 99 data on gas emissions and energy consumption to meet these goals.

DOE/EPA • Please explain whether and how DOE's and EPA's performance measures overlap — i.e., whether they relate to reductions made by only that agency's programs or by all agencies' programs in the aggregate.

03/11/98 12:14 ☎ McIntosh III ☑002

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ONE HUNDRED FIFTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT
2157 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515–6143

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BERNARD SANDERS, VERMONT
INDEPENDENT

March 11, 1998

BY FACSIMILE

The Honorable Gene B. Sperling
Assistant to the President for Economic
Policy, National Economic Council
Washington, D.C. 20500

Dear Mr. Sperling:

The Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs is conducting oversight of the White House Initiative on Global Climate Change.

Pursuant to the Constitution and Rules X and XI of the United States House of Representatives, please provide the Subcommittee with detailed information in response to the attached questions regarding the budget, performance measures, legislation, regulations, and analyses for this initiative. Please restate each question before the corresponding answer.

Please contact Subcommittee Staff Director Mildred Webber at 225-4407 if you have any questions about this request. Please provide this information not later than 12 noon, March 31, 1998 to the Subcommittee in Room B-377 Rayburn.

Thank you in advance for your attention to this request.

Sincerely,

David McIntosh

David M. McIntosh
Chairman
Subcommittee on National Economic Growth,
Natural Resources, and Regulatory Affairs

cc: The Honorable Dan Burton
The Honorable John Tierney

Enclosure

Questions for Each Agency with Any Climate Change Funding

1. Please provide a table with Fiscal Year (FY) 89 - FY 99 historical budget authority for your agency for the various components of the President's "Climate Change Technology Initiative," including the previous "Climate Change Action Program/Plan" and any other new or previously authorized Research and Development (R&D) herein (except for the U.S. Global Change Research Program included in Question 3 below). For each component, please indicate each specific budget account, the specific legislative authority (including the specific statute, the section citation, and the language of the section) for the program, and a brief description of the program.

2. In Section 2 ("Programmatic Details") of OMB's February 2, 1998 handout, "Climate Change Technology Initiative - 1999 Budget Briefing Materials," please provide the following information associated with each paragraph description in which your agency has been funded or is requesting funding: the associated funding in FY 97, FY 98, and FY 99. Also, for each paragraph, for the requested funding in FY 99, please provide evidence of any accomplishments from the FY 93 - FY 97 funding, if any. Lastly, for each paragraph, please indicate any program performance measures for the requested funding, and, for each such measure, please provide data for the 1990 base year and annual data for the most recent three-year period for which data are available.

3. Please provide a table with FY 89 - FY 99 historical budget authority for your agency for the various components of the "U.S. Global Change Research Program" which were or are devoted exclusively to climate change R&D. For each component, please indicate each specific budget account, the specific legislative authority for the program (including the specific statute, the section citation, and the language of the section), and a brief description of the program.

- If funded in any of FY 93 - FY 97, please provide evidence of any accomplishments from these dollars. Also, for requested funding in FY 99, please indicate any program performance measures for the requested funding, and, for each such measure, please provide data for the 1990 base year and annual data for the most recent three-year period for which data are available.

4. Please provide a table with FY 89 - FY 99 historical budget authority for your agency for any other components of the Administration's climate change program (i.e., in addition to those included in answer to questions 1 and 2). For each component, please indicate each specific budget account, the specific legislative authority for the program (including the specific statute, the section citation, and the language of the section), and a brief description of the program.

5. For the FY 99 request, please provide a table showing what part is funding to continue initiatives funded in FY 98 or prior years and what part is brand new activity. For each component, please indicate each specific budget account, the specific legislative authority for the program (including the specific statute, the section citation, and the language of the section), and

a brief description of the program. For each brand new activity, please indicate expected requested funding annually through FY 03.

6. Please identify the full set of your agency-specific performance measures for the Administration's Climate Change proposal (besides those indicated in response to questions 2 and 3), including data for at least the 1990 base year, FY 97, FY 98, and FY 99. Also, please identify how any of your agency-specific measures (including those in response to questions 2 and 3) relate to those for any other Federal agency. Lastly, please describe any interagency efforts to identify and relate the entire set of climate change performance measures, including which agencies are involved and the names of the agency representatives.

7. Please provide a table for FY 93 - FY 97 identifying all assistance (including grants, cooperative agreements, and other transactions) and contract awards to non-profit and for-profit organizations for any climate change activity, including the date, amount of the award, name of the organization, purpose of the award, and a summary of any result(s) from the award. Please provide a copy of any final report from these awards.

8. Since January 1993, has your agency participated in any interagency effort(s) relating to climate change in any of the following areas: (a) review of current legislation and/or the need for any new legislation; (b) review of current rules, any needed revisions to current rules, and/or any needed new rules; (c) production or review of any environmental data and/or analyses; (d) production or review of any cost-benefit data or analyses; and/or (e) production or review of any economic data and/or economic analyses? If so, please identify the interagency effort, its member agencies, its membership not only from your agency but also from other Federal agencies and/or any non-Federal parties, all drafts and analyses from the effort(s), and any comments from your agency on any drafts.

9. Since January 1993, has your agency either prepared or reviewed any environmental, cost-benefit, and/or economic data and analyses relating to the White House Initiative on Global Climate Change? If so, please provide a copy of all data, analyses, and any comments by your agency.

10. Did your agency comment on any of the draft testimony on climate change by Administration witnesses since the President's 1998 State-of-the-Union address (including, but not limited to, testimony by CEA Chair Janet Yellen on the Economics of the Kyoto Protocol before the House Commerce Committee)? If so, please provide a copy of the draft testimony and any comments by your agency.

11. Has your agency suggested any alternative policy options for climate change? If so, please provide a copy of all drafts and supporting analyses and any comments from other Federal agencies on your alternatives.

12. Does your agency plan to revise any existing legislation or propose any new legislation relating to climate change (including legislation that will have the effect of reducing greenhouse gas emissions whether or not that is the intended purpose of the legislation)? If so, please identify and describe all such initiatives, including a timetable for their development and submission to Congress. Also provide any and all legal and policy analyses regarding the applicability and availability of existing legislation to implement the Kyoto Protocol and any comments from other Federal agencies on the analyses.

13. Does your agency plan to revise any existing rules or propose any new rules relating to climate change (including regulatory actions that will have the effect of reducing greenhouse gas emissions whether or not that is the intended purpose of the regulatory action)? If so, please identify and describe all such initiatives, including any cost-benefit analysis, and a timetable for their development and promulgation. Also, provide any and all analyses that were prepared or considered of the cumulative effects on the U. S. economy and/or energy system of all or any combination of regulations that were issued since 1992, that were proposed, and that are being developed that have or will have such effects.

14. Has your agency participated in discussions or reviewed any documents relating to international emissions trading, joint implementation, and/or the Clean Development Mechanism? If so, please provide a copy of all drafts and any comment provided by your agency.

Definitions and Instructions for the Production of Records

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3. To the extent practicable, please organize the records or documents in tabbed binders or folders that indicate which records are responsive to which requests for information.

4. For the purposes of this and related requests in the future, the "record" or "records" shall include any and all drafts, originals, and non-identical copies of any item whether written, typed, printed, electronically recorded, transcribed, punched, or taped, however produced or reproduced, and includes but is not limited to any writing, transcription, or recording, produced or stored in any fashion, including any and all computer entries, memoranda, notes, talking points, letters, journal entries, reports, studies, calendars, manuals, press releases, opinions, documents, analyses, messages, summaries, bulletins, e-mail messages (in hard copy and electronic forms), disks, the text of any alphanumeric messages or other electronic paging devices, briefing materials, cover sheets or routing cover sheets and any other machine readable material of any sort whether prepared by current or former officers and employees, agents, consultants or by any non-employee without limitation. "Record" or "records" shall also include redacted and unredacted versions of the same record.

McIntosh III

DEPARTMENT OF THE TREASURY
LEGISLATIVE AFFAIRS
15TH & PENNSYLVANIA AVE., N.W.
WASHINGTON, D.C. 20220

DATE: 3/13/98 PAGES TO FOLLOW: 5

TO: Michelle Sollin

FAX NUMBER: 395-6958 (395-5084)

FROM: LEGISLATIVE AFFAIRS 622-~~1900~~ 1970 (office) 622-0534 (fax)

Marne Levine

COMMENTS

Per your request. pls call.

1998-SE-003057

002

ONE HUNDRED FIFTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT
2157 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6143

MAJORITY (202) 225-5074
MINORITY (202) 225-5051
TTY (202) 225-6852

BY FACSIMILE

March 11, 1998

The Honorable Robert E. Rubin
Secretary
Department of the Treasury
Washington, D.C. 20220

Dear Secretary Rubin:

The Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs is conducting oversight of the White House Initiative on Global Climate Change.

Pursuant to the Constitution and Rules X and XI of the United States House of Representatives, please provide the Subcommittee with detailed information in response to the attached questions regarding the budget, performance measures, legislation, regulations, and analyses for this initiative. Please restate each question before the corresponding answer.

Please contact Subcommittee Staff Director Mildred Webber at 225-4407 if you have any questions about this request.. Please provide this information not later than 12 noon, March 31, 1998 to the Subcommittee in Room B-377 Rayburn.

Thank you in advance for your attention to this request.

Sincerely,

David McIntosh

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Chairman
Subcommittee on National Economic Growth,
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cc: The Honorable Dan Burton
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a brief description of the program. For each brand new activity, please indicate expected requested funding annually through FY 03.

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3. To the extent ...

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SENSENBRENNER I

U.S. HOUSE OF REPRESENTATIVES

COMMITTEE ON SCIENCE

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WASHINGTON, DC 20515–6301
(202) 225–6371
TTY: (202) 226–4410
http://www.house.gov/science/welcome.htm

February 26, 1998

The Honorable Kathleen A. McGinty
Chair
Council on Environmental Quality
Room 360
Old Executive Office Building
Washington, D.C. 20503

Dear Ms. McGinty:

I wish to express my sincere appreciation for your testimony during the February 4, 1998 Committee on Science "The Road from Kyoto—Part 1: Where Are We, Where Are We Going, and How Do We Get There?" hearing.

Enclosed are additional questions from Members of the Committee, as well as a copy of the hearing transcript. Your responses will be published as part of the official record of the hearing. In addition to a hard copy of your answers, the Committee requires an additional copy, including any supporting graphs or charts, saved on a DOS formatted 3.5 inch diskette, in either Word Perfect, Word or ASCII text. Please send your responses to Ms. Sarah Monahan of the Committee staff. If you prefer, you may E-mail your responses to sarah.monahan@mail.house.gov.

I would appreciate receiving your responses to the enclosed questions by **Thursday, March 19, 1998.**

Also enclosed is a copy of the verbatim transcript for your review. The Committee's rule pertaining to the printing of transcripts is as follows:

> *The transcripts...shall be published in verbatim form, with the material requested for the record, as appropriate. Any requests to correct any errors, other than transcription, shall be appended to the record, and the appropriate place where the change is requested will be footnoted.*

The complete revisions to the transcripts submitted for the record must be received by Thursday, March 12, 1998, and should be sent to Ms. Sarah Monahan, Subcommittee on Energy and Environment, H2-389 Ford House Office Building, Washington, DC 20515. If you have any questions, please contact Ms. Monahan at (202) 225-9662.

Thank you again for making this hearing successful. Once the transcript has been completed and published, a copy will be forwarded to you.

Sincerely,

F. JAMES SENSENBRENNER, JR.
Chairman

FJS:hlw

COMMITTEE ON SCIENCE
U.S. HOUSE OF REPRESENTATIVES

Hearing
on

The Road from Kyoto—Part 1:

Where Are We, Where Are We Going, and How Do We Get There?

Wednesday, February 4, 1998

Post-Hearing Questions
Submitted to

The Honorable Kathleen A. McGinty
Chair
Council on Environmental Quality

Post-Hearing Questions Submitted by Chairman Sensenbrenner

Documentation of 1997 Temperature Statistics

OSTP

1. On page 1 of your written testimony, you state:

"Based on extensive ground-based measurements, the National Oceanic and Atmospheric Administration (NOAA) -- our lead national agency for collecting weather statistics -- reported that 1997 was the warmest year based on records that date back over a century. While the temperature in any one year cannot prove or disprove anything about global warming, this year's statistics, further confirmed by two other sources of information about global surface temperatures (the Goddard Institute for Space Studies/NASA and the researchers at East Anglia University in the U.K.), follow a clearly emerging pattern. The nine warmest years of the century have occurred in the past 11 years."

1.1 Please provide a copy of NOAA report and accompanying data/statistics referred to in your statement above.

1.2 Please provide a copy of the Goddard Institute for Space Studies/NASA confirmation and accompanying data/statistics referred to in your statement above.

1.3 Please provide a copy of the East Anglia University confirmation and accompanying data/statistics referred to in your statement above.

1.4 Please document your statement that "The nine warmest years of the century have occurred in the past 11 years."

Temperature Record: Land-Based Versus Satellite Data

OSTP

2. Your testimony refers to the recent announcement that 1997 was the warmest year in the temperature record. However, the land-based temperature data do no comport with satellite data, which show a slight cooling trends (-0.05°C per decade) over the last 19 years. In fact, 1997 was the 8th coolest year in the satellite record, just slightly less than the 19-year average. How do you explain the discrepancy between these two data sets?

The Lancet Study on Particulate Matter-Related Health Impacts of Greenhouse Gas Mitigation and Reduction in Deaths and Greenhouse Gas Emissions Doe to EPA's Recently Promulgated Fine Particulate Standard

3. On page 2 of your written testimony, you state: OSTP / EPA. OAR

> "A second development relates to a study published in November in the medical journal Lancet. Most studies have examined the impacts of climate change on human health in terms of increased fatalities due to heat stress or the spread of infectious diseases. While by themselves, these areas represent considerable human health risks, this new study by the Working Group on Public Health and Fossil Fuel Combustion looked at the short-term impacts on mortality from air-borne particulate matter assuming no changes in estimates of energy use from fossil fuels. The analysis found that an estimated 8 million deaths globally due to exposure to fine particulates could be avoided between 2000 and 2020 if substantial steps were taken to limit greenhouse gas emissions from burning fossil fuels. In the United States alone, the study reports that thousands of deaths annually could be avoided during the 2000-2020 period. This study presents an important near-term benefit from actions to reduce greenhouse gas emissions that must be considered in addition to the long-term benefits of avoiding climatic disruptions. EPA's recently promulgated fine particulate standard begins to address this public health concern and should result in both some reductions in greenhouse gas emissions along with reducing the number of deaths associated with exposure to fine particulates."

3.1 Please provide a copy of *The Lancet* article referred to above.

3.2 What level of reductions in greenhouse gas emissions and in the number of deaths associated with exposure to fine particles will result from EPA's recently promulgated fine particulate standard. begins to address this public health concern and should result in both some reductions in greenhouse gas emissions along with reducing the number of deaths associated with exposure to fine particles."

3.3 Please document the figures provided in the response to question 3.2 above.

The Kyoto Protocol and the Rate of Increase of the Build-Up of Greenhouse Gases in the Atmosphere and the Corresponding Temperature Changes

4. On page 2 of your written testimony, you also state: OSTP

"Although the agreement reached in Kyoto will not reverse the build-up of greenhouse gases in the atmosphere, it will begin slowing the rate of increase."

Q

4.1 How much will the Kyoto Protocol slow the rate of increase of the build-up of greenhouse gases in the atmosphere?

4.2 What is the estimate of the atmospheric concentrations of each of the six greenhouse gases in each of the years 2050 and 2100, and what is the estimate of the corresponding warming due to those increased concentrations in the absence of the Kyoto Protocol?

Q

4.3 What is the estimate of the atmospheric concentrations of each of the six greenhouse gases in each of the years 2050 and 2100, and what is the estimate of the corresponding warming due to those increased concentrations if the terms of the Kyoto Protocol are met?

Submission of the Kyoto Protocol to the Senate for Ratification and "Meaningful Participation by Key Developing Countries"

State

5. On page 2 of your written testimony, you also state:

"The President has made it clear that he does not intend to send the Kyoto Protocol to the Senate for ratification until we have achieved meaningful participation by key developing countries."

Q

5.1 Which developing nations are "key?"

5.2 What does "meaningful participation" mean and what will the United States seek from developing countries? Please be specific about the kinds of limitations, reductions, or other obligations that the United States will be seeking in negotiations and discussions.

5.3 Please explain all of the considerations that bear on the issue of when the President will submit the Kyoto Protocol to the Senate for ratification.

Q

5.4 Before the President submits the Kyoto Protocol to the Senate for ratification, do "key" developing countries have to make legally binding, quantitative commitments to limit the growth of their greenhouse gas emissions, and if so, which countries would have to make such commitments?

5.5 Whatever it is that "key" developing countries have to do before the President submits the Kyoto Protocol to the Senate for ratification, will it satisfy the Administration's requirement if it is done by means of a bilateral or multilateral agreement with the United States that is not in the form of a new protocol or an amendment to the Convention or to the Kyoto Protocol?

Signing of the Kyoto Protocol

State

Q

6. Will the President, or the Vice President, or another person with the authority to do so sign the Kyoto Protocol as it currently exists and if so, when the signing take place?

7. If your answer to question 6 above is not definitive, please explain all of the considerations that bear on the issue of whether or when the President, or the Vice President, or another person with the authority to do so will sign the Kyoto Protocol.

U.S. Reductions of Greenhouse Gas Emission Required by the Kyoto Protocol/Emissions Trading

8. On page 3 of your written testimony, you state:

CEA

Q

> "Ultimately, the U.S. agreed to a target of a 7% reduction from baseline levels. Given the changes in the definition of the baseline for the three long-lived chemical compounds (HFCs, PFCs and SF6) from 1990 to 1995 combined with a change in the way sinks are accounted for in the baseline, the actual reduction required in the U.S. is no more than 2-3% more than the President originally proposed as the U.S. negotiating position."

Please provide a detailed calculation, including a listing of all assumptions that verifies your statement that "the actual reduction required in the U.S. is no more than 2-3% more than the President originally proposed as the U.S. negotiating position."

9. What is the actual reduction in emissions within the borders of the United States would have to be to meet the U.S. obligation as outlined in the treaty and what data uncertainties still exist with respect to calculating this number?

10. Article 6.1(d) of the Kyoto Protocol states that "The acquisition of emission reduction units shall be supplemental to domestic actions for the purposed of meeting the commitments under Article 3 [of the Protocol]"

State

10.1 What does this mean?

Q

10.2 Since Russia and the Ukraine will be substantially below their emission targets in the Protocol, they can sell large amounts of emissions credits. Why should the American public be willing to underwrite the transfer of what could be billions of dollars to those nations so the United States could reach its emissions reduction targets?

10.3 What is the Administration assuming about the proportion of our reductions that can be met through these means, and what is the limit acceptable within the terms of the Protocol?

International Emissions Trading and the Costs of Kyoto Protocol Compliance

CEA / DOE / EPA

11. On page 4 of your written testimony, you state:

"A number of studies have suggested that the costs of compliance can be significantly reduced if flexible implementation is permitted."

Please provide for the record a copy of each of the studies referred to in your statement"

Clean Development Mechanism

State / DOE / EPA

12. On page 4 of your written testimony, you also state:

"Clean Development Mechanism: Under this innovative provision, developed countries will be able to use certified reductions from project activities in developing countries to contribute to compliance with greenhouse gas reduction targets. This provides both a mechanism to secure low cost reductions throughout the world and a powerful economic incentive to lead developing countries toward more climate-friendly technologies. This represents an important avenue for developing country actions to reduce emissions in cooperation with U.S. private sector firms that have the technology, resources and know-how to make such reductions in ways that save energy, reduce emissions and improve performance. This provision effectively embodies the U.S. proposal for joint implementation with credit for activities in developing countries. It also provides, again at U.S. insistence, an incentive for early action by permitting credit for reductions that occur beginning in the year 2000."

Q 12.1 Article 12 of the Kyoto Protocol, which establishes the Clean Development Mechanism, appears to have potential for creating a huge bureaucracy inserted between the investing and the recipient countries. Why did the Administration agree to such an arrangement?

Q 12.2 Why is there a need for such an institutional mechanism for joint implementation (JI) projects?

Q 12.3 Under the Kyoto Protocol, what would be the status of existing and pending bilateral JI projects promoted by the U.S. Initiative on Joint Implementation?

Q 12.4 What is the Administration's position on JI going into the November 1998 negotiations with respect to how this Clean Development Mechanism should work?

Q 12.5 What criteria would you expect for projects that qualify for Clean Development Mechanism financing?

Q 12.6 How would emissions credits under the Clean Development Mechanism be allocated to contributing/investing countries or entities?

Q 12.7 Isn't Clean Development Mechanism another form of foreign assistance by another name, only funded by the private sector, and if not, why not?

Emission from the Military

13. On page 4 of your written testimony, you also state: State

"Emissions from the Military: The U.S. obtained agreement on its proposal for an exemption for emissions from multilateral operations pursuant to the United Nations charter. This decision will ensure that nations do not hold back from participating in humanitarian, peacekeeping and other operations due to concerns about greenhouse gas emissions."

Q 13.1 Please cite the specific text of the Kyoto Protocol that provides such an exemption.

13.2 Are unilateral operations subject to the terms of the Kyoto Protocol? If your answer is no, please cite the specific Protocol text that provides that unilateral operations are not subject to the Protocol.

13.3 To be more specific, if the Kyoto Protocol was in force would unilateral military action by the United States against Iraq be subject to its terms? If your answer is no, please cite the specific Protocol text that provides that unilateral military action by the United States against Iraq would not be subject to the Protocol.

13.4 If unilateral military action were subject to the terms of the Kyoto Protocol, what would be the national security implications?

13.5 Will domestic emissions from military training exercises be counted against the U.S., and if so, what are the implications for our military readiness?

13.6 Concerning U.S. troops stationed overseas, will emissions from training and operations be counted against the host country or the U.S.? And if the host country, does that mean that U.S. troops overseas will be subjected to greater control by the host country, and how will this affect readiness?

President's FY 1999 Budget Tax Credits for Highly Fuel Efficient Vehicles

Treasury

14. On page 5 of your written testimony, you state:

"Tax credits for highly fuel efficient vehicles: This credit would be $4,000 for each vehicle that gets three times the base fuel economy for its class beginning in 2003. A credit of $3,000 would be available beginning in 2000 for vehicles that get double the base fuel economy for its class. These credits would be available to jump start these markets and would be phased out over time."

Please specify—by year—the greenhouse gas reductions expected to be achieved through the application of the tax credit for highly fuel efficient vehicles.

President's FY 1999 Budget Tax Credits for Energy Efficient Equipment

Treasury / DOE

15. On page 5 of your written testimony, you also state:

"Tax credits for energy efficient equipment: These credits (all of which are subject to caps) would include a 20% credit (subject to a cap) for purchasing certain types of highly efficient building equipment, a 15% credit for the purchase of solar rooftop systems, and a 10% credit for the purchase of highly efficient combined heat and power systems."

Please specify—by year and by tax credit—the greenhouse gas reductions expected to be achieved through the application of the tax credits for energy efficient equipment.

President's FY 1999 Budget Proposal for Two New Partnerships for Heavy Trucks and Light Trucks, including Sport-Utility Vehicles

16. On page 5 of your written testimony, you also state: CEQ - Linda Lance

"Two new partnerships are proposed for heavy trucks and light trucks, including sport-utility vehicles."

Please describe these two new partnerships in detail, including funding, duration, participants, and cost-sharing requirements.

Fuel Efficient Vehicles

CEQ - Linda Lance

17. On page 6 of your written testimony, you state:

"Fuel Efficient Vehicles: At the recent automobile show in Detroit, General Motors (GM) announced four passenger hybrid electric and fuel cell vehicles that can achieve fuel efficiency of up to 80 miles per gallon – production prototypes of which could be available in 2001 and 2004. Ford also unveiled a prototype of a mid-size high efficiency sedan that achieves 63 miles per gallon using an advanced diesel engine. Ford also plans to develop hybrid electric and fuel cell versions of this prototype. Chrysler unveiled its full-size experimental hybrid electric vehicle with a projected 70 miles per gallon fuel economy. These technological advances were made possible through the efforts of the Partnership for a New Generation of Vehicles between the Administration, U.S. auto companies, and their suppliers."

Please document your statement that "These technological advances were made possible through the efforts of the Partnership for a New Generation of Vehicles between the Administration, U.S. auto companies, and their suppliers."

Compressed Air Challenge

DOE

18. On page 6 of your written testimony, you also state:

"Compressed Air Challenge: Air compressors represents about 3% of total industrial electricity use and 1% of total U.S. electricity consumption. In mid-January, DOE and major equipment manufacturers announced a new agreement aimed at significantly enhancing efficiency in this sector. Under the agreement, changes in equipment and operating practices are anticipated to reduce energy use in this category by 10% by 2010 at a cost savings of $150 million per year while reducing greenhouse gases by 700,000 metric tones of carbon."

18.1 Please provide a listing of the participants of the Compressed Air Challenge.

18.2 Please provide the FY 1998 and proposed FY 1999 funding for the Compressed Air Challenge.

18.3 Please document your statement that "Under the agreement, changes in equipment and operating practices are anticipated to reduce energy use in this category by 10% by 2010 at a cost savings of $150 million per year while reducing greenhouse gases by 700,000 metric tones of carbon."

Q

BP Solar Opening

19. On page 6 of your written testimony, you also state:

CEQ

"BP Solar Opening: Last Friday, BP Solar opened its first manufacturing plant in the United States. Located outside San Francisco, the Vice President flipped a switch to start the plant. This facility will produce a new generation of thin film photovoltaic cells. Spurred by DOE's recently announced Million Solar Roof Initiative, planned plant expansions and openings by other solar cell manufacturers, as well as the President's budget request for enhanced funding for renewable technologies, demonstrate that efforts to increase market penetration based on harnessing the sun's energy are now making significant advances. In fact, the Vice President was able to announce that the private partners in the Million Solar Roofs Initiative have already announced plans for well over half the solar panels needed to get to our goal--a full ten years early."

Q

19.1 Why did the Vice President "flip the switch" to start a foreign-owned manufacturing plant? Has the Vice President ever "flipped the switch" to start a domestic-owned manufacturing plant?

19.2 Please provide documentation for your statement that "the private partners in the Million Solar Roofs Initiative have already announced plans for well over half the solar panels needed to get to our goal--a full ten years early."

19.3 If indeed "the private partners in the Million Solar Roofs Initiative have already announced plans for well over half the solar panels needed to get to our goal--a full ten years early" in the absence of taxpayer subsidies, then why is the Administration proposing that taxpayers now subsidize that effort?

VCR/TV Energy Star Program

DOE

20. On page 6 of your written testimony, you also state:

"VCR/TV Energy Star Program: TV and VCRs represent one of the fastest growing sources of electricity demand. Consumers spend over $1 billion annually to power VCRs and TVS that are switched off. In early January the Vice President announced a pathbreaking partnership between EPA and the major manufacturers of these electronic goods. The program is quite ambitious with a goal of achieving up to a 70% reduction in energy use when the equipment is turned off without sacrificing product quality, utility or increasing costs. The average household could cut its energy bills by 30% or $400 per year by switching to the full line of Energy Star products."

20.1 Please identify the TV and VCR manufacturers participating in this partnership.

20.2 Please document the statement that "The average household could cut its energy bills by 30% or $400 per year by switching to the full line of Energy Star products."

Administration's Economic Analysis of the Impact of the Targets Reached in Kyoto

CEA

21. Finally, on page 6 of your written testimony, you state:

"The Administration is working on a more detailed economic analysis of the impact of the targets reached in Kyoto. Council of Economic Advisers Chair Janet Yellen will be prepared to discuss the analysis at a hearing next week before the Senate Foreign Relations Committee."

Please provide a copy of that "more detailed economic analysis" for the record.

Administration Plans for Legislation and Regulations

C.C. Task Force

22. In the President's State of the Union Address and in the Budget he submitted to the Congress on February 2, there were provisions for federal research and development expenditures and for certain tax incentives for the purpose of reducing U.S. greenhouse gas emissions.

22.1 What is the reason the President has made those proposals prior to his signing the Kyoto Protocol and prior to his submitting the Protocol to the Senate for its advice and consent?

22.2 Is the Administration contemplating submitting to Congress any other legislative proposals, or is it contemplating proposing any new or amended regulations, any of which are intended to reduce U.S. greenhouse gas emissions, prior to the President's signing the Kyoto Protocol and submitting it to the Senate for its advice and consent? If so, please describe the substance of any such legislative or regulatory proposals that are being contemplated?

23. Has any Department or agency of the Executive Branch, or any interagency body, been given the responsibility to develop potential proposals for legislation or regulations that would be intended to facilitate compliance by the United States with the Kyoto Protocol if the Protocol ever were to become binding on this nation?

cc Task Force

23.1 If your answer is yes, please identify the Departments, agencies, or interagency body; and, if it is an interagency body, who is the head of it.

23.2 If there is no interagency body, who in the Executive Branch has the responsibility to coordinate or review these efforts for the purpose of making recommendations to the President?

Entry Into Force

State

24. It will require ratification by 55 countries, representing 55% of developed country greenhouse gas emissions, for the treaty to enter into force. The United States accounts for nearly 40% of these emissions.

24.1 Do you see any chance that the treaty would enter into force if the United States does not ratify it?

24.2 Do you expect other countries ratify the treaty if the United States does not, and if so, which countries?

24.3 What is the earliest you would expect the treaty to enter into force if the United States does not ratify it?

24.4 If there is a prolonged delay in entry into force, what are the consequences for this treaty? For climate change?

Contradictions between the Kyoto Protocol and the Montreal Protocol State

25. Among the six gases to be limited under the Kyoto Protocol are substitutes for chlorofluorocarbons (CFCs) that deplete the stratospheric ozone layer. Therefore, the world's nations have agreed under the Montreal Protocol (to reduce ozone depleting chemicals) that they will seek the use of these substitutes, yet under the Kyoto Protocol they seek to limit use of the substitutes.

25.1 How will this contradiction be dealt with?

25.2 What will the United States do to reconcile these opposing goals?

Electricity Restructuring and Emissions Reductions CEA

26. The Administration has suggested on several occasions that electricity restructuring is one of the means by which the United States will reduce its emissions of greenhouse gases because it will result in greater efficiency and therefore lower emissions of greenhouse gases. However, the October 1997 report by the Energy Information Administration (EIA), *An Analysis of Carbon Stabilization Cases*, projects more emissions of carbon dioxide—not less—as a direct result of currently developed state restructuring efforts.

26.1 How do you explain this apparent direct contradiction?

26.2 If the Administration had counted on reductions in emissions from electricity restructuring, and if on the other hand, EIA is right that state restructuring efforts will result in higher levels of emissions, then how will this affect your calculus of how the United States will meet emission reduction targets?

26.3 When is the Administration releasing its electricity restructuring proposal?

Compliance and Enforcement State

27. The Kyoto Protocol is very vague with respect to compliance and enforcement.

27.1 Is the November 1998 meeting in Buenos Aires going to address these issues" Will specific compliance guidelines result from that meeting?

27.2 What is Administration's position on what those guidelines should be?

27.3 How does the Administration propose to enforce any such compliance guidelines in the United States, ad how can verification and enforcement in other countries be achieved?

Greenhouse Gas "Sinks" CEA

28. It seems unclear in the Kyoto agreement what will qualify as a greenhouse gas sink—what kinds of forests, forest projects, land use changes or management, etc.

Q

28.1 Please explain the U.S. position on what could constitute a sink, and how they should be counted in assessing our reductions in the greenhouse gas emissions.

28.2 What proportion of U.S. emissions could be offset by these sinks?

Roles of the Council on Environmental Quality (CEQ) and the Chair of CEQ in the Development of the Administration's Climate Change Policy and in the Kyoto Protocol Negotiations

29. Please describe the roles played by the Council on Environmental Quality (CEQ) and the Chair of CEQ in developing:

CEQ Q

29.1 The statement of the Administration's climate change policies in the President's October 22, 1997 speech at the National Geographic Society.

29.2 The Administration's policy approach to, and strategies concerning, the international climate-change negotiations during the period between the President's October speech and the first day of the Kyoto Conference (December 1, 1997); and

29.3 The Administration's policy approach to, and the strategies concerning, the international climate-change negotiations in Kyoto.

White House Task Force on Climate Change CC Task Force

30. When was the White House Task Force on Climate Change established and what its purpose?

31. Please provide a list of all staff and members of the White House Task Force on Climate Change—including detailees from other Executive agencies, consultants, etc.—from its date of establishment to the present.

Post-Hearing Questions Submitted by Representative Roscoe G. Bartlett (R-MD)

Role of Nuclear Power in Reduction of Carbon Dioxide Emissions

DOE

1. It the Administration feels that carbon dioxide (CO_2) production is such a menace to our society, why is it not more vigorously proposing an increase in the use of nuclear power production, since that produces no CO_2?

Q

Global Warming

OSTP

2. Why does the Administration believe that the modest increase in mean global temperatures over the past century (about 1 degree) is not due to normal fluctuations in the Earth's climate, rather than signaling a permanent "global warming"?

3. If we're moving to global warming, so what? In the past, the Earth has been much warmer than today, and Russia and Canada may not be all adverse to a bit of global warming. There will be winners and losers, but in terms of a global perspective, so what if we're having a bit of global warming?

4. The oceans are enormous sinks for CO_2. What can be done to enhance the effectiveness of oceans as carbon sinks?

Q

Post-Hearing Questions Submitted by Minority Members

Discrepancies Among Economic Analyses of the Costs of Complying with the Kyoto Protocol

CEA

1. Most of the witnesses today have cited various economic studies that purport to show the cost of complying with the Kyoto Protocol. Some of these studies seem to suggest that the costs will be minimal and painless, or even result in net economic benefits. Other studies cited seem to show just the exact opposite: that compliance costs will be staggering and result in job losses and economic stagnation. What accounts for such wide discrepancies in these economic analyses?

Q

Relationship of U.S. Commitments Under the Kyoto Protocol to Changes Caused by Electricity Restructuring and Implementation of the New, More Stringent, Clean Air Act Requirements

EPA

2. The energy industry is already facing challenges in meeting changes caused by electricity restructuring and implementation of the new, more stringent, Clean Air Act requirements. How will the proposed U.S. commitments under the Kyoto protocol relate to those on-going efforts?

Q

Military/National Security Implications of the Kyoto Protocol

State

3. Does the Kyoto agreement in any way interfere with the ability of the U.S. military to carry out any military mission or protect our national security?

Q

Administration's Intentions to Implement the Kyoto Protocol in the Absence of Senate Ratification

CC Task Force

4. The President has proposed a $6 billion R&D and tax credit program to begin to reduce greenhouse gas emissions. Does this mean that the Administration intends to proceed with implementation, even though the treaty by the Administration's own admission does not meet the President's requirements, and despite the lack of Senate ratification?

Q

Definitions and Instructions for the Production of Records

1. When a request calls for the production of records, the Subcommittee requests all responsive records that EPA has in its possession, custody, or control through the date of the final submission of records to the Subcommittee, unless the request clearly states that the Subcommittee is only interested in records EPA received during a particular time period.

2. Please sequentially number all records that you produce to the Subcommittee, and indicate the source of any record if the source is not accurately reflected on the record itself. Please submit all records on single-sided paper and submit an inventory of records produced if the volume is more than 100 pages.

3. To the extent practicable, please organize the records or documents in tabbed binders or folders that indicate which records are responsive to which requests for information.

4. For the purposes of this and related requests in the future, the word "record" or "records" shall include any and all drafts, originals, and non-identical copies of any item whether written, typed, printed, electronically recorded, transcribed, punched, or taped, however produced or reproduced, and includes but is not limited to any writing, transcription, or recording, produced or stored in any fashion, including any and all computer entries, memoranda, notes, talking points, letters, journal entries, reports, studies, calendars, manuals, press releases, opinions, documents, analyses, messages, summaries, bulletins, e-mail messages (in hard copy and electronic forms), disks, the text of any alphanumeric messages or other electronic paging devices, briefing materials, cover sheets or routing cover sheets and any other machine readable material of any sort whether prepared by current or former officers and employees, agents, consultants or by any non-employee without limitation. "Record" or "records" shall also include redacted and unredacted versions of the same record.

SENSENBRENNER II

U.S. HOUSE OF REPRESENTATIVES

COMMITTEE ON SCIENCE

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February 26, 1998

The Honorable John H. Gibbons
Assistant to the President for Science and Technology,
and Director, Office of Science and Technology Policy
Room 424
Old Executive Office Building
Washington, DC 20502

Dear Dr. Gibbons:

I wish to express my sincere appreciation for your testimony during the February 12, 1998 Committee on Science "The Road from Kyoto—Part 2: Kyoto and the Administration's Fiscal Year 1999 Budget Request" hearing.

Enclosed are additional questions from Members of the Committee, as well as a copy of the hearing transcript. Your responses will be published as part of the official record of the hearing. In addition to a hard copy of your answers, the Committee requires an additional copy, including any supporting graphs or charts, saved on a DOS formatted 3.5 inch diskette, in either Word Perfect, Word or ASCII text. Please send your responses to Ms. Sarah Monahan of the Committee staff. If you prefer, you may E-mail your responses to sarah.monahan@mail.house.gov.

I would appreciate receiving your responses to the enclosed questions by **Thursday, March 19, 1998.**

Also enclosed is a copy of the verbatim transcript for your review. The Committee's rule pertaining to the printing of transcripts is as follows:

> *The transcripts... shall be published in verbatim form, with the material requested for the record, as appropriate. Any requests to correct any errors, other than transcription, shall be appended to the record, and the appropriate place where the change is requested will be footnoted.*

The complete revisions to the transcripts submitted for the record must be received by Thursday, March 12, 1998, and should be sent to Ms. Sarah Monahan, Subcommittee on Energy and Environment, H2-389 Ford House Office Building, Washington, DC 20515. If you have any questions, please contact Ms. Monahan at (202) 225-9662.

The Honorable John H. Gibbons
February 26, 1998
Page two

Thank you again for making this hearing successful. Once the transcript has been completed and published, a copy will be forwarded to you.

Sincerely,

F. JAMES SENSENBRENNER, JR.
Chairman

FJS:llw

COMMITTEE ON SCIENCE
U.S. HOUSE OF REPRESENTATIVES

Hearing
on

The Road from Kyoto—Part 2:

Kyoto and the Administration's Fiscal Year 1999 Budget Request

Thursday, February 12, 1998

Post-Hearing Questions
Submitted to

The Honorable John H. Gibbons
Assistant to the President for Science and Technology
and
Director, Office of Science and Technology Policy

Post-Hearing Questions Submitted by Chairman Sensenbrenner

"Clear and Compelling Evidence" That Human Activities Are Causing Climate Change

Q1. You also state on page 2 of your testimony that "the scientific evidence that climate change is occurring, and that human activities are playing a significant role in causing such change, is clear and compelling." However, at a recent American Meteorological Society international meeting on Global Climate Studies in Phoenix, Arizona, David Rind and Judith Lean of NASA demonstrated that about half of the observed global warming is ascribed to solar activity. These means that only about 0.5°F of the warming experienced in the last century could be due to other causes, including human activity. Are you familiar with this research, and if so, how does the interplay of solar activity affect climate? Mike M

Climate Change and Extreme Events

Q2. Your testimony on page 4 states that, "More precipitation is likely to occur in 'extreme' downpours, where large amounts of rain fall in a short period. Some areas will be threatened by increased flooding, while others will suffer through an increased incidence of drought, as continental interiors become warmer and drier." However, the 1995 IPCC report, *The Science of Climate Change*, concludes on page 336: "Except *maybe* for precipitation, there is little agreement between models on changes in extreme events [emphasis added]." And even concerning precipitation, it concludes: "*Several* models *suggest* an increase in the precipitation intensity, *suggesting* a *possibility* for more extreme rainfall events [emphasis added]." Mike M

Do you agree with these IPCC conclusions?

Wednesday, February 4, 1998, Post-Hearing Questions Submitted to the Honorable John H. Gibbons
Page 2 of 12

Q3. With respect to your statement on page 4 that "Some areas will be threatened by increased flooding, while others will suffer through an increased incidence of drought, as continental interiors become warmer and drier," isn't it also likely to be true that some areas will have decreased flooding and decreased incidence of drought"? Possibly, but overall?

Documentation of 1997 Temperature Statistics

Q4. Your testimony on page 4 also states that "new results from the National Oceanic and Atmospheric Administration (NOAA) show that 1995 has been surpassed by 1997, and that nine of the last eleven years are among the warmest ever recorded (Figure 1). 1997 also shows up as the warmest year in data records maintained by the United Kingdom Meteorological Office and the NASA Goddard Institute of Space Studies, meaning that the three most comprehensive and accurate long-term surface data records all indicate continued warming of our planet."

Q4.1 Please provide a copy of NOAA report and accompanying data/statistics referred to in your statement above. Tom

Q4.2 Please provide a copy of the Goddard Institute for Space Studies/NASA confirmation and accompanying data/statistics referred to in your statement above. Hansen Web Site e-mail

Q4.3 Please provide a copy of the East Anglia University confirmation and accompanying data/statistics referred to in your statement above. Nov 1997

Q4.4 Please document your statement that "The nine warmest years of the century have occurred in the past 11 years." Karl

Land- and Sea-Based Versus Satellite Temperature Measurements

Q5. Your testimony on page 4 says that 1997 was the warmest year on record. However, the land-based temperature data upon which this claim is based do not comport with satellite data, which show a slight cooling trend (-0.05°C per decade) over the last 19 years in the layer from about 5,000 to 30,000 feet. In fact, 1997 was the 8th coolest year in the satellite record, just slightly less than the 19-year average. We have Q&A also, TK & Hansen OpEd

Q5.1 How do you account for the divergence between the trends in land-based and satellite temperature records over the past two decades.

Q5.2 What type of research is U.S. Global Change Research Program conducting to resolve this discrepancy? H, K & M

Wednesday, February 4, 1998, Post-Hearing Questions Submitted to the Honorable John H. Gibbons
Page 3 of 12

Reliable - error

Q6. The land-based temperature record is subject to the effects of urbanization that could raise temperatures. Because of this bias, some scientists have questioned the appropriateness of using the land-based temperature record alone to detect global warming. Because the satellites measure temperatures three-dimensionally (*i.e.*, between 5,000 and 30,000 feet), there is no bias from urbanization or other factors. Moreover, the satellites cover the entire globe whereas ground-based thermometers do not. How reliable, then, is the ground-based temperature record?

we has SYS reviewed this & urban heat island effect removed

Evidence for Significant Regional Ecosystem Response to Warming Experienced during the Period 1981-1991

Q7. Your testimony refers a paper published in the April 17, 1997 issue of *Nature* that "presented compelling evidence for significant regional ecosystem response to warming experienced during the period 1981-1991."

Myemi Susan

Please provide a copy of that paper for the record.

Records of Total Rainfall and Extreme Rainfall for the United States Over the Last Century

Q8. On pages 4 and 5 of your written testimony, you discuss NOAA's Tom Karl review of the records of total rainfall and extreme rainfall for the United States over the last century and conclusions he reached based upon that review.

TK

Please provide a copy Mr. Karl's review and the underlying data used in that review.

Extreme Weather Events

Q9. On page 6 of your written testimony you state that "I want to emphasize that one can't point to any single extreme-weather event today and say for sure that global warming caused it. But we can say that such events are examples of the kinds of impacts we expect to occur with greater frequency in a warmer world."

Please provide documentation of your statement that "such [extreme weather] events are examples of the kinds of impacts we expect to occur with greater frequency in a warmer world.

ask Karl what is best per-reviewed argument for warmer wet world since IPCC 95 was wrong

IPCC "Business As Usual" Scenario

Q10. On page 6 of your written testimony you discuss the IPCC "business as usual" scenario.

Please provide a listing of all IPCC "business as usual" scenario assumptions.

Joe E on Mike Mac

I. Gibbons

Constanza & Daily papers — also cite Janet Yellins estimate from her 3/4 test.

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8 PM FRIDAY

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Check IPCC regional report. Cite Table IPCC WG2 Summary — Global Gen bk (Strzepak

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letters & we can ~~send~~ signatures from Ozone action

Wednesday, February 4, 1998, Post-Hearing Questions Submitted to the Honorable John H. Gibbons
Page 5 of 12

Similar Letters Urging Action from the Economic Community

Q15. On page 10 of your written testimony you state that "We have received similar letters urging action from the economic community."

economistsletter

Please document this statement.

Regional Vulnerabilities

Q16. On page 11 of your written testimony you state the following:

"**Alaska:** The state's economic dependence on natural resources makes it highly vulnerable to climate change. Global warming will be most pronounced in northern regions. Probable consequences include drying of Alaska's interior, inundation of fragile coastal delta areas, and, most seriously, melting of permafrost, which is already underway. Continuation of Alaskan warming will lead to the disappearance of most discontinuous permafrost over the next 100 years. In many places, ground level can collapse 5 yards or more, leading to significant damages to ecosystems and human infrastructure. Houses, roads, airports, military installations, pipelines, and any other facility built on ice-rich permafrost are at risk. The melting of permafrost and the warming of tundra will lead to the release of carbon and methane deposits from the formerly frozen lands, which could make them an additional source of atmospheric greenhouse gases. Ecosystem effects include destruction of trees and caribou habitat; clogging of salmon spawning streams; reduction in forested areas; expansion of lakes and wetlands; and increased rates of coastal and riverbank erosion, slope instability, landslides and erosion."

Send reg workshop report?

Please document these statements.

Q17. On page 12 of your written testimony you state the following:

"**Great Plains:** All sectors of life in the Great Plains are dependent on a very limited water supply, and water shortages there are already a problem. The further drying expected from climate change poses the region's most significant risk. Agriculture is the base of the economy, despite the constraints of the dry and variable environment. Because agricultural water needs often exceed rainfall, water for irrigation is commonly supplied from deep aquifers, which are experiencing overdrafts and dropping water tables. As climate change leads to warmer conditions and an intensified hydrological system, the soils of the area are anticipated to further dry. The simultaneous drop in aquifer levels, greater run-off from extreme downpours, and shorter duration of snow cover will exacerbate the region's water supply problems. Drier soils could be subject to increased wind erosion, which has led to "dust bowl" conditions in the past. Better soil tillage practices would simultaneously improve soil fertility, soil carbon storage capacity, and soil moisture holding capacity. Native species will face increasing levels of competition from introduced species, such as cheat grass, Japanese brome, Russian thistle, and leafy spurge, which already account for extensive economic losses. Riparian areas (wetlands and prairie potholes), which are used intensively by hunters, anglers, and bird watchers, are extremely vulnerable to warmer, drier climate."

Please document these statements.

Send workshop report?
also cite OTA Preparing for an Uncert Climate

Q18. On page 12 of your written testimony you also state the following:

"Southeast: The Southeast is a region of abundance, with numerous wetlands, an extensive coastline, and productive agriculture, fisheries, and forestry. Urbanization and rapid population growth are already exerting significant stress on some fragile ecosystems The Florida Everglades have been significantly altered by human encroachment, with approximately half of the ecosystem lost or severely altered by drainage for development as well as pollution from agricultural run-off. While the Southeast's long coastline makes it a recreational playground, its low elevation renders it extremely vulnerable to sea level rise and storm surges during extreme weather events, such as hurricanes, which are expected to worsen with climate change. A 1 foot rise in sea-level, the best estimate over the next century, could erode 100 to 1000 feet of Florida beaches, damaging property as well as tourist interests."

EPA 1989 report Impacts
& check OTA report
Sud reg workshop rpt?
Literature cited in OSTP workshop rpt

Please document these statements.

Q19. On pages 12 and 13 of your written testimony you state the following:

"Southwest: Rapid population growth in this arid or semi-arid region make the Southwest extremely vulnerable to water supply problems that are likely to worsen under climate change. The region is naturally subject to large climate fluctuations, which have produced fairly robust adaptation mechanisms in ranching and agriculture. The native flora and fauna are also well adapted to life in this harsh and dry environment. Surface water supplies are insufficient; forcing reliance on groundwater, use of which already exceeds recharge and is leading to subsidence in many areas. Climate change will pose serious challenges and is likely to result in significant impacts to the region's traditional economic sectors as well as tourism, development, and retail sectors that now make up much of the region's economy. Expected conditions include more extremely hot days, fewer cool days, and decreased winter precipitation. Alteration of the region's hydrologic cycle would affect quantity and quality of the water supply, with major implications for continued development in the region. Significant changes in vegetation are also predicted, with Gambel oak, Piñon pine, and Douglas fir largely disappearing from the region. Saguaro would die off in its current range, but might find a new home further east and at higher elevations."

Please document these statements.] Wkshop Rpt?
Cite refs in Workshop rpt?

Wednesday, February 4, 1998, Post-Hearing Questions Submitted to the Honorable John H. Gibbons
Page 7 of 12

Q20. On page 13 of your written testimony you state the following:) Regional Report (Check EPA 1987 report)

"**New England:** New England's economy is diverse, and many aspects are indirectly dependent on climate. Its natural areas are prized, and its fall foliage draws visitors from all over the world. The region is vulnerable to drought and severe storms, which modify its vegetation and impact production of forest and fisheries products. Warmer, drier climate could reduce ski tourism and shift optimal climatic conditions north into Canada for the tree species prized for their fall foliage and maple syrup. Coastal areas are likely to be affected by intensifying storms, sea level rise, and reduced freshwater input to estuaries. Air quality, already poor in the region's major urban areas, could decline even further as hot, humid weather increases, leading to increased incidences of respiratory illness."

Please document these statements.

Health Effects

Q21. On page 13 of your written testimony you also state the following:) Call EPA - Grambsch or Patz or Scheraga

"**Health Effects:** According to the World Health Organization, the vulnerability of human populations to climate change varies across populations depending on environmental circumstances, social resources, and preexisting health status. In general, developing countries are more vulnerable to climate change than developed countries because of their limited capital and their greater dependence on natural resources. Climate change increases the risk of heat-related mortality and the potential for the spread of vector-borne diseases, such as malaria, dengue and yellow fever, and encephalitis, and non-vector borne diseases such as cholera and salmonellosis. The incidence of infectious diseases, which are still the world's leading cause of fatalities, may also increase."

Please document these statements.

Q22. On page 13 of your written testimony you also state the following:

"A study of deaths associated with summer time heat stress and winter time illnesses in 44 U.S. cities estimated that climate change could double the number of weather-related deaths. The elderly are at greatest risk in the U.S., and urban populations in developing countries are also especially vulnerable to heat stress."

Please provide a copy of this study.

EPA for both

Q23. On page 14 of your written testimony you state the following:

"Climate change is likely to extend the geographic ranges and increase the rates of transmission of disease-carrying vectors such as mosquitoes, which can increase the populations exposed to diseases such as malaria, dengue and yellow fever. Globally, the population exposed to malaria could increase by one-third. There could be 50-80 million additional malaria cases per year, assuming no change in public health protection."

IPCC Ch 18

Please document these statements.

Q24. On page 14 of your written testimony you state the following:

"Climate change can reduce air quality and increase levels of air borne pollen and spores, which exacerbate respiratory disease, asthma, and allergic disorders."

? IPCC or Scheraga (EPA)

Please document these statements.

Impacts on Water Resources

Q25. On page 14 of your written testimony you also state the following:

"**Water Resources:** Among the most fundamental effects of climate change is an intensification of the hydrological cycle. Changes in precipitation, and increased evaporation and transpiration due to higher temperatures, can be expected to reduce water runoff, affecting the quantity and quality of water supplies for domestic and industrial uses, irrigation, hydropower generation, navigation, stream ecosystems and water based recreation. These effects will vary region by region. Increased variability in the hydrologic cycle is expected to result in more severe droughts and/or floods in some places. Impacts and mitigation expenses for such events are significant; damage estimates from the Mississippi flood of 1993 range from $10 billion to $20 billion. Areas of greatest vulnerability are those where water supplies and quality are already problems, such as arid and semi-arid regions of the world and some low lying coastal areas, deltas and small islands. IPCC

- Climate change would likely add to the stress in several U.S. river basins, such as the Great Basin, California, Missouri, Arkansas, Texas Gulf, Rio Grande, and Lower Colorado. OTA

- The Colorado River Basin would suffer decreased summer runoff, coinciding with peak demand for irrigation, unless precipitation also increases substantially. Reductions in runoff of up to 25 percent in the basin are projected under some scenarios. Regional ? Workshop.

?

- Water scarcity in Middle Eastern and African countries also is likely to be exacerbated by climate change. Countries that are highly dependent on water originating in areas outside their borders include Syria, Sudan, Egypt and Iraq." IPCC

Please document these statements.

Impacts on Forests

Q26. On pages 14 and 15 of your written testimony you also state the following: IPCC.

"**Forests:** Climate change can dramatically alter the geographic distributions of individual tree species and of forest and vegetation types. One-third of the Earth's forests would undergo a major change in the type of vegetation that could be supported as a result of an equivalent doubling of CO_2. In northern forests, which are the forests most vulnerable to climate change, two-thirds of the currently forested area may undergo a change in vegetation type. Mountaintop species and isolated populations are particularly vulnerable. Over the next century, the ideal range for some North American forest species will shift by as much as 300 miles to the north, exceeding the ability of many species to migrate. In some instances, a change in vegetation type will result in a loss of forest area as the land converts to grassland or shrub land, while in other areas forest cover may increase.

- In the United States, western conifer forests could decrease in area and be replaced by broadleaf forests; eastern hardwood forests may be replaced by grasslands along their western boundary because of mid-continental drying. Forest damage from fire and diebacks driven by drought, insects and disease could increase."

Please document these statements.

Impacts on Other Natural Areas

Q27. On page 15 of your written testimony you state the following:

"**Other Natural Areas:** Natural ecosystems are highly vulnerable to degradation from climate change. Federally protected natural areas have become a repository for the Nation's rarest species and are critical for the conservation of biological diversity. The composition, geographic distribution, and productivity of many ecosystems will shift as individual species respond to changes in climate. These will likely lead to reduction in biological diversity and in the goods and services ecosystems provide for society, ~~such as clean~~ water and recreation. Freshwater wetlands are particularly at risk from climate change. IPCC findings show that: IPCC

We said that IPCC pointed out Everglades?!

- Precipitation changes and salt water intrusion from sea level rise could adversely affect the ecological communities of the Florida Everglades and degrade the habitat for many species of wading birds.

SE Workshop?

- The wetlands of the prairie pothole region of North America, which support half the waterfowl population of this continent, could diminish in area and change dramatically in character in response to climate change, significantly exacerbating the destruction already caused by agriculture." OTA &?

Please document these statements.

Impacts on Coastal Areas

Q28. On page 15 of your written testimony you also state the following:

"**Coastal Areas**: Even if concentrations of greenhouse gases are stabilized in the future, sea level would continue to rise long after, perhaps for several centuries, and reach levels much higher than projected for the next 100 years. For example, after an equivalent doubling of CO_2, the IPCC expects sea level to rise by 6 - 38 inches over the next century, with a "best estimate" of 20 inches, but the equilibrium sea level rise several centuries in the future is estimated to be at least 6 feet. Rising sea level erodes beaches and coastal wetlands, causes the gradual inundation of low lying areas, leading to human habitat loss and increasing the vulnerability of coastal areas to flooding from storm surges and intense rainfall. The IPCC estimates that 20 inches of sea level rise would double the population at risk from storm surges, from roughly 45 million at present to over 90 million world-wide. A three foot rise would triple the number of people exposed. Increases in coastal area populations are likely to further increase the number of people at risk. IPCC

- Along U.S. coasts, a 20 inch rise could inundate more than 5000 square miles of dry land and an additional 4000 square miles of wetlands if not protective measures are taken. A three foot rise would have greater impact, inundating much of the Southern tip of Florida among other areas. EPA

- Internationally, low-lying areas, such as parts of the Maldives and Bangladesh, would be completely inundated by a three foot sea level rise, creating large numbers of environmental refugees, which put stress on governments and social structures. 72 million people in China would be affected, assuming existing levels of coastal development." IPCC

Please document these statements

Wednesday, February 4, 1998, Post-Hearing Questions Submitted to the Honorable John H. Gibbons
Page 11 of 12

Impacts on Agriculture ands Food Supply

Q29. On pages 15 and 16 of your written testimony you also state the following:

"**Agriculture and Food Supply:** Agriculture is highly dependent on a number of variables that are likely to be affected by climate change, including weather patterns, longer term patterns of climate variability, and, most importantly, water availability. Climate change is likely to lead to increased crop yields in many areas, but decreased yields in others, even for the same crop. The magnitude of these changes can exceed +/- 30 or 40 percent for some crops and locations. Despite these potentially large changes in yields, average global food production is not expected to change substantially. This is because farming practices are considered to be highly adaptable to different climates, because production of important food crops can shift to new locations in response to changes in climate, and because CO2 has beneficial effects for plant photosynthesis and water use efficiency that can offset some deleterious effects of changes in climate. Impacts are likely to vary considerably across regions and some regions may suffer substantial reductions in agricultural production. In general, developing countries are more vulnerable to losses than are developed countries. IPCC

- Large reductions in soil moisture could significantly reduce flexibility in crop distribution and increase demands on water resources infrastructure.
- Increases in the range of pest habitat could increase vulnerabilities to pests and demand for, and use of, pesticides.
- In the United States, large areas of the eastern and central regions of the country face moderate to severe drying. Drought could become more frequent, particularly in the Great Plains." OTA

Please document these statements.

Unresolved Scientific Issues Relating to the Modeling of the Impact of Future Potential Greenhouse Gas Emissions on Global Temperature

Q30. What are the greatest unresolved scientific issues relating to the modeling of the impact of future potential greenhouse gas emissions on global temperature in order of importance? MacCracken Goodrich

Q31. How, by whom and where are the issues identified in the response to question 29 addressed by the U.S. Global Change Research Program? MacCracken Goodrich

Unresolved Scientific Issues Involved in Projecting Future Temperature Increases and the Impacts Thereof

Q32. What are the greatest unresolved scientific issues involved in projecting future temperature increases and the impacts thereof? MacCracken Goodrich

Q33. How, by whom and where are the issues identified in the response to question 32 addressed by the U.S. Global Change Research Program? [illegible]

Process of Preparing and Reviewing the U.S. Global Change Research Program Budgets and Projects

Q34. In the preparation of the FY 1999 U.S. Global Change Research Program budget, have independent experts been involved in recommending and reviewing budget priorities and projects? ✓ GCRP

Q35. If your answer to question 34 is yes, what was the process and which outside institutions/individuals were involved? ✓ GCRP

Q36. Was there any independent peer review or peer involvement to identify scientific uncertainties to be addressed by the FY 1999 U.S. Global Change Research Program? GCRP

Q37. If your answer to question 36 is yes: GCRP

Q37.1 What independent peer review or peer involvement took place and what were their suggestions/recommendations? GCRP

Q37.2 Were any suggestions/recommendations not addressed, and if so, why? ✓

Q38. What are your current plans for involving the scientific community in identifying unresolved scientific questions and directing resources to address them? GCRP + OSTP

JAMES M. TALENT, MISSOURI
CHAIRMAN

TALENT

JOHN J. LAFALCE, NEW YORK

Congress of the United States
House of Representatives
105th Congress
Committee on Small Business
2361 Rayburn House Office Building
Washington, DC 20515-6315

David
Dick
Shelley
Wes
Katie
Dinah
Judy
Robert

March 2, 1998

The Honorable Kathleen A. McGinty, Chair
Council on Environmental Quality
Executive Office of the President
360 Old Executive Office Building
Washington, DC 20500

Dear Ms. McGinty:

As you are aware, the Third Session of the Conference of Parties to the UN Framework Convention on Climate Change (COP-3) was held in Kyoto, Japan from December 1-11, 1997. On December 11, COP-3 adopted the Kyoto Protocol to the United Nations Framework Convention on Climate Change (UNFCCC), which sets binding greenhouse gas (GHG) emissions targets for developed nations.

Due to the potential economic impact of this Protocol, the House Committee on Small Business is reviewing this agreement, pursuant to its oversight jurisdiction, based on the accord's perceived economic impact on small business.

Please provide the Committee with the following information regarding the Kyoto Protocol:

1. Any and all regulatory impact or economic analyses performed by federal agencies, contractors or grantees regarding the implementation of the Kyoto Protocol in the United States; CEA

2. Any and all activities and/or plans for federal agency implementation of the Kyoto Protocol; State

3. Any and all evidence, documentation, or scientific bases for the existence of the phenomenon described as Global Warming; OSTP

Q 4. Any known or perceived specific time frame for signing of the Kyoto Protocol by the President of the United States; and

State

5. Copies of any side agreements, memoranda, protocols or other documents concerning the Kyoto Protocol entered into or contemplated between the Executive Branch and other nations, parties or non-governmental entities. State

Please deliver these materials to the Committee on Small Business, Room 2361 Rayburn House Office Building, by March 18, 1998.

If you have any questions regarding this request, please contact Peter Brechtel of the Committee staff at 225-5821.

Thank you for your prompt attention to this matter.

Sincerely,

Jim Talent

James M. Talent
Chairman

Documents for 2PM Meeting RE: Congressional Requests for Climate Change Materials

1. Summary of House Requests for Climate Change Materials

2. Grid w/ House Requests

3. Copies of House Requests
   - Schaefer Opening Statement
   - McIntosh I
   - McIntosh II
   - McIntosh III
   - McIntosh IV
   - Talent
   - Sensenbrenner I
   - Sensenbrenner II

4. Summary of Senate Requests for Climate Change Materials

5. Copies of Senate Requests
   - Senate Agriculture Committee
   - Hagel/Helms
   - Murkowski

SENATE REQUESTS FOR CLIMATE CHANGE MATERIALS:
Requests for new analysis or existing documents

[checked w/ NEC, CEA, CEQ, OMB, OSTP, State, Treasury, Commerce, Energy]

Lugar, Harkin, Cochran, Daschle, et al -- AGRICULTURE
to Vice President from 14 Senate Agriculture Committee Members

- analysis of the potential effects of climate change on US agriculture and livestock production

- analysis of the estimated greenhouse gas emissions resulting from the production of crops and livestock in the US

- analysis of the net contribution of US forests and crops in the sequestration of greenhouse gases

- analysis of the actions or controls necessary to reduce agricultural greenhouse gas emissions to comply with obligations that may arise under the treaty and an economic analysis of their impact on US farmers and ranchers

- analysis of whether and to what extent greenhouse gas emission controls would disadvantage agricultural producers in this country compared to producers in other countries with less stringent emission controls or no controls at all.

Hagel/Helms -- FOREIGN RELATIONS
to Eizenstat from Hagel/Helms

- provide a list of all climate change programs in the Executive Branch, with a description of each program and how they relate to the Kyoto Protocol

- provide the US global greenhouse gas inventory used by negotiators in Kyoto, on a country-by-country specific basis, for the six greenhouse gases listed in Annex A of the Kyoto Protocol

- provide the 1990 baseline and projections at least through 2030 for carbon dioxide , methane and nitrous oxide

- provide the 1995 baseline and projections at least through 2030 for hydroflurocarbons, perflurocarbons and sulphur hexafluoride

- provide the assumptions, data and calculation methodology that support the Administration's assertion that the impact of carbon sinks on the US greenhouse gas reduction commitment will reduce the actual reduction to 2 or 3 percent below 1990 levels, rather than 7 percent.

United States Senate

COMMITTEE ON
AGRICULTURE, NUTRITION, AND FORESTRY
WASHINGTON, DC 20510-6000
202-224-2035

March 14, 1997

The Honorable Al Gore
Vice President
The White House
Washington, D.C.

Dear Mr. Vice President:

Farm state members of Congress have become increasingly concerned with the lack of adequate attention given to agricultural concerns as the Administration works on the United Nations Framework Convention on Climate Change (UNFCC). As you know, this treaty, if ratified, could affect U.S. agricultural production and competitiveness.

American agricultural interests must be adequately represented during the upcoming negotiations. This representation will ensure the continued success of farmers and ranchers and allow them to maintain their productivity, which ultimately benefits consumers. We believe we can address the global greenhouse gas issue and protect the environment while carefully considering the interests of America's farmers, ranchers and consumers. However, before the United States is committed to a final international agreement to limit greenhouse gases, it is essential that we know more about the treaty's impact on our nation's largest employer and the world's most efficient producers of food and fiber.

We will be closely monitoring the negotiations as work continues on the final agreement before its submission to the Senate for ratification. We request an analysis and briefing by the Administration on the following issues as soon as possible:

1) The potential effects of climate change on U.S. agriculture and livestock production.

2) The estimated greenhouse gas emissions resulting from the production of crops and livestock in the U.S.

3) The net contribution of U.S. forests and crops in the sequestration of greenhouse gases.

4) Actions or controls necessary to reduce agricultural greenhouse gas emissions to comply with obligations that may arise under the treaty and an economic analysis of their impact on U.S. farmers and ranchers.

The Honorable Al Gore
March 14, 1997
page 2

5) Whether and to what extent greenhouse gas emission controls would disadvantage agricultural producers in this country compared to producers in other countries with less stringent emission controls or no controls at all.

We understand that serious discussions in preparation for the Kyoto meeting may commence during July and August of this year. We firmly believe this information, as well as the Administration's formal economic analysis, should be submitted to Congress well before then so that the various options for U.S. policy may be understood and their impact on American agriculture and the American economy may be carefully assessed.

We look forward to working with you on this important issue.

Sincerely,

Dick Lugar — Tom Harkin
Thad Cochran — Tom Daschle
Rick Santorum — Jesse Helms
Max Baucus — Tim Johnson
Kent Conrad — Pat Roberts
Larry E. Craig — Chuck Grassley
Mitch McConnell

cc: The Honorable Madeleine Albright
The Honorable Dan Glickman

Jeff Berman

OFFICE OF THE VICE PRESIDENT

WASHINGTON

May 22, 1997

The Honorable Richard G. Lugar
Chairman
Committee on Agriculture, Nutrition, and Forestry
United States Senate
Washington, D.C. 20510-6000

Dear Mr. Chairman:

Thank you for the letter from you and other members of the Senate Committee on Agriculture, Nutrition and Forestry regarding the climate change negotiations and the potential impacts of climate change on U.S. agricultural production and competitiveness.

The issue of global climate change is an important one for agriculture. Over the next 50 years, U.S. food and fiber producers face major challenges in keeping pace with the ever increasing demands of a growing world population. Climate changes, environmental degradation, and increasing competition for land and freshwater supplies will make these challenges even greater. Based on current trends the Intergovernmental Panel on Climate Change projects significant impacts to ecological systems and the economy, including food security, water resources, coastal zones, and human health.

Information on the potential impacts of climate change on agriculture and net greenhouse gas emissions from agriculture and forestry activities is currently available. The White House Climate Change Task Force can arrange a briefing on this at your earliest convenience.

In light of the potential environmental consequences of climate change, this Administration has called on developed countries to agree to realistic and achievable binding targets for greenhouse gas emissions in the current climate negotiations. We believe that each nation needs the flexibility to determine its own cost-effective means of reducing emissions. And finally, everyone -- all nations (including developing countries) and all economic sectors -- must contribute to the solution because climate change is a global problem. We must begin now to lead the way to a sustainable future.

Further commitments under the United Nations Framework Convention on Climate Change must ensure that the U.S. economy remains strong and internationally competitive. To help find the best solution, the Administration is engaged in an assessment of the economic impacts of various emissions targets [coordinated by Dr. Everett Ehrlich: Undersecretary for

Economic Policy at the Department of Commerce.] This assessment includes a variety of aggregate national economic impacts, as well as sectoral and international economic impacts. This analysis is currently underway. As it progresses, it will be subject to a peer review process. Once this process is completed, we fully expect to brief Congress.

As part of this assessment, the Department of Agriculture will analyze the impact of any new agreement on America's food sector and our farmers, ranchers and consumers. Evaluation of the agricultural sector impacts of emissions reductions scenarios is contingent in some cases on national macroeconomic results. As a result, an agricultural sector analysis will follow Dr. Ehrlich's modeling results.

I appreciate your concerns and look forward to working with you on this important environmental issue.

Sincerely,

Al Gore

Al Gore

AG/pgu

United States Senate

COMMITTEE ON
ENERGY AND NATURAL RESOURCES
WASHINGTON, DC 20510-6150

October 3, 1997

Mr. Dirk Forrister
Chair
White House Climate Change Task Force
The White House
Washington, DC 20500

Dear Mr. Forrister:

Because the administration declined to provide a witness for our September 30 hearing on climate change, members of our Committee were unable to ask questions on a variety of issues relevant to the climate change negotiations.

In an effort to allow the Senate—and the public at large—to appreciate the diplomatic, economic and technical issues we face as a consequence of the climate change issue, I respectfully request that the enclosed written questions for the record be answered in a time frame prior to or concurrent with the upcoming negotiations in Bonn.

Should you, your staff, or officials in agencies generating responses to these questions require clarification of additional information, David Garman of the Senate Energy Committee staff may be reached at (202) 224-7933.

Thank you for your attention to this request. I will look forward to the administration's responses.

Sincerely,

Frank H. Murkowski

Frank H. Murkowski
Chairman

cc: The Honorable Federico Peña
The Honorable Janet Yellen
The Honorable Timothy Wirth
The Honorable Chuck Hagel
The Honorable Robert C. Byrd

Questions from Chairman Murkowski

TF

1. When will the Administration unveil its proposed "targets and timetables" for carbon emission reductions?

CEA

2. When will the Administration release to the public the economic analysis that it used in reaching these targets and timetables?

CEA

3. Will the economic analysis used to arrive at these targets and timetables be peer reviewed?

    a. If not, why not?

    b. If so, will the peer reviewers comments be made public?

State

4. The Administration has indicated that it seeks to have an international emissions trading scheme in the new treaty.

    a. Roughly how many of the 165 parties to the existing climate treaty have agreed to this approach?

State

5. The Administration has indicated that it wanted to have "joint implementation" with developing countries as a means to reduce the costs of treaty compliance.

    a. Roughly how many of the 129 developing country parties have agreed to this approach?

State

6. The Administration has indicated that it will "advance existing commitments" for developing countries and has even proposed a means under which developing nations would "graduate" into binding commitments.

    a. Roughly how many of the 129 developing country parties have agreed to the "graduation" approach?

    b. Roughly how many of the 36 industrialized country parties have agreed to the "graduation" approach?

State

7. Some of the key strategies for our negotiations—including developing country participation, joint implementation, and emissions trading—are not faring well in the negotiations.

    a. If we don't get all of these elements in a Kyoto Protocol, will we walk away from the deal?

8. Last week the DOE released a report (the so-called "five labs" study) indicating that we <u>might</u> reduce carbon emissions to 1990 levels with a \$50/ton carbon tax <u>and</u> an aggressive energy R&D program. In response to this report, the Secretary of Energy was quoted in a press release as saying that the analysis "...showed that what was good for the environment would be good for the economy."

DOE

   a. Is it the Administration's position that a \$50/ton carbon tax would be good for the economy?

   b. Does the DOE study analyze impacts on business and manufacturing?

   c. Is the DOE study an economic study or an attempt to make predictions?

9. The economic modelling effort that was abandoned by the Administration earlier this year assumed that the mere announcement of an agreement to reduce carbon dioxide would immediately result in a 25% increase in the rate of improvement in energy efficiency.

CEA

   a. Was this a valid and realistic assumption?

   b. Did the peer reviewers feel it was a realistic assumption?

10. The administration economic modelling effort also assumed a <u>decrease</u> in long term interest rates to almost 2%.

CEA

   a. Was this a valid and realistic assumption?

   b. Don't new taxes and higher costs tend to increase inflation and interest rates?

11. The administration modelling effort did not consider the costs associated with the development, implementation and monitoring of a trading program.

CEA

   a. Was this a valid and realistic omission?

12. Did the administration modelling effort take into account the adverse effects on U.S. competitiveness and the potential shifting of producers in the United States?

CEA

13. It was reported earlier this month that the Administration is considering an executive order that would require federal agencies to reduce emissions by 20%. It was also reported that the Department of Defense will oppose any Administration proposal on climate change that threatens military readiness.

DOD

a. What studies have been done to assess the impact of such an executive order on the U.S. military?

b. Have any such analyses been conducted by the Department of Defense to your knowledge?

c. Is consideration being given to granting waivers to federal agencies that cannot comply with emission reduction mandates without compromising their legal obligations and vital functions?

d. Is the Administration considering granting a waiver to the Department of Defense? To any other departments or agencies?

14. The DOE "five labs" study concludes that a carbon emission reduction of 390 million metric tons per year is required to stabilize emissions at 1990 levels in 2010 and is based on implementation of the program by the year 2000. The study finds that by increasing energy efficiency through a variety of federal and state programs with industry participation as well as imposing a $50 per metric ton of carbon permit price that "2010 emissions could be cut by about 390 [million metric tons] per year."

DOE

a. Does this mean that we can reach 1990 levels by the year 2010 or that in the year 2010, using new technology in combination with regulatory and other measures, we will begin to reduce emissions at a rate high enough to stabilize emissions at 1990 levels at some point in the future?

b. In 2010, how many million metric tons will China ~~or Brazil~~ be emitting per year? More than 390?

15. The DOE study concludes that "in all [three] cases, carbon reductions require the nation to embark on an aggressive set of policies and programs."

DOE

a. Assuming everything works as has been hypothesized in the Efficiency Case (Case One), we will not achieve stabilization of carbon emissions at 1990 levels by 2010, correct?

16. According to the report, the Case 2 and 3 scenarios require "better technology, 'readier' markets, and a price of carbon that results in a significantly increased willingness to manufacture, purchase, and use low-carbon technologies. It represents a vigorous national commitment that goes far beyond current efforts."

DOE

a. If we were to agree to implement a program similar to Case Two, including "a vigorous national program of research, development demonstration, and diffusion, and a trading regime for carbon" at a price of $25/ton, we still will not stabilize emissions at 1990 levels by 2010, correct?

b. According to the DOE study, only if we were to do all of the above and impose a $50/ton carbon charge would we be able to achieve stabilization at 1990 levels by 2010, correct?

DOE

c. To your knowledge, has any nation involved in the international climate negotiations proposed the adoption of an international mandate for developed countries to stabilize emissions at 1990 levels by the year 2010?

d. If not, then this study fails to tell us what would be necessary to achieve the significantly higher emission reductions that would be necessary to comply with any of the climate proposals that are on the table, correct?

e. If that is the case, then this study also fails to demonstrate that the U.S. can comply with the kind of legally binding emission reduction mandates currently under consideration in the international negotiations through use of existing technology at no cost to the nation, correct?

f. If $50/ton charges are required to stabilize emissions at 1990 levels by 2010, how much would the per ton charge need to be to reduce emissions to 10% or 15% below 1990 levels? Would it double? Triple?

17. Recent studies conducted by DRI/McGraw-Hill conclude that a $180-190/ton carbon charge would be necessary to stabilize emissions at 1990 levels by 2010. (Pg. 4 of July 1997 study, "The Impacts of Carbon Mitigation Strategies . . .")

DOE

a. Can you explain why there is such disparity between DRI's and DOE's estimates of the per ton charge necessary to reach 1990 levels by 2010?

b. Has any attempt been made to reconcile these significant differences?

c. Is it possible that the necessary carbon charge would be higher than $50/ton to simply stabilize emissions at 1990 levels by 2010?

18. One of the primary conclusions stated in the DOE study is that each of the three scenarios under consideration "can produce energy savings that are roughly equal to or exceed costs" . . . "if feasible ways are found to implement the carbon reductions...." The report states, however, that the study did not analyze specific policies to achieve the reductions described in the cases or the political feasibility of policies.

DOE

a. If we don't know what the policies or means for reductions are, and have not determined whether or not they are feasible, how can we rely on this report's conclusion that the reductions can be achieved without a cost to the nation?

b. What are some of the means that might be used to achieve the reductions? Would it involve new taxes? Note: Possible programs mentioned include "energy efficiency codes and standards" and "incentives through the tax system directed at investments in energy- efficient technology in industry." (Page 1.13)

19. In numerous places in the report, information is provided on what costs were taken into account or were excluded from consideration in making the cost-benefit assessments. ". . . we count as benefits only the energy savings to the nation.... Costs include the increased technology cost plus an approximate estimate of the costs of program and policy implementation." (Exec. Summary, footnote 2)

DOE

a. If no effort has been made to analyze specific policies to achieve the described reductions, how did you determine costs of programs and policy implementation?

b. What is an example of a "program" that was included in your analysis. What is the cost of that program? What cost did you assign to the "policy implementation" associated with that program?

20. On page 1.12 of the report the following statement appears: We have presented the direct and most easily quantified of the costs and benefits, but have not attempted a full benefit-cost analysis. We do not account for indirect effects of policies (e.g., the reallocation of investment dollars to efficiency investments). We do not account for the increased cost of some R&D programs that are needed to achieve the scenario results nor do we count the benefit of reduced carbon and other pollutant emissions. Also, we have not analyzed any possible redistribution of wealth that could arise from a carbon trading system or other policy to increase the price of carbon-based fuel."

DOE

a. Aren't these pretty significant holes in DOE's analysis?

b. If a "full benefit-cost analysis" has not been conducted, then how can you legitimately conclude that emission reductions can be achieved through energy efficiency without cost?

21. On page 1.15, the report states that the $50/ton carbon charge is not a "direct cost."

DOE

a. Why isn't the carbon charge considered a "direct cost?"

b. Isn't it a direct cost to someone? Who has to pay it?

c. Is the cost of the carbon permit fees included in the analysis in any way?

DOE

22. The report characterizes the carbon charge as "a potentially large transfer payment" and makes the following statement: "The magnitude of the transfer payment, as well as the losers and winners from the transfers, depends on the nature of policy and its implementation as a cap and trade system or some alternative. The amount of money that could be in play is very large: \$50/ton times 1.3 billion tons per year equals \$65 billion per year." (Page 1.15)

a. Is it correct then that the study concludes that emissions reductions could be made at low or no cost yet fails to take into account some \$65 billion in "transfer payments?"

b. Who are these "losers" the DOE report refers to?

DOE

23. In describing the results of DOE's analysis, the statement is made that the DOE report "makes a strong case for the value of energy technology research, development, demonstration, and diffusion as a public response to global climate change." As the report points out on page 1.3, DOE's expenditure of \$8 million on energy-efficiency research between 1978 and 1996 has resulted in net benefits of \$28 billion through 1996 including significant environmental, health, productivity and economic competitiveness benefits. As you know, numerous economists agree that research and development and technology deployment is the most cost-efficient way to address climate concerns. Indeed, it is precisely because of the kinds of cost-effective opportunities DOE has identified that these economists have concluded in a number of independent studies that the wisest course of action, is to delay the adoption of any kind of mandates or legally binding targets and timetable for a modest period of years to permit research and development to occur and to generally avoid replacement of equipment and machinery prior to the end of its useful life cycle.The Administration has previously testified that if we "do it dumb," compliance with the proposed international target and timetable mandates could be very costly to the U.S.

a. Doesn't the DOE report provide further support and justification for not rushing into legally binding emission reduction mandates in December in Kyoto but delaying - even for a few years - to reap the benefits of the kinds of R& D the DOE report is promoting?

b. Can you quantify the "cost" of delaying for 10 or 20 years?

c. Can you demonstrate that the cost of delay exceeds the cost of adopting international mandates three months from now?

DOE

24. According to the DOE report, 95 million of the 135 million tons of carbon reductions necessary in the utility sector to achieve stabilization at 1990 levels by 2010, "comes from retirement of coal power plants and carbon-ordered dispatching of the utility system ... and from repowering coal plants with natural gas." (Page 1.6)

   a. How much does it cost to "repower" an average coal plant with natural gas?

   b. Who would bear these costs?

25. The DOE report says that the measures used to reduce emissions in the utility sector are "cost-effective with a $50/ton carbon charge." (Page 1.6)

   a. When you say that retiring a coal plant is "cost-effective" with a $50/ton carbon charge, aren't you really saying is that if we impose a fee of $50 per ton of carbon, a given number of coal plants will be forced to shut down?

DOE

   b. How many existing coal plants would be "retired?"

   c. Where are these plants located?

   d. Has any consideration been given in DOE's analysis to the costs associated with the shutdowns, layoffs, displacements that would occur as a result of "retiring" existing plants?

   e. When you say that energy savings or reductions can be achieved at little or no cost "to the nation," does that include the citizens, communities and businesses in this country?

26. The DOE report also states that the remaining reductions in the utility sector would be achieved from renewables such as wind, biofuels, expansion of hydropower, and extension of nuclear power plant life. (Page 1.6)

DOE

   a. Explain what is meant by "nuclear power plant life extensions."

   b. Does this study contemplate new nuclear power plants or a greater dependence on nuclear power?

27. Turning to the transportation and industry sectors, the DOE report contemplates a reduction of 50 million tons of carbon per year through (a) advanced combustion turbine cogenerators in industry; (b) biomass and black liquor gasification and low-carbon industrial

processes; and (c) cellulosic ethanol/gasoline blends for automobiles. (Page 1.6)

DOE

a. What kinds of industrial processes utilize advance combustion turbine cogenerators?

b. What percentage of industrial plants currently use these turbine cogenerators?

c. How much would it cost a given plan to re-outfit with a turbine cogenerator?

d. Are cellulosic ethanol/gasoline blends currently available to American consumers? What automobiles can use this fuel? What kind of conversion would be necessary for other cars to use this fuel? What would it cost?

28. The Acid Rain trading program exists solely within the United States and operates primarily through the annual allocation of sulphur dioxide permits to a known group of electric power generators, correct?

EPA ~~DOE~~

a. Why are the permits generally allocated only to electric power generators?

b. What mechanism is used to determine whether these entities' emissions are within their permit allowances?

c. What happens if a company's emissions exceed its permits?

d. What legal process exists to allow the regulated community to appeal decisions with which it disagrees in connection with the trading and emission program?

e. What costs are associated with the operation and administration of the trading program? How are these costs minimized to maintain market incentives?

29. I understand that the establishment of a trading regime similar to the sulphur dioxide program for carbon emissions has been proposed.

EPA ~~DOE~~

a. Would the carbon trading program operate domestically or internationally?

b. What role is envisioned for the Chicago Board of Trade?

c. Could a U.S. company such as an automobile manufacturer in Detroit purchase carbon permits through the Board of Trade from another developed country such as Germany? From a developing country such as Guatemala or Botswana?

d. If carbon permits may be purchased from a developing country, how would it be determined how many permits each developing country would be allocated?

e. Would any UN agencies or bodies be involved in the implementation of the emission trading program? How would they be funded?

f. What kind of transaction costs would you expect to be associated with an international emissions trading program?

g. Would state or local governments be required to purchase carbon units for emissions? Federal agencies?

h. What kind of allocation process would be set up to establish the caps that would be required to provide incentives to trade?

i. In the Acid Rain program, compliance with permits is ensured through sophisticated continuous emissions monitoring equipment. How would compliance with permit limitations be ensured under this program?

j. Would developing countries have to reduce their own emissions by one ton of carbon for each carbon unit they sell? How would compliance be ensured for developing countries? Will developed countries only be able to sell a carbon unit if they can demonstrate they have already achieved the relevant reductions?

k. What penalties would apply if a developing country failed to reduce its emissions at an amount commensurate with the carbon units it had sold?

l. Who will monitor countries or companies for enforcement purposes?

30. What is the administration's calculation or estimate of the greenhouse gas emission reduction equivalent of the Clean Coal Technology Program, which was a 7 billion dollar program, at least half of which came from private industry?

DOE

31. What exactly is the Administration itself doing to develop new technologies to reduce greenhouse gas emissions? I'm not talking about what the government is doing with industry in a partnership, or what industry is doing alone—what is the federal government doing itself?

DOE

White House Climate Change Task Force

734 Jackson Place, N.W. • Washington, DC 20503

October 31, 1997

The Honorable Frank H. Murkowski
Chairman
Committee on Energy and Natural Resources
United States Senate
Washington, D.C. 20510-6150

Dear Senator Murkowski:

Thank you for your letter of October 3, 1997, relaying questions related to the climate change negotiations, which we received on October 16.

We are facilitating an interagency effort to respond to your questions and will incorporate recent developments at the negotiations completed today in Bonn. When Mr. David Garman of your staff returns from Bonn, I will contact him to determine a mutually convenient date for delivery of our responses.

I can be reached at (202) 343-1060 if you have any further questions.

Sincerely,

Dirk Forrister

Dirk Forrister
Chairman

cc: The Honorable Federico Peña
The Honorable Janet Yellin
The Honorable Timothy Wirth
The Honorable Chuck Hagel
The Honorable Robert C. Byrd

202 343-1060 • Fax 202 343-1162

United States Senate
COMMITTEE ON FOREIGN RELATIONS
WASHINGTON, DC 20510–6225

February 13, 1998

The Honorable Stuart E. Eizenstat
Under Secretary for Economic, Business
and Agricultural Affairs
Department of State
Washington, D.C. 20520

Dear Secretary Eizenstat:

Attached are questions for the record for this week's hearing on the implications of the Kyoto Protocol. Because of the need for timely oversight of this issue, I am requesting that you supply the requested responses and documents within two weeks.

Thank you.

Sincerely,

Chuck Hagel

Chuck Hagel
Chairman
Subcommittee on International Economic
Policy, Export and Trade Promotion

CTH/kp

QUESTIONS FOR THE RECORD
FOR UNDERSECRETARY OF STATE STUART EIZENSTAT
SUBMITTED BY SENATOR CHUCK HAGEL
UNITED STATES SENATE COMMITTEE ON FOREIGN RELATIONS
HEARING ON IMPLICATIONS OF THE KYOTO PROTOCOL
February 13, 1998

1. When the Congressional delegation met with Vice President Gore in Kyoto, I asked the Vice President exactly what he meant when he called on you and the rest of the U.S. delegation to show more flexibility. The Vice President said that he would defer that question to you, but you were not at that meeting. Can you tell us exactly what instruction you received from the Vice President and what he meant when he instructed you to be more flexible in the negotiations?

2. Please define for me: "meaningful participation from key developing countries?"
   2.1 What countries do you define as "key?" Do you consider China a "key" developing country? Do you consider India a "key" developing country?

3. The Administration's position on the issue of developing country participation has been much weaker than that unanimously urged by the Senate in Senate Resolution 98. The President has called for "key" developing countries to participate in a "meaningful" way, while the unanimous view of the Senate was that "the United States should not be a signatory to any protocol which would mandate new commitments to limit or reduce greenhouse gas emissions for the Annex I Parties, unless the protocol or other agreement also mandates new specific scheduled commitments to limit or reduce greenhouse gas emissions for the Developing Country Parties within the same compliance period." Why did the Administration use a different standard than that voted unanimously by the Senate?
   3.1 Does the Administration intend to adhere to the letter of S. Res. 98, that is to negotiate legally-binding, specific new scheduled commitments within the same compliance period for the Developing Country Parties currently left out of the Kyoto Protocol?
   3.2 At what point, specifically, will the Administration reconsider the viability of the Kyoto Protocol if emission reduction commitments cannot be secured from the Developing Country Parties?
   3.3 Does the President intend to honor the unanimous request of the Senate not to be a signatory — that is not to sign the Protocol — until we have met both objectives of the Byrd-Hagel resolution test: emission reduction commitments from the Developing Country Parties and a demonstration that the Protocol will not seriously harm the U.S. economy?

4. Does the FY99 budget contain any programs or budget requests that could have the effect of implementing portions of the Kyoto Protocol? Please provide the Committee with a

list of all climate change programs in the Executive Branch, with a description of each program and how they relate to the Kyoto Protocol.

5. Article 3 calls for the U.N. Subsidiary Body for Scientific and Technological Advice to report within a year on which additional activities should be regulated by the treaty. What specific additional domestic U.S. economic activities do you believe should be brought under the jurisdiction of the Kyoto Protocol?

6. Article 5 calls on countries to enhance their monitoring systems of greenhouse gas emissions. Will the Administration make any changes in our existing monitoring systems prior to Senate ratification of the treaty?

7. Article 6 delays the implementation of any international emissions trading system among industrial countries until some later U.N. conference establishes procedures for verification and reporting. Do you believe that a fully functioning trading system will, in fact, be adopted next November in Buenos Aries?

8. Article 11 requires the industrial countries to "provide new and additional financial resources" to developing countries. What exactly does this mean, in terms of the U.S. budget?

   8.1 Does the Administration plan to implement this requirement of the Kyoto Protocol before Senate ratification?

9. Article 12 creates a new U.N. foreign aid fund on the climate change issue. This is the "Clean Development Mechanism." This Article creates a new U.N. structure for the transfer funds from industrial to developing nations. It would permit industrial countries or companies to pay into a fund that would, in turn, pay for projects in developing nations to achieve "sustainable development" and to reduce greenhouse gas emissions beyond what they would otherwise be. Article 12 also contains language that would permit the U.N. Clean Development Mechanism to retain a portion of the funds it receives for its own administrative purposes. Early versions of this Brazilian proposal forthrightly referred to this as "user fee" authority, a form of U.N. taxation authority. Does the Administration have any concerns about granting this kind of fee retention authority to a U.N. body?

10. Last year, the Administration abandoned a year and a half-long effort to develop an economic model that would show that we could make major cuts in energy use in this country without harming our economy. The Chair of the Council of Economic Advisors went so far as to call economic modeling "futile." On February 4, 1998 the Chair of the Council on Environmental Quality, Kathleen McGinty said before the House Science Committee, "The Administration is working on a more detailed economic analysis of the impact of the targets reached in Kyoto. Council of Economic Advisers Chair Janet Yellen will be prepared to discuss the analysis at a hearing next week before the Senate Foreign Relations Committee." Can you tell me why the Administration did not produce either Janet Yellen as a witness or the promised detailed economic model or analysis?

11. Were you involved in developing the statement of the Administration's climate change policies announced by the President in his October 22, 1997 speech at the National Geographic Society, and, if you were, will you please describe for us the role you played?
    11.1 When were you told that you would be head of the U.S. delegation at the third session of the Conference of the Parties to the United Nations Framework Convention on Climate Change; and who told you?
    11.2 Will you please describe for us the role you played in developing the Administration's policy approach to, and strategies concerning, the international climate-change negotiations during the period between the President's October 22 speech and the first day you arrived at the Kyoto Conference?
    11.3 At the Kyoto Conference, you were the head of the U.S. delegation. Will you please describe the role you played in developing the Administration's policy approach to, and strategies concerning, the international climate-change negotiations in Kyoto; and, in doing so, will you please describe on a comparative basis the decision making authority within the delegation of you, Ms. Kathleen McGinty, and Mr. Todd Stern?

12. In his testimony last fall before the House Commerce Committee, former Under Secretary of State Wirth referred to the Administration's "economics team" in response to Committee questions about economics issues relevant to the international climate change negotiations. Prior to your appointment as head of the U.S. delegation for the Kyoto Conference, did you regard yourself as part of the Administration's "economics team" with respect to the international climate-change negotiations?
    12.1 From and after the time you were appointed head of the U.S. delegation, was there an "economics team" concerning the international climate-change negotiations, and, if there was, who were its members and who headed the "economics team?"

12. Is there currently in place any interagency body within the Executive Branch that has the responsibility to analyze the economic implications to the nation of the emissions-reduction requirements specified in the Kyoto Protocol for the United States and of alternative domestic policies to achieve those reduction requirements?
    12.1 If yes, What is the name of that interagency body? Who is the chair of that body? Are you a member of that body?

13. You were appointed head of the U.S. delegation at the Kyoto Conference after former Under Secretary of State Wirth announced his intention to resign as Under Secretary for Global Affairs. The President has not yet sent to the Senate his nomination of a successor to Mr. Wirth. Are you currently proceeding on the assumption that, unless and until you are informed by the Secretary of State or the White House to the contrary, you are the senior State Department official who has immediate responsibility for the Administration's policy approach to, and strategies concerning, international climate-change negotiations?
    13.1 What is your current assumption about whether you or Mr. Wirth's successor, if and when confirmed by the Senate, will head the U.S. delegation at the fourth session of the Conference of the Parties when it meets in Buenos Aires in November?

14. In his October 22, 1997 speech at the National Geographic Society, the President said: "First, the United States proposes at Kyoto that we commit to the binding and realistic target of returning to emissions of 1990 levels between 2008 and 2012. And we should not stop there. We should commit to reduce emissions below 1990 levels in the five-year period thereafter, and we must work toward further reductions in the years ahead." As of the time you arrived at the Kyoto Conference, or at any time during the Kyoto Conference, were you informed of:

- what the President's October proposal would require of the United States in terms of the tons of carbon-equivalent emissions reductions;
- what domestic laws and regulations likely would be required to enable the United States to abide by the President's October proposal; and
- what the economic consequences to the nation likely would be if the President's October proposal were the basis for a protocol?

14.1 For any affirmative response to any of the above questions,

- Who gave you that information, and when?
- Please tell us what portions of the information were in written form, by way of briefing papers or otherwise, including any notes you made of information that was given to you?
- To the extent the information to which I have referred was not given to you in written form or reflected in any notes you made of the information given to you, would you please tell the Committee:
  - what the President's October proposal would require of the United States in terms of the tons of carbon-equivalent emissions reduction;
  - what domestic laws and regulations likely would be required to enable the United States to abide by the President's October proposal; and
  - what the economic consequences to the nation likely would be if the President's October proposal were the basis for a protocol?

14.2 Prior to your leaving for the Kyoto Conference, was it your understanding that the President's October proposal for emissions "targets and timetables" presupposed that a protocol would provide for emissions trading among Annex I Parties and for "joint implementation" among and between Annex I and non-Annex I Parties?

14.3 Prior to your leaving for the Kyoto Conference, what was your belief as to how difficult it would be for the United States to achieve the emissions limitation that was proposed in the President's October speech, assuming a protocol provided for emissions trading among Annex I Parties and for "joint implementation" among and between Annex I and non-Annex I Parties?

15. As you know, the Kyoto Protocol, if it ever were to become binding on the United States, would require our nation to reduce its emissions of greenhouse gases by 7 percent below their 1990 levels during the period 2008 through 2012, all in accordance with the specific provisions of the Protocol concerning the list of greenhouse gases, sinks, baseline dates, and so forth. I refer you to a document entitled "Fact Sheet: The Kyoto Protocol on Climate Change," dated January 23, 1998. It states that it was prepared by the Department of State's Bureau of Oceans and International Environmental and Scientific

Affairs." Did you, personally, approve issuance of that "Fact Sheet," and, if you did not, who was the highest ranking official of the State Department who approved its issuance?

15.1 The State Department's "Fact Sheet" states: "The 7 percent target represents at most a 3 percent real reduction below the President's initial proposal of reducing greenhouse gases to 1990 levels by 2008-12. The remaining 4 percentage points result from certain changes in the way gases and sinks are calculated and do not reflect any increase in effort as compared to the President's original proposal." The document then goes on to attribute one percentage point of the 4 percentage points to changing the baseline from 1990 to 1995 for the three synthetic gases covered by the Kyoto Protocol (HFCs, PFCs, and SF_6). It further attributes "about 3" percentage points of the 4 percentage points to not including in the 1990 baseline U.S. sinks, but including certain changes in sinks during the period 2008 through 2012. Was an analysis, which showed that the Kyoto Protocol involves "at most a 3 percent real reduction" of U.S. greenhouse gas emissions below 1990 levels furnished to you while you were in Kyoto and before you agreed to the 7 percent reduction figure; and, if so:

- Who prepared the analysis?
- Who furnished you the analysis, and when?
- Were you given or shown any such analysis in writing?

15.2 Please tell us which other nations -- at the time of the Kyoto Conference, but before actual adoption of the Kyoto Protocol -- were informed, either by you or by any other member of the U.S. delegation, that the Kyoto Protocol, as finally proposed to be adopted by the Kyoto Conference, would entail at most a 3 percent real reduction of U.S. greenhouse gas emissions below 1990 levels?

- Was Chairman Estrada of the Committee of the Whole informed of that; and, if so, when?
- Were any member nations of the European Union informed of that; and, if so, which ones and when?
- Were any developing nations, including, but not limited to, China, India, Argentina, Brazil, or any member nation of the Alliance of Small Island States informed of that; and, if so, which ones and when?

16. Article 3.1 of the Kyoto Protocol states that the emissions reduction requirements of the Annex I Parties set forth in Annex B to the Protocol, in accordance with the provisions of Article 3, are "with a view to reducing their overall emissions of such gases by at least 5 per cent below 1990 levels in the commitment period 2008 to 2012." My recollection is that Ambassador Estrada, who chaired the AGBM and the Committee of the Whole, stated that the reduction of the Annex I Parties would amount to about 5.2 percent below 1990 levels. If the "real" reductions or limitations of the Annex I Parties are calculated in the same manner as the proposed U.S. reduction is calculated in the State Department's "Fact Sheet" — in other words, taking into account the 1995 baseline for the three synthetic gases and the provisions regarding sinks -- shouldn't we conclude that the "real" reductions of the Annex I Parties below 1990 emissions levels will be less than 5 percent?

16.1 Putting it another way, if the U.S. reduction is "at most a 3 percent real reduction" below 1990 levels, that would be less than one-half of the 7 percent proposed reduction for our nation set forth in Annex B to the Kyoto Protocol.. I understand that the United States accounted for perhaps as much as one-third or more of the Annex I Parties' gross emissions in 1990; Russia (the next largest Annex I emitter of greenhouse gases), as well as New Zealand and Ukraine, refused to agree to any reductions below their respective 1990 emissions levels; and Australia would be allowed to increase its emissions by 8 percent over its 1990 level. In these circumstances, can you explain how the aggregate reductions of the Annex I Parties during the period 2012 through 2018 will achieve the 5 percent reduction level referred to in Article 3.1 of the Kyoto Protocol?

16.2 As far as the Administration is concerned, is the phrase "with a view to reducing their overall emissions of such gases by at least 5 per cent below 1990 levels in the commitment period 2008 to 2012," as set forth in Article 3.1 of the Kyoto Protocol, anything more than a purely political statement; or, could it in any manner be interpreted as placing on the United States a legal obligation over and above the 7 percent reduction set forth in Annex B, when interpreted in accordance with the balance of Article 3 without regard to that phrase?

17. The fact sheets and related documents that were distributed by the White House, along with the text of the President's October speech, stated with respect to the emissions target and timetable he had announced: "And it is meaningful. Achieving 1990 levels in the period 2008-12 would amount to almost a 30 percent reduction off a business-as-usual approach." Even assuming, for the sake of our discussion, that the 7 percent reduction referred to in Annex B of the Kyoto Protocol amounts to "at most a 3 percent real reduction" below 1990 levels, would you please:

- tell the Committee how many millions of tons of reduction will have to occur in 2012 (the last year of the first commitment period) compared to the baseline emissions projections for that year; and
- explain why the Administration agreed in Kyoto to a legally binding obligation to reduce our greenhouse gas emissions by such amount below 1990 levels during the period 2008 through 2012?

17.1 Given the provisions in the Kyoto Protocol concerning the baseline for the three synthetic gases and the provisions regarding sinks, if the U.S. delegation had insisted at the Kyoto Conference on percentage figures in Annex B to the Protocol that would have resulted, in reality, in a U.S. commitment only to return its greenhouse gas emissions to their 1990 level, rather than the 3 percent reduction claimed in the State Department's "Fact Sheet," please tell us, based on your discussions with other nations, which of them, if any, would have formally objected to adoption of such a protocol?

18. Article 3.2 of the Kyoto Protocol states: "Each Party included in Annex I shall, by 2005, have made demonstrable progress in achieving its commitments under this Protocol." Does this constitute a legally-binding obligation?

18.1 Will you please tell us what that provision means in terms of the relationship between U.S. greenhouse gas emissions in 2005 and --

- the baseline projection of U.S. emissions for 2005; and
- U.S. greenhouse gas emissions in 1990?

18.2 Does the Conference of the Parties to the Kyoto Protocol have the authority to determine whether the United States is in compliance with Article 3.2; and, if it does, would our nation be exposed to risk of enforcement provisions that might be established pursuant to Article 17 of the Protocol?

19. In his October speech, the President said there should be reductions below 1990 levels during the five-year period after 2012. Either before or during the Kyoto Conference, did you or any other member of the Executive Branch ever propose to, or discuss with, another nation what the percentage reduction should be during the five-year period after 2012? If yes —

- what percentage reduction was proposed or discussed for that second commitment period;
- who expressed the view of the United States on that issue;
- when such further reduction was proposed or discussed;
- who the other nations were; and
- what their reaction was?

19.1 As nearly as I can determine, there are two places in the Kyoto Protocol that define the first "commitment period." Article 3.1 uses the expression "the commitment period 2008 to 2012," and Article 3.7 uses the identical expression. I am concerned that the word "to" could be interpreted by some to mean "up to," rather than "through," so that the language in the Kyoto Protocol would be interpreted to refer to the years 2008, 2009, 2010, and 2011— that is, "up to" 2012. Such interpretation would mean that the first commitment period has a duration of only four years. Was it the intention and understanding of the U.S. delegation at the Kyoto Conference that the phrase "the commitment period 2008 to 2012," as used in the Kyoto Protocol, was meant to include the full year 2012?

20. Even if one assumes that the Kyoto Protocol provides for at most a real 3 percent reduction of U.S. greenhouse gas emissions below their 1990 levels during the period 2008 through 2012, would you agree that, all other things being equal, the level of effort required to enable U.S. compliance with that commitment would have to be greater or more far-reaching than would be the case if the Protocol only required, under its provisions, returning the nation's emissions to their 1990 level, and, also, that the economic consequences would be greater?

20.1 During the decision-making process as to whether the U.S. delegation should agree to the Kyoto Protocol, as it finally was to be proposed to the Kyoto Conference, did you participate in any discussions, or receive any information, concerning whether, or how, or the extent to which, domestic laws and regulations that would be required, and the economic consequences to the nation, would or could differ from those contemplated at the time of the President's October 1997 speech? If yes --

- Was any such information furnished to you in written form; and, if so, who prepared the information, and who furnished it to you?

- Would you please describe for the Committee what was said during any discussions you had on that issue?
- Would you please tell us whether the President or the Vice President, or both, were provided the information that you had?

21. As you know, Senate Resolution 98, the Byrd-Hagel Sense of the Senate Resolution, provided, in part, that "the United States should not be a signatory to any protocol to, or other agreement regarding, the United Nations Framework Convention on Climate Change of 1992, at negotiations in Kyoto in December 1997, or thereafter, which would -- (A) mandate new commitments to limit or reduce greenhouse gas emissions for the annex I Parties, unless the protocol or other agreement also mandates new specified scheduled commitments to limit or reduce greenhouse gas emissions for Developing country Parties within the same compliance period. . . ." Please tell the Committee what efforts were made by the United States, from and after the time you were told you would head the U.S. delegation at the Kyoto Conference, to obtain language in the Kyoto Protocol that met the specific requirements of Senate Resolution 98, namely, that "*mandates new specified scheduled commitments to limit or reduce greenhouse gas emissions for Developing country Parties within the same compliance period*" as would apply to our nation?

21.1 In the President's October speech, he stated: "The United States will not assume binding obligations unless key developing nations meaningfully participate in this effort." In his December 8 speech to the Kyoto Conference, one of the specific conditions stated by the Vice President to show "increased negotiating flexibility" also was "the meaningful participation of key developing countries." At any time, were you under the impression that such language met the requirements set forth in the Senate Resolution that was adopted by a vote of 95 to zero? If yes --

- What, if anything, made you think that Senate Resolution 98 was only concerned with "key" developing nations, as distinguished from all, or substantially all, of them?
- What, if anything, made you think that the expression "meaningful participation" was exactly the same thing as the requirement of Senate Resolution 98 that referred to "new specified scheduled commitments to limit or reduce greenhouse gas emissions for the Developing country Parties within the same compliance period?"

21.2 Do you agree that the Kyoto Protocol, as written, does not meet the requirements of the Senate, as set forth in Senate Resolution 98?

22. As of, or around, the time you were designated to head the U.S. delegation to the Kyoto Conference, what was your understanding of the intention and meaning of the following words, as used in the President's October speech:

- "key" — Please name all of the developing nations that were "key?"
- "participation" — did it include quantitative commitments, in the Protocol or in a simultaneously adopted, but separate, protocol, to limit the growth of developing nations' greenhouse gas emissions?
- "meaningful" — what did that mean?

22.1 My understanding is that the Annex I nations and the developing nations knew of the terms of Senate Resolution 98 at least by the summer of 1997, when the Ad Hoc Group on the Berlin Mandate met in Bonn. Is that your understanding also?

23. At any time during the Kyoto Conference, did the Administration's intent and understanding of the phrase "meaningful participation of key developing nations" change from the intent and understanding that existed as of the President's October speech? If so, would you please tell us what the changes were?

24. Does the Kyoto Protocol, as written, provide for "meaningful participation of key developing countries" within the meaning of the President's October 1997 speech?

24.1 The following is from a document, dated December 11, 1997, which is entitled "Transcript: Eizenstat Briefing on Results of Climate Talks" and which bears a legend at the top stating "The United States Mission to Italy." The document purports to be a transcript of your news conference on December 11 in Kyoto. The following statement is attributed to you:

> "Second is the question of eventual ratification by the U.S. Senate. The President has indicated that the United States would not take on legally binding targets until there was meaningful participation by developing countries. Clearly, despite the very important step taken through the Brazilian process of creating a Clean Development Mechanism for Credit, that meaningful participation has not yet been taken as a result of the steps that were done here. We hope, over time, they will."

Did that transcript accurately set forth what you said at your news conference?

24.2 If anybody in the Administration, or anybody else, ever tries to tell or suggest to this Committee that the Kyoto Protocol, as written, provides for "meaningful participation by key developing countries," can we count on you to deny that?

25. The State Department's "Fact Sheet: The Kyoto Protocol on Climate Change," dated January 23, 1998 states (beginning at the bottom of page 4): "While the conference rejected a proposal to create a new category of nations that would voluntarily assume

22.1 My understanding is that the Annex I nations and the developing nations knew of the terms of Senate Resolution 98 at least by the summer of 1997, when the Ad Hoc Group on the Berlin Mandate met in Bonn. Is that your understanding also?

23. At any time during the Kyoto Conference, did the Administration's intent and understanding of the phrase "meaningful participation of key developing nations" change from the intent and understanding that existed as of the President's October speech? If so, would you please tell us what the changes were?

24. Does the Kyoto Protocol, as written, provide for "meaningful participation of key developing countries" within the meaning of the President's October 1997 speech?

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25. The State Department's "Fact Sheet: The Kyoto Protocol on Climate Change," dated January 23, 1998 states (beginning at the bottom of page 4): "While the conference rejected a proposal to create a new category of nations that would voluntarily assume binding emissions targets, developing countries may as a prerequisite for engaging in emission trading still do so through amendment to the annex of the protocol that lists countries with targets." Does that statement mean that there is a mechanism for developing nations to opt into the Kyoto Protocol by means of amendment to Annex B?

25.1 Was the United States, before and during the Kyoto Conference, a proponent of what had been called Article 10, which was called Article 9 in a subsequent draft because of renumbering of the Articles, and that Article 10 was intended to set forth the rules by which a non-Annex I Party (that is, a developing nation) could "opt in" to a quantitative commitment to limit or reduce its greenhouse gas emissions?

25.2 Is it true that the developing nations, as a group, refused to go along with this "Article 10," and that, in your press conference immediately after adoption of the

Protocol, you stated that the defeat of the opt-in provisions of Article 10 "was I think our single greatest disappointment?"

25.3 Who came up with the idea that Annex B could be amended so as to add a developing nation and a related emissions-limitation commitment, or when such idea first entered into a draft of the Protocol?

25.4 Do you believe that a majority of the developing nations wanted to include Article 10 in the Kyoto Protocol?

25.5 If a "developing" nation wanted to undertake an emissions-limitation commitment for itself and that it proposed to amend Annex B of the Kyoto Protocol by stating what its commitment was, do you agree that, by reason of Articles 20.7 and 19.3 of the Protocol, such amendment would first have to be approved by at least a three-fourths majority vote of the Parties to the Protocol?

25.6 Do you believe that the Government of the United States, under our Constitution, could not deposit an instrument of acceptance to any amendment of Annex B pursuant to Article 19.4 of the Kyoto Protocol without the advice and consent of the U.S. Senate?

25.7 If a developing nation were added to Annex B, would it automatically become an Annex I Party to the Convention?

25.8 Would a developing nation that is added to Annex B also undertake the commitments of Annex I Parties set forth in Article 2 (concerning policies and measures), Article 5 (concerning a national system for estimation of its emissions and sinks), Article 7 (concerning its national emissions inventory and national communications), and Article 8 (concerning expert review of its reports filed pursuant to Article 7)? If yes –

– Will you please look at those Articles in the Kyoto Protocol and tell me what language in them would make them applicable to a developing nation that became listed in Annex B?

26. In her written testimony before the House Science Committee on February 4, Ms. Kathleen McGinty said: "The President has made it clear that he does not intend to send the Kyoto Protocol to the Senate for ratification until we have achieved meaningful participation by key developing countries." Is that also your understanding of the President's position; and, if it is, who told you that?

27. I am told that various Administration officials have referred to efforts to obtain, on a bilateral or multilateral basis, the agreement of certain developing nations to quantitative limita- tions on the growth of their greenhouse gas emissions. For example, I understand that Ms. McGinty indicated that in her oral testimony before the House Science Committee. Is it the Administration's position that any such bilateral or multilateral agreements would constitute "meaningful participation by developing nations?"

27.1 How could the Administration contend that bilateral or multilateral agreements with developing nations would justify the Senate's ratification of the Kyoto Protocol, in the absence of amendments to the Kyoto Protocol that made it certain the developing nations added to Annex B also were subject to Articles 2, 3, 5, 7, and 8, and that all such commitments, including those undertaken by means of joining Annex B, were subject to such enforcement provisions as might be adopted to elaborate Article 17?

27.2 Is the Administration contemplating proposals to amend the Kyoto Protocol to make certain that, if developing nations were added to Annex B, they also will be subject to Articles 2, 3, 5, 7, and 8?

28. What do you believe the chances are that the Kyoto Protocol will enter into force by the fourth session of the Conference of the Parties in November if the Senate has not ratified it more than 90 days before that session?

29. If the Kyoto Protocol does not enter into force by the November session of the Conference of the Parties, do you believe that the Protocol's provisions concerning amendment of the Protocol are irrelevant and that, in the absence of adoption of the Rules of Procedure of the Conference of the Parties that provide for amendment of the Kyoto Protocol by something other than "consensus," any amendments to that Protocol would require "consensus?"

30. Would you please describe for us all of the ways, including procedure, that the State Department is considering to accommodate the requirements of Senate Resolution 98?

31. Did the President, personally, authorize the U.S. delegation at the Kyoto Conference to vote for adoption of the Kyoto Protocol?

31.1 Will you please explain to the Committee why the President authorized the U.S. delegation to vote for adoption of the Kyoto Protocol at the Kyoto Conference, but no decision has been made as to when it will be signed in behalf of the United States?

32. Will you please identify and describe any oral or written understandings with, or commitments to, other nations -- of any kind other than those specifically set forth in the Protocol -- which were made by the President, by the Vice President, or by any member of the U.S. delegation to the Kyoto Conference, including, but not limited to, any understandings or commitments regarding:

- implementation or the interpretation of the Protocol;
- the substance of future decisions by the Conference of the Parties, which the United States would support, regarding rules or guidelines elaborating the Protocol; or concerning the timing of any Party's signature or ratification of the Protocol.

33. Article 16 bis. Will you please tell us what "modalities" would be, as distinguished from the "principles," "rules," and "guidelines" referred to in that Article?

33.1 Do you believe that, until the Conference of the Parties makes all of the decisions that it is empowered to make under those Articles of the Kyoto Protocol, it will be impossible for either the Administration or the Congress to know the extent to which those Articles – in reality – would or could reduce the nation's cost of complying with the emissions- reduction requirement set forth in the Protocol?

34. Do you believe that under Article 16 bis, Annex B Parties can begin engaging in emissions trading now?

34.1 Do you have any reason to believe that other Parties to the Convention, specifically including the European Union, agree that, under Article 16 bis, Annex B Parties can begin engaging in emissions trading before the Conference of the Parties defines what it regards as the "relevant principles, modalities, rules and guidelines" for emissions trading, as provided for in the first sentence of Article 16 bis?

34.1 Will you please explain to the Committee, in summary form at this time, all of the issues that will have to be decided by the Conference of the Parties in order to enable emissions trading under Article 16 bis be a viable and effective mechanism for reducing the costs of complying with the emissions-reduction commitment of the United States under the Kyoto Protocol?

35. Regarding the Clean Development Mechanism, particularly Article 12.8, which states: "The Conference of the Parties serving as the meeting of the Parties to this Protocol shall ensure that a share of the proceeds from certified project activities is used to cover administrative expenses as well as to assist developing country Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation." Who are those countries that will be entitled to receive funding to meet the costs of adaptation?

- Are they limited to the groups of countries referred to in Article 4.8 of the Convention?
- Will the share of proceeds to be used to meet the costs of adaptation be allocated among deserving nations in accordance with some currently unknown, decision making process to be established by the Conference of the Parties?
- Please identify all countries that would be excluded from receiving any portion of such funding.

35.1 Does the United States have an understanding with Brazil, or with any other nations, as to a limit, or potential limit, on the amount of money derived from projects under the Clean Development Mechanism that will be diverted to developing nations for adaptation purposes?

36. My understanding is that the fourth session of the Conference of the Parties in November will review the adequacy of Articles 4.2(a) and (b) of the Convention. Given that the Conference of the Parties adopted the Kyoto Protocol and that Articles 4.2(a) and (b) of the Convention have nothing to do with commitments of developing nations, will you assure this Committee that the position of the United States at the November session will be that Articles 4.2(a) and (b) of the Convention <u>are</u> "adequate?"

37. The Kyoto Protocol contains no provisions that describe what the procedures and consequences will be if a Party is not in compliance with its commitments under the Protocol. Article 17 of the Protocol does not itself provide deterrence to non-compliance; yet we know that, for any number of reasons, the United States would comply with its commitments if the Protocol ever received the advice and consent of the Senate. What

specific proposals did the U.S. delegation make during the negotiations that concluded with the Kyoto Protocol that detailed the procedures to determine whether a Party was in non-compliance, and, in case of non-compliance, what specific consequences would ensue in different situations?

37.1 Does the Administration favor use of trade sanctions, such as embargoes, in case of certain types of non-compliance; and, if so, please tell us what the Administration is considering in that regard?

38. Is the Administration contemplating submitting to Congress any other legislative proposals, or is it contemplating proposing any new or amended regulations, any of which are intended to reduce U.S. greenhouse gas emissions, prior to the President's signing the Kyoto Protocol and submitting it to the Senate for its advice and consent? If so, will you please describe the substance of any such legislative or regulatory proposals that are being contem- plated?

39. Has any Department or agency of the Executive Branch, or any interagency body, been given the responsibility to develop potential proposals for legislation or regulations that would be intended to facilitate compliance by the United States with the Kyoto Protocol if the Protocol ever were to become binding on this nation? If so, will you please identify the Departments, agencies, or interagency body; and, if it is an interagency body, who is the head of it?

QUESTIONS FOR THE RECORD
SENATOR JESSE HELMS
IMPLICATIONS OF THE KYOTO PROTOCOL HEARING
February 13, 1998

- Please provide the following information either in electronic or hard-copy form:

  -- the official U.S. global greenhouse gas inventory used by negotiators in Kyoto, on a country-by-country specific basis, for the six greenhouse gases listed in Annex A of the Kyoto Protocol;

  -- the 1990 baseline and projections at least through 2030 for carbon dioxide, methane, and nitrous oxide; and

  -- the 1995 baseline and projections at least through 2030 for hydroflurocarbons, perfluorocarbons, and sulphur hexafluoride.

- Please provide the assumptions, data and calculation methodology that support the Administration's assertion that the impact of carbon sinks on the U.S. greenhouse gas reduction commitment will reduce the actual reduction to 2 or 3 percent below 1990 levels, rather than 7 percent.

- The Kyoto Protocol establishes a Clean Development Mechanism. Please provide the following information regarding the "Mechanism."

  -- What staffing and administrative costs do you anticipate will be required to establish and run this "Mechanism"?

  -- What fee do you anticipate the U.N. will charge companies for investing in developing countries through this "Mechanism"?

  -- What criteria do you anticipate this "Mechanism" will use to approve or reject investments?

- The Energy Information Administration (EIA) has projected that carbon emissions in the United States will increase from 1990 emissions levels by 34 percent by the year 2010. The Kyoto Protocol would require the United States to <u>reduce</u> these emissions to 7 percent <u>below</u> 1990 levels by 2010.

  -- In addition to your assertions of increased energy efficiency, and international emissions trading, please detail how the Administration intends to reach these enormous commitments <u>without</u> constraining U.S. economic growth?

- Please answer the following questions regarding the creation and implementation of a domestic emissions trading program.

  -- Is the Administration considering the creation and implementation of a domestic emissions trading program?

  -- Does the Administration believe that a domestic emissions trading program could be implemented absent legislation? Would legislation be required for any aspect of a domestic emission trading program under consideration? If you do not believe that legislation is required, under what statutory authority, specifically, would the Administration intend to proceed? What would be the basis for such an interpretation?

  -- Would a domestic emissions trading program be implemented without ratification of the Kyoto Protocol? If so, on what basis? How would such a program relate to the proposed, yet thus far undefined, international emissions trading regime?

  -- Would a domestic emissions trading program be voluntary? If so, what incentives would be offered to induce companies and other entities to participate? Who would run such a program? Under what authority?

  -- By its very nature, an emissions trading program would require an emissions "cap" that would make an emissions unit tradable commodity. Would adherence to the cap be voluntary or mandatory? How would a cap be established? Has any Administration official or entity examined in any way whether a mandatory cap could be placed on carbon emissions? If so, would it be the Administration's's view that legislation would be required to proceed? If not, under what authority would the Administration act?

  -- Could international emissions trading proceed today on the basis of the Kyoto Protocol? If so, how? If not what would the Administration deem necessary for an international emissions trading program to proceed?

- Please answer the following questions regarding amendments to the Kyoto Protocol:

  -- While the Administration is calling the Kyoto Protocol a "work in progress," isn't it true that the Kyoto Protocol is a final document that must be considered by all nations as is? Can the Protocol be amended or changed in any way before it enters into force? If so, how would this be done?

  -- Procedurally, how does the Administration intend to act on any proposals in Buenos Aires? For example, how would an emissions trading regime be considered and adopted? What about enforcement and compliance rules? What about new scheduled emissions reduction commitments by developing countries in the same compliance period as developed countries?

– If the United States, or any other nation, sought to amend the Kyoto Protocol, wouldn't it need to follow the amendment process to the Protocol? To participate in that process, wouldn't the United States, or any other nation, have to be a party to the Protocol? If this is the case, how does the Administration intend to change anything that is now included in the Protocol or add anything to the Protocol -- which is deemed a work in progress – until after U.S. ratification? If it is your belief that the United States does not have to be a party to the Protocol to amend the agreement, how could this be done?

-- Would the Administration consider submitting the Kyoto Protocol to the Senate for its advice and consent before formal adoption of amendments to the Protocol? If not, is it the Administration's intention to forgo submitting a global climate treaty to the Senate? If so, how specifically would the Administration go about making the Protocol acceptable to the American people?

-- Is it the intention of the Administration's to seek to negotiate a new Protocol and send both Protocols together to the Senate for advice and consent? If so, what would a new Protocol look like specifically? Have any other countries expressed an interest in such an approach? If so, which countries?