FOIA Number: 2017-1095-F

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Folder Title:
White House Conference on Climate Change - Oct. 6

Stack:	Row:	Section:	Shelf:	Position:
S	20	5	1	2

William Jefferson Clinton
President of the United States of America

White House Conference on Climate Change

The Challenge of Global Warming

GEORGETOWN UNIVERSITY

OCTOBER 6, 1997 ★ GASTON HALL

INVITED GUEST

I. What specifically can I do to encourage technological advances that will help us to slow carbon emissions? How much is technology development dependent on market incentives rather than Federal spending on R&D and dissemination programs?

Solow

Holdren
Jorgensen
Get names of other technology people from TJ et. al.

II. Very specifically, balancing the benefits of acting against the costs of doing so, how aggressive should we be in reducing carbon emissions?

Katz
Munnell
Tyson

Cline
Nordhaus
Jorgensen
Dudek (EDF)

Solow
Blinder

III. How worried should I be about "competitiveness" arguments and the impact of climate policies on U.S. industry generally? In which specific industries are there likely to be problems?

Ehrlich
Cooper
Repetto
Sachs
Stiglitz

Krugman
Esty (?) -- good because he has links to the greens
AFL-CIO

IV. What is the most efficient way of reducing carbon emissions?

that we already have,

[Follow-up: How much can we learn from the SO2 trading program to ensure that carbon reductions are undertaken efficiently?]

V. Are there suggestions you have for how the U.S. Government itself can be more efficient in using energy?

Former government officials

VI. Can you recommend any kind of safety valve to protect the economy against unexpectedly high costs of reducing emissions?

Michele Jolin 08/13/97 11:54:07 AM

Record Type: Record

To: Janet L. Yellen/CEA/EOP, Jeffrey A. Frankel/CEA/EOP

cc: Jason Shogren/CEA/EOP, Randall W. Lutter/CEA/EOP, Joseph E. Aldy/CEA/EOP, Peter R. Orszag/OPD/EOP

Subject: WH Conference on Climate Change

The WH Climate Change Conference is scheduled for October 6. The CEA has been asked to work with the NEC in coming up with panelists for the domestic issues/economy panel and to identify the issues that should be discussed by these panelists.
The following is the tenative plan for the Conference:

Sunday, Oct. 5 --- Breakout sessions: Participants in conference will meet in small groups with members of the Cabinet and Senior White House staff.

Monday, Oct. 6 --- Conference

AM:
- Science Presentation
- Panel on technology
- Panel on domestic issues/economy

LUNCH

PM:
- Panel on International issues
- VP closing ceremony
- WH Reception

JF 8/14/97

Economist candidates to invite to Oct. White House conference on GCC

more senior experts on GCC

lead signers of letter

Bill Nordhaus
Dale Jorgenson

other signers of letter

Richard Schmalensee

other emininent who didn't sign

Bill Cline, IIF
Richard Cooper, Harvard

some other eminent economists of 2300

Ken Arrow *
Paul Krugman
Robert Solow *

William Baumol, NYU
Max Corden, SAIS
Gerard Debreu, UCB *
Frank Fisher, MIT
Claudia Goldin, Harvard
Ned Gramlich, U.Mich/ FRB nom.
Lawrence Klein, U.Penn *
Anne Krueger, Stanford
Larry Katz, Harvard
Robert Litan, Brookings
Van Ooms, CED
Jeff Sachs
James Tobin *

John Harsanyi *
Wassily Leontief *
Franco Modigliani *

Stephen DeCanio
Robert Repetto

experts in GCC
not quite as senior/big name

signed letter
Stavins

couldn't find name on list

Goulder
Rutherford
McKibbin
Wilcoxen
Richels
Toman

former Admin

Alan Blinder
Laura Tyson
Alicia Munnell
Ev Ehrlich
Joe Stiglitz

* Nobel Prize

I. What specifically can I do to encourage technological advances that will help us to slow carbon emissions? How much is technology development dependent on market incentives rather than Federal spending on R&D and dissemination programs?
Holdren
Jorgensen
Get names of other technology people from TJ et. al.
Solow
Munnell

II. Very specifically, balancing the benefits of acting against the costs of doing so, how aggressive should we be in reducing carbon emissions?
Cline
Nordhaus
Jorgensen
Dudek (EDF)
Blinder
Solow
Katz
Tyson

III. How worried should I be about "competitiveness" arguments and the impact of climate policies on U.S. industry generally? In which specific industries are there likely to be problems?

Krugman
Esty (?) -- good because he has links to the greens
AFL-CIO
Ehrlich
Cooper
Repetto
Sachs
Stiglitz

IV. What is the most efficient way of reducing carbon emissions?

>>[Follow-up: How much can we learn from the SO2 trading program that we already have, to ensure that carbon reductions are undertaken efficiently?]

V. Are there suggestions you have for how the U.S. Government itself can be more efficient in using energy?
Former government officials: Deutsch

VI. Can you recommend any kind of safety valve to protect the economy against unexpectedly high costs of reducing emissions?
Nordhaus
Katz
Tyson

I. What specifically can I do to encourage technological advances that will help us to slow carbon emissions? How much is technology development dependent on market incentives rather than Federal spending on R&D and dissemination programs?

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Krugman
Esty (?) -- good because he has links to the greens
AFL-CIO

what is most efficient way to do it
IV. How much can we learn from the SO2 trading program to ensure that carbon reductions are undertaken efficiently?

V. Are there suggestions you have for how the U.S. Government itself can be more efficient in using energy?

Former government officials

what would be effect
~~How high would~~ on energy prices

VI.

Can you recommend any sort of Safety valve

what is fair/reasonable to ask of LDCs

Does this have to be costly, economically?
what policy decisions will determine whether it

we have made proposals for flexibility...
If other countries won't go along with,
at what point do we walk away from Kyoto

~~If it raises revenue, how should it be spent?~~

Bill Anthony

Org. conf. POTUS opening speech

2 brief science. (1) science impacts

(2) {panel} regional impacts of GCC, incl. econ. crime ...

panels

1 hr 10-12 people. Go around up

(why I'm here. Here's what I do.

Non-security paper.)

Then pres. policy 3-4

Policy dis. (1) pre lunch. what (Pres.)

panels

(i) technology

(ii) e-mfg

Lunch

(2) + int. panel (chair Albaugh)

Break out sessions 10 of 15 people each

VP closing speech

Existg. Techn. Bus. Order EOP

by Wed.

What can Pres. do on techn.?

E policy in 2002 vs 2015 ...

Peter R. Orszag 08/19/97 01:16:29 PM

Record Type: Record

To: William J. Antholis/OPD/EOP

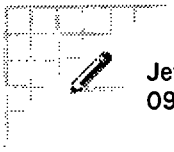
cc: Rosina M. Bierbaum/OSTP/EOP, Michele Jolin/CEA/EOP, Jeffrey A. Frankel/CEA/EOP
Subject: Re: sketch

1. I think it would be appropriate to change the second part of the first question to be something like: "How important is it for Federal efforts to supplement and catalyze market incentives for technology improvements? In addition to providing the right market incentives for technological development, where specifically are the Federal government's efforts best focused?" Is that better?

2. I would be hesitant to ask specifically about different aspects of the costs -- I wouldn't want the President to be out there asking a question that involves any of the specific costs you mention. I would keep the question general.

3. On the sectors that are most energy-intensive: Rosina should correct me if I'm wrong, but I don't think that those sectors most exposed to the "competitiveness" problem (aluminum, steel, cement, etc.) are the ones in which we expect substantial improvements in technology. If so, it may be worth incorporating some discussion of technology improvements into how firms in these industries will adjust. But if not, I think I would keep the technology discussion distinct.

4. I would not bring up the "state of processing" question, because it's too down in the trees rather than the forrest and because it's not even clear to me that our proposal will have that level of detail in it. (And just between us, we should be clear that where we impose the permit requirement is not necessarily where the "burden" falls. Indeed, the true economic incidence of emissions reductions is almost surely going to fall on consumers -- because the burden will be passed through into prices -- regardless of where the permitting requirement is imposed.)



Jeffrey A. Frankel
09/15/97 06:50:12 PM

Record Type: Record

To: William J. Antholis/OPD/EOP
cc: Adele C. Morris/CEA/EOP, Janet L. Yellen/CEA/EOP
bcc: Records Management
Subject: Re: draft conference memo

A few quick reactions to your memo re WH GCC conference.

Page 4. You have an awful lot on technology. I would be surprised if Treasury, of all agencies, would want to present what you have listed: technology, item (b), presented as if it is a policy lever to be viewed as comparable/alternative/on a parallel with the true policy options you have listed under (a). At a minumum, you should say "*subsidy* of the development and diffusion of technology", if you intend to talk about a policy. Then, under discussion, you commit the sin even more explicitly be describing emission reduction technolgoies as possible policy tools. We believe that suggesting technology as a way of cutting emission, independently of price (or R&D subsisdies, or reguation, etc.) is like suggesting that hear/lung rate is a way of burning calories, independently of physical exertion.

page 6. Something is missing from the end of Repetto.

Under economist A, Blinder was not a co-author of the letter (or even a signer?), tho he is of course very good. If you want knowledgeable co-authors of the letter, you are limited to Nordhaus and Jorgenson (or, to some extent, Krugman and Solow). I think you really have to have Nordhaus, for full credibility. Personally, I would also do Krugman. (He is nowhere near as ornery as his reputation.)

Other trade economists: Cooper, Sachs*, Max Corden*.
women: Claudia Goldin*, Anne Krueger*, Laura Tyson, Alicia Munnell
(* signed the letter)

page 9. I'm a bit surprised at the role given to national security here, since there are so many more important dimensions to this problem. In particular, I am not sure what you want Jessica Matthews (whom I think is good) to do. And I fear that the use of the word "competitiveness" here is even more dangerous (to borrow from Krugman's phrase "competitviness: a dangerous obsession) than in the usual context.

last line: drop word "both"

Under economist B, what do you mean by "helping key industries"?

William J. Antholis

Foreign Policy Invites:

Les Gelb, Council on Foreign Relations
Mort Abromowitz, Carnegie Commission on Preventing Deadly Conflict
Richard Solomon, United States Institute of Peace
Brookings Institute
Thomas Lovejoy, Smithsonian Institution
Interactions

Foundation Invites

President, Pew Global Stewardship Initiative
President, Ford Foundation
Presdient, Rockefeller Brothers Foundation
President, Olin Foundation
President, Bradley Foundation
President, Hudson Institute

Academics

Dan Jorgensen, MIT
Laura Tyson, Berkeley
Donald Kennedy, Stanford
Robert Solow, MIT
William Nordhaus, Yale University
Paul Krugman, MIT
Jeffrey Sachs, Harvard University
Dan Esty, Yale University

9/16/97

Bill Antholis

Break out session

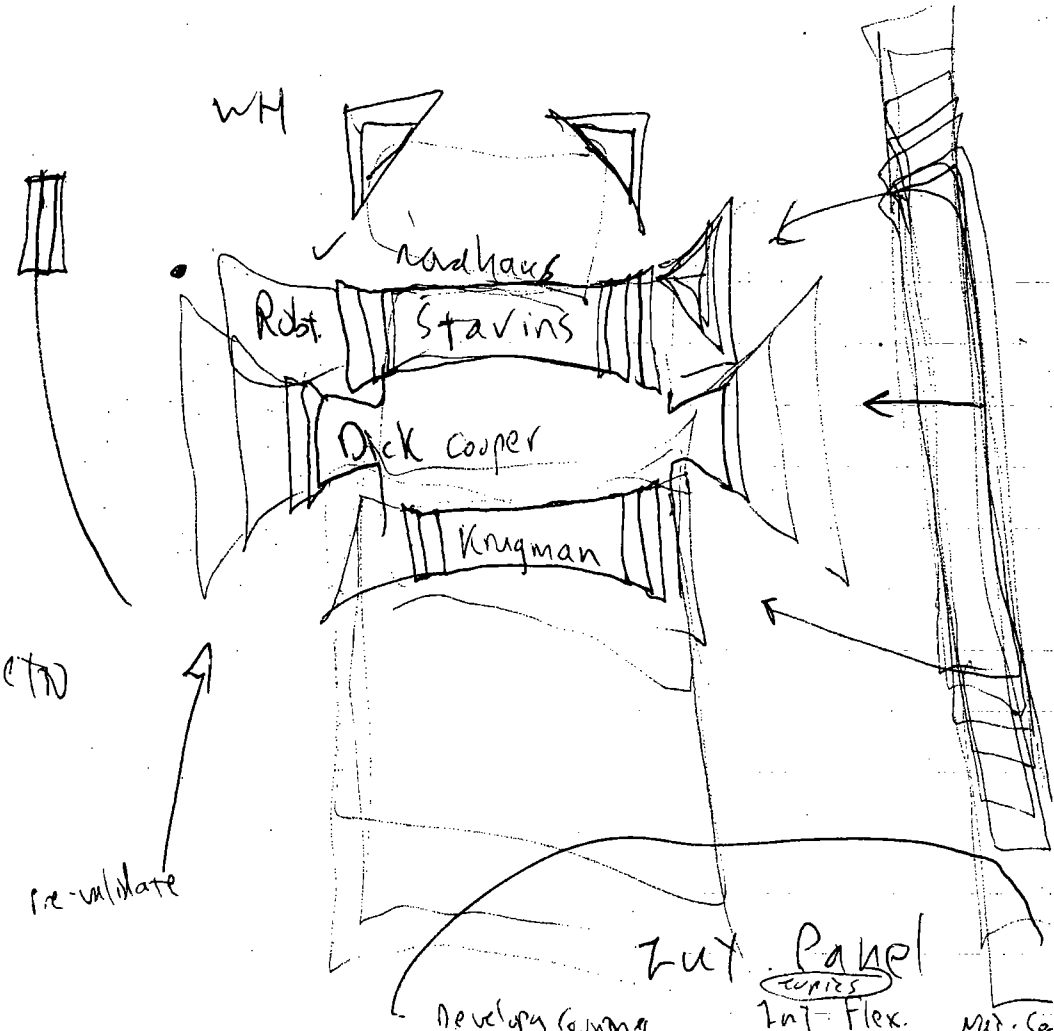
lunch
half hour

audience 150

10 cabinet members
-15

50 business rep
10 academics
elected officials
health
publishing world
cultural civic leaders
enviros

done JL



✓ Bill Cline
call

✓ Repetto

Tech

Econ. Panel

Rodhaus

Repetto

Cline ?

Stavins
Krugman

Cooper

Why GCC cap.

Nordhaus Cap at $10/ton

Stavins

Predecessor Model for CO2 reg

(1) Upstream

(2) NEVs fully rebated

(3) Nothing to suggest carbon reg will be miraculously cheap

(4) Time matters

cost lower if combined with broad climate reg, not JT

Escape clause or safety valve.

CO_2

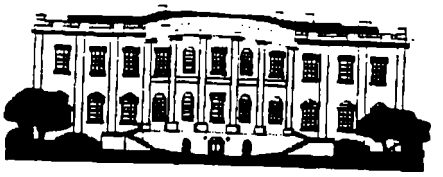
$170 – $200/ton was final estimate. Why was P lower?

(Current price $80)

- low rail rate
- abatement costs might be > permit price. Regulators discouraging utilities
- property rights issue

Uncertainty

Cost – that's another argument for Stavins' safety valve



THE WHITE HOUSE

OFFICE OF CABINET AFFAIRS

JLY
JAF
MJ
AM
RL
JA

Date: 10/3/97

To: ALL CLIMATE CHANGE CONTACTS

From: KRIS BALDERSTON

Facsimile: _____

Telephone: _____

Subject: _____

Pages: 6 (Including this cover sheet)

Comments:

BREAKOUT SESSION TALKING POINTS

OLD EXECUTIVE OFFICE BUILDING ❖ ROOM 160 ❖ WASHINGTON, DC 20502

TELEPHONE (202) 456-2572 ❖ FACSIMILE (202) 456-6704

White House Conference on Climate Change -- Breakout Sessions
Background, Talking Points, and
Questions & Answers

Background

During the lunch segment of the White House Conference on Climate Change (scheduled for 1:00 - 2:00 p.m.), invited guests will break into groups to discuss the various aspects of the climate issue. Each group will consist of roughly 15 people, including a Cabinet member or other senior Administration official who will guide the discussion. Someone will also be present to take detailed notes of the conversation. The lunch session will be closed press.

Introduction

After participants introduce themselves, you may want to start the discussion by taking a few minutes to touch on the state of play of the climate issue within the Administration and describe your agency's involvement.

- This Conference reflects the Administration's two-pronged approach to the issue of global climate change. We are trying both to educate the American people about the problem and to develop a sensible U.S. policy in the lead up to December's meeting in Japan.

- On the former, our goal has been to raise awareness about global climate change and to generate a dialogue about appropriate ways of addressing it. This Conference is one in a series of events that we have undertaken in the past few months. I have done _____. My agency has done _____.

- On the latter, we hope to announce a U.S. policy for Kyoto around the time of the last formal negotiating session, which takes place in Bonn at the end of this month. I am sure all of you are interested in knowing the details of that policy, but I can't tell you because they aren't decided yet.

- I can tell you that whatever the policy is, it will conform to the core principles that the President has laid out -- namely it will be informed by our understanding of the science, and it will include realistic and achievable binding emissions targets, maximum flexibility of implementation, and provisions to ensure the participation of all countries.

- I hope during our discussion over the next hour we can keep this basic framework in mind and, despite our different views on the issue, try to identify some areas of agreement and some opportunities for moving forward.

Discussion

The principal goal of these sessions is to ensure that everyone gets a chance to speak and have their views heard. The dialogue at each table will necessarily depend on the participants and on the particular interests or focus of your Department. Nevertheless, it is unlikely that you will need to do much prompting in order to engage a discussion. Following is an introductory question to start the dialogue and then a few additional questions you might consider if the conversation lags.

- What do you think of the Conference so far? Do you have comments about anything the President or Vice President said, about issues that came up during the panel discussions, or about other aspects of the climate change issue?

If needed:

- This Conference has brought together a wide cross-section of the people who have thought the most about climate change and who have the greatest stake in any action we take. Do you have ideas about how we sustain the dialogue started here today?

- You heard a great deal about technology this morning. Do you have additional thoughts about how the Administration can better work with the private sector to stimulate the innovations we need to reduce greenhouse gas emissions?

- One of the hardest issues in the climate change negotiations right now relates to developing countries and the level of commitments they should take on. We'll hear about this more this afternoon, but do you have thoughts on the subject?

Questions & Answers

Participants may ask questions of you, including on various aspects of the Administration's approach, on recent press coverage of climate change, and on the industry ad campaign now underway. Following are several of the most likely questions and suggested responses.

Industry ads/developing countries

Q: A major television ad campaign now underway suggests that a new climate agreement would exempt developing countries from meaningful actions to address climate change, putting the onus entirely on us and the other industrialized nations. Is this true?

- The ad is highly misleading. First, developing countries are not exempt from taking actions under the current Climate Convention. In fact, many of them have done a good deal to reduce emissions.

- Second, the U.S. has plainly stated that we will not sign an agreement that does not make it clear that developing countries must do more -- including taking on binding commitments. We've led the world on this point.

- Let me say, however, that arguing that such countries should take the *same* obligations we do is equally unacceptable to saying that they should do nothing at all. Remember that our per capita emissions are orders of magnitude greater than China's or India's and that these countries have basic development needs that we do not.

- We must find a solution that is both meaningful and equitable.

Industry ads/economic damage

Q: Another one of the advertisements suggests that a Clinton plan will raise gas taxes by 50 cents a gallon. Some studies indicate that serious action to address climate change will cost millions of jobs and take a chunk out of GDP. How far is the Administration willing to go? Are there things that you have taken off the table (i.e. a big gas tax)?

- I'm not sure how you characterize the costs of something that does not yet exist. We have not decided on specific emissions targets and timetables.

- But I will say this. The President has devoted himself to restoring the American economy since the day he took office, and he is not about to jeopardize the progress we have made. We are committed to finding responsible ways of addressing climate change that are consistent with continued economic growth.

- Let me add that we have rejected the target put forward by the European Union which

calls for a 15% reduction in emissions below 1990 levels by 2010. We feel this proposal is both totally unrealistic and unnecessarily stringent.

Economic analysis

Q: The Administration is probably several weeks away from announcing a specific climate change policy, yet it has produced no definitive economic analysis that it stands behind analyzing the costs of various options. For example, there are these conflicting reports from the Energy Department labs. Will such an analysis accompany your policy? Will it have been peer reviewed?

- While the Administration is not constructing its own economic model, there is no question that solid economic analysis will heavily inform any policy we announce.
- The President's economic advisers are fluent with the economic literature that exists on the climate change issue and are bringing that knowledge to bear in the policy process.

Rush to a decision

Q: It seems that the Administration has set quite an ambitious agenda in trying to educate the public here at home, develop a comprehensive U.S. policy, and then sell such a policy overseas -- all in time for the Kyoto Conference. I understand that even within the Administration, for example, a lot of disagreement still exists about what a policy should look like and how it could be implemented. Why the rush? Why not just admit that the world isn't yet ready for a December agreement and buy some more time?

- The President believes that this is an issue on which the United States must play a leadership role, and the Administration will have a comprehensive, realistic, and sensible policy ready in time for the Kyoto meeting.
- We will not, however, sign an agreement that disadvantages the United States. The President proved that on the land mines issue. If, for example, the EU refuses to move off their unrealistic targets or the developing countries decide not to accept meaningful obligations, then we won't have a treaty this year.
- Let me assure you, however, that this issue is not going away, with or without an agreement in Kyoto. Climate change is a long-term problem that will require decades of effort to solve. Kyoto is just one step along the way, albeit an important one.

Voluntary programs vs. binding limits

Q: Many companies have already taken substantial voluntary actions to cut emissions -- in a

number of cases establishing successful partnerships with Federal agencies. Doesn't it make sense to emphasize these kinds of partnerships rather than binding limits. At the very least, shouldn't these companies be given credit against future targets for actions they have taken?

- Voluntary partnerships have been a useful tool for reducing emissions. They have also in many cases saved industry a lot of money. For these reasons, such partnerships will continue no matter what policy we decide.

- Nevertheless, we must recognize that voluntary efforts alone have not succeeded in starting to change our overall emissions path. For that, the Administration believes binding targets are the key. As I have said, we are committed to targets that are realistic and achievable and to ensuring that maximum flexibility is allowed for reaching them.

- As for some kind of credit for companies that have taken early action to cut their emissions, we are interested in listening to your proposals about what such a system would look like.

Science

Q: I was under the impression that the science of climate change was somewhat more in dispute than the panel suggested this morning. Consider, for example, the recent New York Times story on sun spots. Why didn't you have a scientific skeptic on stage?

- The scientists we chose for the Conference represent the overwhelming view of the scientists that have seriously examined this issue. And I think they were very up front about what we know and what we don't.

- True, there are skeptics who continue to question the basic science of global warming. There are also scientists on the other side who would tell you that the problem is much worse than you heard this morning. Our goal, in the short time available, was to characterize the mainstream of scientific opinion.

- We are not suggesting that we have all the answers. Far from it. What we do believe, and what I think is pretty clear, is that we know enough to justify taking this problem seriously.

cc: JY
JAF
AM
RL
JA
MJ

THE WHITE HOUSE

OFFICE OF CABINET AFFAIRS

Date: 10/3

To: Climate Change Contact

From: Kris Balderston

Facsimile: _____

Telephone: _____

Subject: October 6th Conference

Pages: _____ **(Including this cover sheet)**

Comments: Please forward this to the appropriate people.

Q VP: As exists say, why aren't these technologies being used already?

Bonsignore: A: people don't face the real cost of energy. In Eur, e taxes are far higher

~~Outside~~ Willrich We are underpricing fossil fuel energy

Dr. Papay If no signal given, mkt will be indifferent to it. But those who say will be 100s + 100s of $ per ton of carbon not necessarily right

VP why not like chips (A) I such a big infra structure in energy with slow turnover

Q new techn. fast

OLD EXECUTIVE OFFICE BUILDING ❖ ROOM 160 ❖ WASHINGTON, DC 20502

TELEPHONE (202) 456-2572 ❖ FACSIMILE (202) 456-6704

THE WHITE HOUSE

Office of the Press Secretary

FOR IMMEDIATE RELEASE October 2, 1997

PRESIDENT CLINTON TO PARTICIPATE IN WHITE HOUSE CONFERENCE ON CLIMATE CHANGE

Washington, D.C. -- President Clinton will participate in the White House Conference on Climate Change: The Challenge of Global Warming at Georgetown University on Monday, October 6, 1997. The conference will include discussions on the scientific, technological, international and economic aspects of climate change. Participants will include scientists, economists, corporate executives, environmental, civic and labor leaders, small business owners, members of Congress and representatives of state and local governments.

The conference agenda consists of remarks by the President, Vice President and First Lady; panel discussions led by President Clinton and Vice President Gore and featuring Secretary of Energy Federico Pena, Secretary of State Madeleine Albright and Deputy Secretary of Treasury Lawrence Summers; and lunchtime &breakout8 sessions hosted by cabinet members and senior Administration officials. The conference is part of the Administration,s ongoing effort to educate the American people about climate change and is designed to help inform the development of U.S. policy on this important issue. It will be broadcast live via satellite to more than thirty locations across the country. A detailed agenda and list of satellite cities is attached.

WHAT: President Clinton to attend White House Conference on Climate Change.

WHERE: Gaston Hall, Healy Building, Georgetown University, Washington, D.C.

WHEN: Monday, October 6, 1997
Conference: 10:00 a.m.-4:30 p.m.
(President,s remarks and participation: 10:00 a.m.-12:30 p.m.)

COVERAGE: OPEN PRESS (Breakout sessions will be CLOSED PRESS)
Press entrance: Will be directed on site.
Pre-set: 6:00-7:00 a.m.
Final access: 8:15-9:30 a.m.

NOTE: Media do not need to request credentials to cover this conference. Reporters must present valid photo identification and press accreditation on site at the designated entrance to gain access to the event. For additional information contact the White House Climate Change Task Force at 202/343-1060. To arrange an interview with any of the conference panelists or participants contact the White House press office at 202/456-7150.

- 30-30-30-

White House Conference on Climate Change:
The Challenge of Global Warming
October 6, 1997

Agenda and Panels

Vice President Gore: ***Welcome attendees***

President Clinton: ***Opening Remarks***

Panel I: The Science of Global Warming and Climate Change

Presentation: **John Holdren,** Professor, Department of Earth and Planetary Sciences and the John F. Kennedy School of Government, Harvard University. Head of President's Committee of Advisors on Science and Technology (PCAST).

Panelists: **Robert Watson,** Incoming Chair of the Intergovernmental Panel on Climate Change (IPCC); Director for Environment, World Bank.
Tom Karl, Senior Scientist, NOAA, National Climatic Data Center.
Diana Liverman, Chair, National Academy of Sciences Committee on Human Dimensions of Global Change; Director, Latin American Studies Program, University of Arizona.
Don Wilhite, Director, National Drought Mitigation Center, University of Nebraska.

Vice President Gore: ***Remarks***

Panel II: The Role of Technology in Reducing Greenhouse Gas Emissions

Presentation: **Federico Peña,** Secretary of Energy.

Panelists: **Tom Casten,** President & CEO, Trigen Energy Corporation.
Michael Bonsignore, President and CEO, Honeywell Corporation.
Mason Willrich, CEO, EnergyWorks.
Kurt Yeager, President, Electric Power Research Institute.
Larry Papay, Bechtel Corporation

Lunch: Breakout Discussions with the Cabinet

First Lady Hillary Rodham Clinton: ***Remarks***

Panel III: The Kyoto Conference and U.S. National Interests

Presentation: **Madeleine Albright,** Secretary of State.
Panelists: **James D. Wolfensohn,** President, World Bank.
Richard Schmalensee, Professor of Economics and Management, Massachusetts Institute of Technology; Director of MIT Center for Energy and Environmental Policy Research; member of Council of Economic Advisers, 1989-91.
Daniel Yergin, President, Cambridge Energy Research Associates; author of "The Prize: The Epic Quest for Oil, Money and Power," winner of the Pulitzer Prize.
E. Linn Draper, Chairman, President, and Chief Executive Officer, American Electric Power.
Fred Krupp, Executive Director, Environmental Defense Fund.
Mae Jemison, President, Jemison Group, Inc. and Jemison Institute for Advancing Technology in Developing Countries at Dartmouth University. Former NASA astronaut.
Jessica Tuchman Mathews, President, Carnegie Endowment for International Peace.

Panel IV: Climate Change Policy and the U.S. Economy

Presentation: **Larry Summers,** Deputy Secretary of the Treasury.
Panelists: **Robert Repetto,** Vice President and Senior Economist, World Resources Institute. Co-author, "The Costs of Climate Protection: A Guide for the Perplexed."
William Nordhaus, Whitney Griswold Professor of Economics, Yale University. Author of "Efficient Use of Energy Resources," "Managing the Global Commons."
Robert Stavins, Professor of Public Policy and Chair of Environment and Natural Resources Program, the John F. Kennedy School of Government, Harvard University.
John Sweeney, President, AFL-CIO.
Richard Sandor, Chairman & Chief Executive, Centre Financial Products Limited; Vice-Chair of Chicago Board of Trade.

The White House Conference on Climate Change:
The Challenge of Global Warming

Regional Conferences
October 6, 1997

Tuscaloosa, AL	University of Alabama
Tucson, AZ	University of Arizona
Little Rock, AR	University of Arkansas
Los Angeles, CA	UCLA
San Francisco, CA	Golden Gate State University
Boulder, CO	University of Colorado
Middleton, CT	Wesleyan University
Dade County, FL	Dade County Commission Chamber
Atlanta, GA	Emory University
Des Moines, IA	Des Moines Area Community College
Chicago, IL	University of Illinois - Chicago
Kansas City, KS	EPA Regional Office
New Orleans, LA	Tulane University
Medford, MA	Tufts University
Woods Hole, MA	Woods Hole Oceanographic Institution
Ann Arbor, MI	University of Michigan
Reno, NV	Truckee Meadows Community College
Raleigh, NC	North Carolina State University
Durham, NH	University of New Hampshire
Piscataway, NJ	Rutgers University
Albany, NY	Cornell University Cooperative Extension
New York City, NY	Columbia University
Cleveland, OH	Great Lakes Science Center
Portland, OR	Portland V.A. Hospital
Albuquerque, NM	University of New Mexico
Pittsburgh, PA	Carnegie Mellon University
San Juan, Puerto Rico	Metropolitan University
Knoxville, TN	University of Tennessee
College Station, TX	Texas A&M University
Salt Lake City, UT	University of Utah
Seattle, WA	NOAA Offices
Williamsburg, VA	College of William and Mary

THE WHITE HOUSE
WASHINGTON

FYI

September 30, 1997

MEMORANDUM FOR CLIMATE CHANGE CONTACTS

FROM: **KRIS BALDERSTON**

SUBJECT: **OCTOBER 6 CONFERENCE ON CLIMATE CHANGE**

Attached is a **DRAFT** agenda for October 6. There will be a Climate Change conference call tomorrow at 11:30 am. The code is 9108. The following agencies should have a representative on the call: State, Treasury, DOD, Interior, USDA, Commerce, DOL, HHS, HUD, DOT, Energy EPA, UN, USTR, FEMA, NASA and USIA.

DRAFT AGENDA

10:05-10:20
President Clinton: Opening Remarks: Importance of Global Warming and Climate Change for the American People

10:20-11:15
Panel I: The Science of Global Warming and Climate Change

Presentation: **John Holdren**, Teresa and John Heinz Professor of Environmental Policy, Harvard University
Panelists: **Robert Watson**, Director for Environment, World Bank
Tom Karl, Senior Scientist, NOAA, National Climatic Data Center
Diana Liverman, University of Arizona
Don Wilhite, Director, National Drought Mitigation Center, University of Nebraska

11:30-11:45
Vice President Gore: Where We've Come From; Where We're Going

11:45-12:45

Panel II: The Role of Technology in Reducing Greenhouse Gas Emissions

Presentation: **Federico Peña**, Secretary of Energy
Panelists: **Maxine Savitz**, General Manager, AlliedSignal Aerospace Company's Ceramic Components Unit
Tom Casten, President and CEO, Trigen Energy Corporation
Michael Bonsignore, President and CEO, Honeywell Corporation
Mason Willrich, CEO, EnergyWorks
Kurt Yaeger, President, Electric Power Research Institute a non-profit collaborative research enterprise of the electric power industries.

1:00-2:00

Lunch: Breakout Discussions with Cabinet Members

2:15-2:30

Remarks by First Lady Hillary Rodham Clinton

2:30-3:30

Panel III: Kyoto Conference and U.S. National Interests

Presentation: **Madeleine Albright**, Secretary of State
Panelists: **Jessica Tuchman Mathews**, President, Carnegie Endowment for International Peace
E. Linn Draper, Chairman, President, and CEO, American Electric Power
Richard Schmalensee, Massachusetts Institute of Technology, Director of MIT Center for Energy and Environmental Policy Research
Fred Krupp, Executive Director, Environmental Defense
Daniel Yergin, President, Cambridge Energy Research Associates
Mae Jemison, President, Jemison Group, Inc. and Jemison Institute of Advancing Technology in Developing Countries

3:30-4:30

Panel IV: Climate Change Policy and the U.S. Economy

Presentation: **Larry Summers**, Deputy Secretary of the Treasury
Panelists: **Robert Repetto**, Vice President, World Resources Institute
William Nordhaus, Whitney Griswold Professor of Economics Yale University
Richard Sandor, Chairman and Chief Executive, Centre Financial Products Limited
Richard Trumka, AFL-CIO

[redacted]

William J. Antholis

08/22/97 10:16:54 AM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:
Subject: panels

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attached is a revised sketch of the two policy panels. we've decided to first sketch the kinds of voices we want to hear, and then try filling in names.
i've listed more categories for each panel than we are likely to have on the final panel. (todd asked that we start with the idea of eight people for the panel, and allow ourselves to go as high as ten). the categories are not set in stone, and the final list of speakers will depend a great deal on who the personalities are, and how they might interact, rather than tightly conforming to categories.

Message Sent To:

Peter R. Orszag/OPD/EOP
Jeffrey A. Frankel/CEA/EOP
Michele Jolin/CEA/EOP
Rosina M. Bierbaum/OSTP/EOP
David B Sandalow/CEQ/EOP

Emission Reduction Policy Panel

The opening presentation should lay out that the US will be accepting binding emissions in the international negotiations, and that we will have to stabilize and reduce our emissions in coming decades. It should give a brief breakdown of where emissions come from (industry, energy generation, transportation), and talk briefly about the successes that we have had in controlling other types of emissions. It should demonstrate the scale of effort needed to restrain and reverse our emissions growth in the next century, but also convey that we have the technological and economic know-how to protect the environment without threatening our economy if we plan wisely and use flexible, transparent, and accountable market-based solutions.

The discussion that follows should be guided by a series of questions which will illuminate how government and the private sector can work-together to solve the problem.

I. **How can technology help reduce greenhouse gas emissions? What are the most promising technologies? How important is it for Federal efforts to supplement and catalyze market incentives for technology improvements? Which kinds of efforts are likely to work best?**

Macro-technology specialist: the role and economics of tech in environmental remediation:
Alternative energy corporation (i.e. solar, biomass, etc.):
Fossil fuel company experimenting with more efficient approaches:
Efficiency technology specialist:

II. **What can we do to ensure the U.S. industry remains competitive? In which industries are we likely to face challenges? In which are we likely to generate opportunities? Can you recommend any kind of safety valve to protect the economy against unexpectedly high costs of reducing emissions?**

International trade economist
Utility industry representative
Manufacturing industry representative
Labor representative

IV. **What is the most efficient way of reducing carbon emissions? What kinds of emission trading mechanisms work? How important is international trading to these approaches?**

Wall street firm specializing in regulatory trading
Emissions regulatory expert
Macroeconomist
Atmospheric scientist
Student leader of a university effort to increase energy efficiency

International Negotiations Panel

The opening presentation should sketch the goals and debates of the upcoming negotiation. It should talk about the current emissions breakdowns between developed and developing countries. It should also demonstrate that OECD has historically emitted the most (and the US as the biggest emitter of OECD), but that developing countries will surpass the developed world sometime early in the twenty-first century. While developing countries' emissions need to be reduced, the speaker might suggest that their emissions can peak at a later time than ours. The speaker should also overview general developing country attitudes toward joint implementation strategies, and toward international trading schemes.

- **Do we really need an international treaty? Why do we need a treaty now?**

  International environmental advocate(s)
  Foreign Policy (transnational affairs) specialist

- **What obligations is it realistic to expect developing countries to take at Kyoto with respect to their current and future emissions? What implications will their action have for the ultimate success of efforts to reduce our own emissions? How can the US work with developing countries begin to take action on their emissions? What we can do with respect to China and India, in particular?**

  Development economist
  Senate skeptic of developing world commitments
  International energy specialist and/or company
  China/India specialist
  Multinational manufacturing company

- **The U.S. has insisted that a final agreement have elements that ensure flexibility for how the agreement is implemented, including developing country commitments, banking and borrowing, international trading, and an escape clause. How would an international trading system work? How critical are these elements? How are other industrial countries addressing these international issues?**

  International lawyer
  International securities broker
  European financial/economic forecaster
  Comparative policy analyst

- **Is there a national security dimension to climate change?**

  Foreign Policy (transnational affairs) scholar
  International oil and energy specialist

cc: JBA
AM
JA
RL

FAX

Date: **09/11/97**

Number of pages including cover sheet: 3

To:
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Council of Economic Adv

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Takoma Park, MD 20912-4

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REMARKS:

To Persons Working on Climate Change Issues:

Enclosed is a letter from the members of the Sustainable Energy Coalition to Todd Stern at the White House Task Force on Climate Change suggesting a number of persons who might be invited to participate in the October 6 White House Conference on Climate Change.

Please let us know if you have any questions on this.

-Ken Bossong

SUSTAINABLE ENERGY COALITION

315 Circle Avenue, #2; Takoma Park, MD 20912-4836 (301-270-2258; fax: 301-891-2866)

September 11, 1997

Todd Stern
White House Task Force on Climate Change
Jackson Place, N.W.
Washington, D.C. 20503

Dear Mr. Stern:

On behalf of the more than 40 national business, environmental, consumer, and energy policy organizations that comprise the Sustainable Energy Coalition, I am writing to offer the following names for consideration for participation in the October 6 White House Conference on Climate Change.

Each of these individuals is well qualified to discuss how renewable energy and energy efficient technologies can play a major role in meeting the Administration's climate change goals while simultaneously creating domestic jobs, reducing energy imports, improving U.S. competitiveness in international markets, and addressing other environmental concerns.

We offer these names, in part, because we are concerned that the industries that are best positioned to provide cost-effective solutions to the challenge of reducing greenhouse gas emissions are presently under-represented among those being considered for invitations to the Conference.

They are:

1.) Ken Karas, CEO, Enron Wind Corporation; Tehachapi, CA (805-823-6700)

2.) Mason Willrich, Chairman of the Board, Energy Works; MD

3.) Brian O'Sullivan, CEO, Cannon Wind Energy Company; Tehachapi, CA (805-822-7524)

4.) Bob Kelly, Director of Board, Enron Renewable Energy Corp.; Houston, TX (713-853-7494)

5.) Michael Bergey, Bergey Wind Power; Norman, OK (405-364-4212)

6.) Peter Beebe, Pres. BP Solar, Inc.; Fairfield, CA (707-428-7800)

7.) Blake McBurney, Pres., McBurney Corporation

8.) Scott Weiner, Pres., Ballard Power Generating Systems; NJ

9.) Jonathan Weisgall, Vice Pres., CalEnergy Company; Washington, DC (202-828-1378)

10.) Robert Sutmiller, Pres., International Fuel Cells; South Windsor, CT (860-727-2220)

11.) Tsvi Meidav, Pres., Trans-Pacific Geothermal Corp.; Oakland, CA (510-763-7812)

12.) Mike Jackson, Esq., Quincy Library Group (biofuels); Quincy, CA

In addition to industry leaders, we would like to recommend some local government leaders who are engaged in the promotion of sustainable energy technologies for their communities.

1.) Frank Fairbanks, City Manager - Tucson, AZ (602-262-7958; fax: 602-261-8327)

2.) Joseph Patrick Reilly, Jr., Mayor - Charleston, SC (803-577-4922)

3.) Valerie Lemmie, City Manager - Dayton, OH (937-443-3600; fax: 937-443-4298)

4.) Wellington Webb, Mayor - Denver, CO (303-575-2721; fax: 303-575-2329)

5.) Randy Johnson, Chair - Hennepin County Commission; President - National Association of Counties (612-348-3088; fax: 612-348-5295)

6.) Tom Buckley, Chittenden County Commissioner - Westford, VT (802-865-7339; fax: 802-865-7400)

7.) Harvey Ruvin, Clerk of Courts - Dade County, FL (305-375-3333; fax: 305-375-2485)

We would be happy to provide additional information for each of these nominees.

We look forward to hearing from you further.

Sincerely,

Ken Bossong,
for the members of the
Sustainable Energy Coalition

White House Conference on Global Warming and Climate Change Draft Agenda

10:00 - 10:05 Vice President Gore: *Welcome attendees; Introduces President Clinton*

10:05 - 10:20 President Clinton: *Opening Remarks:* Importance of Global Warming and Climate Change for the American People.

10:20 – 11:20 Science Panel Discussion:

Presenter: John Holdren, Harvard University:

11:30 – 12:30 Emission Reduction Technology and Policy Roundtable

Presenter: Robert Rubin, Secretary of the Treasury

12:30 – 2:00 Lunch: Remarks by First Lady Hillary Rodham Clinton

2:00 – 3:00 Kyoto Conference and U.S. National Interests Roundtable

Presenter: Madeleine Albright, Secretary of State

3:15 – 4:15 Breakout Sessions

4:30 – 5:00 Vice President Gore: *Closing remarks:* The Road Ahead

5:30 – 6:30 White House Reception

10:00 – 10:05: Welcome

The Vice President will welcome attendees to the conference and introduce the President.

10:05 – 10:20: Opening Remarks:

The President's opening remarks will be his opportunity to speak to the American people in a substantive way about global warming and climate change. His remarks should foreshadow the day's events, endorsing the scientific consensus behind climate change, asserting the importance of this issue to the American people, outlining that action will need to be taken, and embracing the broad outlines of the U.S. negotiating position going into Kyoto.

10:20 – 11:20: Science presentation:

Goal: To concisely describe what global warming and climate change are, and to present conclusively the scientific case that they are occurring, that they have real consequences for the American people, and that action is needed to limit greenhouse gas emissions.

Physical science and impacts of global warming and climate change:

10:20 - 10:35: *John Holdren, Professor of Physics at Harvard University*, will deliver a 15 minute lecture, using slide and video graphics to display three central aspects of global warming science: the physical processes that are underway, the impacts they may have on the United States and the rest of the world, and the level of certainty within the scientific community about the future impacts of global warming.

- **What is global warming? What is climate change? What are greenhouse gases?** An overview of the sources of greenhouse gas emissions; emission trends and projections; temperature and climate trends and projections.
- **What are the global impacts?** A catalogue of consequences: increased storm activity; global sea rise; changes in arctic and tropical regions; changing soil, plant and water ecosystems; shifting diseases vectors; surprises.
- **How conclusive is scientific evidence for global warming?** Description of the IPCC report; certainties and uncertainties of human fingerprint and of future projections of temperature, changing weather patterns, sea level rise, etc.

Discussion: Using Holdren's remarks as a point of departure, the President will then lead a conversation with a panel of three/four other scientists covering these issues in more detail.

10:35 - 10:45: **Are there any indications that climate change may already be occurring?**

Tom Karl, Senior Scientist, NOAA: Dr. Karl will discuss the extensive anecdotal evidence that something serious is starting occur. The presentation could include photographs or graphics about extreme events. Follow-up questions could probe how much any one of these incidents might be attributed to global warming, as well as to the probability that this many extreme incidents might happen within so short a time period.

10:45 - 10:55: **What do most scientists say about skeptics arguments?** Some say that the upper atmosphere is cooling rather than getting warmer: which measurements are we supposed to believe? Some people say the relevant warming has all happened before 1940, and that we may be entering a cyclical trough period: how can we tell that temperatures will continue to rise?

Robert Watson, Chair of the Intergovernmental Panel on Climate Change. Dr. Watson will discuss the nature of the scientific consensus, describe the history and composition of the IPCC, and review the certainty which exists across the range of

climate change issues. Follow-up: Some question the accuracy of the computer models upon which most climate projections are based. Can we trust them?

10:55 - 11:05: **What does this means for the United States?** What are the likely or possible regional impacts within the U.S.?

Diana Liverman, Professor of XXX, University of Arizona. Dr. Liverman will review the range of impacts on different regions of the country, describing region-by-region what might be expected to occur in the next twenty to thirty years. She might also discuss health impacts that we might be expected to see.

Don Wilhite, Dir., National Drought Mitigation Center. Dr. Wilhite will review recent droughts and floods and suggest future impacts if trends continue.

Follow up: Will different regions differ in the amount to which they will be effected? How much certainty do we have about impacts as specific as on any one region?

11:05 - 11:15: **Why we need to act now:** What will be the difference if we take steps now or twenty years from now? What kind of action should we take, considering we won't know for another twenty years whether our actions today have had any ameliorative effect? Won't our emissions reductions be dwarfed by the vast emissions that will come from the developing world later this century?

John Holdren: Dr. Holdren could discuss time lags, broad certainties and uncertainties about different climate scenarios, risk of "climate surprises," difficulties of making decisions amidst uncertainty, need for flexibility and creativity in policy.

11:15 - 11:20: **Wrap-up:** President would summarize: Overwhelming scientific evidence points to a discernable human impact on the climate, with real effects on the American people and on our children. Action is needed to address this. Demanding absolute scientific certainty is asking for more than we have had in previous efforts to protect the environment. The key question is: how big a risk are we taking by not acting?

11:30 – 12:30: Emission Reduction Policy Panel

Goal: To discuss policy options that allow us to reduce emissions without hurting our economy.

Opening presentation: The key elements of a national policy to reduce emissions.

11:30 - 11:35: *Robert Rubin, Secretary of the Treasury.* Secretary Rubin would establish that we will adopt binding emissions targets, explain where emissions come from domestically, and outline what a national strategy to reduce emissions might look like.

The presentation would include:

- **National targets:** US will adopt a nation-wide binding emissions target.
- **Where emissions come from:** 95% of US emissions come from heavy industry, broad utility energy supply to homes and businesses, and transportation.
- **How to reduce emissions:** (a) Discouraging the use of carbon: Command regulation, market oriented trading system of emission permits (possibly including international trading and joint implementation), revenue-neutral auction or carbon tax; (b) climate-friendly technology, including carbon-efficient uses of fossil fuels; development of alternative fuel sources (solar, wind, biomass, nuclear); dissemination of existing energy efficiency technologies.
- **Experience in regulating emissions:** Past regulatory efforts display a range of available options for limiting emissions:.

Discussion: The President would then lead a discussion exploring (a) possible policy tools, such as emission reduction technologies and trading mechanisms, and (b) the likely impact on our economy of limiting carbon emissions.

11:35 - 11:45: **Regulation and Trading:** We have had extensive experience in trying to regulate pollution in this country. What kind of system did we set up to limit acid rain? Did it work? Is it analogous for our climate efforts, in scope and scale? If permits are applied "upstream," could such a system be combined with other measures to discourage fossil fuel use by downstream users

Richard Sandor, Chicago Board of Trade: Sandor could discuss how the sulphur dioxide trading system was designed, what the initial estimates were for permit costs, how those costs dropped as a result of fuel substitution and other factors. POTUS follow-up: Would establishing a carbon trading scheme be more difficult in scope and scale?

Linn Draper, AEP: Draper could talk about experiences of coal-burning utilities in adjusting to acid rain; efficiency and trading steps (including joint implementation) that it might take under a permit system. He could also talk about efforts being considered to be more carbon-efficient in burning coal. Follow-up: What affect might energy restructuring have on adjusting to this kind of system?

11:45 - 12:00: **Technology:** What are the most promising technologies in reducing the emissions from fossil fuels, particularly in the different emissions sources we heard about: power generation for industry; power use in homes and offices, fuel for transportation? How about shifting to renewable sources? How much can we expect to reduce emissions by increasing our energy efficiency?

Ken Lay, Enron: Lay could address the ability to shift to alternative fuels, such as

natural gas and renewable energy sources. He might also talk about the capacity for exporting such technologies overseas, and about the growth capacity for this aspect of the energy industry. Follow-up: Is solar power ready for prime-time? How about wind? How quickly can we bring them fully into the market?

Michael Porter, Harvard Business School: Porter could discuss, from firms' perspective, why responding early to impending environmental/energy regulation is distinctly in the interest of businesses. Follow-up: Do government R&D programs help advance these technologies, or is regulation or a price signal the most effective way to spur investment? How quickly can we see gains from efficiency and other technologies?

Rich Richels, Energy Policy Research Institute: Richels could realistically assess the possibilities of these technologies in achieving our emission reduction goals. Follow-up: How quickly can we see gains from efficiency and other technologies?

Possible additional participants:

Fred Buckman, PacifiCorp: Buckman could talk about the ability of a large utility to adapt to low emissions standards, particularly based on his experience in the Oregon program. Follow-up: Would you pursue these investments if you did not need to reduce emissions? Would you pursue them without government help?

Fred Krupp, EDF: Krupp could talk about the gains to the environment from a trading system, including how national budgets would work, and how it would need to be adapted to address different emissions sources. Follow-up: How difficult will it be to ensure that we're monitoring all the emissions? How do we ensure that citizens are adequately rewarded for steps that they take on their own?

Robert Shapiro, Monsanto/Pete Correl, Georgia Pacific: Shapiro or Correl could address the ability for agribusiness not only to adapt to a new carbon regime, but to take advantage of many agricultural solutions to greenhouse gases, such as biomass or carbon sequestration. Follow-up: What is biomass, exactly? Are government R&D programs helpful in advancing these technologies?

Maxine Savitz, Allied Signal: Savitz could talk about the number of different efficiency technologies available, and about the potential scope of this market. Follow-up: Would companies such as yours be subject for credit for these gains in a trading system? How would we measure such gains?

Jack Welch, General Electric: Welch could talk about broad innovations in energy production and consumption, ranging from fuel efficient lighting and heating to the role that nuclear and hydro-energy could play in a carbon-free future. Follow-up: How important is nuclear energy in the strategy of other developed or developing countries for reducing emissions?

ATT/Hewlett Packard/IBM: Panelist would talk about the critical role that information technologies can play in developing, adapting, and/or disseminating energy efficiency techniques and/or alternative fuel sources. Would discuss any current projects underway with utilities or industries, and would assess the prospects for further development of these. Follow up: Does the U.S. have a comparative advantage in adapting these technologies to environmental ends?

12:00 - 12:25: **Economy:** Can we do this in a way that won't hurt the economy? Which industries are likely to face challenges? Which are likely to reap benefits?

Robert Repetto, WRI: Repetto would lay out the case that you can bring existing technologies on line quickly and cost-effectively to reduce our emissions, and that these introductions ultimately would have a positive effect on our economy. Could also address the economic costs of not doing anything. Follow-up: If these technologies are so efficient, why have companies not yet adopted them? What is the difference, from an environmental standpoint, if we bring these technologies on sooner rather than later? Can we put our finger on quantifiable environmental damage that will occur if? From a technology development standpoint, how important is a rapid time line?

John Sweeney, AFL-CIO: Broad overview of organized labor's position: that labor supports efforts that can be shown to help the environment, that won't hurt American competitiveness or move U.S. jobs overseas, or that won't send shockwaves through the American economy. Follow-up: What has labor's experience been with past emissions regulation?

Economist A; "Do it smart": **[Alan Blinder?]** A co-author of economists' letter on climate change; would argue that, depending on policies, mitigation does not necessarily have to have a negative impact on the economy. While not endorsing a particular target date, could say that "smart" approaches could bring sufficiently early reductions to make an middle-term date cost effective. Follow-up: How uniform are economists in their views about the best way to address the issue?

Economist B; "Go slow": Would argue that attempts to mitigate climate change can be done without significant adverse consequences, but the most economically effective approach is to stretch out implementation over the longest time frame available. Follow-up: From an economists' standpoint, will it be more difficult on the economy to take action if we allow current trends to continue? Is there value to helping key industries?

[Other possible speakers: Student leader discusses local action in addressing climate change. Governor or Utilities Commissioner of Oregon discusses state program to address these issues, and the coalition of government, businesses and environmental groups that brought it about.]

12:30 - 2:00: Lunch:

First Lady Hillary Rodham Clinton: October 6 happens to be Children's Health Day, and the First Lady has expressed interest in the health effects on children from climate change. She could address this topic in remarks at the conference luncheon.

2:00 – 3:00: International Negotiations Panel

Goal: To communicate the global nature of the problem; to identify the key issues outstanding in the negotiations; and to build support for the U.S. negotiating position.

Opening Presentation: Introduce the international component of the climate change debate, with a focus on the Kyoto negotiation.

2:00 - 2:05: *Secretary of State Madeleine Albright*: Secretary Albright would provide a brief background on the Rio Climate Treaty, the Berlin Mandate, and the Geneva Declaration as setting the scene for the ongoing negotiations. After describing the U.S. position, she would summarize the positions of key countries or country groupings (i.e., the EU, China, and the G-77). She also should discuss:

- **Importance of American leadership:** Climate change is a major foreign policy challenge in a post-Cold War world and U.S. leadership is vital to solving it.
- **Developed v. Developing Country Emissions:** breakdown of current and projected emissions from the OECD vs. the developing world.
- **Timing of emission reductions:** While underscoring the importance of reducing developing country emissions, make clear that such emissions must peak at a later date than ours, that this is a precedent used successfully in other global agreements (i.e. ozone), and that this still will allow for environmental protection.

Discussion: The Vice President would then lead a discussion, keying off the following questions:

2:05 - 2:10: **Where developed countries stand:** The EU proposes reducing emissions 15% below 1990 levels by 2010. How do they expect to do it? Is this target possible for us? How important are our proposals on flexibility for implementing the agreement, including joint projects with developing countries, and trading. How would a trading system work?

Dan Esty, Yale University Law School and School of Forestry: Esty could describe the origin and state of the Kyoto negotiations, discussing why developed countries have taken the lead, why the EU has staked out its position, and how this relates to future discussions. Follow-up: How involved have European businesses been in developing or adapting to Europe's policies? Where do other

industrialized countries stand in the negotiations? What comes after Kyoto?

2:10 - 2:30: **Developing country commitments:** Environmentally, what kind of emissions path do developing countries need to follow? What are the economic and environmental implications of having their emissions peak at a later date? What are realistic obligations for developing countries to adopt in Kyoto with respect to their current and future emissions? How can the U.S. help these nations achieve reductions?

Jonathan Lash, WRI: Lash can discuss the emissions paths developing countries can legitimately adopt, and the impact it may have on their economies. He could also speak to the potential environmental advantages of JI in introducing technologies into the developing world. Follow-up: What effect would our adopting a later timetable have on the likelihood of getting developing countries to adopt binding targets?

Advocate of Ambitious Developing Country Commitments: A second panelist would make a broad-based case for the environmental, economic, and political need for developing country commitments. Follow-up: How significant is the timing of developing country commitments?

John Adams, NRDC: Adams can discuss how efforts to mitigate climate change in the developing world can help make important contributions on other critical environmental issues, such as saving forests and reducing smog and airborne pollution. He might also usefully touch on the difficult irony that while developing countries have contributed the least to current emission concentrations, they are most adversely effected by the consequences of climate change. Follow-up: What is an acceptable level of emissions growth for developing countries?

2:30 - 2:40: **Flexibility:** The U.S. domestic experience has shown that flexible, market oriented techniques have allowed businesses to adapt to environmental regulation in a cost-effective manner. What are the international prospects for establishing such market-oriented approaches, such as trading and joint implementation?

John Browne, BP: Browne could lay out why international businesses would benefit by getting ahead of the game, but why flexible implementation strategies are critical. Follow-up: Where do you see the greatest potentials for progress with developing countries in reducing emissions? Does JI achieve reductions that would not otherwise have occurred?

Roger Sant, AES/Michael Bonsignore, Honeywell: Sant/Bonsignore could lay out the international possibilities for existing climate-friendly technologies, including carbon sequestration, and could outline the opportunities for export of these to the developing world, particularly if joint implementation were allowed. Follow-up: Are emissions reduction strategies underway in the developing world? What do you make of the argument that U.S. industries would only help with, and profit from, making the cheapest reductions, such as converting power plants from coal

to natural gas?

Gus Speth, Director UNDP/Joseph Stiglitz, World Bank: Can speak to multilateral efforts being taken, and to the possible nature of an international emissions trading system. Follow-up: Will supervising a trading system create a new international bureaucracy? Will the U.S. sacrifice its sovereignty if it signs onto this treaty?

2:40 - 2:55: **National Security:** Is there a national security dimension to climate change?

Jessica Matthews, Carnegie Foundation: Can discuss preventing future loss of cropland, desertification, flooding, etc. Can also discuss competitiveness benefits from making our economy more energy efficient. Follow-up: Is it possible to fully protect ourselves from these consequences? Why are these developments our responsibility? How do they affect us?

Daniel Yergin, Cambridge Energy Research Associates: Can discuss nature of our reliance on foreign oil, how it has increased over the last two decades, and the structure of defense and alliances we have built to protect our access to oil. Follow-up: Were we to be completely self-sufficient for our energy needs, wouldn't we still need to care about conflict in the Persian Gulf or Caspian Sea?

Frank Wisner, Former US Ambassador to India: Wisner can speak to the energy development issues faced in developing countries, particularly those that see their energy needs expanding by as much as 7% per year. He also can discuss steps developing countries already are taking on the environment. Follow-up: How do developing countries view joint implementation? What more can we do to help them both meet their energy needs while protecting the environment?

August 19, 1997

International Panel

For starters, it will be useful to have someone (either the President or a kick-off panelist) sketch a comparison of developed v. developing countries emissions, demonstrating that OECD have historically emitted the most (and the US as the biggest emitter of OECD), but that developing countries will surpass the developed world sometime early in the twenty-first century. The speaker should demonstrate not only that developing countries' emissions need to be reduced but also that their emissions can peak at a later time than ours.

The discussion would then explore several key questions:

HOW ABOUT ADDING: "IN THE INTERNATIONAL NEGOTIATIONS, WE ARE ASKING, NOT ONLY FOR PARTICIPATION BY THE DEVELOPING COUNTRIES, BUT FOR A NUMBER OF OTHER THINGS IN THE WAY OF FLEXIBILITY. [E.G., INTERNATIONAL TRADING, BANKING AND BORROWING, PERHAPS AN ESCAPE CLAUSE.] IF OTHER COUNTRIES WON'T GO ALONG WITH EVERYTHING WE WANT, AT WHAT POINT SHOULD WE ACCEPT A BREAKDOWN IN THE NEGOTIATIONS [I.E., WALK]?"

- Do we really need an international treaty to solve the problem? Why do we need a treaty now?

  Daniel Lashoff
  Jonathan Lasch
  Jessica Matthews

- The Europeans have proposed to reduced emissions to 15% below 1990 levels by the year 2010. Is that realistic? How are they going to reach this goal?

  Eileen Claussen
  Wolfgang Reineke
  Joseph Stiglitz

- Will action we take change our relationship with OPEC and other energy producing nations (inlcuding some traditional allies, such as Australia)?

  Ross Gelbspan (?)
  Daniel Yergin

- What obligations is it realistic to expect developing countries to take at Kyoto with respect to their current and future emissions? What implications will this action have for the competitiveness of our own energy use and production? **I'D BROADEN THIS TO SOMETHING LIKE "THE BALANCE OF ECONOMIC COSTS TO US VERSUS**

BENEFITS FROM REDUCED EMISSIONS OF GREENHOUSE GASES." I SAY THIS BECAUSE WE ECONOMISTS THINK THAT "COMPETITIVENESS" IS NOT REALLY THE POINT (THOUGH I RECOGNIZE THAT POPULAR DISCUSSION TENDS TO CENTER ON IT); **RATHER THE IMPORTANT CONCERNS ARE OTHER ECONOMIC COSTS TO OUR ECONOMY AND, AS REGARDS LDCS, THE PROBLEMS OF LEAKAGE AND FREE-RIDING, WHICH IMPLY THAT OUR SACRIFICE WILL HAVE ACCOMPLISHED LITTLE IF THE LDCS DON'T PARTICIPATE.**

John Browne
Sen. Byrd
Sen. Lugar

- How can the US help encourage developing countries begin to take action on their emissions? Are there particular things we can do with respect to China and India, in particular? (Joint implementation; GEF) How would an international trading system work? **PERHAPS ASK FOR SUGGESTIONS OF A THRESHOLD OF INCOME PER CAPITA, ABOVE OF WHICH LDCS WOULD COULD BE EXPECTED TO PARTICIPATE?**

Dan Dudek
Enron
Joe Stiglitz

Clinton Expects Developing Nations To Cooperate on Global Warming Pact

By JOHN J. FIALKA
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON – The Clinton administration expects developing nations to agree to reduce carbon dioxide and other man-made pollutants as part of an international global-warming treaty to be negotiated in December.

In a last ditch effort to build citizen and industry support for an evolving U.S. position on the treaty, President Clinton emphasized that help from China and other developing nations, higher awareness of the issue among U.S. consumers, and a system of emission permits to soften the economic shock all will be elements of the U.S. position.

Leading an all-day symposium at his alma mater, Georgetown University, Mr. Clinton told an audience of academic experts, environmentalists and business leaders that imposing tough controls on U.S. companies and consumers—such as a tax on carbon emissions—likely would face rejection by the Senate.

"So it would be a grand gesture, but it would not happen," said Mr. Clinton. The president admitted that there are still splits within his administration over whether the transition to a more pollution-free energy base would wreck economic growth if imposed quickly.

The president said that a flexible emissions-trading plan – similar to a U.S. program that has cut the amount of sulfur dioxide in the air – is likely to be a prime ingredient in a U.S. negotiation position that could attract support from developing countries. Mr. Clinton's remarks followed predictions from a battery of scientists that rising sea levels, the spread of tropical diseases and destruction of useful farmland would result unless carbon-dioxide levels are curbed.

An emissions-trading program creates a market for what amounts to rights to emit pollution. Trading those rights gives companies more flexibility in finding cost-effective ways to cut pollution.

Mr. Clinton said he and his economic advisers recently held a 90-minute debate over the plan, which would also give U.S. companies incentives for cleaning up pollution problems abroad. Michael Bonsignore, chairman and CEO of Honeywell Corp., said the trading plan would open new markets for more-efficient U.S. energy technology overseas.

In a rare showing of agreement between coal-related industries—which have been lobbying heavily against a treaty—and environmental groups, American Electric Power Co. Chairman E. Linn Draper said there would be a drastic increase in the number of U.S. companies becoming involved in pollution-curbing projects abroad if they could get some credit against U.S. emissions controls. His company, a Columbus, Ohio, conglomerate of utilities, generates most of its electricity with coal fired plants.

Fred Krupp, executive director of the Environmental Defense Fund, said he agreed with Mr. Draper that a global market in certificates for carbon-dioxide emissions would attract support from cash-strapped developing countries. These nations would need help to implement low-polluting energy technology, such as more efficient power plants, he said.

Secretary of State Madeleine Albright said the new emphasis on drawing developing nations into the early stages of a treaty is a response to a series of television commercials. The ads, sponsored by industry and labor groups opposed to a treaty, argued that the pact wouldn't be global because China and other future industrial powers aren't included

Big Three In Quarte

By ANDREA I
Staff Reporter of THE W

DETROIT – The makers plan to incr vehicle production 9 ter from a year earli sales pace through this year.

Altogether, G Ford Motor Co. an build nearly 3.21 trucks in the curr million vehicles 1996.

In the first sales of Big T declined 2.7% million vehicl ever, GM and creases; GM 2.4 percenta market share

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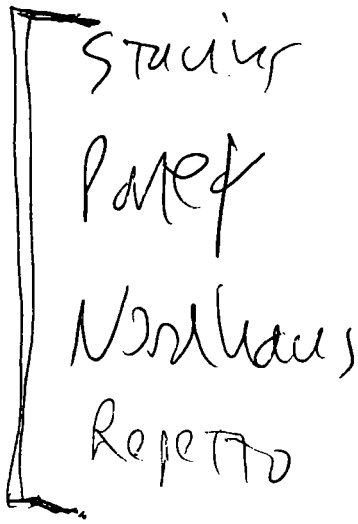

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Escape clasp