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Subgroup/Office of Origin: Council of Economic Advisers
Series/Staff Member: Michele Jolin
Subseries:

OA/ID Number: 23915
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Folder Title:
Climate Change Documents Requests April 1998 [Binder] [1]

Stack:	Row:	Section:	Shelf:	Position:
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Climate Change Document Requests

CLIMATE CHANGE
DOCUMENT REQUESTS

April 1998

STATUS OF RESPONSES TO CONGRESSIONAL INQUIRIES ON CLIMATE CHANGE

In order to obtain accurate information about the status of responses to Congressional climate change inquiries and the resources expended in responding to these inquiries, please complete the following survey for your agency by COB Tuesday, September 8.

AGENCY Council of Economic Advisers

CONTACT Michele Jolin

1. From January 1, 1998 through August 31, 1998, did your agency receive climate change inquiries (written requests or subpoenas) from Congressional Committees/Subcommittees or Congressional Members or from staff on behalf of Congressional Committees/Subcommittees or Members?

YES X

NO

2. If you answered YES to question 1, please provide the following information:

Requester	Date of Request	Number of questions	Date of Response/s
<i>E.g.: House Government Reform Subcommittee on Natl. Economic Growth, Natural Resources & Reg. Affairs</i>	<i>March 11 letter</i>	<i>14 Q's</i>	<i>April 30: Q1-7 August 14: Q8-14</i>
House Government Reform Subcomm. on National Economic Growth, Natural Resources and Regulatory Affairs	March 13 letter	34 Q's	May 18: Q1-7 June 16: Q8-14 Aug 24: Q15-34
" "	June 3 letter	1 Q	July 16
" "	August 10 Subpoena	Request for documents	No response yet
" "	September 3 letter	Request for documents	No response yet
House Small Business Committee	June 30 letter	8 Q's	Responses in OMB Clearance

3. For each inquiry listed in Question 2, please estimate the personnel costs (if actual costs were not tracked) incurred as of August 31, 1998, to respond.

Request	Number of Personnel	Hours	Total Cost
<i>E.g.: March 11 Govt Reform letter</i>	15	500	**
March 13 Gov't Reform Ltr	11	650	\$28,000.00
June 3 Gov't Reform Ltr	3	20	\$ 870.00
June 30 Small Business Ltr	4	35	\$ 1,523.00

** One method for estimating costs is to estimate a representative grade level and the hourly rate for that representative grade level and multiply the hourly rate times the hours worked.

4. For each inquiry listed in Question 2, please estimate personnel costs that you anticipate incurring to complete the response to the inquiry.

Request	Number of Personnel	Hours	Total Cost
Aug 10, Gov't Reform Subpoena	6	100	\$4,300.00
Sept. 3 Gov't Reform Ltr	6	100	\$4,300.00

5. Please provide actual or estimated number of pages of documents produced (including documents provided to the White House) in response to each inquiry listed in question 2. In addition, please provide the actual or estimated costs of reproduction and delivery of the documents.

Request	Pages Produced	Reproduction costs	Delivery costs
<i>E.g.: March 11 Govt Reform letter</i>	<i>1500 pages</i>		
<i>E.g.: March 11 Govt Reform letter</i>	<i>13,000 pages</i>		
March 13 Gov't Reform Letter	120,000 pages	\$2,500	\$50.00

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" "	June 3 letter	1 Q	July 16
~~House Government Reform~~ " "	August 10 Subpoena	request for documents ~~13 Q's~~	No response yet
" "	September 3 letter	Request for documents	No response yet

House Small Business Committee

June 30 letter

8 Q's

Responses in OMB Clearance

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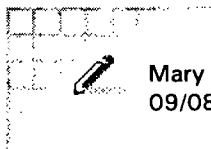
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Mary Fibich
09/08/98 04:55:29 PM

Record Type: Record

To: Michele Jolin/CEA/EOP

cc:

Subject: Average hourly rate

The average hourly rate for the following 5 people was \$43.54*:

Janet
Jeff
Randy
Adele
Joe

*This is for the time period January 12-June 21, 1998, at which time Joe's salary changed when he received a within-grade increase, and changed again on 7/19 when he received a grade increase. Do you need me to compute the average hourly rate as it changed on 6/21 and 7/19?



Joseph E. Aldy
09/08/98 03:44:56 PM

Record Type: Record

To: Michele Jolin/CEA/EOP
cc:
bcc:
Subject: Re: Climate Change requests

Sorry for the delay.

Here are my estimates:

For documents

Joe Aldy: 80 hours

Randy Lutter: 40

Adele Morris: 80

Secretary/Intern Copying Time: 240

For answering questions (for all 3 of us):

McIntosh I: 80

McIntosh II: 16

Talent: 24

Michele Jolin

► Michele Jolin
09/04/98 09:51:14 AM
.....

Record Type: Record

To: Janet L. Yellen/CEA/EOP, Jeffrey A. Frankel/CEA/EOP, Joseph E. Aldy/CEA/EOP
cc:
Subject: Climate Change requests

Rob Weiner is putting together BY COB TUESDAY SEPT 8 a summary of all the time and \$ cost of the Congressional requests. Please e-mail me by NOON ON TUESDAY your estimates for:

1) # of hours spent searching your files for climate records and xeroxing them for my use (include

Hours

March 13

staff 80
DOS 440

JLY 40

JE 25

Secretary 46

MS 15

June 3 16
5
2

June 30 24
5
2

Pages

200
22,000 Graphics
110,000 CEA

Cost
22,000 pages
500

your secretary's time);

2) # of hours spent answering the questions to the following:

- A. McIntosh's March 13 letter (the 1st letter from McIntosh, w/ 34 detailed questions)
- B. McIntosh's June 3 letter (the 2nd letter from McIntosh, which asked us to provide more detail to our answers to question 4 on historical budget authority)
- C. Talent's June 30 letter (follow-up questions from Small Business Committee hearing).

Joe, would you please provide ESTIMATES of the time that Randy and Adele spent on answering questions and collecting documents.

Thanks.

Janet L. Yellen

09/08/98 02:15:13 PM

Record Type: Record

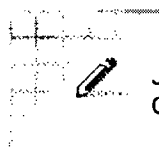
To: Michele Jolin/CEA/EOP

cc:

Subject: Re: REMINDER 

I would estimate that I spent about six days of my own time collecting and reviewing material responsive to the document requests and the followup questions from the various testimonies. I think you should ask Sandy and Alice to estimate the amount of time they spent.

Handwritten signature/initials



Jeffrey A. Frankel
09/08/98 09:13:15 AM

Record Type: Record

To: Michele Jolin/CEA/EOP
cc:
Subject: Climate Change requests

My estimate of my own time is given below. Lisa has spent many hours copying; but she is on leave today, so I don't know how we are to get that info.
JF

----- Forwarded by Jeffrey A. Frankel/CEA/EOP on 09/08/98 09:12 AM -----



Jeffrey A. Frankel
09/07/98 01:34:06 PM

Record Type: Record

To: Lisa D. Branch/CEA/EOP
cc:
Subject: Climate Change requests

Lisa,

We are supposed to estimate the time we have spent on this. (See below) I spent 20 hours 3/16-5/5, 3 1/2 hours 6/10, and another 1 1/2 hours since, equals about 25 hours. (Plus maybe one hour each on the three items under (2) below).

Can you make a rough estimate of how much time you have spent altogether on the copying, including both last spring and last week?
JF

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Michele Jolin
09/04/98 09:51:14 AM

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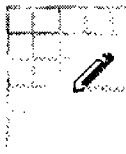
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Thanks.

Xeroxing Climate Change Documents:

		<u>Hours</u>
Documents from Joe, Randy, & Adele	SFD:	8
Janet's table	AW:	10
	SFD:	8
3 xerox boxes not finished by graphics	SFD:	12
	MJ:	4
	MT:	4
	Total hours:	46

46 hours = 2,760 minutes

2,760 minus 20% unstapling/restapling time = 2,208

2,208 x 50 pages per minute = 110,400 pages total xeroxed by CEA staff

SFD: 28 hours = 1,680 minutes

1,680 minus 20% unstapling/restapling time = 1,344

1,344 x 50 pages per minute = 67,200

AW: 10 hours = 600 minutes

600 minus 20% unstapling/restapling time = 480

480 x 50 pages per minute = 24,000

MJ / MT: 4 hours each = 240 minutes each

240 minutes 20% unstapling/restrapling time = 192

192 x 50 pages per minute = 9,600

Julie Anderson
395-2342

Agency:	Council of Economic Advisers
Number of Letters/Verbal Subcommittee Requests:	1 request (March 13 McIntosh letter)
Number of Questions:	58 questions (from McIntosh letter)
Status of Response to Questions:	7 questions answered and remaining answers are either in the process of being cleared or are being drafted
Number of Document Requests:	27 different requests (from McIntosh letter)
Number of Pages of Documents Produced:	195 pages (And CEA has hundreds of pages of additional documents that are being reviewed by WH Counsel)
Staff Hours Spent Responding:	Approximately 100 hours

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS



Date:

6/15/98

Please deliver to:

Julie Anderson

FAX number of addressee:

395-2342

Telephone number of addressee: _____

From:

Council of Economic Advisers

FAX number of sender:

(202) 395-6958

Telephone number of sender:

(202) 395-5084

Number of pages, including cover sheet: _____

Message:

Clinton Presidential Records Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a tabbed divider. Given our digitization capabilities, we are sometimes unable to adequately scan such dividers. The title from the original document is indicated below.

1

Divider Title: _____

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

McIntosh (II) -- GOVERNMENT REFORM AND OVERSIGHT

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)

McIntosh (III) -- GOVERNMENT REFORM AND OVERSIGHT

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, health 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

Talent -- SMALL BUSINESS

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

Sensenbrenner (I) -- COMMITTEE ON SCIENCE

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"

Sensenbrenner (II) -- COMMITTEE ON SCIENCE

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

McINTOSH REQUESTS FOR CLIMATE CHANGE MATERIALS:

1. Economic Analysis

- 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 (McIntosh I)
- provide all records of deliberations and all economic analysis and comments on whether emissions reductions would result in lower growth (McIntosh I)
- provide analyses upon which Administration relied in deciding that emissions reductions below the 1990 baseline are acceptable (McIntosh I)
- provide federal agency comments on any private sector analyses that Admin reviewed prior to Kyoto (McIntosh I)
- 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 (McIntosh I)
- explain potential effects of Kyoto on GDP, per capita GDP, unemployment, income and real wages, trade competitiveness and energy prices (McIntosh I,IV)
- 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 (McIntosh III, IV) *
- [REPEAT]
- 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 (McIntosh III,IV) [REPEAT]
- 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 (McIntosh III, IV)
- specify all of the models and analytical tools that the Administration has used and describe in detail their strengths and weaknesses (IV)

- 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 (IV)
- 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 (IV)
- the rate that the Admin expects the economy to grow during the next 10 to 20 years with or without the Kyoto treaty (IV)
- 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 (IV)
- 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.(IV)
- evaluate the effectiveness of the agreement by comparing marginal abatement costs of alternative scenarios (to be evaluated under specific conditions listed in ltr) (McIntosh I, IV)

Yellen Testimony

- provide all records of comments submitted by federal agencies on Dr. Janet Yellen's draft testimony about the economics of Kyoto (McIntosh I)
- 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 (IV) *
- 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 (IV)
- 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 (IV) *
- 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 (IV) *

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

3. Cost-Benefit/ Opportunity Costs

- 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 (McIntosh III, IV) [REPEAT]
- 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 (McIntosh III,IV) [REPEAT]

- 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 (McIntosh I) 

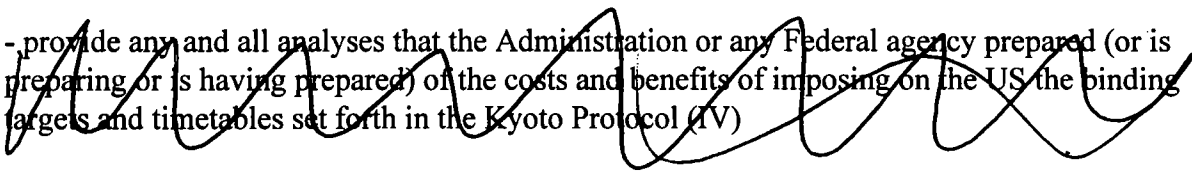
- provide all records of written or oral comments from other federal agencies on each of the cost/benefit analyses that were performed (Mc Intosh I)

- analyze whether the benefits of implementing the Protocol are justified by the costs (McIntosh I)

- 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) (McIntosh I, IV)

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

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

- 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 (IV)

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

- 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, health care, etc. (IV)

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

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

4. IAT

- 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. (McIntosh I)

5. Budget Proposals

- 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. (McIntosh I)
- provide the environmental and economic data and analyses that support the claim that the CCTI is a "no regrets" policy (McIntosh I)

6. Budget Information

- 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) (McIntosh II, III, IV)
- 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) (McIntosh II, III, IV)
- 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) (McIntosh II, III, IV)
- 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 (McIntosh III, IV)

7. Performance Measures

- 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 (McIntosh IV)
- 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. (McIntosh I)

8. Alternative Policy Options

- produce all records indicating the alternative policy options that the Administration analyzed, such as integrated pollution prevention, performance-based regulation, and multi-media regulation. (McIntosh I)
- fully document the cost-effectiveness of the Administration's proposal when compared to other available options (McIntosh I)
- provide all records of comments by other federal agencies on analyses of alternative policy options, their cost-effectiveness and the opportunity costs (McIntosh I)
- 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 (McIntosh III, IV)

9. International Trading

- 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 (McIntosh I, IV)
- 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 III, IV)

10. Developing Countries

- document steps that the Administration has taken to comply with Byrd-Hagel Resolution (McIntosh I)
- evaluate fully the potential offsetting negative effects on exempting developing countries and of "carbon leakage" (McIntosh I)
- evaluate the impact that this will have on the ability of emerging countries with export markets to transition to more energy-efficient technologies (McIntosh I)
- evaluate the potential offsetting negative effects of exempting developing countries (IV)
- 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 (IV)

12. Testimony

- 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 (McIntosh III, IV)

13. Implementation of Kyoto Protocol

- 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 (McIntosh III, IV)

14. Environmental Data

- 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 (McIntosh III, IV)
[REPEAT]

15. Legislation/ Rules

- 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 (McIntosh III, IV)
[REPEAT]

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

- 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. (McIntosh IV)

16. Other

- 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. (McIntosh I)

- 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 (McIntosh III, IV)

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Divider Title: _____

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

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 all policy -
these materials are materials that support testimony

→ other material makes assumptions that are not our policy



EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON, D.C. 20500

CHIEF OF STAFF

March 18, 1998

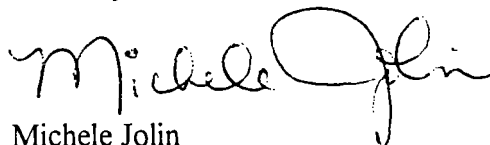
Dear Cathy:

In accordance with our discussion, I am writing to let you know that the Council of Economic Advisers (CEA) will not be submitting today materials responsive to Chairman Schaefer's March 4 request. As you know, Chairman Schaefer in his opening statement at the Subcommittee's March 4 hearing on the Kyoto Protocol and its Economic Implications asked CEA Chair Janet Yellen to provide a complete analysis of the conclusions presented in her testimony.

As we discussed, Dr. Yellen is out of the country this week and will be leading the US delegation to OECD meetings in Paris next week. CEA staff are currently working on the response to Chairman Schaefer's request. As I am sure you understand, because we are a small agency, these staff are also responsible for continuing their usual policy and analytic responsibilities, as well as responding to several other requests from Congress on climate change issues. They are making every effort, in the context of these other demands, to be responsive to Chairman Schaefer. We will be in a better position to respond once Dr. Yellen returns.

If you have any questions, please let me know at (202) 395-5084.

Sincerely,


Michele Jolin

Ms. Cathy Van Way
Counsel
Subcommittee on Energy and Power
House Committee on Commerce
Washington, D.C. 20515-6115

Issues:

Q What about other studies that show cost discrepancy between Yellen testimony & other studies too much?

- Yellen argues that "All gain, no pain"

- Analytic basis for conclusions

Q Can - extent to which US could achieve proposed targets through emissions trading & JI & what cost

- what prices assumed for trading, particularly in former Soviet Bloc

① Talking Point re: Call

SCHAEFER

STATEMENT OF THE HONORABLE DAN SCHAEFER
SUBCOMMITTEE ON ENERGY AND POWER

HEARING ON THE KYOTO PROTOCOL AND ITS ECONOMIC IMPLICATIONS

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Thank you.

Provide analysis that supports all policy -
the material already in testimony that support
→ other material makes assumptions that are NOT our policy

I Docs
I

Supports our

Policy - supports concl
~~only~~ in testimony

Post-Dec
used as
basis for

II

COMPARISON

→ RuWS using
diff policies
& diff assumptions

Post-Dec
never used
as basis
for testimony

III

Pre-Dec analysis

→ Peer Review

SGM model has been
peer-reviewed



EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON, D.C. 20500

THE CHAIRMAN

April 17, 1998

Dear Chairman Schaefer:

Enclosed find documents relied upon in the preparation of my testimony on the economics of the Kyoto Protocol before the House Commerce Committee's Subcommittee on Energy and Power. I apologize for not forwarding these materials sooner. CEA is a small agency with large responsibilities, and we have gathered these documents as quickly as our resources allowed.

In addition to the documents provided today, your request calls for materials that implicate the President's interest in the confidentiality of White House decision making processes. That interest is particularly acute here because of ongoing interactions with foreign governments and because we are continuing to consider, formulate and effectuate new policies in this area.

Pursuant to standard procedures of the Executive Branch, we have consulted with the Office of Counsel to the President to determine how to accommodate the Subcommittee's oversight needs regarding these materials, without undermining the interest of the Executive Branch in the confidentiality of its decision making. As part of that accommodation, the White House is prepared to make available for review, but not copying, by Members and Subcommittee staff, confidential documents you have requested which were relied upon in the preparation of my testimony on the economics of the Kyoto Protocol before the Subcommittee.

Please call me to discuss arrangements for such review, or to address any questions you might have.

Sincerely,

Janet L. Yellen

The Honorable Dan Schaefer
Chairman, Subcommittee on Energy & Power
House Commerce Committee
2125 Rayburn House Office Building
Washington, D.C. 20515-6115

Enclosures

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U.S. House of Representatives Committee on Commerce

Room 2125, Rayburn House Office Building
 Washington, DC 20515-6115

April 9, 1998

The Honorable Janet Yellen
 Chair
 Council of Economic Advisors
 Old Executive Office Building
 Washington, D.C. 20502

Dear Dr. Yellen:

I am writing to request for the third time, the documents and other materials supporting your testimony before the Subcommittee on Energy and Power more than a month ago.

At the Subcommittee hearing held March 4, 1998, you presented conclusions regarding the cost of complying with the Kyoto Mandate. At that hearing, I requested that you provide the Subcommittee with the analysis that supported those conclusions, as well as any other economic analysis that reached different conclusions, not later than two weeks after the conclusion of the hearing (opening statement attached). Your staff requested an extension of time within which to respond, which I agreed to (letter attached). That time again was extended by my letter to you requesting the relevant information by no later than April 1, 1998 (letter attached). I still do not have the documents I requested.

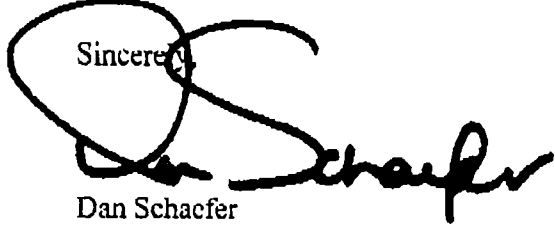
In order for the Subcommittee to adequately assess your conclusions, the Subcommittee must be able to review the data and analysis supporting those conclusions. At the hearing you presented certain conclusions. I am merely asking that you provide me with the analysis on which you based those conclusions. I do not believe it is unreasonable for the Subcommittee to ask you to support your testimony and, thus, your apparent reluctance to provide this information only heightens my concern over the validity of the Administration's analysis. Moreover, you should already have in your possession all the information I am requesting. I do not expect your office to create new data, documents or analysis to support the conclusions presented at the hearing.

Please be advised that if I have not received a full and complete response to my request by Wednesday, April 15, 1998, I will consider pursuing other legal means to obtain the information.

Thank you for your cooperation on this matter. If you have any questions concerning this outstanding request, please contact Ms. Catherine Van Way of the Commerce Committee staff at 225-2927.

The Honorable Janet Yellen
Page 2

Sincerely,



Dan Schaefer
Chairman
Subcommittee on Energy and Power

cc: The Honorable Ralph Hall, Ranking Member
Subcommittee on Energy and Power

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JAMES E. DERDERIAN, CHIEF OF STAFF

U.S. House of Representatives
Committee on Commerce
 Room 2125, Rayburn House Office Building
 Washington, DC 20515-6115

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.

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.

TOTAL P.002



EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON, D.C. 20500

CHIEF OF STAFF

March 18, 1998

Dear Cathy:

In accordance with our discussion, I am writing to let you know that the Council of Economic Advisers (CEA) will not be submitting today materials responsive to Chairman Schaefer's March 4 request. As you know, Chairman Schaefer in his opening statement at the Subcommittee's March 4 hearing on the Kyoto Protocol and its Economic Implications asked CEA Chair Janet Yellen to provide a complete analysis of the conclusions presented in her testimony.

As we discussed, Dr. Yellen is out of the country this week and will be leading the US delegation to OECD meetings in Paris next week. CEA staff are currently working on the response to Chairman Schaefer's request. As I am sure you understand, because we are a small agency, these staff are also responsible for continuing their usual policy and analytic responsibilities, as well as responding to several other requests from Congress on climate change issues. They are making every effort, in the context of these other demands, to be responsive to Chairman Schaefer. We will be in a better position to respond once Dr. Yellen returns.

If you have any questions, please let me know at (202) 395-5084.

Sincerely,

Michele Jolin

Ms. Cathy Van Way
Counsel
Subcommittee on Energy and Power
House Committee on Commerce
Washington, D.C. 20515-6115

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JAMES E. DERDERIAN, CHIEF OF STAFF

U.S. House of Representatives Committee on Commerce

Room 2125, Rayburn House Office Building
 Washington, DC 20515-6115

March 26, 1998

The Honorable Janet Yellen
 Chair
 Council of Economic Advisors
 Old Executive Office Building
 Washington, D.C. 20502

Dear Dr. Yellen:

Thank you for your testimony before Subcommittee on Energy and Power on March 4, 1998 regarding the Kyoto Protocol and its Economic Implications. Your participation was helpful in assisting Members' understanding of the overall terms, objectives, and implementation of the Kyoto Protocol.

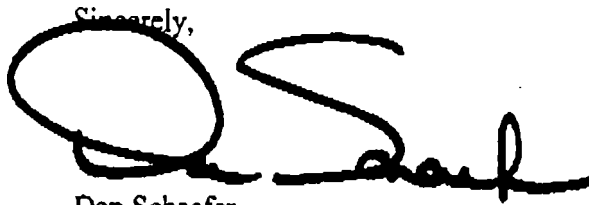
As you will recall from that hearing, however, I requested in my opening statement that you provide to the Subcommittee a complete analysis of the Administration's conclusions presented in your testimony. As you undoubtedly are aware, this information is of great importance to Subcommittee Members, many of whom had questions regarding the specifics relating to the Administration's analysis of the economic effects of the Kyoto Protocol that went unanswered during the hearing.

It is my understanding that the economic analysis I have requested has already been completed. After all, this analysis presumably served as the basis for the findings included in your March 5 testimony. Though your response to this particular request was due last week, I appreciate the multiple and challenging demands faced by you and your staff, and I understand that you have been out of the country in recent days. Given CEA's track record in responding to my requests, however, I am concerned that last week's missed deadline may now become a perpetually moving target. Accordingly, I ask that you provide the data that supports the economic analysis by no later than next Wednesday, April 1.

Thank you for your cooperation on this matter. If you have any questions concerning this outstanding request, please contact Ms. Catherine Van Way of the Commerce Committee staff at 225-2927.

The Honorable Janet Yellen
March 26, 1998
Page 2

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Schaefer". The signature is fluid and cursive, with a large initial "D" and "S".

Dan Schaefer
Chairman
Subcommittee on Energy and Power

cc: The Honorable Ralph Hall, Ranking Member
Subcommittee on Energy and Power

COMMITTEE ON COMMERCE
U.S. HOUSE OF REPRESENTATIVES
2125 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515
(202) 225-2927
FAX (202) 225-1919



FAX TRANSMISSION

To: Honorable Janet Yellen 395-6958 ATTN: Michelle Jolin

From: Honorable Dan Schaefer

Date: April 9, 1998

Number of Pages (including cover sheet): 8

Notes:



EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON, D.C. 20500

CHIEF OF STAFF

March 18, 1998

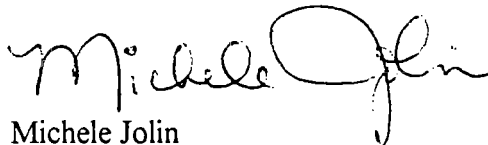
Dear Cathy:

In accordance with our discussion, I am writing to let you know that the Council of Economic Advisers (CEA) will not be submitting today materials responsive to Chairman Schaefer's March 4 request. As you know, Chairman Schaefer in his opening statement at the Subcommittee's March 4 hearing on the Kyoto Protocol and its Economic Implications asked CEA Chair Janet Yellen to provide a complete analysis of the conclusions presented in her testimony.

As we discussed, Dr. Yellen is out of the country this week and will be leading the US delegation to OECD meetings in Paris next week. CEA staff are currently working on the response to Chairman Schaefer's request. As I am sure you understand, because we are a small agency, these staff are also responsible for continuing their usual policy and analytic responsibilities, as well as responding to several other requests from Congress on climate change issues. They are making every effort, in the context of these other demands, to be responsive to Chairman Schaefer. We will be in a better position to respond once Dr. Yellen returns.

If you have any questions, please let me know at (202) 395-5084.

Sincerely,


Michele Jolin

Ms. Cathy Van Way
Counsel
Subcommittee on Energy and Power
House Committee on Commerce
Washington, D.C. 20515-6115



THE CHAIRMAN

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON, D.C. 20500

April 17, 1998

*Note to File:
Documents attached
to this letter are
included in the copy
filed w/ 3-4-98
testimony file*

Dear Chairman Schaefer:

Enclosed find documents relied upon in the preparation of my testimony on the economics of the Kyoto Protocol before the House Commerce Committee's Subcommittee on Energy and Power. I apologize for not forwarding these materials sooner. CEA is a small agency with large responsibilities, and we have gathered these documents as quickly as our resources allowed.

In addition to the documents provided today, your request calls for materials that implicate the President's interest in the confidentiality of White House decision making processes. That interest is particularly acute here because of ongoing interactions with foreign governments and because we are continuing to consider, formulate and effectuate new policies in this area.

Pursuant to standard procedures of the Executive Branch, we have consulted with the Office of Counsel to the President to determine how to accommodate the Subcommittee's oversight needs regarding these materials, without undermining the interest of the Executive Branch in the confidentiality of its decision making. As part of that accommodation, the White House is prepared to make available for review, but not copying, by Members and Subcommittee staff, confidential documents you have requested which were relied upon in the preparation of my testimony on the economics of the Kyoto Protocol before the Subcommittee.

Please call me to discuss arrangements for such review, or to address any questions you might have.

Sincerely,

Janet L. Yellen

The Honorable Dan Schaefer
Chairman, Subcommittee on Energy & Power
House Commerce Committee
2125 Rayburn House Office Building
Washington, D.C. 20515-6115

Enclosures

THE WHITE HOUSE

WASHINGTON

April 24, 1998

Mr. Mark Paoletta
Majority Staff Counsel
Committee on Commerce
United States House of Representatives
Room 2125, Rayburn House Office Building
Washington, D.C. 20515-6115

Copy mailed
4-24 to
Sue Sheridan
Rm 564
Ford House Office Bldg.

Dear Mr. Paoletta:

Attached, as we discussed, is an index of the documents we have offered to make available for review in response to Chairman Schaefer's request for materials used in the preparation of Council of Economic Advisers Chair Janet Yellen's testimony.

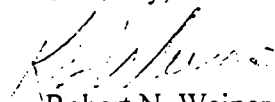
Dr. Yellen's testimony specifically identified the assumptions that underlay the Administration's economic assessment of the effects of the Kyoto Protocol. Those assumptions included ones related to emissions trading by countries that have agreed to take on binding limitations in greenhouse gases, emissions trading with the subset of those countries dubbed the "umbrella," and developing country participation in emissions reduction. These issues are the subject of continuing international negotiations. Public dissemination of the materials in question would affect the ability of the United States to conduct those negotiations effectively.

Moreover, documents on the index discuss and reflect internal deliberations of the Executive Office of the President with regard to ongoing policies of the Administration.

The volume of these documents is not substantial. There are only 22. As Dr. Yellen stated in her letter to Chairman Schaefer, we are happy to let staff review the materials at your convenience. We would also be willing to provide a briefing if necessary to help you better understand the documents. In light of the deliberative nature of much of the material, as well as the serious foreign policy concerns they implicate, this is a reasonable accommodation. It makes available to Congress the information it needs to perform its oversight functions, while preserving the interests of the Executive Branch in the confidentiality essential to achieving the foreign policy goals of the United States.

Please call with any questions.

Sincerely,



Robert N. Weiner
Senior Counsel to the
Counsel to the President

**INDEX OF DOCUMENTS USED BY IN PREPARATION
OF CEA CHAIR JANET YELLEN'S TESTIMONY:**

**Materials that Implicate the President's Interest
in the Confidentiality of White House Decision Making Processes
and that Potentially Affect International Negotiations**

1. Draft of paper from CEA staff to CEA Chair Janet Yellen that discusses various assumptions and estimates of the costs and benefits of the Kyoto Protocol. Paper includes an assessment of several alternative international trading scenarios. (20 pages)
2. Draft of paper from CEA staff to CEA Chair Janet Yellen that discusses the methodology for the cost analysis. Paper includes assumptions about the greenhouse gas emissions that are projected for 17 different countries and regions. (7 pages)
3. Various model runs done by CEA staff at the direction of CEA Chair Janet Yellen and CEA Member Jeff Frankel that reflect alternative assumptions regarding international trading, the impact of sinks, the impact of developing country participation, and other provisions of the Kyoto Protocol. (11 pages)
4. Table created by CEA staff for CEA Chair Janet Yellen that reflects early estimates of the costs of the Kyoto Protocol. Table reflects alternative assumptions about international trading. (1 page)
5. Draft of paper from CEA staff to CEA Chair Janet Yellen that presents an interpretation of the Kyoto Protocol and early estimates of the costs and benefits of Kyoto. Includes assumptions about international trading. (12 pages)
6. Table created by CEA and Treasury Department staff for CEA Chair Janet Yellen that shows energy prices under various scenarios and assumptions. (2 pages)
7. E-mail from Treasury Dept economist to CEA economist regarding assumptions used in determining the effect on energy prices and expenditures. (1 page)
8. Paper from CEA staff to CEA Chair Janet Yellen that summarizes the key elements of the Second Generation Model (SGM). Includes analytical comments on the limits of the model. (2 pages)
9. Table created by CEA staff for CEA Chair Janet Yellen showing permit prices under various scenarios. Table reflects alternative assumptions about international trading. (1 page)
10. Table created by EPA staff that shows results of G-Cubed Model. Done at the request of CEA and reflects alternative assumptions about international trading. (6 pages)

11. Paper from EPA staff describing G-Cubed analysis of the Impact of Carbon Emissions Reductions From the Kyoto Agreement. Paper reflects various assumptions about international trading and behavior of other countries. (6 pages)
12. Charts created by CEA staff that reflect the impact of different policy approaches on coal consumption and carbon permit prices. (1 page)
13. Paper prepared by the State Department that describes the Kyoto Protocol article-by-article. Reflects the State Department's confidential interpretation and analysis of the provisions. (15 pages)
14. Table created by CEA staff for CEA Chair Janet Yellen that compares different model results. Reflects the effects of international permit trading on consumption losses by the OECD. (1 page)
15. Draft paper from Treasury Department staff that describes one analyst's views on climate change policies. Includes an assessment of the accuracy of the analyst's assumptions. (5 pages)
16. Memo from EPA officials to Assistant to the President Todd Stern regarding the role of the Climate Change Technology Initiative in Evaluating the Costs of Kyoto. Reflects administration policy deliberations and advice given to Senior White House official. (3 pages)
17. Model runs done for CEA Chair Janet Yellen by CEA staff that show pre-Kyoto assessments of various climate change policy scenarios, including assumptions about international trading. (10 pages)
18. Tables created by CEA staff for CEA Chair Janet Yellen that summarizes different trading bloc scenarios. (1 page)
19. Tables created by CEA staff for CEA Chair Janet Yellen that summarize the impact of alternative international trading scenarios under alternative assumptions. (1 page)
20. Memo from Department of Energy staff person that provided CEA with a range of information and analysis used to calculate non-climate benefits. (1 page)
21. Memo from Department of Transportation staff person to CEA that describes potential impacts of hypothetical fuel price increases. (2 pages)
22. Charts regarding price and consumption of energy. (5 pages)

THE WHITE HOUSE
WASHINGTON

June 11, 1998

Mr. Mark Paoletta
Majority Staff Counsel
Committee on Commerce
United States House of Representatives
Room 2125, Rayburn House Office Building
Washington, D.C. 20515-6115

Dear Mr. Paoletta:

This letter follows up on our conversations regarding the documents identified on the index provided you on April 24, 1998. As an accommodation to meet the Committee's legitimate oversight needs, we have previously made those documents available for review by Committee staff, and have offered to make them available again.

We have carefully considered your concern that these documents reflect sophisticated and detailed economic analysis, and that you need physical possession of the materials to analyze them properly. On further review of the documents, and as a further accommodation, we are providing copies of documents 1-12, 14-15, and 17-22 from the April 24 index. You previously indicated that you did not require copies of documents 13 and 16. In making this accommodation, we are cognizant of the record of agreements with your Committee that meet our mutual needs.

Given the deliberative nature of these materials and their international import, we expect they will be treated as confidential.

Sincerely yours,

Robert N. Weiner
Senior Counsel
Office of Counsel to the President

cc: Dennis Fitzgibbons



EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON, D.C. 20500

CHIEF OF STAFF

September 14, 1998

MEMORANDUM FOR TODD STERN
ROB WEINER
ROGER BALLENTINE
JULIE ANDERSON

FROM:

MICHELE JOLIN

A handwritten signature in cursive script, appearing to read "m jolin", is written over the printed name "MICHELE JOLIN".

SUBJECT:

Documents

I think we need to discuss the attached.

ONE HUNDRED FIFTH CONGRESS

TOM BILEY, VIRGINIA, CHAIRMAN

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JAMES E. DEROGIAN, CHIEF OF STAFF

U.S. House of Representatives Committee on Commerce

Room 2125, Rayburn House Office Building
 Washington, DC 20515-6115

September 11, 1998

The Honorable Janet Yellen
 Chair
 Council of Economic Advisors
 Old Executive Office Building
 Washington, D.C. 20502

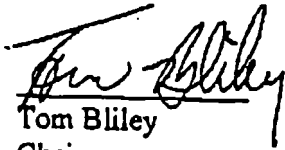
Dear Dr. Yellen:

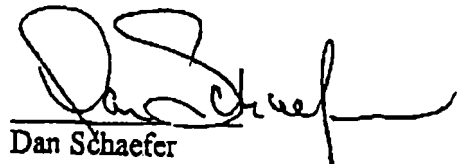
We are writing to inform you of the decision to include in the March 4, 1998 printed hearing record the economic analysis you recently provided to the Committee concerning the potential costs of the Kyoto Protocol to the U.S. economy. As you know, at the March 4 hearing, Chairman Schaefer and Ranking Member Dingell requested that you provide these documents to the Committee, and Mr. Dingell requested that these documents be included in the hearing record. After reviewing the document entitled "The Kyoto Protocol and the President's Policies to Address Climate Change: Administration Economic Analysis" and considering the letter from Mr. Robert Weiner, Senior Counsel, Office of Counsel to the President regarding release of the documents, we believe that failing to include these documents in the printed hearing record would hinder the ability of the Committee to carry out its oversight responsibilities and would leave stakeholders and the public without complete information regarding the range of possible costs of implementation of the Kyoto Protocol. The potentially enormous impact of these policies to the United States economy, the Administration's less than forthcoming dealings with Congress on this matter, and the nature of the documents, underscore the need for disclosure as part of our oversight efforts, and outweigh any arguments to keep these documents hidden from public scrutiny.

You noted at the July 15, 1997 hearing, "when a decision has been arrived at, it is incumbent on us to explain how we arrived at that decision and why we regard it as a sensible decision. I feel we have to be prepared to explain that." We agree. If the Administration is going to present certain economic conclusions as justification for its policies, then it is inappropriate for the Administration to shield the assumptions used to reach those economic conclusions.

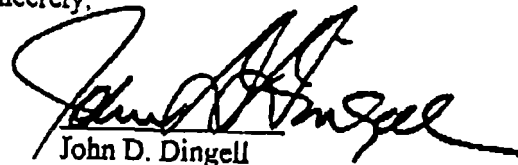
Thank you for your cooperation on this matter. We also will enter into the printed hearing record a copy of this letter. If you have any questions, please contact Ms. Catherine Van Way or Mark Paoletta of the Majority Staff at 225-2927 or Dennis Fitzgibbons or Sue Sheridan of the Minority staff at 225-3641.

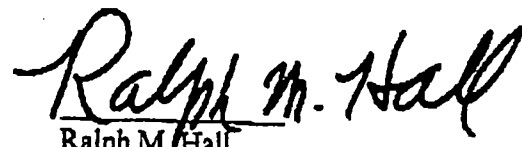
The Honorable Janet Yellen
Page 2


Tom Bliley
Chairman


Dan Schaefer
Chairman
Subcommittee on Energy and Power

Sincerely,


John D. Dingell
Ranking Member


Ralph M. Hall
Ranking Member
Subcommittee on Energy and Power

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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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MINORITY (202) 225-5061
TTY (202) 225-6862

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BERNARD SANDERS, VERMONT
INDEPENDENT

March 13, 1998

BY FACSIMILE

The Honorable Janet Yellen
Chairman
Council of Economic Advisers
Old Executive Office Building
Washington, D. C. 20500

Dear Chair Yellen:

The Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs is conducting oversight of the Administration's global climate change policies and its initiatives to jump-start U.S. efforts to achieve the Kyoto Protocol greenhouse gas emissions reductions targets.

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 questions in sections A and B of the attached inquiry, to the extent that they are applicable to your agency, and the questions in sections C through E. In responding to this inquiry, please restate each question and subpart with each of your answers, and follow the attached definitions and instructions concerning the production of records.

Please provide your responses to the written questions and requests for production of records not later than 12 noon, April 7, 1998, to the Subcommittee 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.

CEA

546-4949

Thank you in advance for your attention to this request.

Sincerely,



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 Regarding Global Climate Change Policies and Initiatives

A. Budget Information and Performance Measures

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.
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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.

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B. Economic, Policy, and Legal Analyses

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. 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? 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.

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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.

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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.

C. Dr. Yellen's Testimony before the House Commerce Committee on March 4, 1998

15. Please provide any and all analyses that support the Administration's conclusion that impacts on the U.S. economy of complying with the terms of the Kyoto Protocol "are likely to be modest." Also, explain fully how the Administration can make such a forecast responsibly when, as Dr. Yellen stated, "it is not yet possible to provide a full authoritative analysis" of the Kyoto Protocol. Among other things, Dr. Yellen noted that there is still "much that we do not know" because much has been left unresolved by this treaty (for example, implementation issues, the rules and procedures governing international emissions trading, joint implementation projects, and the Clean Development Mechanism, and future emissions reductions obligations). Moreover, Dr. Yellen asserted that, to her knowledge, "no [economic] model -- whether used inside the government or not -- has yet been set up to analyze the implications of the Kyoto Protocol, since this agreement is only a few months old. . . ."

16. In her testimony, Dr. Yellen supported the Administration's conclusion that "economic impacts are likely to be modest" with other optimistic conclusions about the effects of the Kyoto treaty "flexibility" mechanisms and U.S. electricity restructuring, and about the rate of technological progress. Please provide any and all analyses that support the following estimates:

16a. U.S. electricity restructuring "will offer approximately \$20 billion in cost savings."

16b. 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."

16c. Emissions trading among a subset of Annex I countries (for example, the United States, Australia, Canada, New Zealand, and Russia) "can reduce costs by an estimated 60-70 percent." Also, based on the estimates presented in Dr. Yellen's testimony, please explain and fully document how more limited trading among this 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.

16d. The Clean Development Mechanism "might shave costs by roughly another 20 to 25 percent."

16e. Overall costs "would reach roughly one tenth of one percent of projected GDP in 2010" (resource costs of achieving Kyoto targets for emissions reductions were estimated to be \$7 to \$12 billion per year in 2008 to 2012). Also, please explain how it is possible that compliance with the Kyoto Protocol, which has been projected by independent economists to be the most expensive environmental undertaking ever, could cost less than compliance with the recently issued U.S. air quality rules for particulate matter and ozone (the final Regulatory Impact Analysis for those rules estimated costs of \$46 billion).

16f. The assumption that the rate of improvement in energy efficiency (Autonomous Energy Efficiency Index) will be 1.0 percent per year (which is greater than that assumed by the Energy Information Administration). In particular, please reconcile this assumption with the statement of the Council of Economic Advisers in its 1998 Annual Report that, "[u]ntil an emissions cap and trading system are in place, however, the economic incentive to use [technologies supported by the Administration's budget] may be low." Is the Administration assuming that such a system will be put into place in the short-term?

16g. The estimated effect on energy prices will range from "\$14 to \$23 per ton of carbon equivalent."

16h. "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."

16i. As to each analysis, please indicate who prepared the analysis and provide all records of comments from other federal agencies.

17. Please provide any and all 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 resource cost of the climate change policy." As to each analysis, please indicate who prepared the analysis and provide all records of comments from other federal agencies.

18a. In her testimony, Dr. Yellen stated that, in evaluating the "likely net economic impact of the Kyoto Protocol," the Administration has "drawn upon a broad array of analytical tools" and a "wide range of models of the energy sector and economy over the next 25 years" to assess the various possible costs and non-climate benefits of the Administration's emissions reduction policy. Please specify all of the models and analytical tools that the Administration has used and describe in detail their strengths and weaknesses.

18b. According to the testimony, the Administration has relied particularly on the Second Generation Model (SGM) of Battelle Laboratories for many of its estimates. However, the Interagency Analytical Team report indicated that the SGM model "focuses on long-term transitions and measures the economy in five-year intervals," so that "it risks racing past short-term transition issues," such as GDP loss and impacts on specific industries. Specify all of the Administration's estimates that were derived by this model. Also, indicate why many of the Administration's key estimates were derived from this model? Finally, please identify the corresponding estimates derived from each model that the Administration has used in assessing the impacts of the Kyoto Protocol.

19. What are the 1990 baseline, the Fiscal Year 1997, 1998 and 1998 data, and the annual outyear estimates until 2012 for the following outcome performance measures mentioned in Dr. Yellen's testimony: 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?

20. 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"? Why does the Administration believe that it is appropriate 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 different factors, such as the rules and procedures governing these mechanisms, the extent of participation by other countries, including developing countries, etc?

21a. In her testimony, Dr. Yellen stated that part of doing it smart (i.e., lowering the costs of reducing greenhouse gas emissions) under the Kyoto Protocol means "taking serious and responsible steps in the short run to prepare us to meet our obligations in the longer term." She indicated that these steps include a \$6.3 billion program of tax cuts and R&D investments, industry-by-industry consultations to prepare emission reduction plans in key industrial sectors, and legislation to restructure the electrical industry. Under what authority is the Administration pursuing this unilateral executive branch course of action in furtherance of the treaty's emissions reductions targets and without Senate ratification?

21b. If the Administration is delaying the submission of the treaty to the Senate until it obtains "meaningful participation" by developing countries, doesn't that decision also require the

Administration to delay any unilateral executive branch action to address global warming until that cooperation is forthcoming?

Q 21c. Given that the Kyoto Protocol seeks to address a global issue, isn't harmful to U.S. interests to proceed without the full participation of developing countries?

Q 21d. Besides being unconstitutional, isn't it also premature and harmful to U.S. interests to take such unilateral actions, without ratification, when the Administration has characterized the Protocol as a "work in progress" -- a Protocol that "is not yet fully complete nor ready for the President's submission to the Senate"?

D. Cost/Benefit Analysis of the Kyoto Treaty

22a. Please provide any and all analyses that the Administration or any federal agency prepared (or had prepared) or is preparing (or is having prepared) 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:

22b. Whether the benefits of implementing this Protocol are justified by the costs;

22c. 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;

22d. With respect to each scenario that is analyzed, identify the assumptions used, explain any uncertainties concerning the assumptions, and examine the sensitivity of net effects to the different compliance strategies, using a range of plausible assumptions about future economic development and about fundamental climate processes;

22e. Evaluate the opportunity costs of pursuing the Administration's strategy for the abatement of greenhouse gas emissions under the terms of the treaty; and

22f. 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.

23a. In evaluating alternative scenarios, please examine the following:

23b. 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 at all) against the effects of addressing greenhouse gas mitigation on a global scale by the international community.

23c. 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.

23d. Compare the impacts of reducing greenhouse gas 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.

24. 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.

25. 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.

26. 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.

27. 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.

28. 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.

29. Have any of the cost-benefit analyses performed by the Administration or any agency been peer-reviewed? If so, please identify the reviewers and provide their comments on all drafts of

the analyses. If not, does the Administration plan to do so? Please describe fully the steps that the Administration plans to take.

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

31a. Please provide all records of written or oral comments from other federal agencies on each of the cost-benefit analyses that were performed.

31b. 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.

Q 32a. 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?

32b. Please identify any and all private parties that are currently performing economic analyses of the Kyoto treaty or any aspect of it for the Administration. Describe their work and provide all products of their work in draft or final form.

E. International Emissions Trading

Q 33a. 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, China, India, South Korea, Brazil, and Mexico (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.

33b. 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.

Q 34. What real incentives do developing countries have to participate in the international emissions trading system, which would require them to commit to mandatory reductions, when they can transfer emissions reductions credits in connection with joint implementation projects and obtain financing through the Clean Development Mechanism?

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 are in the agency's 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 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 "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.

GoA
→ degree to
which
Testimony
relies on
75% -
80%

① Sade Quinn
NPR

202-414-2351

Re → Gather Econ Advisors

WSJ Clinton Admin
launches broad review

→ what does

→ with concerns at

→ effects on economy

→ if bad idea, possible

→ what is review's function

DAN BURTON, INDIANA
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ONE HUNDRED FIFTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT

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WASHINGTON, DC 20515-6143

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March 13, 1998

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*Nichols —
You had asked me
to hold this.
I'm still doing
that, by the way. S*

Thank you in advance for your attention to this request.

Sincerely,

A handwritten signature in black ink that reads "David McIntosh". The signature is written in a cursive style with a large initial "D" and a long horizontal flourish at the end.

David M. McIntosh

Chairman

Subcommittee on National Economic Growth,
Natural Resources, and Regulatory Affairs

cc: The Honorable Dan Burton
The Honorable John Tierney

Enclosure

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C. Dr. Yellen's Testimony before the House Commerce Committee on March 4, 1998

15. Please provide any and all analyses that support the Administration's conclusion that impacts on the U.S. economy of complying with the terms of the Kyoto Protocol "are likely to be modest." Also, explain fully how the Administration can make such a forecast responsibly when, as Dr. Yellen stated, "it is not yet possible to provide a full authoritative analysis" of the Kyoto Protocol. Among other things, Dr. Yellen noted that there is still "much that we do not know" because much has been left unresolved by this treaty (for example, implementation issues, the rules and procedures governing international emissions trading, joint implementation projects, and the Clean Development Mechanism, and future emissions reductions obligations). Moreover, Dr. Yellen asserted that, to her knowledge, "no [economic] model -- whether used inside the government or not -- has yet been set up to analyze the implications of the Kyoto Protocol, since this agreement is only a few months old. . . ."

16. In her testimony, Dr. Yellen supported the Administration's conclusion that "economic impacts are likely to be modest" with other optimistic conclusions about the effects of the Kyoto treaty "flexibility" mechanisms and U.S. electricity restructuring, and about the rate of technological progress. Please provide any and all analyses that support the following estimates:

16a. U.S. electricity restructuring "will offer approximately \$20 billion in cost savings."

16b. 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."

16c. Emissions trading among a subset of Annex I countries (for example, the United States, Australia, Canada, New Zealand, and Russia) "can reduce costs by an estimated 60-70 percent." Also, based on the estimates presented in Dr. Yellen's testimony, please explain and fully document how more limited trading among this 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.

16d. The Clean Development Mechanism "might shave costs by roughly another 20 to 25 percent."

16e. Overall costs "would reach roughly one tenth of one percent of projected GDP in 2010" (resource costs of achieving Kyoto targets for emissions reductions were estimated to be \$7 to \$12 billion per year in 2008 to 20012). Also, please explain how it is possible that compliance with the Kyoto Protocol, which has been projected by independent economists to be the most expensive environmental undertaking ever, could cost less than compliance with the recently issued U.S. air quality rules for particulate matter and ozone (the final Regulatory Impact Analysis for those rules estimated costs of \$46 billion).

16f. The assumption that the rate of improvement in energy efficiency (Autonomous Energy Efficiency Index) will be 1.0 percent per year (which is greater than that assumed by the Energy Information Administration). In particular, please reconcile this assumption with the statement of the Council of Economic Advisers in its 1998 Annual Report that, "[u]ntil an emissions cap and trading system are in place, however, the economic incentive to use [technologies supported by the Administration's budget] may be low." Is the Administration assuming that such a system will be put into place in the short-term?

16g. The estimated effect on energy prices will range from "\$14 to \$23 per ton of carbon equivalent."

16h. "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."

16i. As to each analysis, please indicate who prepared the analysis and provide all records of comments from other federal agencies.

17. Please provide any and all 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 resource cost of the climate change policy." As to each analysis, please indicate who prepared the analysis and provide all records of comments from other federal agencies.

18a. In her testimony, Dr. Yellen stated that, in evaluating the “likely net economic impact of the Kyoto Protocol,” the Administration has “drawn upon a broad array of analytical tools” and a “wide range of models of the energy sector and economy over the next 25 years” to assess the various possible costs and non-climate benefits of the Administration’s emissions reduction policy. Please specify all of the models and analytical tools that the Administration has used and describe in detail their strengths and weaknesses.

18b. According to the testimony, the Administration has relied particularly on the Second Generation Model (SGM) of Battelle Laboratories for many of its estimates. However, the Interagency Analytical Team report indicated that the SGM model “focuses on long-term transitions and measures the economy in five-year intervals,” so that “it risks racing past short-term transition issues,” such as GDP loss and impacts on specific industries. Specify all of the Administration’s estimates that were derived by this model. Also, indicate why many of the Administration’s key estimates were derived from this model? Finally, please identify the corresponding estimates derived from each model that the Administration has used in assessing the impacts of the Kyoto Protocol.

19. What are the 1990 baseline, the Fiscal Year 1997, 1998 and 1998 data, and the annual outyear estimates until 2012 for the following outcome performance measures mentioned in Dr. Yellen’s testimony: 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?

20. 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”? Why does the Administration believe that it is appropriate 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 different factors, such as the rules and procedures governing these mechanisms, the extent of participation by other countries, including developing countries, etc?

21a. In her testimony, Dr. Yellen stated that part of doing it smart (i.e., lowering the costs of reducing greenhouse gas emissions) under the Kyoto Protocol means “taking serious and responsible steps in the short run to prepare us to meet our obligations in the longer term.” She indicated that these steps include a \$6.3 billion program of tax cuts and R&D investments, industry-by-industry consultations to prepare emission reduction plans in key industrial sectors, and legislation to restructure the electrical industry. Under what authority is the Administration pursuing this unilateral executive branch course of action in furtherance of the treaty’s emissions reductions targets and without Senate ratification?

21b. If the Administration is delaying the submission of the treaty to the Senate until it obtains “meaningful participation” by developing countries, doesn’t that decision also require the

Administration to delay any unilateral executive branch action to address global warming until that cooperation is forthcoming?

21c. Given that the Kyoto Protocol seeks to address a global issue, isn't harmful to U.S. interests to proceed without the full participation of developing countries?

21d. Besides being unconstitutional, isn't it also premature and harmful to U.S. interests to take such unilateral actions, without ratification, when the Administration has characterized the Protocol as a "work in progress" -- a Protocol that "is not yet fully complete nor ready for the President's submission to the Senate"?

D. Cost/Benefit Analysis of the Kyoto Treaty

22a. Please provide any and all analyses that the Administration or any federal agency prepared (or had prepared) or is preparing (or is having prepared) 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:

22b. Whether the benefits of implementing this Protocol are justified by the costs;

22c. 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;

22d. With respect to each scenario that is analyzed, identify the assumptions used, explain any uncertainties concerning the assumptions, and examine the sensitivity of net effects to the different compliance strategies, using a range of plausible assumptions about future economic development and about fundamental climate processes;

22e. Evaluate the opportunity costs of pursuing the Administration's strategy for the abatement of greenhouse gas emissions under the terms of the treaty; and

22f. 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.

23a. In evaluating alternative scenarios, please examine the following:

23b. 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 at all) against the effects of addressing greenhouse gas mitigation on a global scale by the international community.

23c. 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.

23d. Compare the impacts of reducing greenhouse gas 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.

24. 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.

25. 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.

26. 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.

27. 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.

28. 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.

29. Have any of the cost-benefit analyses performed by the Administration or any agency been peer-reviewed? If so, please identify the reviewers and provide their comments on all drafts of

the analyses. If not, does the Administration plan to do so? Please describe fully the steps that the Administration plans to take.

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

31a. Please provide all records of written or oral comments from other federal agencies on each of the cost-benefit analyses that were performed.

31b. 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.

32a. 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?

32b. Please identify any and all private parties that are currently performing economic analyses of the Kyoto treaty or any aspect of it for the Administration. Describe their work and provide all products of their work in draft or final form.

E. International Emissions Trading

33a. 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, China, India, South Korea, Brazil, and Mexico (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.

33b. 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.

34. What real incentives do developing countries have to participate in the international emissions trading system, which would require them to commit to mandatory reductions, when they can transfer emissions reductions credits in connection with joint implementation projects and obtain financing through the Clean Development Mechanism?

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 are in the agency's 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 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 "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.

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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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May 1, 1998

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BERNARD SANDERS, VERMONT
INDEPENDENT

BY FACSIMILE

The Honorable Janet Yellen
Chair
Council of Economic Advisers
Old Executive Office Building
Washington, D. C. 20500

Dear Chair Yellen:

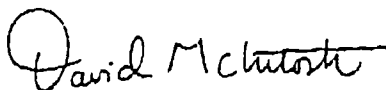
This letter follows up on the March 13, 1998 letter to you in which the Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs raised questions about the Administration's global warming policies and the potential impact of the Kyoto Protocol on the U.S. economy. Not only has my Subcommittee not received any response to that letter, but also your staff has indicated that they have not even begun to draft any answers.

This unexplainable delay is impeding my Subcommittee's effective oversight of these matters. When the Subcommittee conducted its first hearing on global warming policies last week, all of the federal agency witnesses indicated that you are the Administration's voice on the likely economic consequences of the Kyoto Protocol. It is, therefore, both astounding and unacceptable that the Council has not provided any information to date, not even concerning the testimony you presented on March 4, 1998 before the House Commerce Committee.

As you know, the Subcommittee plans to conduct another hearing on these issues in May and has invited you to testify. Therefore, it is crucial that we receive your responses before the hearing. Please contact Larisa Dobriansky, Senior Counsel, at (202) 225-4407, no later than Tuesday, May 5, 1998, with a schedule for expeditiously submitting the requested information.

Thank you in advance for your cooperation with respect to this request.

Sincerely,



David M. McIntosh
Chairman

Subcommittee on National Economic Growth,
Natural Resources, and Regulatory Affairs

cc: The Honorable Dan Burton
The Honorable John Tierney

DAN BURTON, INDIANA
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BERNARD SANDERS, VERMONT
INDEPENDENT

March 13, 1998

BY FACSIMILE

The Honorable Janet Yellen
Chairman
Council of Economic Advisers
Old Executive Office Building
Washington, D. C. 20500

Dear Chair Yellen:

The Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs is conducting oversight of the Administration's global climate change policies and its initiatives to jump-start U.S. efforts to achieve the Kyoto Protocol greenhouse gas emissions reductions targets.

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 questions in sections A and B of the attached inquiry, to the extent that they are applicable to your agency, and the questions in sections C through E. In responding to this inquiry, please restate each question and subpart with each of your answers, and follow the attached definitions and instructions concerning the production of records.

Please provide your responses to the written questions and requests for production of records not later than 12 noon, April 7, 1998 to the Subcommittee 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 in advance for your attention to this request.

Sincerely,

A handwritten signature in black ink, reading "David McIntosh". The signature is fluid and cursive, with the first name "David" and last name "McIntosh" clearly legible.

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 Regarding Global Climate Change Policies and Initiatives

A. Budget Information and Performance Measures

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.

B. Economic, Policy, and Legal Analyses

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. 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? 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.

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C. Dr. Yellen's Testimony before the House Commerce Committee on March 4, 1998

15. Please provide any and all analyses that support the Administration's conclusion that impacts on the U.S. economy of complying with the terms of the Kyoto Protocol "are likely to be modest." Also, explain fully how the Administration can make such a forecast responsibly when, as Dr. Yellen stated, "it is not yet possible to provide a full authoritative analysis" of the Kyoto Protocol. Among other things, Dr. Yellen noted that there is still "much that we do not know" because much has been left unresolved by this treaty (for example, implementation issues, the rules and procedures governing international emissions trading, joint implementation projects, and the Clean Development Mechanism, and future emissions reductions obligations). Moreover, Dr. Yellen asserted that, to her knowledge, "no [economic] model -- whether used inside the government or not -- has yet been set up to analyze the implications of the Kyoto Protocol, since this agreement is only a few months old. . . ."

16. In her testimony, Dr. Yellen supported the Administration's conclusion that "economic impacts are likely to be modest" with other optimistic conclusions about the effects of the Kyoto treaty "flexibility" mechanisms and U.S. electricity restructuring, and about the rate of technological progress. Please provide any and all analyses that support the following estimates:

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16f. The assumption that the rate of improvement in energy efficiency (Autonomous Energy Efficiency Index) will be 1.0 percent per year (which is greater than that assumed by the Energy Information Administration). In particular, please reconcile this assumption with the statement of the Council of Economic Advisers in its 1998 Annual Report that, "[u]ntil an emissions cap and trading system are in place, however, the economic incentive to use [technologies supported by the Administration's budget] may be low." Is the Administration assuming that such a system will be put into place in the short-term?

16g. The estimated effect on energy prices will range from "\$14 to \$23 per ton of carbon equivalent."

16h. "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."

16i. As to each analysis, please indicate who prepared the analysis and provide all records of comments from other federal agencies.

17. Please provide any and all 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 resource cost of the climate change policy." As to each analysis, please indicate who prepared the analysis and provide all records of comments from other federal agencies.

18a. In her testimony, Dr. Yellen stated that, in evaluating the "likely net economic impact of the Kyoto Protocol," the Administration has "drawn upon a broad array of analytical tools" and a "wide range of models of the energy sector and economy over the next 25 years" to assess the various possible costs and non-climate benefits of the Administration's emissions reduction policy. Please specify all of the models and analytical tools that the Administration has used and describe in detail their strengths and weaknesses.

18b. According to the testimony, the Administration has relied particularly on the Second Generation Model (SGM) of Battelle Laboratories for many of its estimates. However, the Interagency Analytical Team report indicated that the SGM model "focuses on long-term transitions and measures the economy in five-year intervals," so that "it risks racing past short-term transition issues," such as GDP loss and impacts on specific industries. Specify all of the Administration's estimates that were derived by this model. Also, indicate why many of the Administration's key estimates were derived from this model? Finally, please identify the corresponding estimates derived from each model that the Administration has used in assessing the impacts of the Kyoto Protocol.

19. What are the 1990 baseline, the Fiscal Year 1997, 1998 and 1998 data, and the annual outyear estimates until 2012 for the following outcome performance measures mentioned in Dr. Yellen's testimony: 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?

20. 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"? Why does the Administration believe that it is appropriate 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 different factors, such as the rules and procedures governing these mechanisms, the extent of participation by other countries, including developing countries, etc?

21a. In her testimony, Dr. Yellen stated that part of doing it smart (i.e., lowering the costs of reducing greenhouse gas emissions) under the Kyoto Protocol means "taking serious and responsible steps in the short run to prepare us to meet our obligations in the longer term." She indicated that these steps include a \$6.3 billion program of tax cuts and R&D investments, industry-by-industry consultations to prepare emission reduction plans in key industrial sectors, and legislation to restructure the electrical industry. Under what authority is the Administration pursuing this unilateral executive branch course of action in furtherance of the treaty's emissions reductions targets and without Senate ratification?

21b. If the Administration is delaying the submission of the treaty to the Senate until it obtains "meaningful participation" by developing countries, doesn't that decision also require the

Administration to delay any unilateral executive branch action to address global warming until that cooperation is forthcoming?

21c. Given that the Kyoto Protocol seeks to address a global issue, isn't harmful to U.S. interests to proceed without the full participation of developing countries?

21d. Besides being unconstitutional, isn't it also premature and harmful to U.S. interests to take such unilateral actions, without ratification, when the Administration has characterized the Protocol as a "work in progress" -- a Protocol that "is not yet fully complete nor ready for the President's submission to the Senate"?

D. Cost/Benefit Analysis of the Kyoto Treaty

22a. Please provide any and all analyses that the Administration or any federal agency prepared (or had prepared) or is preparing (or is having prepared) 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:

22b. Whether the benefits of implementing this Protocol are justified by the costs;

22c. 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;

22d. With respect to each scenario that is analyzed, identify the assumptions used, explain any uncertainties concerning the assumptions, and examine the sensitivity of net effects to the different compliance strategies, using a range of plausible assumptions about future economic development and about fundamental climate processes;

22e. Evaluate the opportunity costs of pursuing the Administration's strategy for the abatement of greenhouse gas emissions under the terms of the treaty; and

22f. 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.

23a. In evaluating alternative scenarios, please examine the following:

23b. 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 at all) against the effects of addressing greenhouse gas mitigation on a global scale by the international community.

23c. 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.

23d. Compare the impacts of reducing greenhouse gas 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.

24. 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.

25. 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.

26. 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.

27. 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.

28. 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.

29. Have any of the cost-benefit analyses performed by the Administration or any agency been peer-reviewed? If so, please identify the reviewers and provide their comments on all drafts of

the analyses. If not, does the Administration plan to do so? Please describe fully the steps that the Administration plans to take.

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

31a. Please provide all records of written or oral comments from other federal agencies on each of the cost-benefit analyses that were performed.

31b. 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.

32a. 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?

32b. Please identify any and all private parties that are currently performing economic analyses of the Kyoto treaty or any aspect of it for the Administration. Describe their work and provide all products of their work in draft or final form.

E. International Emissions Trading

33a. 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, China, India, South Korea, Brazil, and Mexico (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. —

33b. 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.

34. What real incentives do developing countries have to participate in the international emissions trading system, which would require them to commit to mandatory reductions, when they can transfer emissions reductions credits in connection with joint implementation projects and obtain financing through the Clean Development Mechanism?

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 are in the agency's 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 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 "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.

DENNIS J. KUCINICH
10TH DISTRICT, OHIO

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Congress of the United States
House of Representatives

JCY
cc M5

Committees:
Government Oversight
Education
and the
Workforce

May 14, 1998

Dr. Janet L. Yellen
Chairman
Council Of Economic Advisors
Old Executive Office Building
Washington, D.C. 20502

Dear Dr. Yellen:

I appreciated you taking the time to visit this morning.

Please forward to me all requests from the subcommittee for information regarding global climate change and its economic impact on the US economy. I need this information.

Thank you for your cooperation in this matter.

Sincerely,

Dennis J. Kucinich
Member of Congress

DJK:jm

DENNIS J. KUCINICH

10TH DISTRICT, OHIO

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Education
and the
WorkforceCongress of the United States
House of Representatives**FAX MEMORANDUM**Date: 5/18/98TO: Dr. Janet Yellen Phone: 202-395-5084
FAX: (202) 395-6958FROM: Rep. Dennis J. Kucinich Phone: 202-225-5871
Jaron Bourke FAX: (202) 225-5745
Lisa Chamberlain
John Edgell
Jill Johnson
Zeenat Khan
Daniel Marschall
☒ Julie Moses
Michael Yarbrough
Other

MESSAGE:

Request follows.1 pages to follow

The contents of this facsimile are personal and confidential. Please forward to the addressee immediately. If there are any problems with this transmission, please notify (202) 225-5871.

DAN BURTON, INDIANA
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ONE HUNDRED FIFTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT

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INDEPENDENT

June 3, 1998

BY FACSIMILE

The Honorable Janet L. Yellen
Chair
Council of Economic Advisers
Washington, D.C. 20500

Dear Chair Yellen:

Your May 18, 1998 partial response to the Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs' March 13, 1998 oversight questions about the White House Initiative on Global Climate Change was incomplete with respect to question 4 and failed to provide other requested information and documents. Accordingly, this letter restates that question and renews my request for the information and documents responsive to my original request.

Question 4 asked you to 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. My question was intended for you to include not only program dollars but also salaries and expenses account dollars since they account for most of your agency's expenditures. In fact, because your agency has been a major participant in the Administration's climate change policy development process, your staff time has probably been considerable.

Finally, while I appreciate your agency's effort to develop answers and locate responsive documents for my remaining questions, it has already taken more than two and one-half months to conduct a search. I have specifically excluded the Council on Economic Advisers (CEA) from my requests for subpoenas from Chairman Burton in the hope that CEA would be responsive. Unless you can commit to a full and prompt response and production of documents, I will pursue the issuance of a subpoena from Chairman Burton.

Please contact Subcommittee Senior Counsel Keith Ausbrook at 225-4407 to discuss the production of documents and any other questions you may have regarding the Subcommittee's requests. All responses and documents should be produced to the Subcommittee office in Room B-377 Rayburn House Office Building.

Thank you in advance for your attention to these matters.

Sincerely,

A handwritten signature in cursive script that reads "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

DAN BURTON, INDIANA
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May 1, 1998

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BY FACSIMILE

The Honorable Janet Yellen
Chair
Council of Economic Advisers
Old Executive Office Building
Washington, D. C. 20500

Dear Chair Yellen:

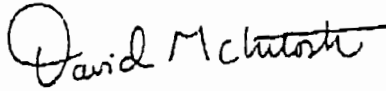
This letter follows up on the March 13, 1998 letter to you in which the Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs raised questions about the Administration's global warming policies and the potential impact of the Kyoto Protocol on the U.S. economy. Not only has my Subcommittee not received any response to that letter, but also your staff has indicated that they have not even begun to draft any answers.

This unexplainable delay is impeding my Subcommittee's effective oversight of these matters. When the Subcommittee conducted its first hearing on global warming policies last week, all of the federal agency witnesses indicated that you are the Administration's voice on the likely economic consequences of the Kyoto Protocol. It is, therefore, both astounding and unacceptable that the Council has not provided any information to date, not even concerning the testimony you presented on March 4, 1998 before the House Commerce Committee.

As you know, the Subcommittee plans to conduct another hearing on these issues in May and has invited you to testify. Therefore, it is crucial that we receive your responses before the hearing. Please contact Larisa Dobriansky, Senior Counsel, at (202) 225-4407, no later than Tuesday, May 5, 1998, with a schedule for expeditiously submitting the requested information.

Thank you in advance for your cooperation with respect to this request.

Sincerely,



David M. McIntosh

Chairman

Subcommittee on National Economic Growth,
Natural Resources, and Regulatory Affairs

cc: The Honorable Dan Burton
The Honorable John Tierney

DAN BURTON, INDIANA
CHAIRMAN

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INDEPENDENT

March 13, 1998

BY FACSIMILE

The Honorable Janet Yellen
Chairman
Council of Economic Advisers
Old Executive Office Building
Washington, D. C. 20500

Dear Chair Yellen:

The Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs is conducting oversight of the Administration's global climate change policies and its initiatives to jump-start U.S. efforts to achieve the Kyoto Protocol greenhouse gas emissions reductions targets.

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 questions in sections A and B of the attached inquiry, to the extent that they are applicable to your agency, and the questions in sections C through E. In responding to this inquiry, please restate each question and subpart with each of your answers, and follow the attached definitions and instructions concerning the production of records.

Please provide your responses to the written questions and requests for production of records not later than 12 noon, April 7, 1998 to the Subcommittee 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 in advance for your attention to this request.

Sincerely,

A handwritten signature in cursive script, reading "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 Regarding Global Climate Change Policies and Initiatives

A. Budget Information and Performance Measures

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.

B. Economic, Policy, and Legal Analyses

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. 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? 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.

C. Dr. Yellen's Testimony before the House Commerce Committee on March 4, 1998

15. Please provide any and all analyses that support the Administration's conclusion that impacts on the U.S. economy of complying with the terms of the Kyoto Protocol "are likely to be modest." Also, explain fully how the Administration can make such a forecast responsibly when, as Dr. Yellen stated, "it is not yet possible to provide a full authoritative analysis" of the Kyoto Protocol. Among other things, Dr. Yellen noted that there is still "much that we do not know" because much has been left unresolved by this treaty (for example, implementation issues, the rules and procedures governing international emissions trading, joint implementation projects, and the Clean Development Mechanism, and future emissions reductions obligations). Moreover, Dr. Yellen asserted that, to her knowledge, "no [economic] model -- whether used inside the government or not -- has yet been set up to analyze the implications of the Kyoto Protocol, since this agreement is only a few months old. . . ."

16. In her testimony, Dr. Yellen supported the Administration's conclusion that "economic impacts are likely to be modest" with other optimistic conclusions about the effects of the Kyoto treaty "flexibility" mechanisms and U.S. electricity restructuring, and about the rate of technological progress. Please provide any and all analyses that support the following estimates:

16a. U.S. electricity restructuring "will offer approximately \$20 billion in cost savings."

16b. 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."

16c. Emissions trading among a subset of Annex I countries (for example, the United States, Australia, Canada, New Zealand, and Russia) "can reduce costs by an estimated 60-70 percent." Also, based on the estimates presented in Dr. Yellen's testimony, please explain and fully document how more limited trading among this 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.

16d. The Clean Development Mechanism "might shave costs by roughly another 20 to 25 percent."

16e. Overall costs "would reach roughly one tenth of one percent of projected GDP in 2010" (resource costs of achieving Kyoto targets for emissions reductions were estimated to be \$7 to \$12 billion per year in 2008 to 20012). Also, please explain how it is possible that compliance with the Kyoto Protocol, which has been projected by independent economists to be the most expensive environmental undertaking ever, could cost less than compliance with the recently issued U.S. air quality rules for particulate matter and ozone (the final Regulatory Impact Analysis for those rules estimated costs of \$46 billion).

16f. The assumption that the rate of improvement in energy efficiency (Autonomous Energy Efficiency Index) will be 1.0 percent per year (which is greater than that assumed by the Energy Information Administration). In particular, please reconcile this assumption with the statement of the Council of Economic Advisers in its 1998 Annual Report that, "[u]ntil an emissions cap and trading system are in place, however, the economic incentive to use [technologies supported by the Administration's budget] may be low." Is the Administration assuming that such a system will be put into place in the short-term?

16g. The estimated effect on energy prices will range from "\$14 to \$23 per ton of carbon equivalent."

16h. "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."

16i. As to each analysis, please indicate who prepared the analysis and provide all records of comments from other federal agencies.

17. Please provide any and all 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 resource cost of the climate change policy." As to each analysis, please indicate who prepared the analysis and provide all records of comments from other federal agencies.

18a. In her testimony, Dr. Yellen stated that, in evaluating the “likely net economic impact of the Kyoto Protocol,” the Administration has “drawn upon a broad array of analytical tools” and a “wide range of models of the energy sector and economy over the next 25 years” to assess the various possible costs and non-climate benefits of the Administration’s emissions reduction policy. Please specify all of the models and analytical tools that the Administration has used and describe in detail their strengths and weaknesses.

18b. According to the testimony, the Administration has relied particularly on the Second Generation Model (SGM) of Battelle Laboratories for many of its estimates. However, the Interagency Analytical Team report indicated that the SGM model “focuses on long-term transitions and measures the economy in five-year intervals,” so that “it risks racing past short-term transition issues,” such as GDP loss and impacts on specific industries. Specify all of the Administration’s estimates that were derived by this model. Also, indicate why many of the Administration’s key estimates were derived from this model? Finally, please identify the corresponding estimates derived from each model that the Administration has used in assessing the impacts of the Kyoto Protocol.

19. What are the 1990 baseline, the Fiscal Year 1997, 1998 and 1998 data, and the annual outyear estimates until 2012 for the following outcome performance measures mentioned in Dr. Yellen’s testimony: 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?

20. 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”? Why does the Administration believe that it is appropriate 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 different factors, such as the rules and procedures governing these mechanisms, the extent of participation by other countries, including developing countries, etc?

21a. In her testimony, Dr. Yellen stated that part of doing it smart (i.e., lowering the costs of reducing greenhouse gas emissions) under the Kyoto Protocol means “taking serious and responsible steps in the short run to prepare us to meet our obligations in the longer term.” She indicated that these steps include a \$6.3 billion program of tax cuts and R&D investments, industry-by-industry consultations to prepare emission reduction plans in key industrial sectors, and legislation to restructure the electrical industry. Under what authority is the Administration pursuing this unilateral executive branch course of action in furtherance of the treaty’s emissions reductions targets and without Senate ratification?

21b. If the Administration is delaying the submission of the treaty to the Senate until it obtains “meaningful participation” by developing countries, doesn’t that decision also require the

Administration to delay any unilateral executive branch action to address global warming until that cooperation is forthcoming?

21c. Given that the Kyoto Protocol seeks to address a global issue, isn't harmful to U.S. interests to proceed without the full participation of developing countries?

21d. Besides being unconstitutional, isn't it also premature and harmful to U.S. interests to take such unilateral actions, without ratification, when the Administration has characterized the Protocol as a "work in progress" -- a Protocol that "is not yet fully complete nor ready for the President's submission to the Senate"?

D. Cost/Benefit Analysis of the Kyoto Treaty

22a. Please provide any and all analyses that the Administration or any federal agency prepared (or had prepared) or is preparing (or is having prepared) 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:

22b. Whether the benefits of implementing this Protocol are justified by the costs;

22c. 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;

22d. With respect to each scenario that is analyzed, identify the assumptions used, explain any uncertainties concerning the assumptions, and examine the sensitivity of net effects to the different compliance strategies, using a range of plausible assumptions about future economic development and about fundamental climate processes;

22e. Evaluate the opportunity costs of pursuing the Administration's strategy for the abatement of greenhouse gas emissions under the terms of the treaty; and

22f. 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.

23a. In evaluating alternative scenarios, please examine the following:

23b. 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 at all) against the effects of addressing greenhouse gas mitigation on a global scale by the international community.

23c. 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.

23d. Compare the impacts of reducing greenhouse gas 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.

24. 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.

25. 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.

26. 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.

27. 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.

28. 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.

29. Have any of the cost-benefit analyses performed by the Administration or any agency been peer-reviewed? If so, please identify the reviewers and provide their comments on all drafts of

the analyses. If not, does the Administration plan to do so? Please describe fully the steps that the Administration plans to take.

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

31a. Please provide all records of written or oral comments from other federal agencies on each of the cost-benefit analyses that were performed.

31b. 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.

32a. 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?

32b. Please identify any and all private parties that are currently performing economic analyses of the Kyoto treaty or any aspect of it for the Administration. Describe their work and provide all products of their work in draft or final form.

E. International Emissions Trading

33a. 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, China, India, South Korea, Brazil, and Mexico (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. —

33b. 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.

34. What real incentives do developing countries have to participate in the international emissions trading system, which would require them to commit to mandatory reductions, when they can transfer emissions reductions credits in connection with joint implementation projects and obtain financing through the Clean Development Mechanism?

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 are in the agency's 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 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 "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.

Memorandum



Subject

Congressional Document Requests
Regarding Global Climate Change

Date

June 11, 1998

To

Agency Contacts for Oversight
On Global Climate Change

From

Paul P. Colborn *PPC*
Special Counsel
Office of Legal Counsel

A number of agencies have recently received letters from Representative David McIntosh, Chairman of the Government Reform and Oversight subcommittee conducting oversight of the White House Initiative on Global Climate Change. These letters express concern regarding how long it is taking for the agencies to respond to the document requests contained in a March 11th letter from Chairman McIntosh, and they raise the prospect of the issuance of subpoenas.

I recognize that it can be difficult for congressional committees to fully appreciate the complexities of the search and review procedures that agencies must undertake when they receive broad document requests. By the same token, you should bear in mind the importance of working insofar as possible to satisfy the information needs of congressional committees in a time frame consistent with the committee's stated needs.

Accordingly, please expedite your processes and produce responsive documents to the subcommittee as soon as possible. As we have discussed, when you make your production you should inform the subcommittee that, pursuant to the procedures set forth in Lloyd Cutler's memorandum of September 28, 1994, you have referred documents implicating White House confidentiality interests to the White House Counsel's Office for review. You should also request, pursuant to the Cutler memorandum, that the subcommittee staff direct its inquiries regarding these documents to that Office.

Please do not hesitate to call Rob Weiner (at 456-6297) or me (at 514-2048) if you have any questions about these procedures.

cc: Rob Weiner

FAX TRANSMISSION
UNITED STATES DEPARTMENT OF JUSTICE
Office of Legal Counsel

Paul P. Colborn
Special Counsel

950 Pennsylvania Avenue, N.W.
Washington, D.C. 20530
Phone : (202) 514-2048
Fax: (202) 305-8524

DATE: June 11, 1998

SUBJECT: Congressional Document Request re: Global Climate Change

TO THE FOLLOWING PERSONS:

Charles Rawls	USDA	720-8666
Susan Truax	DOC	501-0249
Suzanne Palmieri	USAID	216-3036
Art Gary	DOI	219-1790
Karen Maloy Sprecher	DOI	219-1790
Robert Taylor	DOD	703/693-4507
Neal Wolin	Treasury	622-2882
Ed Knight	Treasury	622-2882
Dave Berick	Energy	586-4891
Diana Clark	DOE	586-7396
Myron Zeitz	DOL	219-6896
Bill Buie	DOL	219-5120
Bruce Cohen	DOL	219-6886
Robert Weiner	WH Counsel	456-1647
Dinah Bear	CEQ	456-0753
Julie Anderson	WH/CCTF	343-1163
Michele Jolin	WH/CEA	395-6958
Jim Thessin	State	647-1037
Susan Jacobs	State	647-2762
Dana Ott	EPA	260-4372
Nancy McFadden	DOT	366-3388
Bob Dreher	EPA	260-8046
Tanya Nunn	USAID	216-3055
Mark Fredericks	DOE	586-0861

**U.S. Department of Justice****Office of Legal Counsel**

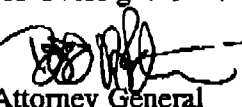
Office of the Deputy Assistant Attorney General

Washington, D.C. 20530

August 13, 1998

MEMORANDUM

TO: Agency Contacts for Oversight On Global Climate Change

FROM: Todd D. Peterson 
Deputy Assistant Attorney General

RE: Meeting on Congressional Subpoenas Regarding Global Climate Change

A number of agencies have recently received subpoenas from the House Government Reform and Oversight Committee seeking documents concerning the White House Initiative on Global Climate Change. To ensure adequate consultation and coordination in responding to those subpoenas, we are scheduling a meeting for next Thursday, August 20th, at 2:00 p.m. The meeting will take place in the Office of Legal Counsel conference room (room 3254, Main Justice). It is important that each agency send at least one representative. Please notify Donna Cole (514-3997) as to who will attend from your agency.

Docs they ARE interested in:

"Areas of Priority"

→ Docs that reflect Reg Options, interagency matters, interagency policy matters

Pre-Kyoto

Pre Kyoto IAT matters

- other internal analysis

- Formulation of positions leading up to Kyoto

⇒ how did IAT lead up to Kyoto analysis

- what

- Stabilization

Pre-Kyoto/Ongoing

alternative options

- Cartalk, etc restructuring, IPCC, etc

- internal discussions on these matters - input on these matters

Ongoing Neg. Matters - Internal / Flex Mechanism
CDM, Int'l trading, etc.

Climate Change Initiative (CCI)

DAN BURTON, INDIANA
CHAIRMAN

BENJAMIN A. GILMAN, NEW YORK
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VINCE SNOWBARGER, KANSAS
KOB BARR, GEORGIA
ROCK PORTMAN, OHIO

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) 225-0932

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JOHN F. TIERNEY, MASSACHUSETTS
JIM TURNER, TEXAS
THOMAS H. ALLEN, MAINE
MARK D. FORD JR., TENNESSEE

BERNARD SANDERS, VERMONT
INDEPENDENT

SUBCOMMITTEE ON NATIONAL ECONOMIC GROWTH, NATURAL RESOURCES, AND REGULATORY AFFAIRS

B-377 Rayburn House Office Building

Washington, DC 20515

Phone: (202) 225-4407

Fax: (202) 225-2441

FAX TRANSMITTAL

TO:

Michele Jolin

FAX NUMBER:

395-6958# of PAGES: 7 (including cover page)DATE: 8/10/98

FROM:

Chairman David M. McIntosh

Mildred J. Webber - Staff Director
(mildred.webber@mail.house.gov)

Jay Apperson - Special Counsel
(jay.apperson@mail.house.gov)

J. Keith Ausbrook - Chief Counsel
(keith.ausbrook@mail.house.gov)

Karen Barnes - Professional Staff
(karen.barnes@mail.house.gov)

Sean Cunningham - Counsel
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Larisa Dobriansky - Senior Counsel
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Barbara Kahlow - Professional Staff
(barbara.kahlow@mail.house.gov)

Andrew Wilder - Clerk
(andrew.wilder@mail.house.gov)

COMMENTS:

Subpena Duces Tecum

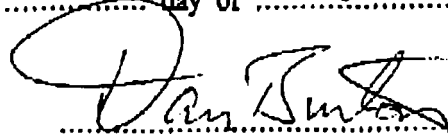
**By Authority of the House of Representatives of the
Congress of the United States of America**SERVE: MICHELE JOLIN,
CHIEF OF STAFF

To The Honorable Janet Yellen, Chair, President's Council of Economic Advisors

You are hereby commanded to produce the things identified on the attached schedule before the
full Committee on Government Reform and Oversight
..... of the House of Representatives of the United States, of which the Hon. Dan Burton
..... is chairman, by producing such things in Room B-377 of the
Rayburn House Building, in the city of Washington, on
Tuesday, August 25, 1998, at the hour of 2:00 p.m.

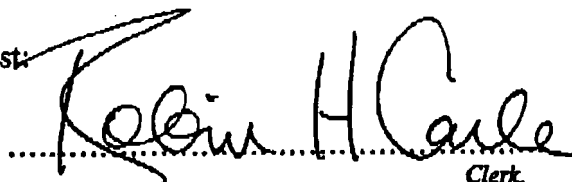
To Judy McCoy or U.S. Marshals Service
to serve and make return.

Witness my hand and the seal of the House of Representatives
of the United States, at the city of Washington, this
7th day of August, 1998



Chairman.

Attest:


Clerk.

Subpena for The Honorable Janet Yellen

Chair, President's Council of Economic Advisors

Old Executive Office Bldg., 17th & Pennsylvania Ave., N.W.

Washington, DC 20500

ROOM 314

SERVE: MICHELE JOLIN, CHIEF OF STAFF
before the Committee on the.....

Served by fax by agreement at
11:15 a.m. on 8/10/98 on Michele
Jolin, Chief of Staff, CEA.

J. Kenneth Calkins

House of Representatives

SCHEDULE A

**Subpoena Duces Tecum
To produce records
Committee on Government Reform and Oversight
United States House of Representatives**

TO:
The Honorable Janet Yellen
Chair
Council of Economic Advisors
Old Executive Office Building - Room 314
Washington, D.C. 20502

Serve: Michele M. Jolin
Chief of Staff
Council of Economic Advisors

The Committee hereby subpoenas the production of certain records. Please provide logs which indicate each record's Bates number, author, description, source file, and the numbered request to which it is responsive. If you have any questions, please contact Chief Counsel of the Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs, Keith Ausbrook, at (202) 225-4407.

Definitions and Instructions

1. For the purposes of this subpoena, the word "record" or "records" shall include, but shall not be limited to, any and all originals and identical copies of any item whether written, typed, printed, recorded, redacted or unredacted, transcribed, punched, taped, filmed, graphically portrayed, video or audio taped, however produced or reproduced, and includes, but is not limited to, any writing, reproduction, transcription, photograph, or video or audio recording, produced or stored in any fashion, including any and all activity reports, agendas, analyses, announcements, appointment books, briefing materials, bulletins, cables, calendars, card files, computer disks, cover sheets or routing cover sheets, drawings, computer entries, computer printouts, computer tapes, contracts, external and internal correspondence, diagrams, diaries, documents, electronic mail (e-mail), facsimiles, journal entries, letters, manuals, memoranda, messages, minutes, notes, notices, opinions, statements or charts of organization, plans, press releases, recordings, reports, Rolodexes, statements of procedure and policy, studies, summaries, talking points, tapes, telephone bills, telephone logs, telephone message slips, records or evidence of incoming and outgoing telephone calls, telegrams, telexes, transcripts, or any other machine readable material of any sort whether prepared by current or former employees, agents, consultants or by any non-employee without limitation. "Record" or "records" shall also include all other records, documents, data and information of a like and similar nature not listed above.

Page 2 of 4

2. For purposes of this subpoena, the terms "refer" or "relate" and "concerning" as to any given subject means anything that constitutes, contains, embodies, identifies, mentions, deals with, or is in any manner whatsoever pertinent to that subject, including but not limited to records concerning the preparation of other records.

3. This subpoena calls for the production of records, documents and compilations of data and information that are currently in your possession, care, custody or control, including, but not limited to, all records which you have in your physical possession as well as any records to which you have access, any records which were formerly in your possession, or which you have put in storage or anyone has put in storage on your behalf. Unless a time period is specifically identified, the subpoena includes all documents to the present.

4. The conjunctions "or" and "and" are to be read interchangeably in the manner that gives this subpoena the broadest reading.

5. No records, documents, data or information called for by this subpoena shall be destroyed, modified, redacted, removed or otherwise made inaccessible to the Committee.

6. If you have knowledge that any subpoenaed record, document, data or information has been destroyed, discarded or lost, identify the subpoenaed records, documents data or information and provide an explanation of the destruction, discarding, loss, deposit or disposal.

7. When invoking a privilege or any other reason as a ground for withholding any responsive record, document, data or information as a ground for withholding such record, document, data or information, list each record, document, compilation of data or information by date, type, addresser, author (and if different, the preparer and signatory), general subject matter, and indicated or known circulation. Also, indicate the privilege or reason asserted with respect to each record, document, compilation of data or information in sufficient detail to ascertain the validity of the claim of privilege or other reason.

8. This subpoena is continuing in nature. Any record, document, compilation of data or information, not produced because it has not been located or discovered by the return date shall be provided immediately upon location or discovery subsequent thereto.

9. If any document responsive to this subpoena has been previously produced to the Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs, it need not be produced again, provided it is reasonably identified by a description and the date of previous production.

10. Please provide a printed and, where possible, an electronic version of records. Electronic information may be stored on 3½ inch diskettes in ASCII format. In addition, please provide the Committee's Minority staff with an identical copy of all records provided.

Page 3 of 4

11. Please certify under oath to the Committee the following: (1) the records produced were collected following a comprehensive search and represent all relevant records called for by this subpoena; and (2) that no other records exist.

Subpoenaed Items

Please provide the Committee with the following:

1. All records responsive to the letters dated March 13, 1998 and June 3, 1998 to the Council of Economic Advisors from the Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs.
2. All records reflecting or relating to any economic and environmental data and analyses which were used to prepare the testimony of Undersecretary of State Stuart Eizenstadt before any Committee of Congress about the White House Initiative on Global Climate Change, including but not limited to President Clinton's Climate Change Technology Initiative or the Kyoto Protocol.
3. All records reflecting or relating to any economic and environmental data and analyses which were used to prepare the testimony of Dr. Janet Yellen about the economic impact of implementing the Kyoto Protocol before any Committee of Congress about the White House Initiative on Global Climate Change, including but not limited to President Clinton's Climate Change Technology Initiative or the Kyoto Protocol.
4. All records reflecting or relating to any comments submitted by federal agencies on Dr. Janet Yellen's draft testimony about the economic impact of implementing the Kyoto Protocol for the hearing on or about March 4, 1998 before the House Commerce Committee, and on any other executive branch witness's draft testimony on the Administration's climate change policies or the Kyoto Protocol before any committee of Congress since January 1, 1998.
5. All records reflecting or relating to any interagency review or analysis of, or interagency deliberations concerning, the economic and environmental impacts of the Administration's climate change policies and other climate change mitigation options considered by the Administration, occurring on or after July 1996, including but not limited to, the analyses and deliberations of the group known as the Interagency Analytic Team.
6. All records reflecting or relating to any economic and environmental data and analyses that were used by or provided to the Administration representatives and other members of the U.S. Delegation in connection with the negotiation of the Kyoto Protocol.
7. All records reflecting or relating to any analyses of the effect of stabilizing United States greenhouse gas emissions at 1990 levels or of reducing such emissions below 1990 levels on U.S. economic growth, productivity, trade competitiveness, and employment.

Page 4 of 4

8. All records reflecting or relating to any analysis of the costs and benefits of meeting the targets and timetables for the reduction of U.S. greenhouse gas emissions specified in the Kyoto Protocol and to any analysis of the costs and benefits of any alternative climate change mitigation and compliance options that have been considered by the Administration since the beginning of July 1996.
9. All records reflecting or relating to any economic and environmental data and analyses used to develop the White House Initiative on Global Climate Change, including, but not limited to, the Administration's Climate Change Technology Initiative and any alternative policy options considered by the Administration.
10. All records reflecting or relating to the potential cumulative costs of all environmental and energy regulations, or any combination of such regulations, that have been issued since 1992, that have been proposed, or that are being developed, that will have the effect of reducing greenhouse gas emissions (whether or not this is the primary purpose of the regulation)
11. All records reflecting or relating to the potential cumulative effects of the regulations referenced in item 10, or any combination of such regulations, on the U.S. economy and energy system.
12. All records reflecting or related to any analyses of, or any plans, programs, or proposals to implement, "international emissions trading," "joint implementation," and the "Clean Development Mechanism," as those terms are defined and used in the Kyoto Protocol.
13. All records created to respond to letters dated March 13, 1998 and June 3, 1998 to the Council of Economic Advisors from the Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs.

① Get Accommodation Process Underway

→ Timing -

→ Broad Scope -

→ Additional ^{new} search

- would entail substantial new search

- impossible to comply

→ other areas to focus

→ here is a bunch of stuff

invite a meeting - discuss further

→ Substantial deliberation material

06/08/98 10:55 FAX 202 225 8195

GOV REF MIN

→ ANNEX

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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 Minority (202) 225-5061
 TTY (202) 225-6882

June 5, 1998

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 BERNARD SANDERS, VERMONT
 INDEPENDENT

 Rob Weiner
 6-1647

The Honorable Henry Waxman
 Ranking Member
 Committee on Government Reform and Oversight
 U.S. House of Representatives
 Room B-350A Rayburn House Office Building
 Washington, D.C. 20515

Dear Ranking Member Waxman:

I am in receipt of your June 4, 1998 letter regarding your concerns with the Subcommittee's requests for documents from the Council on Economic Advisors (CEA).

Your letter mistakenly suggests that the documents made available by CEA to the Subcommittee staff that are responsive to requests from the Subcommittee on Energy and Power are the same documents that are responsive to this Subcommittee's March 13, 1998 request. They are not. Indeed, at the end of the Subcommittee hearing on May 19, 1998, Dr. Yellen expressly acknowledged that CEA was "working very hard at getting the answers" to the Subcommittee's inquiries. May 19, 1993 Hearing Transcript at 123.

Moreover, neither the White House Counsel's Office nor the CEA has ever suggested to the Subcommittee that the documents requested in the Subcommittee's March 13, 1998 letter cannot be released because doing so might undermine the Administration's position in international negotiations. Again, Dr. Yellen testified at the May 19 hearing that only "the documents that we have offered you access to" implicate the Administration's negotiations. May 19, 1998 Hearing Transcript at 55 (emphasis supplied). These documents are only the documents responsive to the Subcommittee on Energy and Power's request, not this Subcommittee's request.

I also fail to understand how the documents that the Subcommittee has requested could undermine the United States negotiating position. For example, there is no basis for withholding economic analyses on which the Administration relies (or chooses to disregard) for its claims that the impact of implementation of the Kyoto Protocol on American jobs and the economy would be "modest." Yet CEA continues to withhold this material.

The Subcommittee can only make an informed decision with respect to CEA's withholding of documents if CEA identifies with particularity those documents that it intends to withhold and the reasons for withholding them. To date, CEA has not produced the requested documents or any valid explanation for not producing them. Thus, raising the possibility with

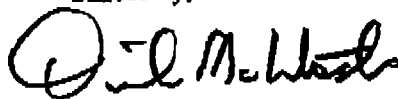
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CEA of obtaining a subpoena at this time is not only appropriate but also the only responsible way to conduct oversight on these issues.

The Subcommittee is seeking to fulfill its Constitutional responsibilities on behalf of the American people who are entitled to know the facts concerning the Administration's efforts on global warming. I know that you do not want to be a party to concealing those facts.

As always, I appreciate your continuing interest in the work of the Subcommittee.

Sincerely,



David M. McIntosh
Chairman

Subcommittee on National Economic Growth,
Natural Resources, and Regulatory Affairs

cc: The Honorable Dan Burton
The Honorable John Tierney ✓

AN BURTON INDIANA
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ONE HUNDRED FIFTH CONGRESS

Congress of the United States

House of Representatives

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BERNARD SANDERS VERMONT
INDEPENDENT

June 4, 1998

The Honorable David McIntosh
Chairman
Subcommittee on National Economic Growth,
Natural Resources, and Regulatory Affairs
B-377 Rayburn House Office Building
Washington, DC 20515

Dear Chairman McIntosh:

Yesterday, you wrote Dr. Janet Yellen, Chair of the Council of Economic Advisors (CEA), to threaten the issuance of a subpoena if she does not "commit to a full and prompt response and production of documents" related to U.S. policies on global warming.

Your approach is inappropriate. Many of the documents you request relate to ongoing international negotiations. The Administration is rightly concerned that releasing information that outlines the U.S. negotiating position and its objectives would undermine the ability of our negotiators to do their job effectively.

Despite those genuine concerns, in response to a request by Rep. Schaefer, the Chairman of the Subcommittee on Energy and Power, and in response to your request, the CEA has made relevant documents available to Congress for review. The minority staff of the Government Reform and Oversight Committee viewed these documents at the CEA's offices before the hearing on May 19, 1998. It is my understanding that your staff did not take advantage of this opportunity. The Administration has also indicated that they will continue to make every effort to provide necessary information.

The cooperative effort of the Clinton Administration stands in stark contrast to the actions you took as Executive Director of the White House Council on Competitiveness during the Bush Administration. As you know, the Council on Competitiveness was formed to coordinate and review the Administration's regulatory policy. During your tenure, the Council intervened to weaken or delay numerous regulations to protect workers and the environment. According to an article by Bob Woodward in the *Washington Post* in 1992, the Council operated with a "no

The Honorable David McIntosh

June 4, 1998

Page 2

fingerprints" policy.¹

Despite requests from several congressional committees, the Bush Administration's Council on Competitiveness refused to provide Congress with even the most basic information about its activities. For example:

- The Council refused to provide Congress with a list of reviewed regulations. According to the *Washington Post* article, the Council reviewed approximately 50 regulations annually. However, when Rep. Skaggs, then Chairman of the Subcommittee on Treasury, Postal Service, and General Government, requested the list of regulations in which the Council had significant involvement, he received virtually no information. The Council refused to provide him with a list, claiming that it would impose an "extraordinary burden" on Council staff.²
- The Council refused to provide copies of written communication between its staff and rulemaking agencies. The Council claimed that "disclosure of these communications would inhibit the candor of those participating in the process, and as a consequence, injure the quality of decision making." The Council also noted that, "consistent with Administration policy," these types of communications were not disclosed.³
- The Council even refused to provide Congress with the identities of outside interests that had contacted the Council to seek relief from regulations. The Council took the position that its communications with groups seeking regulatory relief were "pre-decisional and deliberative in nature," and claimed that "it is Administration policy that these types of communications are not disclosed."⁴ The Council took this position even though no court has ever extended the deliberative process privilege to communications with outside groups.

I have enclosed copies of relevant documents that provide further detail on the refusal of the Council on Competitiveness to cooperate with Congressional oversight activities during your tenure there.

¹ "Quayle's Quest: Curb Rules. Leave 'No Fingerprints'," *The Washington Post*, January 9, 1992.

² Office of the Vice President. Response to Questions Submitted For the Record Submitted by Mr. Skaggs, p. 2. April 29, 1992.

³ Ibid., p. 2.

⁴ Ibid., p. 3.

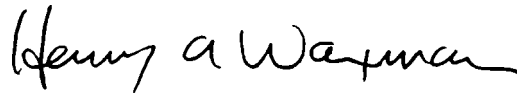
The Honorable David McIntosh

June 4, 1998

Page 3

I hope that you and your staff take the opportunity to view the documents that the Administration has made available. Subpoenaing and publicly disclosing sensitive documents would be unreasonable and constitute an attack on the Administration during its ongoing negotiation of the Kyoto Protocol. It would also be inconsistent with the approach you followed while at the White House Council on Competitiveness.

Sincerely,

A handwritten signature in black ink that reads "Henry A. Waxman". The signature is written in a cursive, flowing style.

Henry A. Waxman
Ranking Minority Member

cc: Members of the Subcommittee on National Economic Growth, Natural Resources and
Regulatory Affairs

The attached document is the response by the Office of the Vice President to questions for the record submitted by the Subcommittee on Treasury, Postal Service and General Government for the Subcommittee's March 17, 1992, hearing.

It was submitted to the Subcommittee on April 29, 1992 by the Office of the Vice President.

QUESTIONS FOR THE RECORD SUBMITTED BY MR. SKAGGS

White House Office

What criteria is used in determining whether a Presidential trip is for "official business" or political/campaign purposes? Who makes this decision? Is there any independent oversight of this decision?

White House officials evaluate each proposed trip to determine whether it is official or political in nature. Among the criteria considered are the individual(s) or group(s) making the invitation, those individuals or groups meeting with the President or First Lady, and the nature of the remarks.

Following the trip, the actual schedule of the trip and remarks by the President are reviewed to ensure that events occurred as planned. This final review determines the actual designation of the trip (ie. official vs. political). Since itineraries may change once a trip begins, the final review is critical. When the trip is designated as political or mixed (official and political), a trip summary is approved and is signed-off by the appropriate official with the White House Counsel's Office, Advance Office, Political Affairs Office, and White House Operations. The Deputy Assistant to the President for White House Operations approves and signs a trip summary for trips designated as 100% official.

Regardless of the nature of the trip, certain individuals are designated as official travellers at all times. In addition, a travel authorization form for each traveller is prepared and signed by the Deputy Assistant to the President for White House Operations for each and every trip.

The General Accounting Office (GAO) periodically reviews the White House travel expenses and trip summaries for the accounting of official charges. In the past, GAO has found the methods in accounting for travel expenses to be appropriate.

Special Assistance to the President

How many of the Office's requested 26 FTEs are assigned to the Council on Competitiveness? How much are you requesting to fund these FTES?

There are no full-time staff dedicated to the Council. Two of the twenty-six FTEs requested by the Office of the Vice President would devote a substantial amount of their duty hours (approximately 70 to 80 percent) to supporting the Council. The funding required is \$86,000.

Please submit a complete list of regulatory proposals or other cases in which the Council on Competitiveness has been involved. What criteria does the Council use in choosing which cases to work on?

The Council is involved in a wide range of regulatory and competitiveness issues. Among the more significant are those described in the attached fact sheets and press releases that discuss the Council's activities to date. The President has directed that the Council serve as the coordinating body for regulatory review under Executive Orders 12291 and 12498. These executive orders also contain the criteria that the Office of Management and Budget (OMB) and the Council use in reviewing regulations and discussing regulatory policy.

The Council's regulatory review activities involve working closely with OMB in carrying out that agency's regulatory review program. Normally, the items it considers are those that present difficult issues requiring Cabinet-level attention, and particularly where there is a policy disagreement among agencies who have an interest in the regulatory issues. The Council recently acted to coordinate activities during a 90-day regulatory review period for all Federal regulations. In requesting agencies to undertake this review, the President also established criteria to be used in evaluating regulations. The relevant executive orders and a copy of the President's memoranda are attached.

Please describe each regulatory proposal as it came before the Council or its staff and then describe the position advocated by the Council or its staff regarding the regulation. Finally, please describe all changes in proposed regulations, as they were finalized, reflecting the comments of the Council and its staff.

The broad scope of this request would require by its literal terms a description of every proposed regulation reviewed by the OMB since the inception of the Council in its present form on March 31, 1989. Under the process established by Executive Orders 12291 and 12498, the Office of Information and Regulatory Affairs (OIRA) reviews approximately 2,200 regulations each year, although the figure reached 2,523 in 1991. This request also encompasses various drafts of the regulations and a description of positions taken by various agencies during the review process. The process of identifying, gathering and reviewing these materials for release would impose an extraordinary burden on the limited staff resources of the Council and OMB. The Council would be happy to respond to particular questions about particular regulations that may be of interest to the subcommittee.

Please submit a copy of all written communications made by the Council or its staff to all departments and agencies on any of these proposals.

Council staff frequently meets with OIRA on regulatory issues that are being coordinated and these meetings often involve interested agency staff. No detailed records are kept of communications that occur on these occasions, particularly where oral deliberations are involved. In addition, telephone conversations take place during the review process and no records are kept of routine communications of staff members.

Those written documents that are generated in the course of deliberations on a regulatory issue are pre-decisional and deliberative in nature. Disclosure of these communications would inhibit the candor of those participating in the process and, as a consequence, injure the quality of agency decision making. Consistent with Administration policy, these types of communications involving Cabinet-level bodies are not disclosed except in extraordinary circumstances. However, if the subcommittee has specific questions concerning particular regulatory issues, the Council will seek to provide responsive information.

For each of the regulatory cases that the Council has considered, please list all communications that the Council has received -- oral or written -- from outside interests. Please provide the Committee a copy of any written materials received.

Council staff frequently meet with interests outside the government on regulatory issues that are being coordinated. No detailed records are kept of communications that occur on these occasions, particularly where oral deliberations are involved. In addition, telephone conversations take place during the review process and no records are kept of routine communications of staff members.

Those written documents that are generated in the course of deliberations on a regulatory issue are pre-decisional and deliberative in nature. Disclosure of these communications would diminish the candor of those participating in the process and therefore injure the quality of agency decision making. It is Administration policy that these types of communications are not disclosed except in extraordinary circumstances. However, if the subcommittee has specific questions concerning particular regulatory issues, the Council will seek to provide responsive information.

When the Council reviews regulations and receives communications from outside parties during that review, are the factual communications included in the rulemaking docket? Are the Council's own comments to the regulatory agency included in the docket? If not, why not?

It should be emphasized that the Council itself does not engage in rulemaking. Instead, it assists in the coordination of the Administration's review of regulations being promulgated by Executive Branch agencies and departments. The agencies and departments involved retain the statutory responsibility for making their decisions based upon the record that is developed. The Council works with them to ensure compliance with all of the relevant provisions of the Administrative Procedure Act that are required for implementing regulations. Where meetings with outside parties are involved as a result of the Vice President's policy to be available to all members of the public who wish to communicate with him or his staff on policy matters, Council staff is available to work with the agency. This helps ensure that the rules issued by the agency are based on information and data placed in the rulemaking docket where required as of the date of promulgation.

OMB's practice is to invite the rulemaking agency to all meetings that OMB staff has with outside interests. Does the Council follow this practice? If not, why not?

The practice of the Council is to invite staff of the rulemaking agency to participate in deliberations when the agency has an interest in the regulatory agency being discussed. When Council staff meets with persons outside of government, they may or may not invite representatives from various agencies. Agency representatives may not be invited on some occasions simply because it would be inconvenient or inappropriate. This practice is consistent with the general policy followed for all meetings in the Office of the Vice President.

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THE CHAIRMAN

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON, D.C. 20500

May 18, 1998

Dear Congressman McIntosh:

Enclosed are responses to questions 1 - 7 of Section A. Our staff continues to work vigorously on developing answers to your detailed questions in the remainder of your request.

Sincerely,

A handwritten signature in cursive script that reads "Janet L. Yellen".

Janet L. Yellen

Enclosure: a/s

The Honorable David McIntosh
Chairman
Subcommittee on National Economic
Growth, Natural Resources, and
Regulatory Affairs
U. S. House of Representatives
Committee on Government Reform
And Oversight
2157 Rayburn House Office Building
Washington, D. C. 20515-6143

**Answers to March 13 Questions To CEA
from Representative McIntosh
Chair of the House Subcommittee
on
National Economic Growth, Natural Resources, and Regulatory Affairs**

A. Budget Information and Performance Measures

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.

Response. The Council of Economic Advisers (CEA) has no historical budget authority for any component of the President's Climate Change Technology Initiative, the Climate Change Action Plan, or any other new or previously authorized R&D 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 for FY99, please provide evidence of any accomplishments from the FY93-FY 97 funding, if any. 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 1990 base year and annual data for most recent three-year period for which data are available.

Response. The CEA has not been funded or requested funding for programs associated with the Climate Change Technology Initiative.

3. Please provide a table with FY89-FY99 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 (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- FY97 please 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 three-year period for which data are available.

Response. The Council of Economic Advisers (CEA) has no authority for any component of the U.S. Global Change Research Program.

4. Please provide a table with FY89-FY99 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 answers to questions 1 and 2). 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), and a brief description of the program.

Response. The CEA has not had historical budget authority for any specific components of the Administration's climate change program. We do, however, devote normal staff time to participating in the Administration's climate change policy development process.

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 (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 FY03.

Response. The CEA did not make a climate change program-related FY99 request, has no prior and new initiatives, and anticipates none through FY03.

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, FY97, FY98, and FY99. 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.

Response. The CEA has no agency-specific climate change performance measures.

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.

Response. We summarize all related assistance in the following table . However, these were not assistance or contract awards, for climate change, or indeed for any particular project. These payments were made to reimburse the sponsoring organization for the salary and benefits of an employee, who was recruited by our government agency to perform the services of a Senior Economist at the Council of Economic Advisers (CEA) to work in the area of the environment and natural resources. As such, they would have worked on any climate change issues that occurred during their time of service in addition to a myriad of other environmental and natural resource issues.

Each year when we are recruiting for our Senior Economist positions, we seek the most highly qualified experts in their field. CEA fills its Senior Economist positions from a variety of sources. They may be hired directly as a CEA employee, a reimbursable detailee from another government agency, or from universities or certain non-profit organizations which fall under the Intergovernmental Personnel Act (IPA). The amounts listed below represent payments for Senior Economists who were hired under the terms of the IPA to work on environmental and natural resource issues.

<u>Fiscal Year</u>	<u>Date</u>	<u>Amount</u>	<u>Organization</u>	<u>Purpose</u>
1994	10/1/93	\$104,800	Resources for the Future	Salary and Benefits
1994	9/26/94	2,000	Resources for the Future	Salary and Benefits
1995	9/26/94	102,830	Resources for the Future	Salary and Benefits
1996	9/26/95	47,029	Resources for the Future	Salary and Benefits
1997	1/1/97	60,571	University of Wyoming	Salary and Benefits

In addition, the following employee was hired as an intermittent consultant to work on environmental and natural resource issues, including climate change issues.

1997	2/28/96	2,772	Michael A. Toman	Salary and Benefits
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More Avail

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Any docs to outside



Reccs next week

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NAT Sec issue

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NAT Sec.

folks

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ONE HUNDRED NINTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT

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FAX TRANSMITTAL

Sandy

TO:

The Honorable Janet Yellen

FAX NUMBER:

395-6958or 395-6947# of PAGES: 3 (including cover page)DATE: 5/1/98

FROM:

✓ Chairman David M. McIntosh

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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

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May 1, 1998

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INDEPENDENT

BY FACSIMILE

The Honorable Janet Yellen
Chair
Council of Economic Advisers
Old Executive Office Building
Washington, D. C. 20500

Dear Chair Yellen:

This letter follows up on the March 13, 1998 letter to you in which the Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs raised questions about the Administration's global warming policies and the potential impact of the Kyoto Protocol on the U.S. economy. Not only has my Subcommittee not received any response to that letter, but also your staff has indicated that they have not even begun to draft any answers.

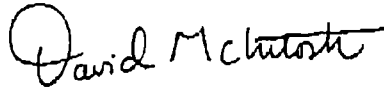
This unexplainable delay is impeding my Subcommittee's effective oversight of these matters. When the Subcommittee conducted its first hearing on global warming policies last week, all of the federal agency witnesses indicated that you are the Administration's voice on the likely economic consequences of the Kyoto Protocol. It is, therefore, both astounding and unacceptable that the Council has not provided any information to date, not even concerning the testimony you presented on March 4, 1998 before the House Commerce Committee.

As you know, the Subcommittee plans to conduct another hearing on these issues in May and has invited you to testify. Therefore, it is crucial that we receive your responses before the hearing. Please contact Larisa Dobriansky, Senior Counsel, at (202) 225-4407, no later than Tuesday, May 5, 1998, with a schedule for expeditiously submitting the requested information.

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Thank you in advance for your cooperation with respect to this request.

Sincerely,



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

cc: The Honorable Dan Burton
The Honorable John Tierney

THE WHITE HOUSE

WASHINGTON

June 27, 1998

Keith Ausbrook
Senior Counsel
Subcommittee on National Economic Growth,
Natural Resources & Regulatory Affairs
United States House of Representatives
B377 Rayburn House Office Building
Washington, D.C. 20515-6147

Dear Mr. Ausbrook:

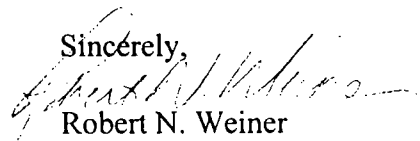
This Office has received 8 boxes of documents from the Treasury Department, which the Department identified as responsive to your document request regarding climate change and reflecting deliberations during White House decision making processes. The Treasury Department followed procedures in place during this and previous Administrations to permit the White House an opportunity to review the materials and take steps to safeguard the President's interest in the confidentiality of those processes.

Given the quite substantial volume of materials and your desire to review them as soon as possible, we have not undertaken to second-guess the Treasury Department's determinations regarding the deliberative nature of the material or its responsiveness to your document request. In the interest of time, we have undertaken only a preliminary review to establish that most of the materials do in fact reflect White House decision making processes, and to enable us to reach an accommodation with the Subcommittee that meets your oversight needs while satisfying the President's constitutional and statutory obligations.

We are prepared to offer the vast bulk of the documents for review by Subcommittee staff, and to discuss providing copies of specific items you may request. Documents written to or by the most senior Administration officials or materials with potential diplomatic sensitivity will be available for review by Members only. We are not prepared at this time to make available memoranda and presentations to the President or Vice-President. In addition, given the unique and central role of the Department of State in ongoing international negotiations, that Department is being asked to review its materials found in the files of the Treasury Department.

Please contact me to discuss how we may make materials available.

Sincerely,



Robert N. Weiner

Senior Counsel

Office of Counsel to the President