

Correspondence

Bethlehem Steel Corporation

1170 EIGHTH AVENUE
BETHLEHEM, PA 18016-7699

CURTIS H. BARNETTE
CHAIRMAN
AND
CHIEF EXECUTIVE OFFICER



'97 OCT 16 PM3:22

TELECOPY MESSAGE

To:

Name: Mr. Todd Stern
Firm: The White House
Address: Washington, DC
Telecopy No.: (202) 456-2215

From:

Name: Curtis H. Barnette
Firm: Bethlehem Steel Corporation
Address: Bethlehem, PA
Telephone: (610) 694-6137

Pages Transmitted - Cover + 3

If any of these pages are not legible please call sender at above number.

Our unattended Ricoh Fax 3200L number is (610) 694-3686.

Date: October 16, 1997

Bethlehem Steel Corporation

1170 EIGHTH AVENUE
BETHLEHEM, PA 18016-7699

CURTIS H. BARNETTE
CHAIRMAN
AND
CHIEF EXECUTIVE OFFICER



October 16, 1997

Mr. Todd Stern
Assistant to the President
and Staff Secretary
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

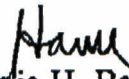
Dear Todd:

This will confirm our recent conversation. Enclosed is a very preliminary draft of points regarding a possible Hybrid Permit System for reducing greenhouse gases.

Dr. Gus Moffitt of Bethlehem is also very familiar with this subject. Please telephone us if we can be of assistance.

Best personal regards.

Sincerely,


Curtis H. Barnette
(610) 694-6137

Enclosure

cc: Dr. A. E. Moffitt, Jr.
(610) 694-7640

October 16, 1997

**PRELIMINARY EVALUATION OF RESOURCES FOR THE FUTURE'S
HYBRID PERMIT SYSTEM FOR REDUCING GREENHOUSE GASES**

The Concept: As described by Resources for the Future (Morgenstern, Kopp, and Pizer), this system would couple binding emission targets with a relief mechanism for unexpectedly high costs. A fixed number of tradable permits (rights to emit), based on an emission target, would be established. The system would then provide for additional permits at a pre-specified trigger price. Theoretically, as long as the cost of controlling a ton of greenhouse gas emissions (GHG) remains below the trigger level, the emission target would be attained.

Economic Theory: The hybrid system encompasses both tax and permit mechanisms. For example, it would work like a permit system by fixing emission limits as long as the marginal cost (i.e., the price of the permit) lies below the trigger price and would behave like a tax system by fixing the marginal cost of abatement when the marginal cost hits the trigger price. When the trigger price is set high, the hybrid system functions like a pure permit system (since additional permits are never sold). When the number of permits is set low, it functions like a pure tax mechanism (since additional permits are always sold).

Issues and Concerns:

- While the concept seems simple and appealing on its face, the administration and monitoring of such a system would be difficult, if not impossible, based on our experience with trade policy.
 - How will permits be allocated? Worst first basis as was done in Clean Air Act sulfur permit trading system (i.e., utilities first tier)?
 - Who would set trigger prices and how would it be done?
 - What government agency would take the lead on administration and enforcement? Commerce would be viewed by business community as more balanced and experienced than EPA.
- The starting point of the system appears to be legally binding emission targets. We continue to believe that voluntary programs should be tried first since they would provide maximum flexibility for industry and avoid negative consequences for the U.S. economy.
- The hybrid model is too new to allow for a realistic assessment and inclusion as a key element of U.S. policy for Kyoto. It should be developed further by an appropriate body with representation from key stakeholders and be considered for future

- 2 -

application as part of a set of flexible compliance mechanisms, which would include joint implementation, cooperative arrangements, R&D incentives, and technology transfers that would lead to reductions in developing nations.

- There is a concern that the system may result in a "backdoor approach" to governmental mandatory fuel selection. Supply/Demand economics will drive prices up with more use of natural gas, renewable energy and nuclear vs. coal in the power generating sector. Therefore, will the threshold emission cap proposal take these associated economic impacts into consideration?
- The U.S. must insist on a global solution to this problem and resist current attempts to exempt developing nations from emission reduction efforts. (In our industry, 4 of top 10 steel producing countries are "developing nations.")
- The acid rain/sulfur permit trading system under CAA was never fully utilized. Large utilities installed expensive scrubbers and passed costs on to consumers.
- How does this system reward energy efficient industries that have reduced GHG emissions since 1990, like steel??
- How does this system address U.S. consumer habits, which are the major contributor to U.S. emissions? The burdens may fall unfairly on the industrial sector and utilities.

Conclusions: A GHG hybrid system of this scale has never been tested and imposing it on the world's economies, without further analysis and debate, would be risky and premature. It could distort energy supply and demand, and rather than being "market-oriented" is in the truest sense "command and control". A permit system picks energy winners and losers based on the number of carbon atoms in a fossil fuel molecule. Sound policy should instead encourage voluntary actions, technology development, energy market liberalization, energy price transparency, diversity of energy supply, competition among and between fuel sources, and sustainable use of natural resources.

Correspond



Children's
Environmental
Health Network

'97 OCT 16 PM3:40

FAX TRANSMISSION

Advisory Board of Directors

I. Routt Reigart, MD
Chair of the Board
Professor, Dept. of Pediatrics
Medical Univ. of South Carolina

Cynthia Bearer, MD, PhD
Assistant Professor, Dept. of Pediatrics
Case Western Reserve Univ.
Rainbow Babies and
Children's Hospital

Richard N. Callow
President, Public Eye, Inc.

Joy E. Carlson, MPH
(ex officio)
Director, Children's Environmental
Health Network

Joan Spyker Cranmer, PhD
Professor, Dept. of
Pediatrics and Toxicology
Univ of Arkansas Medical School
Arkansas Children's Hospital

Deeohn Ferris, JD
Executive Director
Washington Office on
Environmental Justice

Birt Harvey, MD
Professor Emeritus, Dept. of Pediatrics
Stanford University Medical School

Phillip Landrigan, MD, MSc
Chair, Dept. of Community Medicine
Mt. Sinai Medical Center

John A. McLachlan, PhD
Director, Tulane-Xavier Center for
Bioenvironmental Research
Tulane University

Raphael Metzger, JD
General Counsel, National Coalition of
Hispanic Health and
Human Services Organizations

Lawrie Mott, MS
Senior Scientist, Natural Resources
Defense Council

TO: Ms. Beth Viola
PHONE: 202-456-6546
FROM: Carol Stroebe
DATE: October 15, 1997
PAGES: 3, including cover

*Copies to
Kane
Todd Stein
David Sindalov
Dr. C. Forster
Nicholas Lapadula*

If there is difficulty in receiving this transmission, please call 703/486-1664.
MESSAGE:

Dear Beth:

Enclosed is a letter that the Network is mailing today; I wanted to make sure that you and the rest of the staff at CEQ saw it promptly.

The Network greatly appreciated the opportunity to attend the President's conference on global climate change at Georgetown University.

Please call me if you have questions. Thanks!

--Carol

affiliations listed for
identification purposes only



Children's Environmental Health Network

October 15, 1997

Advisory Board of Directors

I. Routh Relgart, MD
Chair of the Board
Professor, Dept. of Pediatrics
Medical Univ. of South Carolina

Cynthia Bearer, MD, PhD
Assistant Professor, Dept. of Pediatrics
Case Western Reserve Univ.
Rainbow Babies and
Children's Hospital

Richard N. Callow
President, Public Eye, Inc.

Ioy E. Carlson, MPH
(ex officio)
Director, Children's Environmental
Health Network

Joan Spyker Cranmer, PhD
Professor, Dept. of
Pediatrics and Toxicology
Univ. of Arkansas Medical School
Arkansas Children's Hospital

Deedhn Ferris, JD
Executive Director
Washington Office on
Environmental Justice

Birt Harvey, MD
Professor Emeritus, Dept. of Pediatrics
Stanford University Medical School

Phillip Landrigan, MD, MSc
Chair, Dept. of Community Medicine
Mt. Sinai Medical Center

John A. McLachlan, PhD
Director, Tulane-Xavier Center for
Bioclimatological Research
Tulane University

Raphael Metzger, JD
General Counsel, National Coalition of
Hispanic Health and
Human Services Organizations

Lawrie Mott, MS
Senior Scientist, Natural Resources
Defense Council

Affiliations listed for
identification purposes only

The Honorable William J. Clinton
President of the United States
1600 Pennsylvania Avenue NW
Washington, DC

Dear Mr. President:

The evidence continues to mount that emissions of "greenhouse gases" due to human activities are significantly altering the earth's climate. By the year 2100, average global temperatures are projected to rise by 2.0°C (range 1.0-3.5°C). While these projections, based upon complicated models, contain some uncertainties, there is increasing agreement that global changes are occurring in climate.

The resulting impacts on the levels of rainfall, sea levels, temperature and other environmental impacts have been widely discussed. The Children's Environmental Health Network is concerned that frequently absent from these discussions are the potential public health repercussions of global climate change. The impacts of global climate change on public health are expected to be multiple, adverse, and to disproportionately affect children.

As you are deciding upon the specific proposal which the United States will take to the global climate change summit in Kyoto, Japan, in December, the Network strongly urges you to take into account the anticipated impact of global climate change on the nation's and the world's children.

Public health experts have identified likely human health hazards that may pose greater challenges to public health as a result of global climate change:

- an increase in cases of heat-related mortality and morbidity;
- an expansion of the incidence of vector-borne diseases such as malaria and dengue fever;
- a higher incidence of water-borne cholera and other infectious agents due to increased surface water temperatures;
- an increase in cases of malnutrition;
- additional asthma attacks and respiratory problems due to worsening air quality; and
- additional episodes of contaminated food and water due to extreme weather events such as floods and droughts, affecting sanitation, and increased migration.

In every one of these areas, children will be the most vulnerable and are likely to suffer the most. The public health tragedies resulting from global climate change are likely to fall heaviest on our youngest citizens.

October 15, 1997

Page Two

These serious potential impacts of climate change, presenting formidable public health challenges, can be prevented or mitigated through strong precautionary actions that would prevent further climate change.

We urge you, therefore, to work toward an internationally binding and verifiable agreement establishing targets and timetables for meaningful reductions in emissions of CO2 and other greenhouse gases. We also support increased efficiency in the use and production of energy and accelerated development and transfer of energy-saving and renewable energy technologies.

It will be the children of the world who will be the first to experience the impacts of global climate change -- and to be the most acutely harmed. For their sake, we strongly urge you to act to prevent the potential public health disasters resulting from global climate change.

Thank you.

Sincerely,



Joy E. Carlson, MPH
Executive Director

COLUMBIA UNIVERSITY

IN THE CITY OF NEW YORK

PRESIDENT'S ROOM

'97 NOV 3 AM 11:30

October 29, 1997

Dear Todd:

I wanted to make sure that you had the materials from the briefing on climate change that Chairman Ben Gilman organized with Mr. Rangel and Mrs. Lowey. Attached is the notice of the October 30, 1997 meeting and the four fact sheets developed by Earth Institute Vice Provost Peter Eisenberger and Professor Graciela Chichilnisky.

Please let me know if there is any additional material you need.

Sincerely,



George Rupp

Mr. Todd Stern
Assistant to the President and Staff Secretary
The White House
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500

Attachments

C
correspondence |

COLUMBIA UNIVERSITY

IN THE CITY OF NEW YORK

COLUMBIA EARTH INSTITUTE

CONTRIBUTORS TO CLIMATE CHANGE

Greenhouse Gases:

- Greenhouse gases warm the Earth by preventing heat from escaping our atmosphere. Carbon dioxide is most important; methane is second in terms of impact on global warming.
- Concentrations have continued to increase since 1750.
- Carbon dioxide (30%), methane (145%)
- Increase is mostly due to human activities.
- Contribute to heating atmosphere (increase of 2.45 watts per square meter of the earth's surface compared to 240 watts per square meter of the earth's surface provided by the sun).
- Temperature rise takes a long time (centuries) because of slowness of response, due to transfer into deep layers of the ocean.
- The rate and magnitude of the temperatures rise from greenhouse gases is uncertain due to uncertain impact of ocean mixing and difficulty of determining some greenhouse gases contributions like ozone.

Aerosols:

- Small particles produced by combustion and burning of forests.
- They cool the earth by scattering solar radiation back into space and their impact on cloud formation.
- Only stay in the atmosphere a short time.
- Have a more localized impact being the largest in industrial areas.
- Magnitude of cooling is uncertain but might be as large as warming of greenhouse gases.
- Natural volcanic eruptions also produce cooling impact because of the particles they send into the atmosphere.

Natural Variations:

- Due to changes in solar output and earth's orbit around the sun.
- Also due to chaotic natures of climate (it varies naturally even without change in solar input).
- Most large natural changes are over very long time scale (thousands of years).
- Uncertainty in human induced changes created by existence of natural variations of the same magnitude.
- Recent results also reveal large changes in the past on 20 to 30 years time scales. This raises the possibility of rapid human induced climate change.
- Possibility also exists that human induced warming may impact natural variations like El Niño.

*For more information, contact: Peter Eisenberger, Vice Provost for the Columbia Earth Institute & Director of Lamont-Doherty Earth Observatory, Fourth Floor, Low Library
Columbia University, 535 West 116th Street, New York, NY 10027, 212/854-3830
fax 212/854-6309, email petere@ldeo.columbia.edu*

HUMAN INDUCED CLIMATE CHANGE PROCESSES: DEVELOPED AND DEVELOPING COUNTRIES' CONTRIBUTIONS

Climate Change Process:

- Human activities change greenhouse gas and aerosol concentrations.
- Greenhouse gas impacts are 49% from energy use, 29% from industrial processes, 14% from deforestation, 13% from agriculture.
- Each type of greenhouse gas contribution introduces gases into the atmosphere which can undergo further chemical changes while in the atmosphere (nitric oxide biggest impact is on changing ozone concentrations).
- The greenhouse gas concentrations in the atmosphere are further determined by the length of time it stays in the atmosphere (carbon dioxide centuries, methane decades).
- Impact is further determined by how much heat is absorbed by gases (e.g. methane is about 100 times more effective than carbon dioxide).
- Currently human induced contributions to greenhouse gas warming are carbon dioxide 50%, chloroflourocarbons 20%, methane 16%, ozone 8%, nitrous oxide 6%.
- Aerosols are short lived and concentrated near industrial activity. They produce a different pattern of cooling then the well mixed greenhouse gases.

Greenhouse Gas Impact on Global Warming of Developed and Developing Countries

- Determined by amount of energy use, industrial processes, deforestation, and agriculture (developed countries have greater human activity, increasing their impact on global warming).
- Dependent upon cleanliness and efficiency of energy and industrial processes (developing countries have less clean and lower efficiency processes, which increases their impact on global warming).
- Both together determine amount of greenhouse gas emissions.
 - United States 18%
 - Confederation of Independent States (Soviet Union) 13%
 - European Community 11%
 - China 9%
 - Japan 4%
 - India 4%
 - Brazil 4%
 - Mexico 2%
 - Indonesia 2%
 - Canada 2%
- The United States emits 12 times per person more than China.

*For more information, contact: Peter Eisenberger, Vice Provost for the Columbia Earth Institute & Director of Lamont-Doherty Earth Observatory, Fourth Floor, Low Library
Columbia University, 535 West 116th Street, New York, NY 10027, 212/854-3830
fax 212/854-6309, email petere@ldeo.columbia.edu*

COLUMBIA UNIVERSITY

IN THE CITY OF NEW YORK

COLUMBIA EARTH INSTITUTE

POLICIES TO PREVENT CLIMATE CHANGE

Carbon Taxes

A mechanism to reduce carbon emissions is a carbon tax -- a tax levied on all fossil fuels in proportion to their carbon contents.

- By raising the cost of fuels and energy intensive products, this tax would discourage all fossil fuel use in proportion to their carbon contents and encourage the development of less carbon-intensive alternatives.
- A recent statement by leading economists favors taxes over a regulatory approach. However, taxes increase government's intervention in the economy and are out of public favor in today's market-oriented environment.

Joint Implementation

- This is a mechanism that allows a firm in one country to invest in a project that reduces emissions in another country, and to receive credit for those reductions at home. It was proposed by President Clinton on Oct. 22, 1997. An example might involve Norway and Poland. International joint implementation of CO₂ emissions reductions would allow a utility in Norway to achieve an emissions reduction by contracting to pay a factory in Poland to install more fuel-efficient furnaces.

Tradable Permits

- President Clinton has proposed a tradable permits program in which permits will be required in order to sell or use fossil fuels. First suggested in 1994 to the Framework Convention on Climate Change by Columbia University's economists, it works as follows. By limiting the total number of permits, the regulatory authority controls global carbon emissions, for example, to 1990 levels. The limited number of permits combined with a market for trading them increases overall efficiency by encouraging development of more efficient technologies and by directing activity to the most efficient providers. If permits are bought and sold, the permit price in the market place signals how much firms should reasonably spend on abatement measures.
- This is the most market-oriented and efficient approach, which is already used for sulfur dioxide permits in the Chicago Board of Trade.
- One argument for tradable permits is the perceived political difficulty of proposing a change in the tax structure.
- The most difficult issue in the use of tradable permits is how to allocate them to potential users. For small fuel users tradable permits could cause administrative burdens.

For more information, contact: Graciela Chichilnisky, Director of the Program on Information and Resources and UNESCO Chair of Mathematics & Economics at Columbia University. Fourth Floor, Low Library, Columbia Earth Institute, Columbia University, 535 West 116th Street, New York, NY 10027 212/854-7277 fax 212/854-6309 email gc9@columbia.edu

THE INTERNATIONAL BANK FOR ENVIRONMENTAL SETTLEMENTS

The International Bank for Environmental Settlements (IBES) is a market-oriented institution that acts as an intermediary, organizes, and regulates the global trading of emissions permits and other environmental assets. Its governance and operating budget are decided by the nations of the world as in the World Bank or the IMF.

The IBES Mandate

The mandate of IBES is to enhance wealth generation while protecting the environment. It will accomplish this by providing liquidity and economic return from environmental assets (such as forests) for their owners while ensuring judicious use. A more familiar example is an equity source account, which also provides capital while requiring owners not to alter the property without approval.

How IBES Operates

Once the world's ceiling of emissions is agreed upon, permits can be allocated following a sliding rule. The rule starts from the current situation in industrial and developing nations (a grandfather allocation) and moves toward an incentive system allocating more permits to those who emit less. Auctions can be used to allocate permits in the most efficient way.

Preserving national sovereign rights, IBES will:

- Act as an intermediary in multilateral borrowing and lending of permits.
- Trade options on carbon permits in the future.
- Clear and settle multinational transactions.
- Ensure market integrity and efficient price mechanisms (such as SEC, CFTC)
- Enter into open market operations and set discount rates to smooth prices (much like the Federal Reserve)
- Offer credit enhancement to facility trade.
- Set targets and monitor compliance.
- Renegotiate targets as scientific understanding advances.

The IBES: A Win-Win Solution

The industrial nations have more capital. The developing nations are richer in the environmental account. They emit less carbon and have most of the world's forests and 80% of its biodiversity. According to economic models, there are gains to be made from trade while insuring judicious use of environmental assets. Trading permits will encourage more exports from industrial countries to developing countries. It will fuel world markets without inflationary pressures.

For more information, contact: Graciela Chichilnisky, Director of the Program on Information and Resources and UNESCO Chair of Mathematics & Economics at Columbia University. Fourth Floor, Low Library, Columbia Earth Institute, Columbia University, 535 West 116th Street, New York, NY 10027 212/854-7277 fax 212/854-6309 email gc9@columbia.edu

Correspondence

Bethlehem Steel Corporation

'97 NOV 17 PM 1:14

1170 EIGHTH AVENUE
BETHLEHEM, PA 18016-7699

CURTIS H. BARNETTE
CHAIRMAN
AND
CHIEF EXECUTIVE OFFICER



November 5, 1997

Mr. Todd Stern
Assistant to the President
and Staff Secretary
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Todd:

I am pleased to enclose Bethlehem Steel's second annual Environmental Progress Report. This report focuses primarily on actions taken in 1996 to improve our performance in safety, health and the environment. We are ever mindful of being a good citizen and a good neighbor, and therefore we are proud to share with you our significant accomplishments in these areas.

Our continuing progress toward excellence in safety, health and the environment is greatly affected by the initiative of our employees and by the application of technology. Throughout this report, you will read of employee actions that have enabled our operations to improve their performance and meet or exceed regulatory requirements.

As part of our vision to Be the Premier Steel Company, we have been partnering with our employees to improve results in all facets of our company. Environmental performance is no exception. We will continue to meet the mandates of our Corporate Environmental Policy that states: *"We will comply with all environmental laws and regulations applicable to the conduct of our business. As a good corporate citizen, we are dedicated to the continuous improvement of the environment in which we all live."*

We welcome your comments on our environmental progress report.

Best personal regards.

Sincerely,

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 publication.

Publications have not been scanned in their entirety for the purpose of digitization. To see the full publication please search online or visit the Clinton Presidential Library's Research Room.

Bethlehem Steel Corporation



1996
Environmental
Progress
Report

Correspondence

'97 NOV 20 PM4:15



ALCOA

FAX

ALUMINUM COMPANY OF AMERICA
GOVERNMENT AFFAIRS OFFICE
1667 K STREET, N. W. - SUITE 500
WASHINGTON, DC 20006
202/956-5306

DATE: 1997 November 20

TO: **Todd Stearn**
Assistant to The President
The White House

FACSIMILE NUMBER: 202 - 456 - 2215

PAGES INCLUDING THIS PAGE: 3

FROM: **Russell C. Wisor**
Vice President

Fax Number: (Alcoa) 8-227-5305 - External: 202/956-5305

MESSAGE:

Todd,

Because of your past discussions with Paul O'Neill, we thought you would want to see the Alcoa paper on Global Climate Change. We will be updating it as needed. If you have any questions, please let me know.

Russ

Alcoa's Perspective on Global Climate Change

Alcoa is a global company and we believe that protecting the global environment is the responsibility of everyone. Alcoa feels that although there are uncertainties in the science of climate change, there is sufficient reason to be concerned that increasing levels of anthropogenic greenhouse gases could lead eventually to some interference with the world's climate system. However, because of the gaps in scientific, economic, and technological understanding, immediate adoption of mandated solutions could not only seriously damage individual national and global economies, but also preclude the utilization of the most effective and targeted technologies.

Alcoa believes near term action to address climate change should focus on:

- improving the science which would support our understanding of the linkages between the buildup of greenhouse gases and other factors that may influence climate change,
- aggressively developing new technologies to reduce the full range of greenhouse gas emissions and increase energy efficiency, and
- improving processes and products used by industry, government and consumers.

Alcoa supports the call by many countries for an equitable, flexible and achievable response to this global issue, and believes that President Clinton's climate change policy recognizes the need for research and time. It allows a decade before instituting mandates, and it encourages interim efforts which will not only provide some immediate action to control emissions, but also improve our understanding of what we can do and what we must do. However, to stimulate participation and ensure the effectiveness of voluntary programs, the plan must guarantee the flexibility to make corrections as the knowledge level increases and the options become clearer.

Alcoa's Commitment

Alcoa is committed to reducing greenhouse gas emissions from our operations while the search for better understanding and improved technologies proceeds. We will continue and go beyond the numerous efforts we have already undertaken. For example, under voluntary programs with US EPA and with the Australian Government, Alcoa has already reduced PFC emissions over 80% in both countries. In addition, we have developed and expanded co-generation facilities; we have reduced the electricity and carbon requirements of our smelting operations; and we have improved our aluminum recycling activities, allowing us to reduce primary metal requirements and achieve significant energy savings. Light weighting of cans, which decreases metal requirements, and the development of recyclable, lightweight aluminum components for all types of vehicles, which improves their energy efficiency, are among many product improvements.

Investment in improvements in energy technology has value whether or not fears about global warming are substantiated, because expenditures on energy are significant and other environmental effects of fossil fuel energy production are of concern. Increased energy efficiency, reduced dependence on fossil fuels, and better technology for utilization of fossil fuels would significantly benefit all energy consumers. However, better energy technology is not the only answer; it must be integrated with improvements in processes and products and the proposed consultations with industry sectors should focus on identifying how investments can be most productive.

Alcoa supports a focused major research effort to increase the scientific understanding of the climate change issue and reduce the uncertainty which has impeded more constructive discussion of this issue. The National Academy of Sciences in the US and other similar organizations have significant knowledge bases on climate change and should have an increased role in identifying existing gaps and responses. Work on issues such as determining long term greenhouse gas concentration goals and corresponding emission rates must involve the science and technology communities, industry, government, and consumers.

Finally, Alcoa supports an equitable and global program that seeks the most cost-effective solutions and relies on market mechanisms. However we are concerned about the many unanswered questions and potential problems in the proposed trading scheme. The years before implementation will be necessary to answer the questions and design a program which will work on a worldwide basis.

- Environmental Defense Fund • Friends of the Earth • Izaak Walton League •
- National Environmental Trust • National Parks and Conservation Association •
- National Wildlife Federation • Natural Resources Defense Council • Physicians for Social Responsibility • Population Action International • Rails to Trails Conservancy •
- Sierra Club • Union of Concerned Scientists • United States Public Interest Research Group • The Wilderness Society •

November 14, 1997

The President
The White House
Washington, DC 20500

Dear Mr. President:

With the global warming negotiations entering their final phase, we want to urge you to provide the leadership needed to ensure a positive outcome. Success in Kyoto is within our grasp, but only if you signal US willingness to accept binding commitments to reduce emissions well below 1990 levels in the first budget period. In return, the European Union should be expected to accept the US proposals for flexibility in domestic implementation of these commitments, and the G-77 and China should be expected to accept a framework for voluntary opt-in to specific emissions limitation commitments. In addition, you should:

- Oppose loopholes that would undermine the effectiveness of the Kyoto Protocol;
- Advocate realistic measures that can begin to slow the growth of developing country emissions, but avoid specifying a threshold for what should be considered "meaningful participation" by developing countries at this time; and
- Propose specific domestic policies and measures that elaborate the package of initiatives outlined in your October 22nd speech.

Real Reduction Targets: As you know, it is our strong view that to make meaningful progress towards addressing the global warming threat, the Kyoto Climate Summit must produce a treaty that commits industrialized countries to reduce their emissions of greenhouse gases substantially below 1990 levels, starting no later than the year 2005. The position you announced on October 22nd, while containing many positive elements, was severely deficient in this regard. Current Annex 1 greenhouse gas emissions are below 1990 levels, largely as a result of the economic restructuring that has occurred since then in the former Communist countries of Central and Eastern Europe, most notably Russia. Thus your proposed emissions target would actually allow an increase in industrialized country emissions over the next decade. Such an outcome in Kyoto would be an unacceptable response to the gravity and urgency of the global warming problem.

Loopholes: For an emissions reduction target to be credible, the Kyoto agreement must be verifiable and enforceable, and must not contain any of the numerous "loopholes" that were the focus of so much discussion at last month's negotiating session in Bonn. These include proposals to allow trading of the paper reductions claimed by Russia and other former Communist countries; defining emissions limits on the basis of a "net" approach that is not yet quantifiable; and omitting certain gases from the target entirely. Individually, these loopholes would substantially weaken the effectiveness of whatever binding emissions reduction commitments are agreed to in Kyoto; collectively, they would undermine the credibility of the entire treaty process. We have attached a fuller description of our concerns about these loopholes.

Developing Country Participation: Of all the issues in these negotiations, that of developing country commitments has the greatest potential to lead to failure in Kyoto. We agree that developing countries need to participate meaningfully in efforts to combat climate change. Such participation will be essential to achieving the long-term objective of the framework convention. We support the US proposal to allow countries to voluntarily "opt in" to specific emissions limitation commitments under the protocol. We believe that working on a bilateral basis post-Kyoto to encourage developing countries to adopt specific commitments using the opt-in provisions is the most productive way to achieve the standard of meaningful participation set in your speech. However, this strategy can only be successful if industrialized countries take on real emissions reduction commitments in Kyoto.

We urge you to avoid setting a specific threshold for what should be considered meaningful participation by developing countries at this time. Attempting to do so will narrow your options, make it more difficult to obtain agreement on the voluntary opt-in provisions, and increase the likelihood of stalemate in Kyoto.

Domestic Initiatives: We greatly appreciate the domestic implementation initiatives outlined in your October 22nd speech, and commit ourselves to work with your administration and the Congress to make these as effective as possible. We were especially pleased by your pledge to "unleash competition in the electricity industry...in a way that leads to even greater progress in cleaning our air and delivers a significant down payment in reducing greenhouse gas emissions." You should now propose specific policies to achieve this goal. These should include sectoral caps on emissions of carbon dioxide and other key pollutants, a renewable energy portfolio standard that ensures that a steadily increasing share of electricity is produced from clean, renewable resources, and a public benefits trust that funds continued investments in energy efficiency and service to low-income customers.

Starting with the Climate Change Action Plan in 1993, your administration has failed to adequately address the rapid growth in carbon dioxide emissions in the transportation sector. We urge you to use your existing administrative authority to raise fuel economy standards for cars and light trucks. R&D initiatives such as the Partnership for a New Generation of Vehicles can be useful if well-targeted and managed, but they are no substitute for standards.

Your proposal to give credit to industries that take early action to reduce emissions is welcome, especially given your call to delay binding emissions commitments until 2008. Such a program must, of course, be designed so that credits are given only for real reductions, and credits must be properly accounted for through appropriate allocation of the initial emissions budget. So designed, an early credit program can be a powerful inducement to industry to become part of the solution.

Finally, Mr. President, you should announce your intention to go to Kyoto for the high-level portion of the Climate Summit. This would signal to the world your recognition of the seriousness and urgency of the global warming problem, and would provide impetus for a successful outcome in Kyoto.

Global warming poses the most serious threat to the environment and to future generations the world has ever faced. As the leader of the world's most powerful nation, you have the opportunity over the next few weeks to begin to reverse this threat, and leave your mark on history. We urge you to seize this opportunity.

Attachment: Significant Loopholes Under Discussion

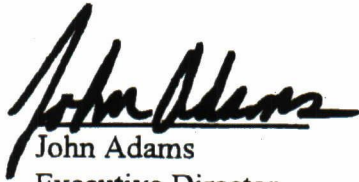
Hot Air Tons: Russia and the other former Communist countries of Central and Eastern Europe are expected to emit less greenhouse gases in 2010 than they did in 1990, due to economic restructuring. Under the US proposal, these countries would be allowed to sell these "excess" emissions reductions into the international market, offsetting at least part of the purchaser's emissions reduction requirement. As these reductions are not the result of any climate change-inspired policy or measure, they have come to be termed "hot air tons." On an annual basis over the first budget period, these credits could amount to anywhere from 2 percent to over 10 percent of total 1990 Annex 1 emissions, depending on the projection used. This loophole can best be addressed by adopting an emissions reduction commitment well below 1990 levels for the first budget period.

Some of these countries have proposed that they be allowed to "bank" the difference between their actual emissions and 1990 levels from 1990 onward for subsequent use or sale into the emissions credit market. This magnifies the "hot air" loophole into what was termed in Bonn a "superheated air" loophole. If all these banked emission credits were used during the first five-year budget period, it would represent a balloon of from 15 to over 30 percent of 1990 Annex 1 emissions. This would totally undermine the credibility of the climate treaty process itself. You should indicate forcefully and immediately that this proposal is totally unacceptable to the United States.

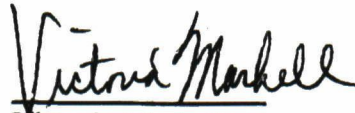
The "net" approach: While we strongly support action to protect old growth forests and to reforest degraded lands, we believe that it would be a serious mistake to define the emission limits adopted in Kyoto on the basis of the "net" approach (i.e. as the difference between emissions and removals of greenhouse gases). Uncertainties in the definition and measurement of emissions and removals due to land-use change and forestry are currently so great at the national and international level that the ability to monitor compliance with the Kyoto agreement would be undermined if emissions and removals from this sector were included in the target at this time. Rather than insist on a decision to adopt the "net" approach in Kyoto, the United States should support asking the Intergovernmental Panel on Climate Change to prepare a special report that would lead to the adoption of consistent, transparent, and comparable methodologies for measuring and reporting emissions and removals from land-use change and forestry by the Sixth Conference of the Parties. This sector could be included in revised national targets at that time. In the meantime, credit for enhancement of sinks could be considered on a project-by-project basis, subject to review once methodologies have been adopted.

Omission of HFCs, PFCs, and HF6: This is an issue on which the US position is clearly right, and that of the European Union clearly wrong. Hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride are powerful greenhouse gases, emissions of which are projected to increase substantially over the next several decades under business-as-usual scenarios. These gases should be included in the basket of gases whose emissions are reduced under the Kyoto Protocol. If left out of the protocol, they could add 4 to 7 percent to overall industrialized country greenhouse gas emissions by 2010.

Sincerely,



John Adams
Executive Director
Natural Resources
Defense Council



Victoria Markell
Vice President
Population Action International



Brent Blackwelder
President
Friends of the Earth



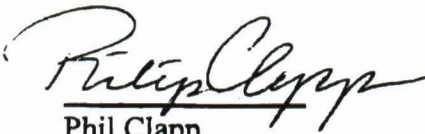
William H. Meadows
President
The Wilderness Society



David Burwell
President
Rails to Trails Conservancy



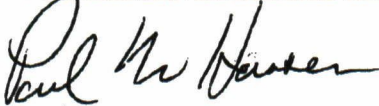
Robert K. Musil, PhD
Executive Director
Physicians for Social Responsibility



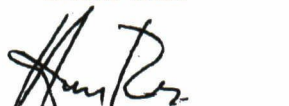
Phil Clapp
President
National Environmental Trust



Carl Pope
Executive Director
Sierra Club



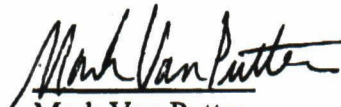
Paul Hansen
Executive Director
Izaak Walton League



Howard Ris
Executive Director
Union of Concerned Scientists



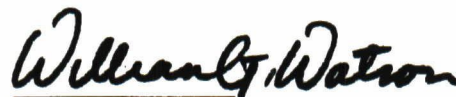
Gene Karpinski
Executive Director
US Public Interest
Research Group



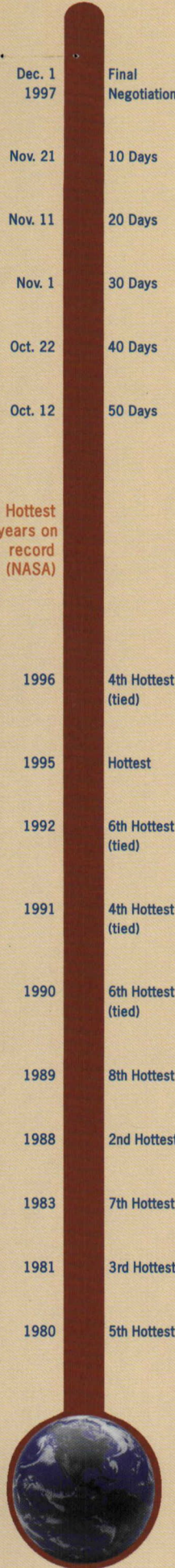
Mark Van Putten
President and CEO
National Wildlife Federation



Fred D. Krupp
Executive Director
Environmental Defense Fund



William G. Watson
Interim Executive Officer
National Parks and Conservation Association



Climate Countdown

For Immediate Release
Tuesday, Nov. 18, 1997

Contact: Peter Kelley
202-887-8831

Over 135 local citizens' groups call on Vice President Gore to attend Kyoto summit

"Dismayed" by near-reversal of his position on global warming,
 they ask Gore to keep promises and "assert U.S. leadership"

WASHINGTON—A letter signed by over 135 religious, health, and environmental groups from all over the country will reach the White House today, calling on Vice President Gore to attend the 160-nation summit on global warming, Dec. 1-10 in Kyoto, Japan.

The joint letter reads in part:

"We believe the Clinton/Gore proposal for the Climate Summit in Kyoto is too little, too late... You and the president have promised to do far better. Now there are reports you will not attend the Kyoto Climate Summit. We hope these reports are inaccurate. We urge to announce that you will lead the U.S. delegation to Kyoto. We hope that you will, once and for all, assert U.S. leadership at the talks..."

"Given what is at stake in Kyoto and your criticism of President Bush [for similar indecision over attending a climate summit], it now seems preposterous that you would even consider not leading the U.S. delegation..."

"Vice President Gore, we are dismayed by your record on climate change over the past year. You have nearly reversed your position. We call on you to change course."

Calling the United States "the single biggest obstacle" to progress at the talks, the letter points out that at recent last-minute preparatory talks in Bonn, Germany—the same week as Gore spoke at Harvard about the urgent need for action on global warming—"the U.S. negotiators...once again did nearly everything possible to weaken the treaty, presumably under White House orders. Your goal, it seems is to couple weak targets with massive loopholes such as accounting gimmicks."

Global warming, caused by pollution from burning of fossil fuels, is already causing serious problems, according to a broad scientific consensus. Technology exists to cut global warming pollution and save consumers billions of dollars in energy. But early action is essential or the problem could become irreversible. The best opportunity, the treaty talks in Kyoto, is jeopardized by the weak Clinton-Gore position and a \$13 million lobbying campaign by big, polluting industries.

More information is available by contacting Climate Countdown at 888-887-8234, or Peter Kelley at 202-887-8831.

Climate Countdown is a project of
National Environmental Trust

Climate Countdown



Dec. 1
1997 Final
Negotiations

Nov. 21 10 Days

Nov. 11 20 Days

Nov. 1 30 Days

Oct. 22 40 Days

Oct. 12 50 Days

Hottest
years on
record
(NASA)

1996 4th Hottest
(tied)

1995 Hottest

1992 6th Hottest
(tied)

1991 4th Hottest
(tied)

1990 6th Hottest
(tied)

1989 8th Hottest

1988 2nd Hottest

1983 7th Hottest

1981 3rd Hottest

1980 5th Hottest

November 18, 1997

Vice President Al Gore
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Vice President Gore:

We believe the Clinton/Gore proposal for the Climate Summit in Kyoto is too little too late. The proposal drags other nations backwards when it should have let them forward. The science tells us it will do little to avert some of the most serious impacts of climate change. You and the president have promised to do far better.

Now there are reports you will not attend the Kyoto Climate Summit. We hope these reports are inaccurate. We urge you to announce that you will lead the U.S. delegation to Kyoto. We hope that you will, once and for all, assert U.S. leadership at the talks.

Kyoto will be the most important environmental summit ever, the culmination of seven years of intense international negotiations by over 160 nations. In 1992 both you and President Clinton criticized President Bush for wavering in his decision to attend the Rio Earth Summit. Given what is at stake in Kyoto and your criticism of President Bush, it now seems preposterous that you would even consider not leading the U.S. delegation.

Despite strong rhetoric about the threat of climate change, the U.S. has been the "single largest obstacle to progress" in the climate talks, just like in 1992. For example, the same week that you spoke at your alma mater about the urgent need for action on climate change, the US negotiators at the talks in Bonn, Germany once again did nearly everything possible to weaken the treaty, presumably under White House orders. Your goal, it seems, is to couple weak targets with massive loopholes such as accounting gimmicks like the "Russians tons".

Vice President Gore, we are dismayed by your record on climate change over the past year. You have nearly reversed your position. We call on you to change course. We respectfully urge you to lead the U.S. delegation in Kyoto.

Sincerely,

A growing list of over 135 national, state and local organizations.
See attached list.
Full list available by calling 1-888-887-8234.

Climate Countdown is a project of
National Environmental Trust



1000 Friends of New Mexico
20/20 Vision, DC
Adirondack Community College, NY
AEI, NE
Alabama Environmental Council
Alliance Against Waste and Action to Restore the Environment(AWARE), LA
Alliance for Affordable Energy, LA
Alliance for a Sustainable Future, PA
Alternatives in Action!, GA
Amigos Bravos, NM
Applied Science in the Public Interest, KY
Atmosphere Alliance, WA
Bloomington Rainforest Action Group, IN
Blue Canoe, CA
Boulder City Audubon Society, CO
Boulder Rainforest Action Group, CO
Butte Environmental Council, CA
Campaign for a Prosperous Georgia
Campus Greens, Hobart and William Smith Colleges, NY
Center for Campus Organizing, MA
Center for Energy & Environmental Policy, University of Delaware
Central Co-op Grocery, WA
Central Sierra Environmental Resource Center, CA
Chesapeake Bay Foundation, MD
Church & Society, Winchester District United Methodist Church
Cicero North Syracuse High School SEAC, NY
Citizens League for Environmental Action & Recovery (CLEAR), RI
Clean Air Conservancy, PA
Clean Air Council, PA
Conservation Consultants, Inc.
Cornell Greens, NY
Cornell Society for Natural Resource Conservation, NY
Cornell Student Assembly Environmental Committee, NY
Creative Artists' Resources Project
DeepRoots, Indiana University
Denver Audubon Society, CO
Director of Sustainability Programs, University of New Hampshire, Tom Kelly, Ph.D.
EarthAction, MA
Earth Day Coalition, OH
ECOS, CO
Eld Equipment Solar, WA
Endangered Habitats League, CA
Endangered Species Coalition, DC
Environmental Action Committee, SUNY Plattsburgh, NY
Environmental Action Group, St. Lawrence University, NY
Environmental Advocates, NY
Environmental Affairs Board, University of California at Santa Barbara
Environmental Clearinghouse of University of Michigan
Environmental Club, Canton Central High School

Environmental Club, Clarkson University, NY
Environmental Concerns of Students, Wooster College, MA
Environmental Defense Center
Environmental Group, Oswego College, NY
Environmental Health Watch, OH
Environmental Law Foundation, CA
Environmental Resource Center, ID
Free the Planet, Grinnell College, IA
Free the Planet, National, DC
Friends of Herring Creek, DE
Friends of the Earth, DC
Garin (Eco-Judaism at Yale), CT
Global Energy Network International, CA
Global Resource Action Center for the Environment (GRACE), NY
Goshen College Pax Club, IN
Green Delaware, DE
Green Planet Club, Monterey Institute of International Studies, CA
Greenpeace USA, DC
Groundwork for a Just World, MI
Hamilton Environmental Action Group (HEAG), NY
HEAL-Service Outlet For Environmental Activism
Hunter College Environmental Coalition, NY
Insights in Action, Inc.
Institute for Policy Studies, DC
Iolani School, HI
Jade Mountain, CO
Kentucky Resources Council
Keystone Action Network
Las Vegas Chapter, Sierra Club, NV
Legal Environmental Assistance Foundation, FL
ManaSota-88, Inc., FL
Minnesotans for an Energy-Efficient Economy, MN
Mississippi 2020 Network Inc.
Missouri Coalition for the Environment
Missouri Free The Planet!
Missouri PIRG
National Audubon Society, New Mexico
National Environmental Trust, DC
National Environmental Trust, NV
New Mexico Conservation Voters Alliance
New Mexico Green Party, Co-chairperson Rick Lass
New Mexico PIRG
New York Student Environmental Action Coalition
New Jersey Environmental Lobby
NW Ecosystem Alliance, WA
NYPIRG - Buffalo State College Chapter, NY
NYPIRG-Queens College Chapter, NY
Northcoast Environmental Center, CA
Northwest Ecosystem Alliance

Ohio Citizen Action
Ohio Environmental Council
Ohio Public Interest Research Group
One Earth, Worldwide Web Consulting
Orange-Chatham Sierra Club Group, NC
Ozone Action, DC
PA Environmental Network
PennPIRG
Piedmont Plateau Group, NC Sierra Club
P.R.O.T.E.C.T., NY
Physicians for Social Responsibility, GA
Planning and Conservation League, CA
Portland Energy Office, OR
Progressive Action Coalition, MO
Protect Biodiversity in Public Forests Network, OH
Purple Druids Environmental Action Club, Williams College, MA
Rainforest Action Group, IL
RAM Associates Consulting Meteorologist, Jack Kline, CA
Real Goods Trading Corp., CA
RENEW Wisconsin
Santa Fe City Councilor, Green Party Member Chris Moore, NM
Save Wetlands and Bays, Inc., DE
SCOPE, Students Conscious of Protecting the Environment, NV
SEAC at SUNY-Binghamton, NY
SEAC at University of New Hampshire
SEAC at University of Wisconsin, Milwaukee
SEAC, University of Colorado
Sensible Transportation Options for People (S.T.O.P.), OR
Sierra Club, Ohio Chapter
Solar Energy International, CO
Solutions For Progress, PA
Southern Strategy for an Energy and Environmental Renewal, LA
South Philadelphia Environmental Action Coalition, PA
Southwest Environmental Center, NM
Southwest Research and Information Center, NM
Spiffy Clean Janitorial
Student Action For the Environment, U. of Southern California Los Angeles
Student Environmental Action Coalition, Region 2 (OR, WA, AL, British Columbia)
Student Union Environmental Board, University of Colorado
Students for Social Justice, KY
Students Organized to Reuse and Recycle Organic Waste, MI
Sun Day Campaign, MD
Sustainable Business Network, NY
Tennessee Valley Energy Reform Coalition
The Christian Environmental Association, CO
The E House Company, PA
Tri-State Coalition for Responsible Investment, NJ
U.S. PIRG
University of Iowa Environmental Coalition

University of Iowa Rainforest Action Group
University of Kentucky Sierrans
University of Nevada, Las Vegas - Nevada Student Affairs
University of Nevada, Las Vegas College Democrats
University of Wisconsin-Madison Greens
Vassar Greens, Vassar College, NY
Westchester Greens, NY
Western Ancient Forest Campaign
Western North Carolina Alliance
WHALE Center, UT
Wild Earth, VT
Yakima Valley Audubon Society, WA
Youth for Environmental Sanity, CA