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001. list	[Personally Identifiable Information] [partial] (5 pages)	08/04/1997	b(6)
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COLLECTION:

Clinton Presidential Records
Staff Secretary
Todd Stern
OA/Box Number: 11210

FOLDER TITLE:

Events-August 4, [1997]

2019-0774-S

rs3398

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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- b(1) National security classified information [(b)(1) of the FOIA]
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- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

THE WHITE HOUSE

WASHINGTON

August 5, 1997

Mr. Curtis H. Barnette
Bethlehem Steel Corporation
1170 Eighth Avenue
Bethlehem, Pennsylvania 18016-7699

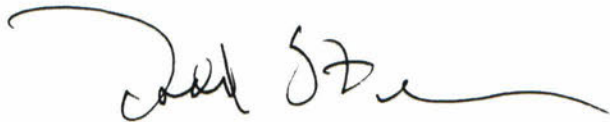
Dear Hank:

I wanted to thank you for participating in the meeting with the President yesterday on climate change. I thought it was a very constructive exchange of views and hope that you found it worthwhile as well.

As the President said toward the end of the meeting, it is important for the United States to take a position into the international negotiations that is shared and supported, to the greatest extent possible, by the private sector. As we work to develop policy aimed at reducing emissions while maintaining a strong economy, your engagement and interest in this issue will be of real importance.

Please feel free to get in touch with me at any time or to send me any further thoughts that you might want to bring to the attention of the President. I enjoyed meeting you.

Very truly yours,

A handwritten signature in black ink, appearing to read "Todd Stern", with a long horizontal flourish extending to the right.

Todd Stern
Assistant to the President
and Staff Secretary

THE WHITE HOUSE

WASHINGTON

August 5, 1997

Mr. Michael R. Bonsignore
Honeywell Incorporated
Honeywell Plaza MN12-5279
Minneapolis, Minnesota 55408

Dear Mike:

I wanted to thank you for participating in the meeting with the President yesterday on climate change. I thought it was a very constructive exchange of views and hope that you found it worthwhile as well.

As the President said toward the end of the meeting, it is important for the United States to take a position into the international negotiations that is shared and supported, to the greatest extent possible, by the private sector. As we work to develop policy aimed at reducing emissions while maintaining a strong economy, your engagement and interest in this issue will be of real importance.

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Todd Stern
Assistant to the President
and Staff Secretary

THE WHITE HOUSE

WASHINGTON

August 5, 1997

Mr. E.J.P. Browne
British Petroleum
Britannic House
One Finsbury Circus
London EC 2M 7BA
ENGLAND

Dear John:

I wanted to thank you for participating in the meeting with the President yesterday on climate change. I thought it was a very constructive exchange of views and hope that you found it worthwhile as well.

As the President said toward the end of the meeting, it is important for the United States to take a position into the international negotiations that is shared and supported, to the greatest extent possible, by the private sector. As we work to develop policy aimed at reducing emissions while maintaining a strong economy, your engagement and interest in this issue will be of real importance.

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Todd Stern
Assistant to the President
and Staff Secretary

THE WHITE HOUSE

WASHINGTON

August 5, 1997

Mr. Frederick W. Buckman
PacifiCorp
Suite 1600
700 Northeast Multnomah
Portland, Oregon 97232

Dear Fred:

I wanted to thank you for participating in the meeting with the President yesterday on climate change. I thought it was a very constructive exchange of views and hope that you found it worthwhile as well.

As the President said toward the end of the meeting, it is important for the United States to take a position into the international negotiations that is shared and supported, to the greatest extent possible, by the private sector. As we work to develop policy aimed at reducing emissions while maintaining a strong economy, your engagement and interest in this issue will be of real importance.

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Todd Stern
Assistant to the President
and Staff Secretary

THE WHITE HOUSE

WASHINGTON

August 5, 1997

Mr. Robert N. Burt
FMC Corporation
200 East Randolph Drive
Chicago, Illinois 60601

Dear Bob:

I wanted to thank you for participating in the meeting with the President yesterday on climate change. I thought it was a very constructive exchange of views and hope that you found it worthwhile as well.

As the President said toward the end of the meeting, it is important for the United States to take a position into the international negotiations that is shared and supported, to the greatest extent possible, by the private sector. As we work to develop policy aimed at reducing emissions while maintaining a strong economy, your engagement and interest in this issue will be of real importance.

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Todd Stern
Assistant to the President
and Staff Secretary

THE WHITE HOUSE

WASHINGTON

August 5, 1997

Mr. A.D. Correll
Georgia-Pacific Corporation
51st Floor
133 Peachtree Street, N.E.
Atlanta, Georgia 30348

Dear Pete:

I wanted to thank you for participating in the meeting with the President yesterday on climate change. I thought it was a very constructive exchange of views and hope that you found it worthwhile as well.

As the President said toward the end of the meeting, it is important for the United States to take a position into the international negotiations that is shared and supported, to the greatest extent possible, by the private sector. As we work to develop policy aimed at reducing emissions while maintaining a strong economy, your engagement and interest in this issue will be of real importance.

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Todd Stern
Assistant to the President
and Staff Secretary

THE WHITE HOUSE

WASHINGTON

August 5, 1997

Mr. Robert E. Denham
Salomon Incorporated
Seven World Trade Center
New York, New York 10048

Dear Bob:

I wanted to thank you for participating in the meeting with the President yesterday on climate change. I thought it was a very constructive exchange of views and hope that you found it worthwhile as well.

As the President said toward the end of the meeting, it is important for the United States to take a position into the international negotiations that is shared and supported, to the greatest extent possible, by the private sector. As we work to develop policy aimed at reducing emissions while maintaining a strong economy, your engagement and interest in this issue will be of real importance.

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Todd Stern
Assistant to the President
and Staff Secretary

THE WHITE HOUSE

WASHINGTON

August 5, 1997

Mr. E. Linn Draper, Jr.
American Electric Power
One Riverside Plaza
Columbus, Ohio 43215

Dear Linn:

I wanted to thank you for participating in the meeting with the President yesterday on climate change. I thought it was a very constructive exchange of views and hope that you found it worthwhile as well.

As the President said toward the end of the meeting, it is important for the United States to take a position into the international negotiations that is shared and supported, to the greatest extent possible, by the private sector. As we work to develop policy aimed at reducing emissions while maintaining a strong economy, your engagement and interest in this issue will be of real importance.

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Todd Stern
Assistant to the President
and Staff Secretary

THE WHITE HOUSE

WASHINGTON

August 5, 1997

Mr. Kenneth L. Lay
Enron Corporation
1400 Smith Street
Houston, Texas 77002

Dear Ken:

I wanted to thank you for participating in the meeting with the President yesterday on climate change. I thought it was a very constructive exchange of views and hope that you found it worthwhile as well.

As the President said toward the end of the meeting, it is important for the United States to take a position into the international negotiations that is shared and supported, to the greatest extent possible, by the private sector. As we work to develop policy aimed at reducing emissions while maintaining a strong economy, your engagement and interest in this issue will be of real importance.

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Todd Stern
Assistant to the President
and Staff Secretary

THE WHITE HOUSE

WASHINGTON

August 5, 1997

Mr. Paul H. O'Neill
Alcoa
425 Sixth Avenue
Pittsburgh, Pennsylvania 15219-1850

Dear Paul:

I wanted to thank you for participating in the meeting with the President yesterday on climate change. I thought it was a very constructive exchange of views and hope that you found it worthwhile as well.

As the President said toward the end of the meeting, it is important for the United States to take a position into the international negotiations that is shared and supported, to the greatest extent possible, by the private sector. As we work to develop policy aimed at reducing emissions while maintaining a strong economy, your engagement and interest in this issue will be of real importance.

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Todd Stern
Assistant to the President
and Staff Secretary

Events Aug 4

THE WHITE HOUSE

WASHINGTON

August 3, 1997

Meeting with CEOs on Climate Change

DATE: August 4, 1997

LOCATION: Cabinet Room

TIME: 10:15-11:15 a.m.

FROM: Todd Stern and Katie McGinty
DS

I. PURPOSE

To engage in a substantive dialogue on climate change with ten CEOs of major corporations. These are the kind of business leaders whose support you will need for any position we ultimately take into Kyoto.

Objectives for meeting: (1) That the CEOs see you as personally engaged on this issue; (2) that they understand the Administration to be open to their input and ideas, rather than just engaged in an effort to sell pre-cooked policy decisions; (3) that you probe their thinking to get a better sense of what kinds of emissions targets and policies can win their support; and (4) that you get their help in the form of their (a) committing to voluntary actions now, and/or (b) spreading the message that climate change is a real problem that needs to be addressed in a serious and constructive manner.

II. BACKGROUND

This is the first of what we intend to be a series of small, outreach meetings on climate change between you or your senior advisers and business, labor and environmental leaders.

In the past few months, attention to this issue in the business community has risen sharply. In general, heavy industry, oil and coal, transportation, and electric utility interests are opposed to a treaty and concerned that we might adopt a position that would hurt the economy and their businesses. Major lobbying and public relations efforts are apparently planned for this fall.

As attention to this issue has grown, some in the business community have complained about a lack of openness in our decision-making process. Rumors of "secret plans" have circulated. You should reassure the CEOs in this meeting that you, your Cabinet and members of your senior staff will work closely with constructive business leaders to develop an approach to this issue consistent with your belief that environmental protection and economic growth should go hand in hand.

Topics for discussion: We have attached suggested questions to get the dialogue going on each of several topics. Of course, the conversation is likely to be a bit more free form, but we

would recommend proceeding in roughly the following way:

General views. During the pool spray, you will make some opening remarks articulating the principles that guide your approach to climate change. You could start the discussion after the pool leaves by asking Ken Lay of Enron to give an overview of how he sees this issue and our approach to it. You could ask the same question of BP's John Browne.

Voluntary actions. The framework we have endorsed for the international negotiations includes (1) realistic, **binding** targets; (2) flexibility measures; and (3) participation of all countries. Thus you cannot be in a position of accepting or even considering voluntary steps *instead of* binding targets. **Nevertheless, having companies sign on for meaningful voluntary steps now, before any treaty takes effect, could be very important, demonstrating that these companies recognize the climate change problem and understand the need for action.** For example, companies could commit to making an inventory of their emissions and pledging x% reductions, with "early credit" for such actions. Our intelligence indicates that several of the CEOs, including Alcoa's Paul O'Neill and FMC's Robert Burt (head of the BRT's Environmental Task Force) might be willing to commit to such voluntary steps.

Targets and timetables. These CEOs may resist endorsing any specific target and timetable, either because they don't want to go on record accepting any binding limit or because they don't want to box themselves in with specific numbers. Nonetheless, it is worth your trying to get a broad sense of what appears to be potentially acceptable or unacceptable -- e.g., 1990 in 2010, 1990 in 2020, a different baseline than 1990, etc.

International issues. Main ones are the flexibility measures -- international emissions trading and joint implementation and developing country participation. (See Background attachment.)

Domestic implementing policies. These are the domestic means -- such as emissions trading or technology -- for achieving whatever reductions we agree to. Several of the CEOs may want to talk about how technology can help address climate change. Your advisers are currently considering policies to promote development and diffusion of useful technologies. Partnerships with the private sector, similar to the Partnership for a New Generation of Vehicles, are likely to be among the options identified for serious consideration.

III. PARTICIPANTS

Pre-brief Participants:

The Vice President, Secretary Rubin, Secretary Pena, Janet Yellen, Todd Stern, Katie McGinty, Gene Sperling, Dan Tarullo, Jim Steinberg, Jack Gibbons and Maria Echaveste.

Event Participants:

The Vice President, Secretary Rubin, Secretary Pena, Janet Yellen, Todd Stern, Katie McGinty, Gene Sperling, Dan Tarullo, Jim Steinberg, Jack Gibbons, Maria Echaveste and Commerce Department's Chief Economist Lee Price, filling in for Secretary Daley.

Hank Barnett (Bethlehem Steel)

John Browne (British Petroleum)

Michael Bonsignore (Honeywell)

Fred Buckman (PacifiCorp)

Robert Burt (FMC Corp; Chairman of Environmental Task Force for Business Roundtable)

Pete Correll (Georgia-Pacific)

Bob Denham (Salomon Brothers)

Linn Draper (American Electric Power)

Ken Lay (Enron)

Paul O'Neill (Alcoa)

IV. PRESS PLAN

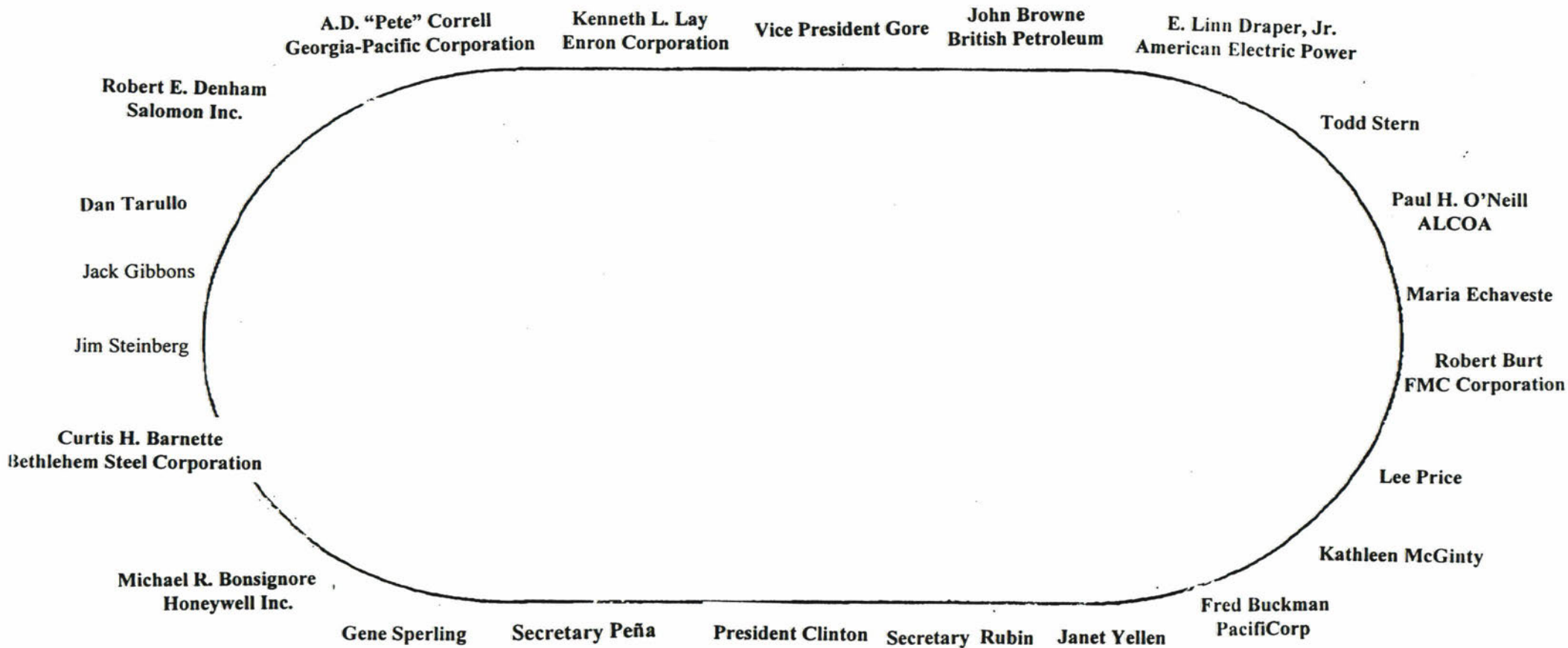
Pool spray at top of meeting.

V. SEQUENCE OF EVENTS

- You and the Vice President enter Cabinet Room.
- You make remarks to pool.
- Pool departs.
- You lead a discussion.
- You and the Vice President depart.

VI. REMARKS

Attached.



CEO CLIMATE CHANGE SEATING CHART

Discussion Points for Climate Change CEO Meeting (Revised)

Welcome

- Thank you all for coming, particularly on short notice. **[Mr. President: you should recognize the Vice President, who may want to say a few words. Also, if you recognize Secretaries Rubin and Pena (who are *not* expecting a speaking role), you should note that Sec. Daley wanted to be here, but had a commitment to be in Canada.]**

General Views [Recommend asking Ken Lay/Enron and/or John Browne/BP]

- You've just heard a little about the principles that guide my approach to this issue. But I'm most interested in hearing from you. Ken, how do you see this issue right now and what do you think about our general approach?

Voluntary Steps [Start with Paul O'Neill/Alcoa.]

- Paul -- are there any steps that Alcoa might be willing to undertake soon?

We understand that O'Neill is prepared to have Alcoa inventory its greenhouse gas emissions and develop a plan to reduce those emissions voluntarily. We understand that Burt may be open to this as well.

- **[If O'Neill makes such a commitment, you can ask Burt:]** Bob -- do you think BRT member companies would be willing to make a similar commitment?
- **[You should see if others are willing to make voluntary action commitments and when they could report back or announce their plans.]**

Binding targets and timetables

- In the international negotiations, we have endorsed a framework of binding emission targets, flexibility, and the participation of *all* countries. On targets and timetables, the Europeans support a 10-15% cut from 1990 emissions levels by 2010, which we think is unrealistic. I know some of you might prefer no binding targets, but recognizing that we *will* support some target, I'd like to hear what you all consider to be realistic. **[If no one picking this up, you can turn to Linn Draper/American Electric Power.]**

International Flexibility

- Many analysts believe that flexibility measures such as international emissions trading and joint implementation offer the potential for significant cost savings. I know that a number of you are already engaged in joint implementation projects. How important is it to you for a treaty to include such measures? **[If no one is picking this up, you can turn to Browne, Draper, or Michael Bonsignore/Honeywell]**

Developing Country Participation

- The role of developing countries may be the most difficult issue in the current round of negotiations. Developed countries are responsible for more than 75% of the increase in greenhouse gases since the beginning of the Industrial Revolution, but developing country emissions are rising rapidly and will catch up to developed country emissions in the next 40 years or so. The US has insisted that developing countries be part of the solution, and the US Senate has recently spoken clearly on this issue (the Byrd Resolution).

What commitments do you think developing countries should be required to make? **[If no one is picking this up, you can turn to Pete Corell/Georgia Pacific]**

- How concerned are you that if developing countries do not have obligations, companies would relocate from the United States to the developing world?

Domestic Policy -- Technology

- Technology obviously will have an important role to play, and I believe we must work in partnership with business to develop these technologies. How do you think the Federal government can (1) best spur your investments in R&D and (2) best leverage its investment in clean energy technologies? **[You can turn to Bonsignore]**

Where do you see the most promise for developing clean energy options?

Bonsignore will likely urge us to pay attention to deploying current technologies. Ken Lay and John Browne may emphasize renewable energy. Brown and Draper may suggest a "Manhattan Project" initiative aimed at breakthroughs in key technologies.

Domestic Policy -- Domestic Emissions Trading

- Some of you are very familiar with emissions trading programs. We've had such a program in place for utilities for several years, to deal with the problem of acid rain. What do you think about emissions trading? **[Fred Buckman/PacifiCorp; Bob Denham/Saloman; Draper/AEP can all be asked about this.]**

Buckman will likely speak favorably about emissions trading, citing experience under the acid rain program. Draper also has experience with this program. Denham may wish to comment from a financial market perspective.

Conclusion -- Asking for their help

- I appreciate you all coming here for this discussion. I look forward to working with you as we go forward. I hope you can help us by moving forward on voluntary actions right away and by going out and speaking -- whether publicly or privately -- in support of constructive, market-based action. We *can* deal with this problem the right way, without hurting the economy, and I hope you can help us do it.

Discussion Points for Climate Change CEO Meeting

Welcome

- Thank you all for coming, particularly on short notice. **[Mr. President: you should recognize the Vice President, who may want to say a few words. Also, if you recognize Secretaries Rubin and Pena (who are *not* expecting a speaking role), you should note that Sec. Daley wanted to be here, but had a commitment to be in Canada.]**

General Views [Recommend asking Ken Lay/Enron and/or John Browne/BP]

- You've just heard a little about the principles that guide my approach to this issue. But I'm most interested in hearing from you. Ken, how do you see this issue right now and what do you think about our general approach?

Voluntary Steps [Start with Paul O'Neill/Alcoa.]

- Paul -- are there any steps that Alcoa might be willing to undertake soon?

We understand that O'Neill is prepared to have Alcoa inventory its greenhouse gas emissions and develop a plan to reduce those emissions voluntarily. We understand that Burt may be open to this as well.

- **[If O'Neill makes such a commitment, you can ask Burt:]** Bob -- do you think BRT member companies would be willing to make a similar commitment?
- **[You should see if others are willing to make voluntary action commitments and when they could report back or announce their plans.]**

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International Flexibility

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Developing Country Participation

- The role of developing countries may be the most difficult issue in the current round of negotiations. Developed countries are responsible for more than 75% of the increase in greenhouse gases since the beginning of the Industrial Revolution, but developing country emissions are rising rapidly and will catch up to developed country emissions in the next 40 years or so. The US has insisted that developing countries be part of the solution, and the US Senate has recently spoken clearly on this issue (the Byrd Resolution).

What commitments do you think developing countries should be required to make? **[If no one is picking this up, you can turn to Pete Corell/Georgia Pacific]**

- How concerned are you that if developing countries do not have obligations, companies would relocate from the United States to the developing world?

Domestic Policy -- Technology

- Technology obviously will have an important role to play, and I believe we must work in partnership with business to develop these technologies. How do you think the Federal government can (1) best spur your investments in R&D and (2) best leverage its investment in clean energy technologies? **[You can turn to Bonsignore]**

Where do you see the most promise for developing clean energy options?

Bonsignore will likely urge us to pay attention to deploying current technologies. Ken Lay and John Browne may emphasize renewable energy. Brown and Draper may suggest a "Manhattan Project" initiative aimed at breakthroughs in key technologies.

Domestic Policy -- Domestic Emissions Trading

- Some of you are very familiar with emissions trading programs. We've had such a program in place for utilities for several years, to deal with the problem of acid rain. In order to address global warming, we might well need a much bigger program. What do you think about emissions trading? **[Fred Buckman/PacifiCorp; Bob Denham/Saloman; Draper/AEP can all be asked about this.]**

Buckman will likely speak favorably about emissions trading, citing experience under the acid rain program. Draper also has experience with this program. Denham may wish to comment from a financial market perspective.

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Background on Issues

INTERNATIONAL NEGOTIATIONS

The Framework Convention on Climate Change was signed at the Rio "Earth Summit" in 1992. The current round of negotiations is scheduled to conclude in Kyoto this December. To date, the United States has advanced a three-part framework for the negotiations. We have argued for (1) binding emissions targets, (2) flexibility in achieving those targets (for example, through emissions trading among developed nations and "joint implementation" with developing nations), and (3) the participation of all countries. We have not yet proposed any specific targets or timetables. A relatively low-level negotiating session has been going on this week in Bonn and will continue next week.

Targets and Timetables

The European Union has proposed that developed nations cut back emissions 10-15% from 1990 levels by 2010. We have stated publicly that we believe this proposal is unrealistic. Other nations, including Australia, Japan and Canada, have expressed concerns about moving too far too fast, but have not put forward any specific targets. Several countries (including Australia, Japan and Norway) have supported "differentiated" targets, under which different developed countries would take on different obligations. The United States has opposed these proposals as unworkable.

Flexibility

The term "flexibility" has been used to refer to international emissions trading, joint implementation, banking and borrowing (applying extra emissions reductions from one period in another period) and multi-year targets (setting emissions targets for periods of two or more years, such as 2010-2020). Such policies can substantially reduce costs of compliance.

Our proposal for emissions trading among all developed countries has met with only limited support. However, the EU has proposed that its members be allowed to trade emissions among themselves (the "EU bubble"). We have insisted that all countries that all developed countries be allowed to trade emissions.

Closely related to international emissions trading is "joint implementation." In a typical case, a company in the developed world would invest in a renewable energy, energy efficiency or forestry project in a developing nation. Emissions avoided as a result of this investment could be applied to that company's obligations at home. Since emissions reductions are typically much cheaper in the developing world than they are in the developed world, significant efficiencies could result. Developing countries would gain benefits in the form of technology transfer and private sector

investment flows as well.

In spite of the potential benefits, most developed countries remain opposed to joint implementation (although support has grown significantly in Latin America). Many of these countries see joint implementation as a way for developed countries to avoid taking responsibility for reducing greenhouse gas emissions. In addition, some environmentalists are concerned that measuring project-based emissions reductions will be too difficult, and some in Congress are concerned that joint implementation will result in significant transfers of wealth overseas.

The U.S. business community has strongly supported joint implementation. Utilities have been among the most active participants in pilot projects to explore the feasibility of joint implementation.

Developing Country Commitments

This is the most difficult issue in the current round of negotiations. There is a vast gulf between the dialogue abroad (where the U.S. proposals for developing country participation are almost uniformly considered too aggressive) and at home (where Senator Byrd's resolution, calling for commitments beyond the U.S. proposal or the 1995 Berlin Mandate under which this treaty is being negotiated, passed the Senate recently 95-0).

Developed countries are responsible for more than 75% of the increase in greenhouse gas concentrations since the beginning of the Industrial Revolution. In the decades ahead, however, emissions from developing countries are expected to grow sharply. By 2035, developing country emissions are expected to exceed those from the developing world.

Per capita emissions vary widely. Carbon emissions from the United States are roughly 5 tons per person; from the OECD as a whole, roughly 3.5 tons per person; and from developing countries as a whole, roughly 0.5 tons per person.

The 1992 climate treaty established differentiated levels of commitments for developed and developing countries. It called upon developed countries to take the lead in addressing climate change and to aim to return emissions to 1990 levels by the year 2000. It called upon developing countries to adopt policies and measures to address climate change, but provided no aim for developing countries similar to the year 2000 goal. These differentiated commitments were intended to recognize both the unequal contribution of developed and developing countries to global greenhouse gas concentrations and the unequal capacity of those countries to control emissions.

In 1995, in Berlin, the Parties to the climate treaty agreed to negotiate further steps for controlling greenhouse gas emissions. The negotiating mandate calls on developed countries to set quantified emissions limits for the "medium term (e.g. 2005, 2010 and 2020)." In Berlin, the United States argued strongly that developing countries must participate meaningfully in negotiations over next

steps. There was little support for the U.S. position on this point, with many Parties noting the failure of most developed countries to take significant steps toward meeting the year 2000 goal. The Berlin Mandate states that there will be "no new commitments" for developing countries in the current round of negotiation, but that developing countries will be required to "advance the implementation of" their existing (non-binding) commitments.

In January, 1997, the U.S. submitted a draft protocol proposal. Provisions on developing countries included three elements, the most important of which is the "evolution" concept, which would require developing countries to enter into an agreement by 2005 to adopt legally binding emissions targets and would include a "graduation mechanism" under which developing countries would automatically incur obligations as their living standards increase.

DOMESTIC POLICIES

Your Cabinet and staff are currently in the process of shaping domestic policies options to address greenhouse gas emissions. Among the options receiving close attention are domestic emissions trading and technology programs.

Domestic Emissions Trading Programs

Under emissions trading programs (sometimes referred to as "cap and trade"), companies would be allowed to buy and sell the right to emit greenhouse gases. The US has had more experience with emissions trading than any other country. Examples include the Clean Air Act's acid rain program, under which utilities are allocated permits based on historical emissions of sulphur dioxide. Permits may be traded. Compliance costs under this program have been much less than expected, due to unforeseen factors. (Prior to passage, industry estimated compliance costs would be over \$1,000/ton. Government studies estimated costs would be around \$600/ton. Currently, allowances are trading on the Chicago Board of trade for around \$100/ton).

Among the issues to be addressed in designing a domestic emissions trading program:

- Where the constraint is imposed. A "primary fuel" trading program would limit the production or import of fossil fuels. A "sectoral" trading program would limit emissions from one or more key sectors (e.g., utilities, transport or heavy manufacturing).
- How permits are distributed. For example, permits could be parceled out to emitters based on historical emissions, auctioned, or some combination of the two. If auctioned, substantial revenues would be raised which, for example, could be recycled through a consumer and/or business tax cut, or used for transitional or technology programs).

An emissions trading program for greenhouse gases could potentially be bigger in scope (by an order of magnitude) than any existing emissions trading program. We are currently exploring

feasibility and implications.

Technology Programs

The cost of reducing greenhouse gas emissions between now and 2020 depends greatly on the ability to accelerate use of existing energy-efficient technologies. Over the longer-term, the solution to the climate change problem depends on developing and deploying new technologies that are even more efficient or are based on non-carbon energy sources.

A range of government programs might help accelerate technological change. Research and development programs generally aim to improve technologies by lowering production and operating costs. Large opportunities for cost-lowering research and development exist in buildings, transportation, combustion, renewables and sequestration (e.g., fuel cells, advanced industrial turbines, advanced diesel engines, and transportation biofuels). In addition, information dissemination programs assist businesses and consumers in identifying opportunities to reduce the energy intensity of their products or services (e.g., using more energy efficient light bulbs, insulation, appliances, etc.).

You have strongly supported technology programs with significant climate change benefits. Examples include:

Partnership for a New Generation Vehicle (PNGV)

The PNGV program joins the big three U.S. auto makers, federal agencies and many suppliers of materials and equipment in an effort to develop a more efficient car. The program's goal is to triple the fuel efficiency of passenger cars with no decrease in comfort or safety.

The Climate Change Action Plan (CCAP)

CCAP began in 1993 with a goal of returning total US greenhouse gas emissions to their 1990 levels by the year 2000. The plan includes about 50 initiatives covering all major greenhouse gas producing sectors of the US economy, including Energy Demand, Energy Supply, and Forestry. CCAP programs have reduced the rate of emissions growth, but not enough to achieve the programs goals. CCAP is a voluntary program that relies on partnerships and cooperation with industry and includes both government and private sector investment in new low-emissions, high-efficiency technologies. Agency participants include DOE, EPA, and USDA.

Biomass Energy Initiative

DOE and USDA are working with companies to demonstrate power projects for rural development and to improve technologies for converting crops to liquid and gaseous fuels. Pilot projects are running in New York, Minnesota and Iowa.

Million Solar Roofs Initiative

In your recent UN speech, you announced that DOE will lead an effort to place one million solar energy systems on the roofs of buildings and homes across the US by the year 2010. This will be accomplished by using existing federal grants, procurement, and other programs, and by working with local communities, businesses, state governments, utilities, and other groups to spur the sales of solar energy systems. In 2010, this initiative will avert emissions of carbon dioxide equivalent to those produced by 850,000 cars and will produce the same electrical generating capacity as 3-5 coal-fired power plants.

PCAST Energy R&D Panel

In response to your request, the President's Council of Advisors on Science and Technology is conducting a comprehensive and strategic review of U.S. energy R&D policies and practices "to ensure the United States has a program that addresses its energy and environmental needs for the next century". The group is examining energy efficiency, fossil, nuclear (fission and fusion), and renewable energy programs and budgets across the Federal government. Their assessment, including recommended actions, is expected by October.

Partnership for Advancing Technologies in Housing (PATH)

Our planned PATH initiative will have HUD, DOE, and NIST working with building suppliers, assemblers, insurance companies, and state and local regulators in an effort improve the quality of housing and meet ambitious environmental goals without increasing prices. Buildings are responsible for about a third of US greenhouse gas emissions (this total is rising) and 2/3 of US electricity consumption.

DOE's Industries of the Future Program

This is an industry/government partnership with the seven most energy-intensive U.S. industries, including chemicals, paper and pulp, steel, aluminum and petroleum. The program has reached technology agreements with each industry that focus the R&D expertise of our national labs on cutting energy use and pollution in each industry.

CEO Meeting on Climate Change -- Company Profiles

Hank Barnett, Bethlehem Steel.

Bethlehem Steel is headquartered in Bethlehem, PA, with major plants in MD, IN, PA, upstate NY, and MS, and a coal mine in West Virginia. In 1996 revenues were about \$4.7 billion. Since 1978 they have reduced their energy use by 40% and have recently restructured. Barnett is the Chair this year of the American Iron and Steel Institute. He is also a member of the President's Trade and Advisory Committee, having been appointed both by President Bush and by President Clinton. On climate change, he is concerned about developing countries and interested in flexibility measures. He is probably not supportive of any binding emissions cap, but may support voluntary activities.

John Browne, British Petroleum

With major production in Alaska and the Gulf of Mexico, BP America, based in Cleveland, is the largest crude oil producer in the United States. The British parent, with holdings in 70 countries and assets of \$67 billion, is the 20th largest company in the world. It has begun to diversify its energy portfolio into the solar power business (investing more than \$100 million to date) -- including manufacture of photovoltaic panels in California. In May, Browne unveiled BP's new approach to climate change in an influential speech at Stanford University in May. After concluding that the science of climate change could not be ignored, Browne launched an action plan closely aligned with the U.S. policy framework. This plan emerged from a year-long internal evaluation of climate science and policy options.

Michael Bonsignore, Honeywell

One of the world leaders in energy efficiency equipment, Minneapolis-based Honeywell manufactures everything from residential thermostats to power plant controls, oil exploration and refining equipment and automobile components. Honeywell participates in the Green Lights and Energy Star voluntary programs at EPA. It is active in 95 countries on six continents and had 1996 sales of \$7.3 billion. Climate change mitigation -- as it drives greater energy efficiency -- opens new business opportunities for Honeywell. While it is poised to grow its business with climate policy, it is careful in the political debate to avoid offending its major customers in the automobile, oil and utility industries.

Fred Buckman, PacifiCorp

PacifiCorp is a major energy holding company based in Portland, OR, with electric utility or coal mining operations in seven western states and several foreign countries. Having electric generation capacity that is 80% coal, PacifiCorp is the largest single CO₂ emitter west of the Mississippi River. Recently, it announced plans to purchase UK-based Energy Group, with holdings that include St. Louis-based Peabody Coal, the largest coal mining firm in the free world, second only to China's national coal company. Even with its strong coal base, PacifiCorp committed itself to voluntary reductions in DOE's Climate Challenge program and intends to be constructive on climate change, believing that in a deregulated future where customers can choose an electricity provider, it must demonstrate environmental excellence. PacifiCorp supports emissions trading -- given its positive

experience on acid rain -- and is already engaged in greenhouse gas emissions trading under an Oregon state law. PacifiCorp is a partner in a joint implementation pilot project in Bolivia, as mentioned above, and is convinced of the viability of this policy approach for climate mitigation.

Robert Burt, FMC Corp.

Based in Chicago, FMC is a diversified supplier of chemical products, agricultural chemicals, precious metals, defense systems, automobile components, food machinery, petroleum equipment and specialized machinery, with annual sales of over \$3 billion. Burt chairs the Business Roundtable's Environment Committee and climate change initiative. Burt is unconvinced that we need targets and timetables and has generally been skeptical thus far on climate change.

Pete Correll, Georgia-Pacific

Georgia-Pacific, headquartered in Atlanta, is one of the nation's biggest paper and pulp companies, with around \$13 billion in annual revenues. On climate change, Correll is concerned about the impact of climate change policy on its international competitiveness, but is interested in working constructively on a reasonable outcome. Georgia-Pacific has certain opportunities it could take advantage of with regard to reducing emissions, such as forest sequestration and producing energy from biomass waste or crops.

Bob Denham, Salomon Brothers

In 1996, Salomon Brothers of New York increased its revenues by a third to almost \$4 billion. Salomon is actively working to develop financing packages for numerous independent power projects in developing countries. Until recently, Salomon was the owner of the fourth largest independent oil refiner in the United States. Denham just returned from a trip to Asia, where he gained some insights into how the climate issue is perceived there. Denham is very knowledgeable about oil issues as the largest oil trading firm in the world (larger than Exxon) and knows a lot about trading generally, but is not an expert on global warming.

Linn Draper, American Electric Power

Based in Columbus, Ohio, American Electric Power is the one of the nation's largest electric utilities, with facilities and some seven million customers in seven states. AEP's electricity generation resources are 85% coal. Having significant experience in emissions trading of sulphur dioxide, AEP consistently advocates market-based approaches to environmental controls. CEO Linn Draper has shifted the company toward a more positive approach to the environment. On climate change, Draper has been an industry leader. He helped convince others in his industry to enter voluntary commitments in the Energy Department's "Climate Challenge" program, which now has more than 600 companies actively reducing emissions. To demonstrate that international flexibility can work, AEP teamed with the Nature Conservancy and the government of Bolivia in a joint implementation project to protect and enhance an endangered rain forest. Recently, both BP and PacifiCorp joined as partners in this venture.

Ken Lay, Enron

Based in Houston, Enron is a diversified energy company -- with holdings that include one of the world's largest natural gas pipeline (36,000 miles), a wholesale electricity brokerage, an emissions trading brokerage -- and revenues of over \$13 billion. Several recent acquisitions include Portland General Electric Utility in Oregon, Zond Windpower (the largest wind turbine manufacturer) in CA and a joint venture with Amoco in manufacturing photovoltaic panels in Virginia. Internationally, Enron is an independent power producer with projects under development in several countries. Enron's orientation to climate change is to embrace it as a new business opportunity -- for gas, solar, wind and emissions offsets/credits. It advocates free market approaches, such as emissions trading. Enron is a strong supporter of joint implementation, though it has not invested in any pilot projects, because credits are not allowed in the pilot phase.

Paul O'Neill, Alcoa

Headquartered in Pittsburgh, Alcoa is one of the world's leading producer of aluminum and alumina and has sales of \$13.1 billion. Alcoa has been an active participant in two of EPA's voluntary programs: Green Lights (energy efficient lighting) and the Voluntary Aluminum Partnership (reducing chemical emissions from the smelting process). Alcoa has experience in the acid rain emissions trading program -- it opted in as a large industry generator. O'Neill does not want to be an obstructionist on climate change and views the business-as-usual approach of some in industry as unhelpful. He may be somewhat skeptical on aspects of the science. Alcoa is also concerned about potential effects on competitiveness if developing countries are not required to assume any obligations. O'Neill hopes this meeting is the beginning of a process where they can work with us to help shape policy on climate change.

THE PRESIDENT HAS SEEN
8-4-97

A.D. "Pete" Correll
Georgia-Pacific Corporation

"KEN"
Kenneth L. Lay
Enron Corporation

Vice President Gore

John Browne
British Petroleum

E. Linn Draper, Jr.
American Electric Power

"BOB"
Robert E. Denham
Salomon Inc.

Todd Stern

Dan Tarullo

Paul H. O'Neill
ALCOA

Jack Gibbons

Maria Echaveste

RAINES
H. J. RAINES

"BOB"
Robert Burt
FMC Corporation
(BRT TASK FORCE)

"HANK"
Curtis H. Barnette
Pittsburgh Steel Corporation

Lee Price

Mike
Michael R. Bonsignore
Honeywell Inc.

LEON FUERTH

Gene Sperling

Secretary Peña

President Clinton

Secretary Rubin

Janet Yellen

Fred Buckman
PacifiCorp

BOWLES

CEO CLIMATE CHANGE SEATING CHART

Pool Spray Q&A on Climate Change
(8/3/97)

Q: What issues will you be discussing today?

A: We will discuss a number of issues relating both to the international negotiations and to domestic policies for reducing greenhouse gas emissions.

Q: Are you going to talk about energy taxes or other means of raising energy prices?

A: I expect that we will talk about market-based policies that can help us reduce emissions while continuing our robust economic growth. It has always been my belief that we can make environmental protection work for us economically if we do it right and we do it smart.

Q: Will you take energy taxes off the table now?

A: It has never been my practice to make pledges of this kind and I'm not going to start now. But I would remind you that I have just spent the last many months fighting for a tax *cut* and working with the Congress to get a tax cut passed. I expect that we will talk about market-based policies that can help us reduce emissions while continuing our robust economic growth.

Q: Taking serious action to reduce the emission of greenhouse gases inevitably means driving up the price of fossil fuels such as coal and oil. Don't you think that would hurt the economy? And -- remembering what happened to your proposed Btu tax in 1993 -- don't you think policies that would, in effect, impose a "carbon tax" would be dead on arrival in Congress?

A: We have not yet decided on specific targets or timetables or the policies to achieve such targets. As I have said, I am not going to endorse policies that will disrupt our economy. Whatever measures we ultimately decide upon will of course have to be supported by the American people and the Congress.

Q: The European Community's proposal would cause huge disruption to our economy and send jobs overseas. You're not going to support anything that threatens our economy, are you?

A: The watchwords of my entire Administration have been economic growth and job creation and I am not going to endorse climate change policies that will disrupt our economy. The policy we develop on climate change will include a commitment to realistic, binding limits on greenhouse gas emissions; will emphasize flexible, market-based solutions to the maximum extent possible; and will be fully consistent with maintaining our vigorous economic growth. It is our responsibility to take appropriate action now that will both preserve economic growth and protect our children and grandchildren.

Q: The Byrd Amendment says we should not sign any treaty in Kyoto that doesn't require developing countries to take on binding obligations too. Don't you agree that it would be foolish for the industrial world to accept tough, binding obligations on greenhouse gases while letting countries like China off scott free?

A: I share the sentiment underlying the Byrd resolution that all nations - - whether developed or developing - - need to be part of a common solution to global climate change. Our negotiators will continue working hard to bring back an agreement that the American people and the U.S. Congress will overwhelmingly support.

Q: What is your policy on climate change?

A: We have not yet endorsed any specific target or timetable. What I can say is that we are committed to realistic, binding limits on greenhouse gas emissions; that we will emphasize flexible, market-based solutions to the maximum extent possible; and that the actions we take will be fully consistent with maintaining our vigorous economic growth. It is our responsibility to take appropriate action now that will both preserve economic growth and protect our children and grandchildren.

Q: I understand that there isn't even scientific agreement that global warming is happening. Shouldn't we wait for more research before we saddle ourselves with burdensome obligations that are going to hurt our economy and damage our competitive position?

A: The science on this issue is compelling. While no science is ever *certain*, this science tells us that appropriate action is called for now. Unless we change our business-as-usual path, serious consequences are in store for us and our children. And strong evidence suggests human activity has *already* started to change the climate. So the message to political and business leaders in this country is to get together and work out a sensible plan for reducing our greenhouse gas emissions.

Q: Are you going to be having more meetings like this one as part of your effort on climate change?

A: We are engaged in an intensive policy process to develop the position we will take into the Kyoto negotiations, and as part of that process we are reaching out to interested, knowledgeable parties to get their views and their best ideas. We will continue doing that and the Vice President and I, members of the Cabinet and other senior Administration persons will participate in those meetings.

Additional Q&A on Climate Change
(8/3/97)

Q: I agree that climate change is a problem that needs to be addressed. My concern is that I think American business should have an opportunity to do this in a voluntary way that will not disrupt the economy, throw people out of work, or transfer factories and capital to China and India. Why can't we start on a voluntary basis?

A: I think voluntary action is important, I encourage it, and I think early credit should be given for it. At the same time, the non-binding treaty that was agreed to in Rio in 1992 has not reduced emissions enough, so it is clearly time to move to the next level, with binding commitments.

Q: While many scientists think that enough is known to act now, other scientist say that too much is still uncertain. Shouldn't more research be done before we undertake costly measures?

A: The overwhelming majority of scientists agree that we are changing the earth's climate and that if we don't act to curb emissions, carbon dioxide in the atmosphere will reach levels unseen on this planet for millions of years. The potential impacts scientists warned me about at the Roundtable discussion we had recently at the White House include increased droughts and floods and changing patterns of disease. Some think we are already seeing signs of these.

We must start to change the emissions paths we are on now for 3 reasons: (1) the longer we continue on "business as usual" before deciding to reduce emissions, the more severe and expensive later reductions will have to be; starting the process will spur new technologies that we will need to address this problem; and (3) slowing the rate of climate change will make it more likely human and ecological systems can adapt to that change;

Q: How can humans have such a big effect when natural sources account for 97% of the carbon emissions in a year? (Chrysler CEO Eaton raised this question in a recent Wash. Post editorial.)

A: Humans add about 7 billion tons of carbon to the atmosphere each year-- faster than oceans and trees can absorb them. This is why the concentrations of such gases are rising. **The Earth's carbon budget is out of balance**, and getting more so each year as we continue to add CO₂ to the atmosphere.

Q: How can any projections of impacts be accurate when climate models don't give an accurate picture of regional changes?

A: Although detailed predictions of what might happen in specific regions of the world are not yet possible, plausible estimates of possible changes are starting to emerge. Climate change is already contributing to more rainfall in intense downpours and warmer temperatures, and affecting water resources, agriculture, low-lying coastal regions, natural ecosystems, the potential range of disease-carrying insects, and many other sectors of the environment and society. We can extrapolate these effects into the future, even though we cannot yet accurately simulate future climates on a regional-scale.

Q: Isn't it true that most of the scientists who signed the "scientists letter" aren't climate specialists? What makes them qualified to speak out on this subject?

A: A wide variety of researchers signed the Scientists Statement on Global Climate Disruption (dated June 18, 1997). Many of them are climate researchers; all of them are individuals trained in the evaluation of evidence and theory, and their opinion should not be taken lightly. The highly inter-disciplinary nature of climate change means that "climate specialists" include people trained in biology, ecology, physics, sociology, chemistry, geology, economics, geography, oceanography, meteorology, medicine, political science, and other disciplines, as well as climatology.

8/4/97

Todo Stein

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clinical meeting w/ CEOs

for him

Boz

THE WHITE HOUSE
WASHINGTON

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- ⑨ Magee → Appreciation School
- ⑩ Proton → Time for
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Sat. Am - 8/2/97

Home phone:

544-5891

NOTE FOR TODD STERN & DAVID SANDALOW

FROM: Dirk Forrister *DF*
SUBJECT: CEO Meeting - Recommendations on Conclusion

I looked again this morning at David's working draft from late yesterday - although I know there is a newer version that I have not seen. On the one I reviewed, it was not clear what we might suggest as a close. As I've said before, I think if the President asks for their help, they will accept. (You know this is the Washington lobbyists' greatest fear... that the President asks for help, and no good corporate citizen wants to say no.) I think most expect it. And it will be a huge missed opportunity if he does not.

He could request their help in these ways:

As he tries to lead the international community toward a reasonable policy outcome in Kyoto, he needs business support for the market-based framework we've laid out. Could they help by supporting in word and deed. ("I will stand firm for flexibility - but I need you backing me up in the debate...")

1. Ask them to support our market based policy approach in the public debate - if they want us to bring home elements of the framework, make it loud and clear. Speeches. Op Eds. Testimony. And most importantly, conversations with their colleagues in industry. (A little of the BRT speech lift here - "You and I know that we are a nation that meets challenges and turns them to opportunities - we don't ignore problems, deny they exist or hide in a corner. We need to join our efforts to lead the world to a reasonable solution.")
2. Ask them to help prove the U.S. approach will work by demonstrating to the world that U.S. industry will deliver real reductions, given a framework to do so - and that industries' actions are proving it more and more. They could show their commitment by:
 - developing inventories of greenhouse gas emissions (utilities do this already under a CO2 monitoring requirement, but most of the others probably have not done it)
 - developing inventories of possible actions to reduce emissions cost effectively,
 - and taking "win-win" actions showing that the policy approach can work. (More projects to improve emissions in their plants, more joint implementation pilots, etc.)

Again, my intelligence says that they will rise to the challenge. BP is already gearing up. Draper would lead a utility effort to put an aggressive action plan on the table at the fall conference - and Buckman is already moving his company in this direction. O'Neill, Corell and Burt sound like they would, too.

Maybe we should consider a mechanism to report back to the President on how they've can respond. (Through Todd? Fall conference? Both?)

A FINAL ASIDE:

I also want to reinforce my point from yesterday - I still think we need to give the CEO's a chance - after the President does his introductory remarks - to express their introductory thoughts about their principles in approaching this problem. (I agree this would have to be kept tight so that the bulk of the discussion in a true policy dialogue.) But we need to provide a channel for them to talk "macro" before leading with our chin into the targets/timetables discussion.

As it was constructed last night, I'm afraid they will say, "Whoa, now. Before we get into the details, we need to tell you a little more broadly about what's going on in industry on this issue..." Maybe this is in the "he'll handle it" category - you to know far better than I what needs to be on his paper. But given what I know about where the CEO's are coming from, I don't want you to be surprised if they balk at our detailed agenda and ask for a chance to get some things off their chests before talking policy.

I. GROUP OVERVIEW

The climate issue presents industry with challenges and opportunities. U.S. greenhouse gases are projected to grow roughly 25% above 1990 levels by the year 2010. Emissions are measured in three major sectors: roughly 33% in Transportation, 33% in Industry and 33% in Utilities -- all of which are growing. Today's group of Chief Executive Officers spans each of these sectors that face emissions challenges as well as the industries that bring potential solutions. Several of the firms represent the "constructive middle" of industry on the climate issue, and others are more closely allied with the "cautious right".

In transportation, gasoline use is the major contributor to the climate problem, and **BP America** is well positioned to speak from that perspective. (In a few weeks, you will meet separately with the "Big Three" CEO's, so the automobile perspective will be covered then.) In utilities, the primary concern is with coal fired generation, and **American Electric Power** and **PacifiCorp** represent two of the nation's largest coal burning utilities, bringing regional perspectives from the Industrial Midwest and the Pacific Northwest. From the industrial sector, 80% of the energy is consumed by seven energy-intensive areas: aluminum, steel, chemicals, pulp and paper, refining, glass and metal casting. Today's group includes leaders in five of the seven: **Alcoa**, **Bethlehem Steel**, **FMC** (chemicals), **Georgia-Pacific** and **BP America**. Several of these firms also emit other greenhouse gases, such as methane, nitrous oxides or some of the new CFC substitutes (HFCs, HCFCs and PFCs).

Improvements in carbon emissions generally come from energy efficiency improvements, fuel switching to lower carbon fuels (renewables, natural gas, nuclear) or offsetting emissions with forest "sinks," or other innovative methods of sequestering gases. **Honeywell** is a leader in energy efficiency equipment, **Enron** is a leading natural gas and renewables provider, and **BP America** is a major photovoltaic manufacturer. Financing technology deployment world-wide is the key to success in bringing technological solutions into the market-place, and **Salomon Brothers** brings both domestic and international financial perspective to the discussion.

II. COMPANY PROFILES AND PERSPECTIVES

1. John Browne, CEO, BP

With strong crude oil production in Alaska and offshore in the Gulf of Mexico, **BP America**, based in Cleveland, OH, is now the largest crude oil producer in the United States. The British parent, with holdings in 70 countries and assets of \$67 billion, is the 20th largest company in the world. It has begun to diversify its energy portfolio into the solar power business (investing more than \$100 million to date) -- including manufacture of photovoltaic panels in California.

BP worldwide is led by John Browne, the visionary CEO who unveiled the company's new approach to climate change in a speech at Stanford University in May. After concluding that the science of climate change could not be ignored, Browne launched an action plan closely aligned with the U.S. policy framework. This plan emerged from a year long internal evaluation of climate science and policy options -- from which **BP** executives found the U.S. approach to be the most sensible, middle-

ground proposal in the international talks, with several elements worthy of support.

2. Linn Draper, CEO, American Electric Power

Based in Columbus, Ohio, American Electric Power is the one of the nation's largest electric utilities, with facilities and almost seven million customers in seven states and 1996 revenues of \$5.8 billion. AEP's electricity generation resources are 85% coal. Having significant experience in emissions trading of sulphur dioxide, AEP consistently advocates market based approaches to environmental controls. CEO Linn Draper reoriented the company's historic negative approach to environment in favor of a more positive approach. Mr. Draper's vision is that, in an increasingly competitive electricity market, customers will prefer companies with good track records on the environment.

On climate change, Draper has been an industry leader. He helped convince industry leaders to enter voluntary commitments in the Energy Department's "Climate Challenge" program, which now has more than 600 companies actively reducing emissions. To demonstrate that international flexibility can work, AEP teamed with the Nature Conservancy and the government of Bolivia in a joint implementation project to protect and enhance an endangered rain forest. [Recently, both BP and PacifiCorp joined as partners in this venture.]

3. Fred Buckman, CEO, PacifiCorp

PacifiCorp is an energy holding company based in Portland, OR, with electric utility or coal mining operations in seven states (OR, UT, WY, WA, CA, MT and ID) and several foreign countries, and it receives annual revenues of \$3.5 billion. Having electric generation capacity that is 80% coal, PacifiCorp is the largest single CO₂ emitter west of the Mississippi River. Recently, it announced plans to purchase UK-based Energy Group, with holdings that include St. Louis-based Peabody Coal, the largest coal mining firm in the free world, second only to China's national coal company.

Even with its strong coal base, PacifiCorp is committed to voluntary reductions in DOE's Climate Challenge program and intends to be constructive on climate change recognizing that in a deregulated future where customers can choose an electricity provider, it must demonstrate environmental excellence-- including on climate change. PacifiCorp supports emissions trading -- given its positive experience on acid rain -- and is already engaged in greenhouse gas emissions trading under the Oregon state law requiring new electricity generation plants to offset emissions growth above a certain level with reductions achieved from a flexible menu of options. PacifiCorp is a partner in a joint implementation pilot project in Bolivia, as mentioned above, and is convinced of the viability of this policy approach for climate mitigation.

4. Ken Lay, CEO, Enron

Houston, TX based Enron is a diversified energy company -- with holdings that include the one of the world's largest natural gas pipeline (36,000 miles), a wholesale electricity brokerage, an emissions trading brokerage -- and revenues of over \$13 billion. Several recent acquisitions include Portland General Electric Utility in Oregon, Zond Windpower (the largest wind turbine manufacturer) in CA and a joint venture with Amoco in manufacturing photovoltaic panels in Virginia. Internationally, Enron is an independent power producer with projects under development in several countries.

Enron's orientation to climate change is to embrace it as a new business opportunity -- for gas, solar, wind and emissions offsets/credits. It advocates free market approaches, such as emissions trading, and even supports early binding targets from an unspecified baseline. A strong supporter of joint implementation, Enron has not invested in any pilot projects, because credits are not allowed in the pilot phase. Still, Enron has a business unit actively exploring options, should the Kyoto Agreement permit crediting after the pilot phase.

5. Paul O'Neill, CEO, Alcoa

Headquartered in Pittsburgh, Alcoa is one of the world's leading producer of aluminum and alumina and has sales of \$13.1 billion. Whether it will be easy to scale-up trading to deal with carbon emissions remains an open question in their view. Alcoa has been an active participant in two of EPA's voluntary programs: Green Lights (energy efficient lighting) and the Voluntary Aluminum Partnership (reducing chemical emissions from the smelting process). Alcoa has experience in the acid rain emissions trading program; they opted in as a large industry generator.

Paul O'Neill does not want to be an obstructionist on this issue and views the "politics as usual approach" of some in industry as being unhelpful. He is interested in working together in looking for ways to sensibly address this issue, such as a focused research effort aimed at resolving uncertainties. They are concerned about competitiveness impacts related to developing country obligations, but don't have a view yet on the details of those obligations. Alcoa hopes this meeting is the beginning of a process where they can work with us to help shape policy on climate change.

6. Robert Burt, CEO, FMC Corp.

Based in Chicago, FMC is a diversified supplier of chemical products, agricultural chemicals, precious metals, defense systems, automobile components, food machinery, petroleum equipment and specialized machinery. With annual sales topping the \$3 billion mark, FMC ranks as a Fortune 150 company. International sales to more than 100 countries account for more than one-third of their total annual revenues.

Robert Burt, CEO of FMC chairs the Business Roundtable's Environment Committee and climate change initiative. The Business Roundtable has said that we need a much more extensive policy dialogue before we make final decisions regarding targets and timetables. Burt is unconvinced that we need targets and timetables at all. Burt has taken moderate approaches on other environmental issues like Superfund and TRI and has been willing to take reasonable positions that draw fire from hard-line colleagues. But on climate change, his frustration about the Administration's failure to share economic analysis with industry has prompted him to into a cautious position.

7. Michael Bonsignore, CEO, Honeywell

One of the world leaders in energy efficiency equipment, Minneapolis-based Honeywell manufactures everything from residential thermostats to power plant controls to oil exploration and refining equipment to automobile components. Its most rapidly expanding markets are in international markets. Honeywell participates in the Green Lights and Energy Star voluntary programs at EPA. The company is active in 95 countries on six continents and had 1996 sales of \$7.3 billion.

Pete Correll -

Wants to raise forest sequestration credit.
positive re US proposal (flexibility)

Hank Barnett's person

positive re US proposal



Climate change mitigation -- as it drives greater energy efficiency -- opens new business opportunities for Honeywell. While it is poised to grow its business with climate policy, it is careful in the political debate to avoid offending its major customers in the automobile, oil and utility industries.

8. Bob Denham, CEO, Salomon Brothers

In 1996, Salomon Brothers of New York increased its revenues by a third to almost \$4 billion. Salomon is consolidating its work to include securities and commodities sales and trading, investment banking, and asset management. Salomon is actively working to develop financing packages for numerous independent power projects in developing countries. Until recently, Salomon was the owner of the fourth largest independent oil refiner in the United States. Denham just returned from a trip to Asia, where he gained some insights into how the climate issue is perceived there. Salomon Brothers is making its mark as a responsible environmental citizen in its own right.

Salomon's major perspective on this issue is how it affects its customers. Salomon is not coming at this issue from an oil industry perspective, but Denham is very knowledgeable about oil issues as the largest oil trading firm in the world (probably just a little bit larger than Exxon). Denham wants to be helpful to the Administration at the meeting, but is not necessarily an expert on global warming.

9. Curtis "Hank" Barnett, CEO, Bethlehem Steel.

Bethlehem Steel is headquartered in Bethlehem, PA, with major plants in MD, IN, PA, upstate NY, and MS, and a coal mine in West Virginia. In 1996, they achieved sales of almost \$4.7 billion. They are the nation's largest producer of plate steel, most of it in the higher value grades required for the more demanding industrial uses. They are also a leading supplier of railroad rails to the rail transportation market and large diameter pipe to the energy market. One of their main economic issues are tremendous health care and pension liabilities. Since 1978 they have reduced their energy use by 40% and have recently restructured. Bethlehem has also endorsed the CERES Principles.

Barnett is the Chair this year of the American Iron and Steel Institute. His number one issue is developing countries because of their steel production. Flexibility is important as well. Regarding targets and timetables, they are concerned about the impact on growth of a carbon cap. In addition, they are likely to push for voluntary programs. Credits for early reduction is very important to them because they have achieved reductions since 1990.

10. A.D. "Pete" Correll, CEO, Georgia-Pacific

Georgia-Pacific, headquartered in Atlanta with \$13 billion in annual revenues, ranks first nationally in the production of structural and other wood panels and second nationally in lumber, owning six million acres of timberland. They own the world's largest building products distribution system. 1996 was a very challenging year for Georgia-Pacific, because of the most dramatic price collapse ever in commodity pulp and paper markets.

On climate change, Georgia-Pacific is positioned with some unique opportunities: forest sequestration and producing energy from biomass waste or crops. They are concerned about potential international competitiveness impacts, if energy prices rise dramatically with climate policy, but are interested in working constructively on a reasonable outcome.

Fred Knapp

① Ken Lay:

was reluctant ^{commit} ~~to~~ for a
target - with
cap & trade system

② Paul O'Neill

concerned if statistics re increase
in streams & hurricanes - need to be
scientific accurate. But believes ^{real} price
& takes market mechanism.

If P asks what ^{vol} will do
voluntary emissions & get back via ^{which} pledge

If P asks what if BRT volly to go
then similar process & get back in 6-8 ^{weeks}
P asked Brent. He said yes

Potential to be a good thing. Having
corp. endorsers say "it's a prob. & we're willing
to do something." Ken Lay & Pete Carroll see
prob. Brent & O'Neill think ^{it} haven't raised
voluntary yet. There is room for att'l volly.
As long as get credit... I want targets but
I want you to start volly & you'll get credit.
Just don't take volly instead of volly.

1-12-1
7

Aug 4

Bethlehem Steel Corporation

1170 EIGHTH AVENUE
BETHLEHEM, PA 18016-7699

CURTIS H. BARNETTE
CHAIRMAN
AND
CHIEF EXECUTIVE OFFICER



August 4, 1997

The Honorable William J. Clinton
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

RECEIVED

Dear Mr. President:

The opportunity to review global climate change and environmental matters with you today was very much appreciated. You requested that we advise you of our views and the following comments are respectfully submitted.

Global Climate

With respect to global climate change, we share your view that this matter deserves serious attention as part of our nation's efforts to advance the principles of sustainable development. However, we believe that the following key principles should guide the development of U.S. policy:

1. Science Must Lead Policy.

Any U.S. policies to limit greenhouse gas emissions must be based on sound and rigorous scientific knowledge. While the scientific data base has improved, considerable uncertainty remains about the mechanism of global warming and the causes. You should have the best and most objective scientific advice to ensure that any actions taken or proposed at Kyoto will consider all uncertainties and not impose severe consequences that may later prove to be unwarranted.

2. A Global Solution is Essential.

Commitments must be obtained from both developed and developing countries to avoid serious economic consequences and dislocations. Developing countries are expected to generate 70% of the world's emissions by 2025. Without their full participation in future international treaties, there is no possibility of stabilizing greenhouse gas emissions worldwide. We note with great concern to

our industry's international competitiveness the fact that four of the top ten steel producing countries in 1996, including China - the world's largest producer, are included in the list of 134 developing nations which are exempt from commitments under the Framework Convention on Climate Change (Berlin Mandate). Trade agreements like GATT and NAFTA are of limited value if an industry is rendered noncompetitive by unfair international environmental agreements.

3. **Maximum Flexibility Must Be Provided and Voluntary Actions Considered in Achieving Any Reduction Goals.**

We simply lack sufficient information at this time to commit the United States to legally binding limits and timetables. Policy flexibility is essential so that government and the private sector can craft individual responses to their own situation, with emphasis on performance-based measures. In this context, voluntary programs should continue to be an important component of U.S. efforts. As your administration's 33/50 Program for the reduction of toxic chemical releases has shown, high visibility voluntary programs championed by the White House can result in meaningful reductions in emissions in short time frames. Emission trading schemes can also help if enforcement and accounting issues can be resolved. The concept of joint implementation should also be promoted.

4. **Energy Taxes and Mandated Energy Reductions Must Be Avoided Because They Distort Markets, Threaten Competition, and Reduce the Availability of Capital for Future Investment.**

One estimate, based on a carbon tax scenario, showed that an energy tax about ten times the BTU tax proposed in 1993 would be needed to achieve a 10% reduction in greenhouse gas emissions from 1990 to 2010. This would mean additional costs of more than \$5 billion per year to our industry, roughly doubling the already high energy cost of producing steel. A more recent Department of Energy analysis of six energy intensive industries - including steel - predicted a massive shift of production and associated jobs from the U.S. to lesser developed nations, with no appreciable effect on greenhouse gas emissions, and worse, a likely net increase in global pollution.

5. **Congressional Involvement and Oversight is Essential for any Amendments to the Rio Treaty or New Protocols.**

In the context of the Byrd/Hagel Resolution (S. Res. 98), we urge you to work closely with Congress to involve a wide range of views in the debate on this matter and to ensure that any agreements reached will not compromise our competitiveness and jeopardize jobs.

National Ambient Air Quality Standards

While our meeting focused on Global Climate Change, it is respectfully submitted that the National Ambient Air Quality Standards for particulate matter and ozone should be reconsidered before going forward with changes in the standards as proposed by EPA. There are three compelling reasons to reexamine this decision:

1. **There is inadequate scientific evidence to support the proposal.**

The EPA's own Clean Air Scientific Advisory Committee concluded there were significant uncertainties and unanswered questions that need to be addressed before new standards are adopted. EPA has announced that it intends to conduct more research and to undertake another scientific review of the data after promulgating the new rules. Surely, the time to conduct such research is before the new rules are promulgated in order to avoid unnecessary capital investment to comply with these standards that may well be based on flawed scientific evidence.

2. **The costs of the proposed standards are extraordinary, and the benefits are undefined.**

Independent studies have shown that EPA's cost estimates are greatly understated, that the proposed standards may not be attainable at any cost and may cost up to 200,000 lost jobs in the United States. The estimated annual cost to the metals industries (both primary and fabricated) is more than \$6 billion.

3. **The current Clean Air Act programs will continue to reduce ozone and particulate matter, and we believe the existing programs must be given a chance to work before new control strategies are implemented.**

Bethlehem Steel has invested more than \$650 million in capital expenditures for air quality controls since the enactment of the Clean Air Act in 1970. We spend more than \$60 million annually to operate and maintain that equipment. We will continue to make further investments in environmental control measures to comply with the requirements of the 1990 Clean Air Act Amendments.

We believe the right course of action to be taken with regard to the new standards is to delay a decision for at least four years. This time period would allow for the required level of research that needs to be conducted. The research would provide a more sound basis for a decision. In the event the research data justifies the need for tighter standards, they could be implemented without any delay to the currently planned schedule of implementing the new standards.

- 4 -

Thank you again for the opportunity to meet with you today. We deeply appreciate your continuing leadership on these and other issues. Please let me know if I can be of further assistance to you or your staff.

Best personal regards.

Sincerely,

A handwritten signature in black ink, appearing to read "Anne Burdette". The signature is fluid and cursive, with a long horizontal stroke at the end.

cc: Todd Stern
Special Assistant to the President

Georgia-Pacific Corporation



133 Peachtree Street, N.E.
P.O. Box 105605
Atlanta, GA 30348
Telephone (404) 652-5217

A.D. Correll
Chairman of the Board and
Chief Executive Officer

1997 AUG 11 PM 8:07

August 8, 1997

President William J. Clinton
President of the United States
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D. C. 20500

Dear Mr. President:

Thank you very much for the opportunity to join other CEO's to discuss the global warming issues. I applaud your efforts to get input from various groups on this issue. I support your effort to address this important worldwide issue. The potential magnitude of the issue in both environmental and economic terms combined with the scientific uncertainty dictates a flexible strategy with a slow, deliberate action plan.

If you will remember, I made two points --the need to include developing nations and the value of a growing forest as a "carbon sink." The need to include developing nations needs no further comment and is consistent with your strategy.

I did, however, think that it might be worthwhile if I expanded on my comments relative to the forest. U. S. forests have a standing inventory of about 60 billion metric tons of sequestered carbon. The total carbon in our forest increases a net of 200 million metric tons per year. A young, growing forest is a very effective device for absorbing carbon dioxide.

Paper and solid wood products used for construction and furniture continue to store carbon for decades after harvest. The total carbon content in new paper and solid wood products produced in the United States alone is 65 million metric tons per year. This long term "carbon sink" and its environmental benefit are currently unrecognized by the Intergovernmental Panel on Climate Change (IPCC). I believe that this is a critical omission.

August 8, 1997

You asked if there was land available to grow more trees in this country. I believe that the answer is clearly "yes" and the opportunity to use more wood in commercial and residential construction is almost limitless. In addition, the ability to increase production from our existing forest land is a major opportunity. The advances in technology of engineered wood products have expanded the applications for wood use and hold opportunities to replace steel and other more energy intensive products. A program to stimulate more tree growth and wood use could be of enormous benefit in the control of greenhouse gas emissions.

The recognition of the offset provided by a growing forest could also provide an incentive to developing nations to responsibly manage their forests. Giving a resource value provides an incentive for conservation and proper use.

Again, thank you for the opportunity to give input. I would be happy to expand on this concept further with your staff if you see value.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Clinton", written in a cursive style.

ADC:kvs

cc: Mr. Todd Stern - Staff Secretary to the President



C Aug 4

Chairman

Donald V. Fites
Caterpillar

Cochairmen

Ralph S. Larsen
Johnson & Johnson

Walter V. Shipley
Chase Manhattan

John F. Smith Jr.
General Motors

1615 L Street, N.W.
Suite 1100
Washington, D.C. 20036-5610
Tel (202) 872-1260
Fax (202) 466-3509

Samuel L. Maury
President

Patricia Hanahan Engman
Executive Director

August 13, 1997

HAND DELIVERED

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

I am sure the ten Chief Executive Officers at last Monday's meeting appreciated the opportunity to discuss the global climate change issue with you, the Vice President, and other members of the Administration.

You made several points with which I feel the business community could readily agree:

- Any commitments made in Kyoto should not have a negative impact on the US economy.
- Measures to be taken should encourage research and development both into reducing carbon dioxide emissions and reducing the uncertainties surrounding future climate change projections.
- The agreement must be global in scope and fully involve the developing countries.
- Any approach we, as a nation, adopt on this issue should be based on flexible market-based approaches which allow for continued growth in our economy.

August 13, 1997

Page 2

As you know, I chair The Business Roundtable's Environment Task Force. We at the Roundtable welcome further discussion with you and members of your Cabinet on this vital issue. I am personally delighted that you are devoting your time, ability, and considerable energy to understand this most challenging set of issues. We at the BRT, and I personally, would be pleased to facilitate additional dialogues with members of the larger business community. Please let me know how I may best work to move these conversations along. I can be reached on (312) 861-5822.

Sincerely,

Robert N. Burt

Robert N. Burt
Chairman and CEO
FMC Corporation
Chairman, Environment Task Force
The Business Roundtable

cc: The Honorable Albert Gore, Jr.
The Honorable Robert E. Rubin
The Honorable Federico F. Peña
The Honorable William M. Daley
The Honorable Erskine B. Bowles
The Honorable Janet L. Yellen
The Honorable Gene B. Sperling
The Honorable Franklin D. Raines

Aug 4



August 14, 1997

'97 AUG 20 AM9:22

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

I want to thank you for the opportunity to meet with you, the Vice President, and others from your Administration on the critical issue of climate change.

At our meeting, you outlined principles that the Administration plans to use to guide U.S. participation in international negotiations.

You also graciously invited the meeting participants to participate in the policy process as your Administration develops and asserts the United States' position prior to and at the Third Conference of the Parties in Kyoto later this year. PacifiCorp stands ready and eager to work with you on this profoundly important matter.

As we discussed, while there is disagreement over the issue of complete scientific certainty, it appears an international set of binding emissions targets and timetables is a global political inevitability. If such targets and timetables are truly reasonable, I believe much of the business community will work diligently to find cost-effective ways to implement them.

Reasonable targets and timetables must:

- ◆ include all countries and not harm U.S. economic interests relative to our international competitors;
- ◆ cover all sectors of the economy so that each sector contributes its proportionate share to the solution;
- ◆ include all important carbon-based greenhouse gases to ensure achievement of environmental goals;
- ◆ provide an adequate timetable for compliance to allow for the orderly depreciation of our capital assets and those of our customers; and,

The President
August 14, 1997
Page Two

- ◆ allow all forms of flexibility to lower the cost of compliance as much as possible. For PacifiCorp, flexibility means there must be credit for all legitimate efforts to reduce emissions or sequester carbon, trading across borders, credit for international projects (i.e., Joint Implementation), and credit for early emission reductions or sequestration projects.

Without a reasonable timetable and all necessary flexibility, a climate change protocol will find little public support. With flexible implementation, achievement of the target goals becomes increasingly possible at lower economic cost.

In the interim, voluntary measures can create a glidepath toward more formal targets to address climate change. Both Dr. Draper and I pointed to the many successes of the utility industry which has already begun implementing emission reductions and offset projects on a voluntary basis.

The successes of our voluntary efforts to date suggest there is more we and others can do to address climate change concerns. The Administration can assist us in this regard in two tangible ways.

First, we have undertaken these voluntary efforts with no clear policy to provide emissions credits. We are risking our investments of time and resources not only to begin efforts to reduce greenhouse gases now, but also with the expectation that PacifiCorp will receive tangible credit for these at a later time. A governmental commitment to credit for early reductions will provide a strong incentive for PacifiCorp and others to increase voluntary actions.

Second, the voluntary effort must be broadened beyond utilities. As is evident by the statements of other participants in the August 5 meeting, industry leaders are willing to take action if asked. Your leadership in seeking voluntary reductions from all US emitters would significantly advance this cause.

There are important initiatives underway within the business community and among some environmentalists to explore methods of stepping up voluntary efforts and to pool credits all in advance of a mandatory program. I commend this effort to you in hopes that the administration gives it full support. PacifiCorp will aggressively pursue these voluntary actions if assured that appropriate credit is ultimately provided.

The President
August 14, 1997
Page Three

There are also efforts ongoing to give substance to the type of framework the US can advocate which allows for the type of flexible implementation I previously described as absolutely essential to any acceptable protocol. You also have my commitment that PacifiCorp will work with your Administration and other interests to help shape that framework.

Once again, I sincerely thank you for the opportunity to meet with you and am encouraged that you are taking a very personal interest in this issue. I hope, through this letter and subsequent discussions, PacifiCorp can remain fully engaged in your difficult deliberations regarding our country's position at Kyoto. I personally pledge our support in your efforts and very much look forward to our continuing dialogue.

Sincerely,

A handwritten signature in black ink, appearing to read "Fred Buehner", with a long horizontal line extending to the right.

cc: The Vice President
Mr. Dirk Forrister
✓ Mr. Todd Stern

Aluminum Company of America

Paul H. O'Neill
Chairman and Chief Executive Officer



CHIEF OF STAFF TO THE PRESIDENT

Gene, Katie, Todd -

Mr. Erskine B. Bowles
The White House
1600 Pennsylvania Avenue
West Wing
Washington, DC 20500
VIA FAX: 1-202/456-2883

*This is an interesting idea -
How should we respond - follow up
cc POTUS*

Erskine

Dear Erskine:

This is in follow-up to the meeting with the President regarding global climate change.

Since our meeting I have had several conversations with Dr. Bruce Alberts, President of the National Academy of Sciences.

I suggested three activities to Dr. Alberts in pursuit of an improved fact base to support the decision, or series of decisions, the President will have to make regarding global climate change.

- 1) Update the Academy's 1991 study to bring it current with contemporary science. I would like to see the update draw a sharp distinction between those things we know as scientific facts and those that are theory, hypothesis or speculation.**
- 2) The collection and categorization of specific knowledge we need but don't have that, if we had it, would reduce the range of uncertainty in the President's decision. Each element in this list should include an estimate of the cost to try to acquire the knowledge, the amount of time required to complete the work and the probability of success in acquiring the knowledge.**

Mr. Erskine B. Bowles

Page 2

August 27, 1997

- 3) The collection and categorization of research or development projects that would substantially alter the continued accumulation of carbon dioxide deposits in the atmosphere.**

What I have in mind is a "limit challenging" analysis of what might be done. An example from my industry would be to ask the technology community to "reinvent" our basic process to reduce energy consumption by 50%.

Again, for these projects, I would want the Academy to provide cost and time estimates and probabilities of success.

The objectives of these activities are:

For #1, to create a "bullet proof, " independent, scientific fact base from the best science minds in the United States to be used as a basis for decision making and educating the American people.

For #2 and 3, to create a menu of choice for possible additional investment by either the public or private sector.

These three activities would necessarily engage the entire scientific community and a broad share of the energy using business community.

Dr. Alberts has given me a \$1 million "ball Park" estimate of the cost to do this work, probably over a period of eighteen months or so. I have not discussed the question of study leadership with Dr. Alberts but I would want either Bill Perry or Harold Brown to chair this work.

I am prepared to simply write the check for this work but I do not believe this is the best way to proceed. Far better would be for the business community to pay for one-third (I can arrange that), the

Mr. Erskine Bowles

Page 3

August 27, 1997

National Academy to pay for one-third and the White House to pay for one third. This funding would protect the important reality and appearance of the independent scientific integrity of the National Academy of Sciences while indicating a cooperative public private quest for facts and a joint interest in the outcome of the work.

Is there any interest in this idea? I am anxious to hear from you.

Sincerely,


Paul H. O'Neill

PHO:ikm



White House Climate Change Task Force

734 Jackson Place, N.W. • Washington, DC 20503

FAX

To:

Todd Stern

Organization/Title:

Fax:

456 2215

Phone:

456 2702

Pages (including cover):

2

Date:

July 30

From:

Judi Greenwald

Phone:

343 1060

Message:

DIRK TOOK A 5 PM FLIGHT BACK,
SO HE'LL BE HOME TONIGHT.

In case you need my home
phone # tonight, it's 301 279 5425
I'll have my pager with me, too

NOTE TO TODD
FROM JUDI GREENWALD
STATUS REPORT ON CALLS TO CEO CONTACTS AS OF 5 P.M.

Dirk or I have actually talked to contacts for seven of the nine confirmed invites, as follows:

AICoA: Willing to speak about domestic emissions trading because they "opted in" to the SO2 trading program under the Clean Air Act.

Contact: Marcia Dalrymple

FMC: Willing to speak about technology. Doesn't know much about domestic, international or targets or timetables. Might say that there shouldn't be targets or timetables.

Contact: Hal Russell

Saloman Brothers: Willing to speak about domestic emissions trading; maybe international emissions trading as well. He sits on NRDC's board, so he is somewhat familiar with this issue, but not at a detailed level. The CEO is now in Asia and may have something to say about Japan.

Contact: Michael Andrews

British Petroleum: Still thinking about topic preference, but is versatile.

Contact: Mike McAdams

AEP: Would like to talk about both domestic and international emissions trading

Contact: Dale Heydlauff, but has asked us to deal with Rich Rosensweig (with Kevin Fay's firm) because Dale is on vacation, but Dale will keep checking in.

Pacificorp: Feels confident in domestic or international trading or technology. Contact is checking on targets and timetables.

Contact: Kevin Lynch

ENRON: Can talk about anything, they own an emission trading company and solar and wind and they are active in developing countries

Contact: Terry Thorn

Outstanding calls to be completed tomorrow morning:

Honeywell: Dirk has a call in, but has not yet connected. (Jim Wolf left so there is a new climate change contact; Washington rep is out of town today--we will try to reach him tomorrow)

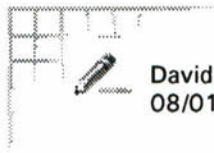
Bethlehem: We don't yet have a contact and are waiting for one from public liaison.

Also note:

Dirk is getting feedback that some of the companies would like the President to at least start with something more cosmic--principles, the vision thing--which is the level at which the CEOs feel the

most comfortable.

Regarding BFI, Ruckelshaus is the Chairman of the Board, not the CEO. If we want to stick with CEOs, there is no specific reason to invite BFI's CEO over Owens Corning or the other CEOs in that group. Geographic or other concerns would be decisive. Ruckelshaus has not been especially active on climate change, but has tremendous stature and credibility on environmental issues. He recently accepted an assignment from the President to work on an Alaskan fishing dispute.



David B Sandalow
08/01/97 08:20:29 PM

Record Type: Record

To: Todd Stern/WHO/EOP

cc:

Subject: how's this?

II. BACKGROUND

In your speech to the Business Roundtable in June, you asked the business community to join you in finding ways to address climate change while growing the economy. In your speech at the United Nations June 26, you said: "With the best ideas and strategies and new technologies and increased productivity and energy efficiency, we can turn this challenge to our advantage." This is the first of several small meetings on climate change between business leaders and you or your senior advisers.

In the past few months, attention to this issue in the business community has skyrocketed. Heavy industry, oil and coal interests are especially concerned about the potential impacts of the climate treaty. Major lobbying and public relations campaigns are being planned for this fall.

As attention to this issue has grown, some in the business community have complained about a lack of openness in our decision-making process. Rumors of "secret plans" have circulated. You should reassure the CEOs in this meeting that you, your Cabinet and members of your senior staff will work closely with business leaders to develop an approach to this issue that is fully consistent with your deep personal commitment to promoting long-term economic growth.

Most of the participants in this meeting are prepared to consider constructive action on climate change. In preparations for this meeting, several have indicated they would commit to inventory their corporate emissions and develop long-term plans for voluntary reductions. This is an important, positive step (although such voluntary plans are unlikely to be sufficient).

Several of the participants in this meeting may also wish to discuss the role of technology in addressing climate change. This interest should be welcomed. Your advisers are currently considering policies to promote development and diffusion of helpful technologies. Partnerships with the private sector, similar to the Partnership for a New Generation of Vehicles, are likely to be among the options

identified for serious consideration.

Beyond voluntary compliance and technology programs are other topics these CEOs may be less eager to discuss. Nevertheless, it is important to get their feedback on mandatory measures, such as targets and timetables under the climate treaty and emissions trading programs here at home. We do not expect members of this group to endorse any specific target and timetable, or embrace new emissions trading programs at this time, but it is important to signal our thinking in these areas and solicit the views of those in the room.

We recommend that you start the discussion with a general statement of your approach to this issue, and then proceed to ask a series of specific questions. A suggested script is attached as Exhibit _____. Further background is attached as Exhibit ____.

[Pool spray at top of meeting.]

V. SEQUENCE OF EVENTS

- You and the Vice President enter the Roosevelt Room.
- You make brief introductory remarks and lead a discussion. (See Exhibit A).
- You and Vice President depart.

VI. REMARKS

To be provided by speechwriters.

EXHIBIT A
DIALOGUE WITH BUSINESS LEADERS

INTRODUCTORY REMARKS

*Thank you all for coming.

*I asked you here today because of two beliefs, both of which I hold very deeply.

First, I believe that climate change is a serious problem for us, our children and our grandchildren. I am committed to taking balanced, responsible action to confront this threat.

Second, I believe the business community must play a central role as our country shapes a response to this issue. We need your engagement, your ideas and your support to meet this challenge.

*As you know, we are currently engaged in international negotiations on this issue. The current round of negotiations will conclude in December. During the next several months, along with members of my Cabinet and senior staff, I will be talking with you and others about the best approach for these negotiations and for taking action here at home. *In early October, we* ~~We are planning a series of regional conferences in September, and a White House Conference on Climate Change for early October.~~ *be looking*

*Let me start today by articulating some of the principles I will follow as we shape our approach to this issue:

- First, I am committed to responsible, balanced action to confront the threat of climate change. I reject both extremes of the climate change debate: those who want to take drastic actions that would severely disrupt our economy and those who dismiss the scientific evidence and say we need not act.
- Second, I will only take actions that preserve our vigorous economic growth. I believe -- and I believe we've demonstrated -- that environmental protection and economic growth go hand in hand. More than 2000 economists, including eight Nobel Laureates, have concluded that there are policy options "that would slow climate change without harming American living standards, and these measures may in fact improve U.S. productivity in the longer run."
- Third, I will emphasize solutions based on flexible, market-based policies, such as emissions trading and joint implementation.

- Fourth, I believe we must invest in research and development to promote technologies that reduce the emissions that cause climate change. I believe American industry must remain a world leader in the \$400 billion global market for environmental technologies.
- Finally, climate change is a global problem that requires global solution. All countries must participate.

*Whenever the security of our people has been threatened, the United States has led the world to action. Climate change poses a threat to all people -- one that is not immediately apparent today but will grow in severity and significance in years to come. The world must act. And the United States must lead.

QUESTIONS

I. INTERNATIONAL

I'd like to start by discussing the international negotiations. The United States has offered a framework for these negotiations with three parts:

First, we support realistic, achievable and binding emissions targets.

Second, we support flexibility in meeting those targets, with tools like international emissions trading and joint implementation.

Third, we believe -- as I said a moment ago -- that all countries must participate in the solution.

A. TARGETS AND TIMETABLES

Let's start with targets and timetables. The United States has not yet endorsed any specific numbers. The Europeans told me in Denver that support a 10-15% cut from 1990 emissions levels by 2010. Do any of you think that these figures are realistic? Without getting too specific, can you give me a sense of the types of targets and timetables that we should be considering?

Mr. _____ - do you have any thoughts on this?

B. FLEXIBILITY

The next part of the US framework is "flexibility." We believe that international emissions trading and joint implementation offer the potential for significant cost savings. How important is this piece of the US position?

What do you think about JI?
Workable? Important? How about int'l trading
Mr. _____

Use think
that number
is not
realistic.
But I
would like
to get your
views
on

Play

C. DEVELOPING COUNTRIES

The role of developing countries is perhaps the most difficult issue in the current round of negotiations. Developed countries are responsible for more than 75% of the increase in greenhouse gases since the beginning of the Industrial Revolution, but developing country emissions are rising rapidly. The US has insisted that developing countries must take action -- although we have very little support for our position abroad. Recently, the US Senate spoke loudly on this issue. What type of commitments do you believe developing countries should make as part of these negotiations?

Mr. _____

II. DOMESTIC

Now I'd like to turn to domestic policies. The United States has 4% of the world's population and over 20% of its greenhouse gas emissions -- we must do better.

Within the government, we've been looking at a number of approaches -- including programs to promote the development and diffusion of technologies and domestic emissions trading programs. I believe that technology must be part of the solution -- but I'd like to ask focus this part of our discussion on emissions trading programs.

A. DOMESTIC EMISSIONS TRADING PROGRAMS

Some of you are very familiar with emissions trading programs. We've had such a program in place for utilities for several years, to deal with the problem of acid rain. In order to address global warming, we'd need a much bigger program. I wonder what you think about a domestic emissions trading program to address this issue?

Mr. _____

*Some have suggested that we auction permits in connection with a program like this. Others think it makes more sense for government to decide in the first instance who should receive permits. Do any of you have views on this issue?

*Some have suggested that this program be designed sector by sector. Under such an approach, each sector would have an emission target and permits could be freely traded within the sector. Others have suggested applying this across the economy as a whole, by requiring permits for the production or import of fossil fuels. Do you prefer either approach?

permits to be issued on the basis of historical emissions,

If we did this, revenue would be generated that

[IF TIME PERMITS:]

B. TECHNOLOGY PROGRAMS

As I said earlier, I believe the answer to this problem lies with new and more efficient technologies. I believe we must work in partnership with you and others to develop these technologies, for the 21st century. Do you have any suggestions for the best approach?

Mr. _____

how govt can
contribute

**MEMORANDUM
OF CALL**

Previous editions usable

TO: Todd

☐ YOU WERE CALLED BY- ☐ YOU WERE VISITED BY-

Fred
OF (Organization)

I forwarded this msg to you

☐ PLEASE PHONE ☐ FTS ☐ AUTOVON

☐ WILL CALL AGAIN ☐ IS WAITING TO SEE YOU

☐ RETURNED YOUR CALL ☐ WISHES AN APPOINTMENT

MESSAGE

Wknd # (until early next wk)

Bermuda

234-0331 - businesses
voluntary
pledges msg.

Cambridge Beaches

RECEIVED BY <u>Anna</u>	DATE <u>8/2</u>	TIME <u>9:00</u>
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50363-111 NSN 7540-00-634-4018
U.S. G.P.O.:1994-300-891/00003

OPTIONAL FORM 363 (Rev. 1-94)
Prescribed by GSA am

"reun bus should
make vol'y pledges
is not to avoid
maneuvering
but to enhance
it's cred in
vol'ing flex
mkt share
is needed cred,
to adv' this w/other
countries who
are skeptical"

**PHOTOCOPY
PRESERVATION**

VETTING MEMORANDUM

✓ cc Todd

TO: John Podesta

July 29, 1997

FR: COS Special Projects Office

EVENT: Meeting with CEO's on Climate Change

DATE: August 4, 1997

LOCATION: White House

SUMMARY: This is a small meeting with the President. A majority of the list was fine. The following people have issues that should be noted.

GUEST: Robert Burt

Affiliation: FMC Corp.

ISSUE: Mr. Burt is a member of the Business Roundtable, a group of 130 American companies, which has recently issued a warning against the climate treaty. They have written to the President and campaigned publicly against the treaty in full-page newspaper ads throughout the United States. The goal of the Business Roundtable is to convince the Administration that the economic impact of such the treaty needs to be investigated prior to any action taken by the Administration. [National Journal's Congress Daily, 6/10/97; Bulletin's Frontrunner, 6/6/97]

Decision: ☒ Guest Should Attend ☐ Guest Should NOT Attend

GUEST: George David

Affiliation: United Technologies

ISSUE: On January 13, 1997 a jury found in a civil case that "the Pratt & Whitney Division of United Technologies Corp. had willfully and flagrantly violated the Texas Free Enterprise and Antitrust Act of 1983...The jury found that Pratt illegally attempted to monopolize the replacement (part) business for Pratt-Whitney jet engine(s)..." [Texas Lawyer, 1/13/97]

Decision: ☒ Guest Should Attend ☐ Guest Should NOT Attend

GUEST: John Browne
Affiliation: British Petroleum

ISSUE: British Labour MEP Richard Howitt "accused ... British Petroleum (BP) of environmental and human rights abuses in Colombia." Howitt also stated that BP officials had admitted to "weekly oil spills, water contamination, chemical overflows, illegal sites and the invasion of protected forest." John Browne of BP maintains that these allegations are "groundless and without substance." BP has asked the Colombian legal authorities to investigate allegations that the company is collaborating with the Colombian military intelligence to suppress dissent in oil-producing areas. [The Financial Times Limited, 11/15/96]

Decision: ☒ Guest Should Attend ☐ Guest Should NOT Attend

GUEST: Linn Draper
Affiliation: American Electric Power

ISSUE: On June 17, 1997, the Charleston Gazette reported American Electric Power as one of West Virginia's "top polluters." However, the company was not the focus of the story. [Charleston Gazette, 6/17/97]

Decision: ☒ Guest Should Attend ☐ Guest Should NOT Attend

Copyright 1997 National Journal Inc.
National Journal's CongressDaily

June 10, 1997 10:31 am Eastern Time

SECTION: ENVIRONMENT

LENGTH: 106 words

HEADLINE: Business Roundtable Issues Warning On Climate Treaty

BODY:

The Business Roundtable has written to President Clinton warning him against signing a climate change treaty before understanding the full impact of such an agreement. The letter, signed by FMC Corp. Chairman Robert Burt and dated Friday, said the pact carries the potential to force American companies to relocate operations offshore, reducing U.S. employment and prosperity without achieving appreciable environmental benefit.

Copyright 1997 Bulletin Broadfaxing Network, Inc.
The Bulletin's Frontrunner

June 6, 1997, Friday

SECTION: WASHINGTON NEWS

LENGTH: 80 words

HEADLINE: Business Roundtable Ads Target Global Warming Treaty.

BODY:

Newspapers and Wires.

In its "Washington Wire" section, the WSJ (6/6, A1) said the Business Roundtable plans to run full-page newspaper ads next week "against a proposed global-warming treaty." The ads, approved by 130 business' CEOs, call for "the Administration to provide more details about the economic impact" of the proposal. Robert Burt, CEO of FMC Corp., said the members of the Business Roundtable are "aroused and engaged."

Copyright 1997 American Lawyer Newspapers Group, Inc.

Texas Lawyer

January 13, 1997

SECTION: Pg. 1

LENGTH: 1429 words

HEADLINE: FAST TRACK TO JUSTICE?

BODY:

JOHN COUNCIL

The company spent about \$ 30 million on big-shot lawyers and expert fees, took more than 250 depositions in a period of eight months and rushed a complicated antitrust suit to trial in San Antonio in less than a year.

But for all its aggressive litigation, Chromalloy Gas Turbine Corp. failed to collect one red cent from United Technologies, whose Pratt & Whitney division was sued for allegedly shutting Chromalloy out of the jet engine replacement part business.

Now attorneys for Chromalloy hope to salvage the heart of their case at a Jan. 24 hearing where 225th District Judge John J. Specia Jr. will be asked to consider an injunction against the defendant.

The trial looked like a slam-dunk for United Technologies, but you wouldn't have known who won the prime-time courtroom battle by listening to the spin from both sides shortly after the three-month-long trial concluded Nov. 26.

Hours after the verdict was returned, both companies sent out competing press releases that varied to the point of comedy, with both sides claiming victory in the case that attracted the attention of the aircraft industry and the national business press.

"A jury today found the Pratt & Whitney Division of United Technologies Corporation had willfully and flagrantly violated the Texas Free Enterprise and Antitrust Act of 1983," Chromalloy's press release ~~cr~~ ved. "In a unanimous decision in favor of the Chromalloy Gas Turbine Corporation, a unit of Sequa Corporation, the jury found that Pratt illegally attempted to monopolize the replacement (part) business for Pratt & Whitney jet engine(s) . . ."

The defendants shot back next with their own take, noting that "The jury rejected all of Chromalloy's claims for monetary damages and other relief."

All of those statements are generally accurate. But a headline in the Nov. 27th edition of The Wall Street Journal seemed to give Chromalloy and its preemptive press strike the win: "Pratt & Whitney's Parent Loses Suit On

Engine Repairs."

That, however, is not how some members of the Bexar County jury saw it. Out of the eight questions Chromalloy presented to the jury in the charge, the panel only found against Pratt & Whitney in two of them.

"The only one that came out ahead on this was Pratt & Whitney. Yeah, they got slapped on the hand for attempting to engage in monopolistic conduct," says San Antonio juror Mary Burchardt. But Chromalloy "did not prove that they deserved any money."

"An injunction was actually more important to us than damages," says Chromalloy attorney Ralph I. Miller, a partner in the Dallas office of New York's Weil, Gotshal & Manges. Salem Katsh, Chromalloy's lead counsel and a New York partner in Weil, Gotshal, agrees.

"If we had not asked for damages, this would have been seen as a total victory," Katsh says.

But defense attorneys doubt that assertion. "The funniest thing that I heard at the end was they didn't really care about the money," says Ricardo Cedillo, a partner in San Antonio's Davis, Adami & Cedillo, who defended the suit at trial. If the plaintiffs didn't care about money, Cedillo asks, why did they spend a pile of money on expert witnesses trying to prove damages?

Why So Fast?

The way Chromalloy attorneys see it, quickly taking the case to trial served the best interest of their client.

Chromalloy alleged that Pratt & Whitney was shutting the company out of the replacement part industry by withholding information and technical reviews that had allowed Chromalloy to produce manufacturer-approved parts for commercial jet airliners. Every day they waited to file suit ended up costing Chromalloy money in the aircraft marketplace, company lawyers say.

"The client felt very strongly that this needed to be resolved as quickly as possible," says Miller. "I think it was hard on the lawyers and on the clients, but I don't think the facts would have been substantially different if we'd taken three or four years to get this to trial."

And the quick trial track didn't bother defense lawyers in the least, they say.

"A case like this, the longer it goes, the more expensive it is for the

defense," Cedillo says. "We were ready to try this thing as soon as they teed it up."

Speed was the primary reason that Chromalloy chose San Antonio as its trial venue; it's also where the company's executive offices are based. Because of Bexar County's presiding judge system in which courts share the same cases and motion hearings, civil suits generally move years faster than in other urban districts. In San Antonio, a normal civil jury trial can be completed within a blazing seven months after the case is filed, officials say.

Both sides in the suit used a combination of northern big city lawyers and select hometown attorneys for their trial teams. In addition to Miller and Katsh, Chromalloy called on Staci B. Barber from Weil, Gotshal's New York office. For local counsel, the company chose experienced civil trial litigator Richard Tinsman, a partner in Tinsman & Houser, and San Antonio big name Roy Barrera Sr. of Nicholas and Barrera.

Hartford, Conn.-based United Technologies went with Fred Bartlit and Sidney "Skip" Herman, name partners in Chicago's Bartlit, Beck, Herman, Palenchar & Scott. Cedillo served as local counsel.

Judge Specia, who heard the trial, says the fast movement on the closely-watched case did not harm the overall process of trying the suit. The quality of the lawyers involved insured that, he says.

"The lawyers in this case were incredibly well-prepared," Specia says. "I believe that this case in particular showed that cases try better when they are tried fast. The older a case gets, the harder it gets to take to a jury."

One juror, however, was not impressed with Chromalloy's lawyering or its trial strategy. After hearing the plaintiff's case for nine weeks, the jury got a little worn out, the juror says -- especially after an expert witness trotted out a model mock-up of the plant operation complete with little planes and hangars to explain the jet part manufacturing business.

"For [the plaintiff's expert] to actually bring out toys, you must think we are really stupid and backwards down here," juror Burchardt says. "When we got out of there, we laughed a lot about that."

Miller says his side was just trying to make double sure that they proved up their case, and the models helped.

"We thought the models were kind of fun," Miller says. "We thought they would have provided some entertainment to what was an otherwise boring case."

And due to the nature of the long, complicated jury trial, the defense lawyers had an advantage in appearing more prepared to the jurors, Miller says.

"(The defense) almost always looks better because they get to go second," Miller says. "I do think the lawyers on the other side were well-prepared. They tried an outstanding case."

The Parting Shot

The biggest courtroom showdown in *Chromalloy Gas Turbine Corp. v. United Technologies Corp.*, No. 95-CI-12541, may happen next week when lawyers argue over the implications the jury's verdict has on a possible injunction.

"The jury kind of surprised us. They answered the question in a way nobody thought they would," says Judge Specia. "So everybody is trying to figure out what it means."

The jury's decision is as conflicting as the differing press spins that followed the verdict. Although the jury found that Pratt & Whitney attempted to engage in monopolistic conduct and did so willfully and flagrantly, jurors didn't think that caused Chromalloy to lose any profits or suffer any irreparable harm.

Of course, each side thinks the verdict reinforces its own point of view on whether the judge should issue an injunction.

"We brought this under the free enterprise act. What the jury found was a state violation," says John Davidson, a name partner in San Antonio's Davidson & Troilo who is handling Chromalloy's motion for injunction. "It's just like any other law" that if violated entitles the harmed party to an injunction, he says.

But the defense attorneys don't see how the jury's refusal to award any damages could mean that Chromalloy deserves an injunction.

"Most important is the jury's finding that there was no damage to them ~~in~~ the future," Cedillo says.

It will be an interesting dispute for Specia to decide. But the weight of that decision is nothing like the burden lifted off his shoulders when the jury trial ended in November, he says.

"We got it done," he says, "and it almost killed me."

Copyright 1996 The Financial Times Limited
EC Energy Monthly
November 15, 1996

SECTION: ENERGY

LENGTH: 230 words

HEADLINE: MEP hits out at BP over Colombia

BODY:

At a parliamentary session in Strasbourg on 24 October, UK Labour MEP Richard Howitt accused UK oil major British Petroleum (BP) of environmental and human rights abuses in Colombia.

BP, together with French oil major Total and Occidental of the US, operates a \$ 3bn development programme in Colombia's Casanare oil-producing region. Calling for a judicial inquiry into the company, Howitt said BP's alleged behaviour in the region was on a par with "Shell's inhuman exploitation of the Ogoni peoples in Nigeria" (ECE 90/19).

Citing a Colombian government report compiled in July 1995, Howitt accused the European oil companies of acquiescing in "massive human rights violations" by the Colombian armed forces and described alleged payments made by BP and other oil companies to the military as "blood money".

He said local BP officials had admitted "weekly oil spills, water contamination, chemical overflows, illegal sites and the invasion of protected forest".

But BP's chief executive John Browne condemned Howitt's allegations as "groundless and without substance" and said the company made huge efforts to comply with environmental and human rights standards.

BP has asked the Colombian legal authorities to investigate allegations that the company is collaborating with the Colombian military intelligence to suppress dissent in oil-producing areas.

Oil & Gas Journal, April 21, 1997

SECTION: SOUTH AMERICA REPORT; OGJ Special; Pg. 42

LENGTH: 743 words

HEADLINE: Campaign against BP continues despite exoneration of human rights abuse charges

BODY:

A BRITISH LABOUR MEMBER OF THE EUROPEAN Parliament (MEP) has continued a campaign of allegations linking British Petroleum plc to human rights violations and environmental damage in Colombia.

This comes despite the fact that Colombia's highest prosecutor, Alfonso Valdivieso Samiento, has upheld BP's innocence of charges the same MEP made last fall.

MEP Richard Howitt in February traveled to Colombia and gathered what he contends is fresh evidence of alleged BP links to human rights and environmental allegations in Colombia, pledging to put that evidence before the European parliament. He called on BP to review its operations in Colombia and condemn human rights abuses, according to U.K. press reports.

BP continues to deny the charges.

Colombian exoneration

In a recent written statement to John Doust, BP's chief executive for Colombia, Valdivieso denied that an interinstitutional report dealing with human rights in Casanare and Arauca departments criminally implicated the company.

That report, prepared in mid-1995 by nongovernmental organizations (NGOs) and representatives of the Colombian government, together with a few eyewitness testimonies, became the basis for denunciations against BP made by Howitt in late October 1996.

Doust also requested that Colombia's highest law official investigate charges made against BP in the press in the wake of Howitt's visit to Colombia last September. Valdivieso agreed to the request and told BP that he had instructed investigators to be assigned for this purpose. BP had sought to be formally exonerated of the allegations.

The many allegations essentially focused on two areas: a suggestion of BP's complicity with death squads that had purportedly silenced or killed peasant and environmental activists in Casanare department and a claim that BP was responsible for serious environmental damage in Casanare, where it produces crude oil from the supergiant Cuisiana-Cupiagua oil field complex.

Death squad links?

Howitt, in response to OGJ queries, termed the supposed link with death squads a "very serious charge" against BP and, in a press release sent to an OGJ correspondent, contended that the interinstitutional report "seems to confirm" allegations that BP passed on "photographs of protesters into the hands of the military."

However, a review of the report shows it does not name BP specifically in these allegations. What is actually referred to are comments by the chief of intelligence for the military command that defends the oil fields in both Arauca and Casanare departments, where a large number of companies are operating. The intelligence officer was questioned while both he and the commission were in Casanare and spoke as intelligence liaison for nearly the entire oil-producing regions, not just Casanare, where he just happened to be at the time of the commission's visit.

BP referred to this and other charges as "absurd allegations" that Doust vigorously denies.

BP is required by the Colombia's environmental ministry to provide evidence of public meetings between the firm and the local communities in order to ensure that the company's commitments to the communities are carried out.

BP said these are public meetings that anyone may attend and can film as well. It rejected the charge that such videos or stills were given to the army, however, and pointed out that the practice was deemed desirable to prevent serious misunderstandings after community hearings are held.

Environmental claims

Accusations against the firm on environmental grounds include claims of being responsible for the death of fish and the blinding of livestock. Environmental specialists at state oil company Empresa Colombiana de Petroleos and the Ministry of the Environment as well as with the regional environmental authority Corpiorinoquia, however, blamed these incidents on pesticide runoff, deleterious peasant fishing practices, and "calculating locals" seeking money for spurious damage to livestock rather than on any activities by BP in the region.

Doust also noted the frequent guerrilla pipeline attacks as the major source of environmental degradation in oil-producing regions of Colombia. According to one specialist at Ecopetrol, these attacks often have resulted in spills of 200-300 bbl of crude oil into nearby streams and water bodies, with subsequent accumulation of lead, zinc, cadmium, and arsenic contamination.

The Charleston Gazette, June 17, 1997

June 17, 1997, Tuesday

SECTION: News; Pg. P1D

LENGTH: 563 words

HEADLINE: VARIANCE WOULD LEGALIZE OUTPUT OF STATE'S THIRD BIGGEST POLLUTER

BYLINE: Ken Ward Jr.

BODY:

staff writer

Virginia Power Co. has one power plant in West Virginia. But the utility is among the companies in the state that emits the most of three common air pollutants.

A new national report on air pollution, released May 29, cites Virginia Power's Mount Storm plant as among the three biggest polluters in the state.

The Mount Storm facility in Grant County has violated West Virginia's limit on visible emissions of smoke and soot for years.

Now, the state Division of Environmental Protection has proposed to give Virginia Power a variance that would make these pollution violations legal.

Environmental and labor groups are rallying against the DEP proposal.

Environmentalists fear the effects of the continued excess emissions on the nearby Dolly Sods and Otter Creek federal wilderness areas.

Labor groups are upset with Virginia Power for switching to coal from

a mine in Maryland, putting hundreds of United Mine Workers out of work.

The DEP Office of Air Quality has scheduled a public hearing on the variance proposal for June 30 at 6:30 p.m. at the fire hall in Davis, Tucker County.

As part of a series of comments against the DEP proposal, the West Virginia Sierra Club cited the new air pollution report from the Environmental Working Group in Washington, D.C.

According to the report, Virginia Power is among the top three emitters of sulfur dioxide and nitrogen oxides in West Virginia.

Virginia Power emitted 94,000 tons of sulfur dioxide and 33,000 pounds of nitrogen oxides in 1995.

Virginia Power is also the fifth largest producer of direct particulate matter emissions. The company emitted 1,500 tons of particulate matter in 1995.

Unlike some of the other top polluters, however, Virginia Power has only one facility in the state. American Electric Power and Allegheny Power System, two of the other top polluters, each have six plants in West Virginia.

In its variance proposal, DEP states that complying with the West Virginia rules for visible emissions or opacity, would cost Virginia Power too much money.

According to the proposal, Virginia Power would have to pay \$ 24

million to \$ 30 million a year more for cleaner coal that could meet the visible emissions rules.

The company would also have to spend \$ 26.5 million on additional pollution control equipment. The company does not have an estimate of additional yearly operating and maintenance costs, so this total of perhaps \$ 56.5 million is conservative, according to DEP.

The Environmental Working Group report noted that Virginia Power has average annual revenues of \$ 4.7 billion and average annual earnings of \$ 448.5 million.

"Our report shows that the major pollution sources are large, enormously wealthy companies," said Richard Wiles, vice president for research at the Environmental Working Group.

"The real issue is not the affordability of pollution control measures," Wiles said. "It is really a question of corporate strategy to maximize profits."

Jim Sconyers, chair of the West Virginia Sierra Club, said, "This is a company that clearly can afford to clean up their act.

"West Virginia should not let out-of-state companies spoil our beautiful natural heritage and the foundation of our tourism industry."

Aug 4
event

NOTE TO TODD
FROM JUDI GREENWALD
STATUS REPORT ON CALLS TO CEO CONTACTS AS OF 5 P.M.

Dirk or I have actually talked to contacts for seven of the nine confirmed invitees, as follows:

AlCoa: Willing to speak about domestic emissions trading because they "opted in" to the SO2 trading program under the Clean Air Act.

Contact: Marcia Dalrymple

FMC: Willing to speak about technology. Doesn't know much about domestic, international or targets or timetables. Might say that there shouldn't be targets or timetables.

Contact: Hal Russell

Saloman Brothers: Willing to speak about domestic emissions trading; maybe international emissions trading as well. He sits on NRDC's board, so he is somewhat familiar with this issue, but not at a detailed level. The CEO is now in Asia and may have something to say about Japan.

Contact: Michael Andrews

British Petroleum: Still thinking about topic preference, but is versatile.

Contact: Mike McAdams

AEP: Would like to talk about both domestic and international emissions trading

Contact: Dale Heydlauff, but has asked us to deal with Rich Rosensweig (with Kevin Fay's firm) because Dale is on vacation, but Dale will keep checking in.

Pacificorp: Feels confident in domestic or international trading or technology. Contact is checking on targets and timetables.

Contact: Kevin Lynch

ENRON: Can talk about anything, they own an emission trading company and solar and wind and they are active in developing countries

Contact: Terry Thorn

Outstanding calls to be completed tomorrow morning:

Honeywell: Dirk has a call in, but has not yet connected. (Jim Wolf left so there is a new climate change contact; Washington rep is out of town today--we will try to reach him tomorrow)

Bethlehem: We don't yet have a contact and are waiting for one from public liaison.

Also note:

Dirk is getting feedback that some of the companies would like the President to at least start with something more cosmic--principles, the vision thing--which is the level at which the CEOs feel the

most comfortable.

Regarding BFI, Ruckelshaus is the Chairman of the Board, not the CEO. If we want to stick with CEOs, there is no specific reason to invite BFI's CEO over Owens Corning or the other CEOs in that group. Geographic or other concerns would be decisive. Ruckelshaus has not been especially active on climate change, but has tremendous stature and credibility on environmental issues. He recently accepted an assignment from the President to work on an Alaskan fishing dispute.

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. list	[Personally Identifiable Information] [partial] (5 pages)	08/04/1997	b(6)

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Staff Secretary
Todd Stern
OA/Box Number: 11210

FOLDER TITLE:

Events-August 4, [1997]

2019-0774-S

rs3398

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- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

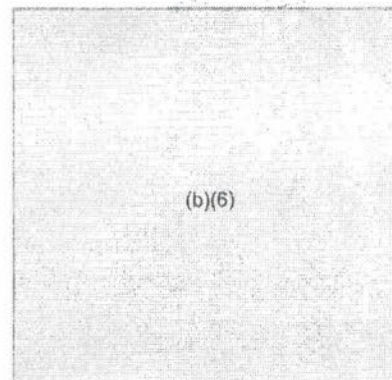
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- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Climate Change Meeting 8/4/97

Curtis H. Barnette "Hank"
Michael R. Bonsignore
E.J.P. Browne "John"
Frederick W. Buckman
Robert N. Burt
A.D. Correll "Pete"
Robert E. Denham
E. Linn Draper, Jr.
Kenneth L. Lay
Paul H. O'Neill

Bethlehem Steel Corporation
Honeywell Incorporated
British Petroleum
PacifiCorp
FMC Corporation
Georgia-Pacific Corporation
Salomon Incorporated
American Electric Power
Enron Corporation
Alcoa



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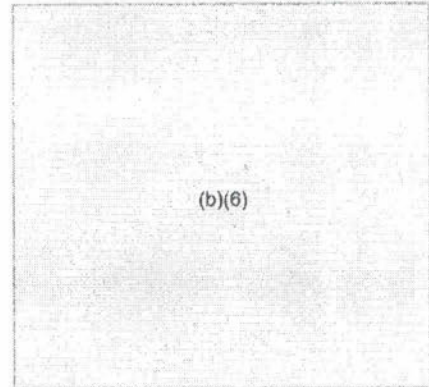
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Assistant: Virginia Petretti

Climate Change Meeting 8/4/97

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E. Linn Draper, Jr.
American Electric Power
1 Riverside Plaza
Columbus, OH 43215
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Assistant: Virginia Petretti

Avaz 4/

CLIMATE CHANGE MEETING -- MONDAY, AUGUST 4, 1997
BIOGRAPHICAL DATA OF THOSE ATTENDING

Curtis H. Barnette ("Hank") has been the Chairman and CEO of the Bethlehem Steel Corporation since 1992. Prior to this, he served as Senior Vice President and Director for 6 years and as General Counsel and Secretary for 15. Previously he has been Chairman and Director of the International Iron and Steel Institute. Currently, he is a member of the President's Trade Advisory Committee (ACTPN), appointed by President Bush in 1989 & 1991, and by President Clinton in 1994. He was also appointed to the Council of Administrative Conference of the US by President Reagan and to the Coal Commission in 1990 by Secretary Dole. In addition, he is Chairman and Director of the American Iron and Steel Institute. He is a Director of Metropolitan Life Insurance Company, a Trustee of Lehigh University, a member of the Policy Committee of the Business Roundtable and of the Business Council. He is a Director and past Chairman of the Pennsylvania Business Roundtable, and a Director and former Chairman of the West Virginia University Foundation.

Michael R. Bonsignore is the Chairman and CEO of Honeywell, Inc. He joined the company in 1969. He held various positions in Honeywell Europe. In 1987, Mr. Bonsignore relocated to Minneapolis where he served as Executive Vice President. By 1990, he was named Executive Vice President and Chief Operating Officer, responsible for all of the company's operations outside the US leading to him serving as President of Honeywell Europe. In 1993, he was named Chairman and CEO of Honeywell. Mr. Bonsignore is active and serves on the board of numerous organizations including the US-China Business Council, The Alliance to Save Energy Board, Investment and Services Policy Advisory Committee (INSPAC), Cargill, Inc., and the US-Russia Business Council.

John Browne is Group Chief Executive of The British Petroleum Company p.l.c. He joined BP in 1966 as a university apprentice. In 1989, Mr. Browne became Managing Director and CEO of BP Exploration based in London. In September 1991, he was appointed to the Board of The British Petroleum Company p.l.c. as a Managing Director. Mr. Browne became Group Chief Executive of the company on July 1, 1995. He is a Fellow of the Royal Academy of Engineering and a Fellow of the Institute of Mining and Metallurgy. He is a Non-Executive Director of Smithkline Beechum, a Trustee of The British Museum, and a Member of the Governing Body of the London Business School.

Frederick W. Buckman is President, CEO, and a Member of the Board of Directors of PacifiCorp, the parent company of Pacific Power & Light, Pacific Telecom, Inc., and Utah Power & Light. PacifiCorp is a diversified electric and telecommunications company serving seven states. He is involved in various organizations. He is Chairman of the Board of Oregon Health Science University, Chairman of Nike World Masters Games, Director of Stanford Insurance Company, and Oregon Museum of Science & Industry.

Robert N. Burt is the Chairman and CEO of the FMC Corporation. He was elected to FMC's Board of Directors in 1989 and was appointed Chairman and CEO November of 1991. He joined FMC in 1973 as a Director. He is currently on the Board of Directors of Phelps Dodge and Warner Lambert Corporations, the World Resources Institute, the Rehabilitation Institute of Chicago and the Economic Club of Chicago. He is a member of the Business Roundtable, where he is Chairman of the Environmental Task Force and serves on the policy and planning committees. He also serves on the policy committee of the Illinois Business Roundtable, is a member of the Defense Policy Advisory Committee on Trade, and is a trustee of the Association of the US Army.

A.D. "Pete" Correll has been the Chairman, President, and CEO of the Georgia-Pacific Corporation since December 1993. He serves on the company boards of Sears, Roebuck and Company, SunTrust Bank, Atlanta, SunTrust of Georgia, Inc., and The Southern Company. He is the Atlanta Chamber of Commerce Chairman-elect, a member to the Atlanta Area Council to the Boy Scouts of America, a member of the Atlanta Renaissance Program, the Georgia Research Alliance, and many others. Mr. Correll was named one of Georgia Trend Magazine's "25 Most Influential Georgians" in 1996 and one of the "100 Most Influential Georgians" in 1994 & 1995.

Robert E. Denham is the Chairman and CEO of Salomon, Inc., the parent company of Salomon Brothers and Phibro Energy. He joined the company in 1991 as General Counsel and became Chairman and CEO in June 1992. Prior to joining Salomon, Mr. Denham worked for twenty years practicing law at the firm of Munger, Tolles, and Olson. He is a member of the California, American, and Los Angeles County Bar Associations. He serves as a US representative to the APEC Business Advisory Council, appointed to that position by President Clinton. He is a member of the Council on Foreign Relations and the OECD Business Sector Advisory Group on Corporate Governance. Mr. Denham serves on the Board of Trustees of the Natural Resources Defense Council, The Conference Board, the New School for Social Research, and the Russell Sage Foundation as well as the United Way of New York City.

Dr. E. Linn Draper is Chairman, President, and CEO of American Electric Power Company, Inc. He is also serving as Chairman, President, and CEO of the American Electric Power Service Corporation, the management and technology arm of the AEP system. He became President of AEP and the Service Corporation in 1992 and CEO, Chairman, and President of AEP in 1993. Mr. Draper is also President of the Ohio Valley Electric Corporation and its subsidiary, Indiana-Kentucky Electric Corporation. In February, 1992, Mr. Draper was elected as a member of the National Academy of Engineering, one of the highest distinctions for a professional engineer. He is presently a member of the board of directors of the Nuclear Energy Institute and the Institute of Nuclear Power Operations. He was the founding Chairman of the Nuclear Energy Institute, chairman of the Nuclear Utility Management and resources Council (NUMAC) from 1991-1994, and Chairman of the Edison Electric Institute 1996-7. He has also served as Chairman of the Utility Nuclear Waste Management Group, a consortium of 43 electric utilities.

Kenneth L. Lay has been Chairman and CEO of Enron Corporation since February 1986 following the merger of Houston Natural Gas and InterNorth, Inc. in July 1985. He has previously held the position of Technical Assistant to a Commissioner of the Federal Regulatory Commission and Deputy Under Secretary for Energy of the US Department of Interior. Currently, Mr. Lay serves on the Board of Directors of the Compaq Computer Corporation, Eli Lilly and Company and Trust Company of the West. He is a member of the President's Council on Sustainable Development, The Business Council, the National Petroleum Council, and the American Enterprise Institute. He is a member of the Board of Trustees of the H. John Heinz III Center for Science, Economics, and the Environment.

Paul H. O'Neill has been the Chairman, President, and CEO of Alcoa since April of 1987. Before being elected to his position, he was the ALCOA director. Mr. O'Neill serves on the board of various organizations including American Enterprise Institute, Business Roundtable, The Conference Board, Institute for International Economics, International Primary Aluminum Institute, Lucent Technologies, Manpower Demonstration Research Corporation, and The RAND Corporation. In addition, he is the Director of the Council for Excellence and the Gerald R. Ford Foundation. He is on the board for the Allegheny Policy Council, the H. John Heinz III Center for Science, Economics, and the Environment, the Miller Center at the University of Virginia, and is the Founding Member of the National Academy of Social Insurance.

Frederick W. Buckman
Biographical data

Frederick W. Buckman is President and Chief Executive Officer of PacifiCorp, the parent company of Pacific Power & Light, Pacific Telecom, Inc., and Utah Power & Light. He is also a member of its Board of Directors. PacifiCorp is a diversified electric and telecommunications company serving seven states and receiving approximately \$3.5 billion in annual revenues.

Prior to being named to head PacifiCorp in February, 1994, Buckman served as President and Chief Operating Officer for Consumers Power from 1988 to 1991 and as President and Chief Executive Officer of Consumers from 1992 until his departure for PacifiCorp. Consumers Power, a subsidiary of CMS Energy, serves electricity and natural gas to approximately 2.8 million customers in Michigan's lower peninsula.

Buckman has prior experience in energy supply and nuclear operations with Consumers Power, and he served as President of Delian Corporation, an energy oriented consulting company in Pittsburgh, Pennsylvania, for three years.

Buckman graduated from MIT in 1970 with a Ph.D. in nuclear engineering. He has a bachelors degree in science engineering from the University of Michigan, and he attended Harvard Business School's Advanced Management Program.

He was born [REDACTED] (b)(6) He and his wife Marion reside in Portland, Oregon. They have two sons, Fred Jr. (23) and Keith (22).

Buckman is Chairman of the Board of Oregon Health Science University, Chairman of Nike World Masters Games, Director of Standard Insurance Company, Oregon Museum of Science & Industry, Portland School District Foundation, Oregon Independent College Foundation, Inc., Portland Chamber of Commerce, Association of Edison Illuminating Companies, and Edison Electric Institute.



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To CHERI CARTER	From RN BURT
Co. THE WHITE HOUSE	Co. FMC
Dept.	Phone # 312-861-5822
Fax # 202-456-6218	Fax #

Robert N. Burt

Chairman and Chief Executive Officer
FMC Corporation

Robert N. Burt is chairman and chief executive officer of FMC Corporation.

He was elected to FMC's board of directors in 1989 and was appointed chairman and chief executive officer Nov. 1, 1991.

Burt joined FMC in 1973 as director, corporate planning. He was named director, finance and business development, of the Agricultural Chemical Division in 1976. When the company was organized into nine operating groups in 1977, he was appointed manager of the Agricultural Products Group. He was elected a vice president of FMC in 1978 and subsequently served as general manager of the company's Defense Systems Group from 1983 to September 1988, when he was named executive vice president of the corporation. Burt was named president of the corporation in March 1990 and served in that position through October 1993.

Prior to joining FMC, Burt was with Chemetron Corporation where he began a corporate planning function and was president of an international division. From 1964 to 1968 he held various corporate, regional, and foreign affiliate planning positions with Mobil Oil Corporation. He was a lieutenant in the U.S. Marine Corps from 1959 to 1962.

Burt received a bachelor of science degree in chemical engineering from Princeton University in 1959 and a master of business administration degree from Harvard Business School in 1964.

Burt is a member of the board of directors of Phelps Dodge and Warner Lambert corporations, the World Resources Institute, the Rehabilitation Institute of Chicago and the Economic Club of Chicago. He is a member of the Business Roundtable, where he is chairman of the Environmental Task Force and serves on the policy and planning committees. He also serves on the policy committee of the Illinois Business Roundtable, is a member of the Defense Policy Advisory Committee on Trade, and a trustee of the Association of the United States Army.

Burt is a member of the board of Evanston Hospital, the board of trustees and a vice-chairman of the Chicago Symphony Orchestra, and serves on the visiting committee of Princeton University's Engineering School.

He and his wife, Lynn, have three children and reside in Winnetka, Illinois.

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June 1997

KENNETH L. LAY
Chairman and Chief Executive Officer
Enron Corp.

Kenneth L. Lay is chairman and chief executive officer of Enron Corp. He was named to that position in February 1986, following the merger of Houston Natural Gas and InterNorth, Inc. in July 1985. Previously, Lay was president of Continental Resources Company (formerly Florida Gas Company) and executive vice president of The Continental Group, the parent company of Continental Resources Company, before joining Transco Energy Company in May 1981, as president, chief operating officer and a director. He joined Houston Natural Gas in June 1984 as chairman and chief executive officer.

A native of Missouri, Lay was a Phi Beta Kappa graduate in economics from the University of Missouri, where he also received a master's degree in economics. Upon graduation, he began his career in 1965 as a corporate economist with Exxon Company, U.S.A. Subsequently, he earned a Ph.D. in economics from the University of Houston.

Lay served as an officer in the U.S. Navy, and held the positions of Technical Assistant to a Commissioner of the Federal Energy Regulatory Commission and Deputy Under Secretary for Energy of the U.S. Department of Interior. Additionally, while in Washington, Lay was an assistant professor at George Washington University, teaching graduate courses in micro- and macro-economic theory and government-business relations.

Currently, Lay serves on the Board of Directors of Compaq Computer Corporation, Eli Lilly and Company and Trust Company of the West. He is a member of the President's Council on Sustainable Development, The Business Council, the National Petroleum Council and the American Enterprise Institute. He is a member of the Board of Trustees of The H. John Heinz III Center for Science, Economics and the Environment. Lay is a member of the Board of Trustees of The First United Methodist Church in Houston and is also serving as chairman of the 1997 Houston United Way Community Campaign. Lay was recently named one of the 25 top managers for 1996 by *Business Week*. He was also selected to receive the Private Sector Council's 1997 Leadership Award.

Previous key roles have included serving as chairman of the Greater Houston Partnership and chairman of the University of Houston Board of Regents. In addition, he served as chairman of the Houston Host Committee for the 1992 Republican National Convention and as co-chairman of the 1990 Houston Economic Summit Host Committee.

Married to the former Linda Phillips of Washington D.C., the Lays have five children: Robyn, Mark, David, Elizabeth and Beau.

Enron Corp. is one of the world's largest integrated natural gas and electricity companies and operates one of the world's largest natural gas transmission systems. Enron is the largest purchaser and marketer of natural gas and the largest non-regulated marketer of electricity in North America. Enron markets natural gas liquids worldwide and manages the largest portfolio of fixed-price natural gas risk management contracts in the world. Enron is one of the largest independent developers and producers of electricity in the world and is a major supplier of solar and wind renewable energy worldwide. The company generated approximately \$13.3 billion in revenues in 1996 and had approximately \$16 billion in assets at year-end.

May97

Biography



Contact Information

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PAUL H. O'NEILL

Director

**Chairman of the Board and Chief Executive Officer
Pittsburgh**

Paul H. O'Neill, chairman of the board and chief executive officer of Alcoa, was born December 4, 1935, in St. Louis, Missouri.

Mr. O'Neill received a B.A. degree in economics from Fresno State College and a master's degree in public administration from Indiana University. Additionally, he participated in graduate study programs in economics at Claremont Graduate School and George Washington University.

Mr. O'Neill was elected chairman and chief executive officer of Alcoa April 20, 1987. Before being elected to his present position, he served as an Alcoa director.

Prior to joining Alcoa, Mr. O'Neill was president of International Paper Company. He joined IP in 1977 as vice president - planning. Four years later, he was named senior vice president - planning and finance, and in 1983 senior vice president of the company's paperboard and packaging segment. Mr. O'Neill was named president in 1985.

Mr. O'Neill began his career as an engineer for Morrison-Knudsen, Inc. in Anchorage, Alaska. He worked as a computer systems analyst with the U.S. Veterans Administration from 1961 to 1966 and served on the staff of the U.S. Office of Management and Budget from 1967 to 1977. He was deputy director of the OMB from 1974 to 1977.

Mr. O'Neill serves on several boards and advisory groups for business, civic and educational organizations.

PAUL H. O'NEILL

Director

**Chairman of the Board and Chief Executive Officer
Alcoa**

BUSINESS AND INDUSTRY ORGANIZATIONS

American Enterprise Institute (Trustee)
Business Council
Business Roundtable (Policy Committee)
The Conference Board (Senior Member)
Institute for International Economics (Director)
Institute for Research on the Economics of Taxation
International Primary Aluminium Institute (Former Chairman)
Lucent Technologies (Director)
Management Executives Society
Manpower Demonstration Research Corporation (Director)
The RAND Corporation (Chairman Board of Trustees)

COMMUNITY AND EDUCATIONAL ORGANIZATIONS

Allegheny Conference on Community Development
Allegheny Policy Council (Member)
American Academy of Arts and Sciences
Council for Excellence (Director)
Gerald R. Ford Foundation (Director)
H. John Heinz III Center for Science, Economics and the Environment (Trustee)
National Academy of Social Insurance (Founding Member)
The Miller Center at the University of Virginia (Council Member)



**AMERICAN
ELECTRIC
POWER**

**DR. E. LINN DRAPER JR.
CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER
AMERICAN ELECTRIC POWER SERVICE CORPORATION
CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER
AMERICAN ELECTRIC POWER COMPANY**

Biographical Sketch

Dr. E. Linn Draper Jr. is chairman, president and chief executive officer of American Electric Power Company, Inc. He is also chairman, president and chief executive officer of the American Electric Power Service Corporation, the management and technology arm of the AEP System.

He became president of AEP and the Service Corporation in March 1992, following 13 years with Gulf States Utilities Company in Beaumont, Texas, where he served as chairman, president and chief executive officer. He became chairman, president and chief executive officer of AEP in May 1993.

Draper is also president of Ohio Valley Electric Corporation and its subsidiary, Indiana-Kentucky Electric Corporation. OVEC provides electric energy for the U.S. Department of Energy's uranium-enrichment facility at Piketon, Ohio.

He joined Gulf States Utilities in 1979 as technical assistant to the chairman of the board, then became vice president of nuclear technology in 1980 and senior vice president - engineering and technical services in 1981.

In 1982, he was elected senior vice president - external affairs, then was elevated to executive vice president - external affairs and production in 1985. He was named vice chairman and executive vice president later in 1985, and became vice chairman, president and chief operating officer in 1986. Later the same year, he became vice chairman, president and chief executive officer, and in 1987 he was elected chairman, president and chief executive officer.

Before joining Gulf States Utilities, he had served on the faculty and administration at the University of Texas, where he had been an associate professor and director of the Nuclear Engineering Program.

He attended Williams College and holds a bachelor of arts degree from Rice University, a bachelor of science degree in chemical engineering from the same institution, and a doctorate in nuclear science and engineering from Cornell University. He is a registered professional engineer in the State of Texas.

In February 1992, Draper was elected a member of the National Academy of Engineering, one of the highest distinctions for a professional engineer. He is a past president and former member of the board of directors of the American Nuclear Society. He is a member of the board of directors of CellNet Data Systems, Inc. and the Greater Columbus Chamber of Commerce. In addition, he has been a member of the board of directors of the Texas Commerce Bank - Beaumont, and Southeast Texas, Inc., as well as a member of the Lamar University Board of Regents, University of Texas Engineering Foundation Council, the Cornell University Engineering Foundation Advisory Council and The Ohio State University College of Engineering Board of Advisers.

He presently is a member of the boards of directors of the Nuclear Energy Institute and the Institute of Nuclear Power Operations. He was the founding chairman of the Nuclear Energy Institute from 1994-1995, chairman of the Nuclear Utility Management and Resources Council (NUMAC) from 1991-1994, and chairman of the Edison Electric Institute 1996-7. He has also served as chairman of the Utility Nuclear Waste Management Group, a consortium of 43 electric utilities.

Dr. Draper has edited books on nuclear power and the engineering aspects of fusion reactors and has written over eighty technical papers. He has been a frequent speaker on behalf of the industry groups such as the Edison Electric Institute and the Nuclear Energy Institute.

**Georgia-Pacific Corporation**

133 Peachtree Street NE (30303-1847)
P.O. Box 105605
Atlanta, Georgia 30348-5605
Telephone (404) 652-4000

A. D. ("Pete") CORRELL

Chairman of the Board,

Chief Executive Officer and President

Georgia-Pacific Corporation

Georgia-Pacific Corporation:

December 1993	Chairman of the Board, Chief Executive Officer and President
May 1993	President and Chief Executive Officer
1991-May 1993	President and Chief Operating Officer
1989-1991	Executive Vice President - Pulp and Paper
1988-1989	Senior Vice President - Pulp and Printing Paper

Previous Positions:

1983-1988	Senior Vice President, Forest Products - Mead Corp.
1981-1983	Group Vice President, Forest Products - Mead Corp.
1981	Group Vice President, Papers - Mead Corp.
1980	Group Vice President, Paperboard - Mead Corp.
1977-1980	Division President, Paperboard - Mead Corp.
1967-1977	Various Pulp and Paper Management Positions - Weyerhaeuser Co.
1964-1967	Instructor - University of Maine (Orono)
1963-1964	Technical Service Engineer - Westvaco

Company Boards

Sears, Roebuck and Co - Board of Directors
SunTrust Bank, Atlanta - Board of Directors; Trust Committee
SunTrust Banks of Georgia, Inc. - Board of Directors
The Southern Company - Board of Directors

Affiliations:

The Atlanta Chamber of Commerce - Chairman-elect; Forward Atlanta
Policy Group - Member
American Forest & Paper Association, Chairman; Forest Resource
Product Group Executive Committee
Atlanta Area Council of the Boy Scouts of America
Atlanta Renaissance Program - Advisory Board
Central Atlanta Progress - Chairman
Commerce Club (Atlanta) - Board of Directors
Georgia Research Alliance - Board of Directors
Institute of Paper Science and Technology, Inc. - Board Vice Chairman
National Council of the Paper Industry for Air and Stream Improvement,
Inc. - Executive Committee and Board Chairman
Robert W. Woodruff Arts Center - Board of Trustees
The Atlanta Action Forum - Member
The Carter Center - Board of Councilors
The Conference Board - Member
The Georgia Conservancy - Advisory Board of Trustees
The Nature Conservancy - Board of Governors
United Negro College Fund Atlanta Campaign - Chairman
United States Council for International Business Trade - Trustee
University of Georgia Foundation - Trustee

Former Affiliations Atlanta Symphony Orchestra - Board of Directors
Banc One, Dayton, Ohio - Board of Directors
Engraph, Inc - Board of Directors
Georgia Chamber of Commerce - Board of Directors
Keep America Beautiful, Inc. - Board of Directors
Miami Valley (Ohio) Boy Scouts - Board of Directors
Miami University (Ohio) Pulp and Paper Foundation - Vice President
President's Council on Sustainable Development
United Negro College Fund - Chairman
University of Maine Pulp and Paper Foundation - Board of Directors and Vice President

Education M.S., Chemical Engineering, University of Maine (Orono), 1967
M.S., Pulp and Paper Technology, University of Maine (Orono), 1966
B.S., Business Administration, University of Georgia, 1963

Honors Georgia Trend Magazine, "25 Most Influential Georgians," 1996
Georgia Trend Magazine, "100 Most Influential Georgians," 1994, 1995
Significant Sig Award, Sigma Chi Fraternity, 1995
Institute of Human Relations Award, American Jewish Committee, 1995
Distinguished Alumnus Award - University of Georgia, Terry College of Business, 1994
National Brotherhood Award, National Conference of Christians & Jews, 1991

Native of (b)(6)

Resident of Atlanta, Ga.

Date of Birth -

3/97

E J P BROWNE

Mr John Browne is Group Chief Executive of The British Petroleum Company p.l.c.

Born in 1948, Mr Browne joined BP in 1966 as a university apprentice. He holds a degree in Physics from Cambridge University and an MS in Business from Stanford University, California. Mr Browne is also a Fellow of the Royal Academy of Engineering and a Fellow of the Institute of Mining and Metallurgy.

Between 1969 and 1983, he held a variety of exploration and production posts in Anchorage, New York and San Francisco, London and Canada.

In 1984 he became Group Treasurer and Chief Executive of BP Finance International.

In April 1986, Mr Browne took up the position of Executive Vice President and Chief Financial Officer of The Standard Oil Company in Cleveland, Ohio. In 1987, following the BP/Standard merger, in addition to his position as Executive Vice President and Chief Financial Officer of BP America, Mr Browne was appointed Chief Executive Officer of Standard Oil Production Company.

In 1989, Mr Browne became Managing Director and Chief Executive Officer of BP Exploration based in London. In September 1991, he was appointed to the Board of The British Petroleum Company p.l.c. as a Managing Director. Mr Browne became Group Chief Executive of the company on July 1, 1995.

Mr Browne is a Non-Executive Director of Smithkline Beecham, a Trustee of The British Museum and a Member of the Governing Body of the London Business School.

November 1996

Michael R. Bonsignore

Chairman and Chief Executive Officer
Honeywell Inc.



Michael R. Bonsignore joined Honeywell in 1969 and held various marketing and business development positions with the Aerospace Group in Los Angeles. In 1972, he became market manager for the Marine Systems Division in Seattle. After a number of marketing and operations management assignments, he was named general manager of the division in 1981.

Bonsignore relocated to Brussels, Belgium, in 1982 as president of Honeywell Europe, S.A. He was responsible for profit and loss and business development of all of Honeywell's businesses in Europe, the Middle East and Africa. The company operates through more than 20 wholly owned affiliates and joint venture partnerships, and a large number of distributors in the region.

In 1987, Bonsignore relocated to Minneapolis as executive vice president, International, responsible for all of the company's operations outside the United States. He became president of the International business later that year.

In 1990, Bonsignore was named executive vice president and chief operating officer, responsible for the International and Home and Building Control businesses, and was elected to the company's board of directors.

In April 1993, Bonsignore was named chairman of the board and chief executive officer of the corporation.

Bonsignore was born April 3, 1941, in Plattsburg, N.Y. He graduated from the U.S. Naval Academy in 1963 with a degree in electrical engineering, and did graduate work in ocean science and engineering at Texas A&M University.

Bonsignore is active in numerous professional, civic and board organizations, among them:

- Cargill, Incorporated Board
- Donaldson Co. Board
- Honeywell Inc. Board
- New Perspective Fund, Inc. and EuroPacific Growth Fund Boards
- The St. Paul Companies Board
- U.S. - Russia Business Council
- Investment and Services Policy Advisory Committee (INSPAC), USTR
- The United States - China Business Council
- The Alliance To Save Energy Board

**BIOGRAPHICAL DATA**

**Curtis H. Barnette ("Hank")
Chairman and Chief Executive Officer
Bethlehem Steel Corporation**

Mr. Barnette is Chairman and Chief Executive Officer of Bethlehem Steel Corporation (1992). Prior to that he served as Senior Vice President and Director for six years (1986-1992) and as General Counsel and Secretary for 15 years (1977-1992). He joined Bethlehem as an Attorney in 1967.

Mr. Barnette, a native of West Virginia, was educated at West Virginia University (1956) and was a Fulbright Scholar in International Law at the University of Manchester, England (1956-1957). He is a graduate of Yale Law School (J.D. 1962) and the Harvard University Business School (AMP 1975). He has received honorary degrees from West Virginia University, LL.D. 1995, and Allentown College, LL.D. 1996.

He served two years (1957-1959) as a Counter Intelligence Officer in Germany and continued in the Army Intelligence Corps Reserves as a Major until 1967. He was a lecturer at the University of Maryland in Germany (1957-1959), and was in the private practice of law and a law tutor at the Yale Law School (1962-1967). Mr. Barnette is a member of the President's Trade Advisory Committee (ACTPN), appointed by President Bush in 1989 and 1991, and by President Clinton in 1994. President Reagan appointed him to the Council of the Administrative Conference of the United States (1988) and Secretary Dole named him to the Coal Commission in 1990. He has testified frequently before Congressional Committees, and has written and spoken extensively about various corporate, litigation, international trade, corporate governance and related matters.

Mr. Barnette is Chairman and a Director of the American Iron and Steel Institute, and a past Chairman and a Director of the International Iron and Steel Institute. He is a Director of the Metropolitan Life Insurance Company, a Trustee of Lehigh University, a member of the Policy Committee of the Business Roundtable and of the Business Council. He is a Director and past Chairman of the Pennsylvania Business Roundtable, and a Director and former Chairman of the West Virginia University Foundation.

Among his past activities, he served as President of the Association of General Counsel, Chairman of the American Society of Corporate Secretaries, a member of the Legal Advisory Committee of the New York Stock Exchange, and of the Council of the Antitrust Section of the American Bar Association.

Mr. Barnette is married, and he and his wife Joanne (Hamer), have two sons, Kevin and James.

4/21/97

SALOMON INC

SEVEN WORLD TRADE CENTER, NEW YORK, NEW YORK 10048 212 783-7000

ROBERT E. DENHAM

Robert E. Denham is the Chairman and Chief Executive Officer of Salomon Inc, the parent company of Salomon Brothers and Phibro Energy. Mr. Denham joined Salomon in late August 1991 as General Counsel and became Chairman and CEO in June 1992.

Prior to joining Salomon, Mr. Denham worked for twenty years at the law firm of Munger, Tolles & Olson, practicing principally in the areas of securities law and corporate acquisitions. In 1973, the firm named him a partner. Twelve years later, he was named Chairman of the law firm's Policy Committee (managing partner).

At Munger, Tolles & Olson, Mr. Denham's principal clients included the Pacific Stock Exchange, whose options trading floor he helped to organize; Berkshire Hathaway Inc., for whom he worked on company acquisitions and purchases of large blocks of securities; PS Group Inc.; and Cook Inlet Region, Inc. and its affiliates. For one year, during a sabbatical leave from his law firm, Mr. Denham served as a Vice President of Cook Inlet Region, an Alaska Native Corporation, where he was responsible for corporate planning and corporate investments.

Born (b)(6) Mr. Denham is a magna cum laude graduate of the University of Texas, where he was elected to Phi Beta Kappa. He received a master's degree in government from Harvard University in 1968, and a J.D. from Harvard Law School in 1971, where he graduated magna cum laude and was Case and Developments Editor of the Harvard Law Review.

Mr. Denham is a member of the California, American, and Los Angeles County Bar Associations. He serves as a U.S. representative to the APEC Business Advisory Council, appointed to that position by President Clinton. He is a member of the Council on Foreign Relations and the OECD Business Sector Advisory Group on Corporate Governance. Mr. Denham serves on the Board of Trustees of the Natural Resources Defense Council, The Conference Board, the New School for Social Research and the Russell Sage Foundation as well as on the Board of Directors of the United Way of New York City. He is a past co-chairman of the Capital Formation Subcouncil of the Competitiveness Policy Council, and a past member of the President's Bipartisan Commission on Entitlement and Tax Reform, the Board of Trustees of Polytechnic School of Pasadena, the Board of Directors of The Cathedral Corporation of the Episcopal Diocese of Los Angeles, and the Board of Directors of Public Counsel, the public interest law firm sponsored by the Los Angeles County Bar Association.