

Report
White House Climate Change Task Force
Week in Review: April 7 - 11, 1997

WKly
Rpts

Congressional Activities: Task Force convened a second meeting of congressional liaisons from agencies regarding climate change.

- We learned that staff from Office of Sen. Hagel (R-NE) is inquiring about Under Secretary Wirth's availability for a climate change hearing before his Senate Foreign Relations Subcommittee on International Economic Affairs in May. State is urging that he wait until June when economic analysis has completed peer review, but Senator is eager to pre-empt other committees interested in holding hearings. Also, we are urging that Under Secretary Ev Ehrlich also be included as a witness, given their interest in economic impacts. We have alerted Ev to the possibility.
- Senator Chafee delivered a very favorable speech on climate change (important issue, binding targets, flexibility, etc.) at the invitation of Gov. Pete Wilson at a California Oceans Conference. Sen. Chafee's staff is also sending signals of interest in a hearing in May - June.
- Sen. Lieberman (D-CT) and Rep. Gihlcrest (R-MD) circulated the Economist's letter with a supportive "Dear Colleague" letter this week.

Interest Group Activities: Our staff met with key climate change interest groups including the Climate Action Network (Sierra Club, Greenpeace, Union of Concerned Scientists, Environmental Defense Fund, Natural Resources Defense Council, the Environmental Information Center and others), the Pacific Forest Trust (working with electric utilities to invest in carbon sequestration with private forest owners in Northern California) and the Economic Policy Institute.

Interagency Communications Activities: Held meeting of interagency communications work group. Shared draft master calendar of climate change activities for input and approval. Created a subcommittee working group to develop an informational tool kit on climate change for agency principals to use in public education.

Task Force staffers attended IAT (Interagency Analysis Team) meetings and the State Department Interagency Work Group meeting. Staffers met with Commerce, Labor, and DOE representatives to discuss outreach on Industry for the Future initiatives and climate change. Frank Muller, an economist with the Economic Policy Institute participated in this meeting.

Media Activities:

- *NBC Nightly News* ran an extensive piece on extreme weather and climate change on Monday evening, April 7.
- Undersecretary Tim Wirth participated in climate change forum on April 7 in Boston and on April 8 in New Orleans, which drew regional press coverage from Boston Globe and local TV.
- Time ran a lengthy story on "Warnings from the Ice" about the dangers of climate change on the arctic environment.

Media Activities:

- Wide media coverage of Nature article on Spring coming earlier across North America and globally.
- Op-ed in Minneapolis Star-Tribune criticizing the Vice President for neglecting to mention climate change during his visit this week to flood-damaged areas of upper Midwest.
- Chemical & Engineering News ran an article "Storm Warnings Rattle Insurers" in the April 14 issue.

**Upcoming Events Next Week
April 21 - 25, 1997**

Congressional Activities: We have CEQ approval for conducting briefings on base case economic and scientific information. We are awaiting guidance from NEC before finalizing plans. NOAA's Dan Albritton and Tom Karl have made tentative plans to come to Washington, DC Thursday and Friday, April 24-25.

Interest Groups: Meetings scheduled with wildlife, fisheries and forestry conservation groups regarding climate change.

Media Activities: National Journal article on the domestic impact of international climate change negotiations is now scheduled to run in the last week of April. Note: Eileen Claussen and Dirk Forrister were interviewed for this article. The reporter took interest in the creation of the Task Force as a sign of the Administration's new resolve regarding climate change.

Report
White House Climate Change Task Force
Week in Review: April 14 - 18, 1997

Congressional Activities: Task Force convened a third meeting of congressional liaisons from agencies regarding climate change. In addition to this meeting:

- The Sustainable Energy Budget Coalition held a technology demonstration in the Cannon Caucus Room with very good staff and Member turn out. Numerous exhibits noted climate change and other environmental benefits.
- Senator Robert Byrd's staff has requested a briefing for Appalachian region Democratic congressional staff on climate change.
- Staff met with Senator John Kerry's staff to discuss next steps following his participation in a regional climate change forum sponsored by the Environmental Information Center in Boston last week. The Senator is committed to introducing a resolution in support of Kyoto and to writing the President to encourage strong action.

Interest Group Activities: Our staff met with the Edison Electric Institute, the Aluminum Industries Association, American Forest Products and Paper Association, a clean-coal technology consortium (Sargent & Lundy, Zigler Coal and others), a major Michigan cement produce -- all interested in working constructively on domestic climate change policy.

- American Enterprise Institute held a noon forum on climate change economic modeling, including Bill Nordhaus and Dale Jorgensen -- two of our peer reviewers. Commerce Department Under Secretary Ev Erlich was in the audience and reported that he is encouraged that their presentations do not conflict with our modeling.
- Dirk Forrister addressed National Association of Manufacturer's Environmental Subcommittee.
- Staff met with Ozone Action regarding outreach activities and Paul Epstein, M.D., Harvard Medical School professor and director of Harvard's Center for Health and the Global Environment regarding health effects of climate change.

Interagency Communications Activities: Held meeting of interagency communications work group. Began development of climate change resource book for use by principal administration speakers.

- Staff met with Ev Erlich to discuss outreach related to the economic modeling base case.
- Staff attended State Interagency Work Group meeting to begin planning public involvement on further policy developments.
- Staffers met with Commerce, Labor, and DOE representatives to discuss outreach on heavy-energy using industries.
- Staff joined CEQ, NEC, Labor and EPA in a discussion with workforce transition program managers from DOE and USDA regarding existing federal programs for communities facing federal downsizing or other redevelopment challenges.

Upcoming Events Next Week
April 14 - 17, 1997

Congressional Activities: We are awaiting your guidance before scheduling briefings on base case economic and scientific information. This will take a week's notice to work logistics.

Interest Groups: Will meet with representatives of Alcoa and American Forest Products Association regarding possible cooperation on climate policy development, building on their involvement with "Industries of the Future" research and development program at DOE.

Interagency Activities: Our staff will attend EMF Modeling Forum at DOE and State Dept. IWG meeting. Have placed mini retreat with our Task Force on hold, pending your approval after we submit request package next week.

Media Activities:

- A Scientific American article, "Humankind's Effects on Global Climate," by Tom Karl will be on newsstands early next week.
- National Journal article on the domestic impact of international climate change negotiations is now scheduled to run in the third week of April.

White House Climate Change Task Force

734 Jackson Place, NW • Washington, DC 20503
202/343-1060 • fax 202/343-1163

Weekly Report

Week in Review: April 21 - 25, 1997

Congressional Activities:

- Over 40 congressional staff attended this Friday morning's base-case economic and science briefings. Most reaction arose during Tom Karl's science presentation from Republican and coal state staffers who had been briefed by industry opponents. They asserted that scientific information outside of IPCC channels refutes some of Karl's findings, but Karl responded with credible responses that indicated they were incorrect or were using dated information. Other questions were raised about the state of scientific consensus today versus what is might be after the 3rd IPCC Assessment in 2000. Opponents assert there is too much scientific uncertainty today to move forward, and that we must wait for the 3rd Assessment. We are told there is some sensitivity to this view in Congress, perhaps raising the need to talk in terms of getting an "insurance policy" in place while we continue to learn more about specifics. There were also questions regarding the release dates for final modeling results, including the hypothetical case of a June Senate hearing for Glickman and perhaps other Cabinet Secretaries. Ev Ehrlich indicated we will conduct peer review through much of May and expect to announce a completion date soon. He also committed to a variety of sectoral and international analyses on that same time frame. Overall feedback on the briefing was favorable.
- A courtesy prebrief was provided to the interagency congressional work group by Tom Karl, Tom Peterson and Judi Greenwald Thursday evening.
- Dirk and Tom received a debrief from John Topping of the Climate Institution a recent congressional environmental forum in Hawaii that was attended by five Senators and 18 Representatives. Climate change was the subject of one morning discussion. Senior House members were depressed over an expected one-third decline in domestic discretionary spending in real terms over the next five years, and the limitations this creates for federal technology, efficiency and R&D programs. Also, some members felt more administration leadership was needed before they could engage the climate issue, but others argued that Congress shares a responsibility for leadership and should begin acting. (Note: this discussion occurred prior to the President's comments prior to visiting North Dakota about severe weather and global warming.) Nonetheless, there was broad bi-partisan support for energy efficiency initiatives and related climate change program solutions, but inadequate understanding of the treaty issue.

Interest Group Activities: Friday afternoon's public briefing drew over 200 industry, labor and environmental groups to the Commerce Department auditorium, where Bierbaum/Karl/Ehrlich gave an identical briefing. The scientific briefing got fewer comments (a few questions asked about why our briefing was not more explicit on uncertainties), but there were more significant questions about modeling techniques, assumptions, workforce projections and relation to policy design decisions.

- Tom Peterson (Task Force staff) and Tom Karl (NOAA's Climate Data Center) briefed the

American Farm Bureau Federation on climate change, extreme weather and agricultural concerns.

- Karl and Dr. Richard Birdsey of the US Forest Service Global Climate Change Program also provided a science briefing for wildlife, fisheries and conservation groups.
- Forrister spoke to American Iron & Steel Institute's Environmental Subcommittee. They expressed interest in working with us on domestic policy design.
- Forrister spoke to the American Home Appliance Manufacturers, who are members of Kevin Fay's "ICCP group." The group was encouraging and their support for many of our negotiating positions (favor flexibility, oppose early dates, oppose int'l harmonized policies and measures).

Interagency Communications Activities: Held meeting of interagency communications work group. NOAA and Interior reported on internal communications activities. Reviewed outline for proposed communications tool kit.

- Staff met with Ev Ehrlich, Tom Karl, Dr. Bierbaum et al to prepare for Friday public outreach activities.

Media Activities:

- Two media briefings were held on Thursday and Friday: A science briefing with Tom Karl: Attendees included reporters from the Washington Post, Time, AP, Reuters, National Journal; and an economics Briefing with Ev Ehrlich, with reporters from Washington Post, National Journal, Reuters, Energy Daily, Inside Energy. See attached article from Monday, April 28 issue of Energy Daily.
- Extensive coverage this week of President's and Vice-President's comments regarding extreme weather events and global warming.
- Op-ed pieces this week by Sen. Joe Lieberman in Christian Science Monitor on extreme weather and climate change and by Tom Lovejoy in the Washington Post on Costa Rica and Joint Implementation.

**Upcoming Events Next Week
April 28 - May 2, 1997**

Congressional Activities: Staff will provide assessments to congressional and interagency communications groups regarding Friday's base-case briefings.

Interest Groups: JI project announcements will be made Monday at 4 pm at the White House Conference. Concerns have been raised this week by representatives of several environmental groups regarding the

Indonesian JI project, we are working to resolve these concerns prior to the Monday announcement.

Media Activities: Expect possible limited interest in JI project announcements, including Indonesian project.

White House Climate Change Task Force

734 Jackson Place, NW • Washington, DC 20503
202/343-1060 • fax 202/343-1163

Weekly Report

Week in Review: April 28 - May 2, 1997

Congressional Activities: We have solicited feedback on Friday's briefings from congressional and interest group staffs with varied reactions. Overall, Commerce Under Secretary Ev Ehrlich's presentation significantly improved the comfort level with the Administration's work on modeling. But there is also a clear consensus that results must be available by June to avert major damage on the Hill and with key constituencies. It is particularly important that modeling address the concern that climate policy will ship US jobs overseas.

Interest Group Activities: Joint Implementation project announcements were made Monday at the White House Conference Center. Concerns raised earlier by representatives of several environmental groups regarding the Indonesian Joint Implementation project were resolved prior to Monday's announcement.

- Met with representatives of the Environmental Defense Fund and the Center for Clean Air Policy, as well as Edison Electric Institute to discuss issues related to joint implementation, emission trading, and early banking.
- Organized briefing for White House staff by energy efficiency groups on new study examining low-cost options for reducing energy use and greenhouse gas emissions.
- Participated in a meeting with Katie McGinty with the Business Council for Sustainable Energy.

Interagency Communications Activities:

- At the weekly interagency communications meeting, we established three working groups in the areas of climate impacts on human health, natural resources, and extreme weather events. These sub-groups will identify and coordinate on-going agency activities in each of these areas.
- A number of climate impacts workshops are under development. In addition to the workshops being developed by OSTP and other agencies, a series of workshops are being planned by EPA with the business community and by their regional offices over the next six months.
- The Task Force is assisting in interagency decision-making in the preparation of a number of policy papers and analyses. In particular, this week the Task Force is part of a "SWAT team" finishing a paper on how climate change policy affects various economic sectors, both positively and negatively.

Weekly Report**Week in Review: April 28 - May 2, 1997****Page Two****Media Activities:**

- Dirk Forrister was interviewed by John Fialka of the Wall Street Journal for article on business attitudes toward climate change policy. Article expected to run late next week.
- Inside Energy and CNN/FN (A separate cable channel from CNN) and CNN's Headline News ran stories on the Argonne Labs study on job loss in energy-intensive industries under proposed international climate change mitigation efforts.
- National Journal article "Chilling Out" on Administration's approach to climate change ran on May 2, 1997.

Upcoming Events Next Week**April 28 - May 2, 1997**

Congressional Activities: Briefings for coal-state congressional staff are being scheduled for next week.

Media Activities: Wall Street Journal article by John Fialka to run on "Politics and Policy" backpage.

White House Climate Change Task Force

734 Jackson Place, NW • Washington, DC 20503

202/343-1060 • fax 202/343-1163

Weekly Report

Week in Review: May 5 - 9, 1997

Congressional Activities: Thirteen senators and representatives signed a letter commending the Smithsonian Institution for its Global Climate Change Exhibit, including senators McCain, Jeffords, Chaffee, Kerry and Lieberman. The Interagency Congressional Work Group has been briefed on the proposed June Public Meeting and subsequent Hill briefings, and has had key inputs into the proposal.

- **Budget & Appropriations:** The State Department Office of Oceans and Environment received a denial of their reprogramming request from Rep. Hal Rogers, the appropriations chair for Commerce, State, Justice, that would significantly constrain its work on climate issues. State is in dialogue with House and Senate staff on this issue and has not yet asked for assistance.
- **President, VP and Cabinet Events :** Some months ago, Reps. Gilchrest (R-Md) & Porter (R-Il) wrote to request that the Vice President host a breakfast/dinner with Members of Congress interested in helping on climate change. We are exploring options with friendly congressional staff. Additionally, we are exploring the possibility of following up any Presidential meeting with Nobel prize winning scientists with a similar congressional meeting.
- **Upcoming Hearings:** Senate Foreign Relations Subcommittee on International Economics, chaired by Sen. Hagel, is working on a climate briefing June 18, 19 or 30, based on Tim Wirth's availability. They are also asking for Ev Ehrlich or a replacement to discuss economic results. We are working to arrange private member's briefs on climate science and economics in advance of this hearing.

Rep. Schaeffer is contemplating a House Commerce Energy and Power Subcommittee hearing in late June to discuss economic results and developing nations issues.

The Senate Agriculture Committee is contemplating a full committee hearing in July to discuss a wide range of ag sector impacts from climate change policy.

- **Possible Resolutions:** A coalition of coal companies drafted a negative Senate resolution for Senator Byrd and other fossil fuel state democrats (possibly Dorgan, Conrad, Ford and Breaux) to release in advance of the June 20 G-7 meeting. Staff advise us that release of our economic results in June will help stave this off, along with an open discussion of policy options and demonstrable progress on the developing nations issue. We are providing follow up staff support.

We learned that Sierra Club, NRDC and other environmental groups are shopping a proposed resolution to cap temperature increases at 2 degrees F. Senator Kerry (MA) promised to introduce a resolution when he spoke at a Boston Town Hall meeting on climate change in April. His staff tells us they are open to ideas. They have rejected the proposed Sierra Club, NRDC resolution.

Interest Group Activities: We met with a representative from DuPont who outlined broad range of views across the private sector. He emphasized the need to have a more open process that builds understanding and trust, and the concern among many that particular industries might be targeted to bear a disproportionate share of the burden of reducing emissions.

- Staff met with National Mining Association and Nuclear Energy Institute to discuss base-case projections.
- Staff met with a variety of natural resource interest groups:

Outdoor Writers Association of America (Owaa): We are exploring an outreach effort with OWAA, including work with ESPN. They say ESPN may be interested in interviewing the President or Vice President on site in Arkansas or Tennessee on the effects of climate change on wildlife and fisheries, and opportunities to use forest and farm conservation programs as a carbon sink.

- Fertilizer Institute: We met with Fertilizer staff regarding their request for a speaker at this group's annual CEO conference at the Greenbrier on June 3, to about 150 CEO's.
- Rice Federation: We were invited to speak to this group's annual conference in Dallas June 15.
- Farm Bureau Federation: We organized a Farm Bureau science and economics briefing with Rosina Bierbaum of OSTP (core science issues) and Carol Whitman of USDA (ag emissions sources and sinks). What was supposed to be a one-hour administration briefing turned into a 20 minute administration briefing followed by a closed planning session with fossil fuels lobby reps. Discussion during our briefing was dominated by questions from representatives from energy lobbyists from the Global Climate Coalition on the usual issues of scientific uncertainty, carbon taxes, limits on time for negotiation, and developing nations. Some ag reps asked more open questions and may be open to individual dialogue.
- Pacific Forest Trust: The Pacific Forest Trust contacted us on behalf of a number of forest conservation allies to express concern about agency rumors they have heard that forests would not be included as sinks under the Annex C protocol text. We are monitoring this issue.
- Piedmont Environmental Council (Pec): The PEC has invited us to speak to its environmental steering committee next week to update them on the climate issue. This group focuses on transportation and land use issues in Northern VA.

Interagency Communications Activities: No meeting this week. Agencies are developing first draft of Climate Change Resource Kit. The initial draft should be circulated for staff review by end of next week.

Interagency: We participated in final review of draft second national communications document which will be made available for public review on Monday. We initiated steps to ensure Congressional staffs and NO input is obtained during review period. We continued progress on completing sectors economic analysis paper. We attended weekly meetings on modeling and international negotiating positions.

**Upcoming Events Next Week
May 12 - 16, 1997**

State Department will publish the Draft "National Communication" (required to be submitted soon under the Framework Convention on Climate Change) in the Federal Register on Monday with a one week public comment period.

Congressional Activities: The State Department will develop the plan to send the U.S. "National Communication" to the Congress -- but only after completing a public comment effort. Budget and appropriations issues will be a top priority for congressional climate staff and their liaisons. In the next few weeks as protocol language is finalized, we expect that State will brief congressional staff on the new provisions before submission.

Interest Groups: Meeting scheduled with Environmental Defense Fund on emissions trading.

Media Activities: Wall Street Journal article by John Fialka on business attitudes toward climate change policy, which did not run this week, may run on "Politics and Policy" backpage next week.

White House Climate Change Task Force

734 Jackson Place, NW • Washington, DC 20503

202/343-1060 • fax 202/343-1163

Weekly Report

Week in Review: May 12 - 16, 1997

Congressional Activities: Several briefings by federal agencies of Congressional members and staff were held this past week:

- Dr. Jerry Mahlman of NOAA's Princeton Lab provided a lengthy 4x CO2 scenario briefing to three House members and about 45 House and Senate staff, indicating a strong interest in new scientific developments.
- EPA briefed the Senate Coastal Coalition (15 staff) on coastal climate impacts. The group was interested in financial figures from FEMA on disaster costs, and was generally interested in more information.
- EPA also provided a test briefing to friendly staff on technology solutions for climate. There has been some coordination with DOE, and an offering to create an interagency paper. The briefing was generally regarded as helpful, but raised a host of numerical questions on the effects of technology on emissions.
- State Department provided briefing handouts to 40 Hill staff on National Communications, and will brief as necessary after comments are received. A Federal Register notice went out Monday with a one week review period. No Hill comments yet.
- NOAA set up briefings by Dan Albritton on climate and other issues with Senator Kerry-MA and House appropriators. No news on outcome yet.

Congressional hearings: Rep. Schaeffer's staff continues to raise the prospect of an early June climate hearing with DOE staff, but they have not yet proposed administration witnesses. Separately, his staff is negotiating release of predecisional documents to nongovernmental entities pursuant to an earlier document request regarding climate negotiations.

Congressional letters: The draft response to the Lugar/Daschle letter is in OMB clearance, with several agency comments. WHCCTF provided concurrence to the circulation draft. Lugar's staff is increasingly impatient for the release of administration analysis.

Interagency Congressional Work Group: CWG is providing planning input and assistance on the proposed June public meeting and Hill briefings.

Interest Group Activities: Briefed by Environmental Defense Fund on the implications of alternative concentration targets for needed emissions targets and timetables.

- Met with the American Portland Cement Association on the impacts and opportunities of climate change policy.

- **Virginia Environmental Endowment:** Staff met with this group and about 15 interested state and local groups involved in state conservation, land use, transportation and growth issues. The Endowment is potentially interested in collaborating with us on policy round tables, university conferences and key studies in Virginia.

Interagency Communications Activities: Prepared and circulated talking points on the draft Second Climate Action Report that was released for comment this week. The report contains an update on activities related to the Climate Change Action Plan and analysis related to baseline greenhouse gas emissions trends through 2020. Staff worked on Annex C and early banking policy papers for State IWG meeting, ongoing work on IAT results paper, IAT meetings, sectors paper.

Interagency Analysis Team: Staff reviewed and commented on draft results paper being prepared for peer review.

Interagency Communications Workgroup: Circulated materials (e.g., related to climate science, summary of U.S. negotiating position) for review for Climate Change Resource Kit.

Upcoming Events Next Week May 19 - 23, 1997

Interest Groups: On Monday, Dirk Forrister speaks to Western Interstate Energy Board -- the energy arm of the Western Governors Association -- in San Francisco, CA.

- Also on Monday, Forrister joins John Browne, CEO of British Petroleum, when he delivers a speech at Stanford University supporting climate action and committing to several important activities (Note: this is the first major oil company to take such a step).
- Tom meets with Trust for Public Lands on Wednesday.
- AFL-CIO to meet with Katie McGinty to discuss climate change on Thursday, May 22.
- On Friday, Forrister speaks at a CEO roundtable on climate change at Northwestern University's Kellogg School of Business.

White House Climate Change Task Force

734 Jackson Place, NW • Washington, DC 20503
202/343-1060 • fax 202/343-1163

Weekly Report Week in Review: May 19 - 23, 1997

Congressional Activities: U.S. Representative John Dingell has apparently asked GAO to review the IAT modeling effort and results, and possibly other Administration analysis relating to climate change policy.

- USGCRP provided a Hill seminar on Thursday on natural weather related disasters and potential links to climate change. It was well attended. Dr. Baker from NOAA introduced the speaker, Tom Hook, also from NOAA. The overall bill for weather related disasters in the US, including floods and storms, is now approximately \$1 billion per year, and has doubled or tripled each decade in the last 35 years. A number of causes are involved, potentially including climate change.

Congressional hearings: Staff negotiations regarding administration witnesses are underway for a Senate Foreign Relations Subcommittee hearing on climate change. Tim Wirth has provided June 18 or 19 dates to testify, and Senator Hagel would like Ev Ehrlich or a replacement to join him at that time. Hagel is asking for two weeks time to review the IAT economic analysis prior to the hearing (requiring a June 5 public release date), and would like to firm up the administration witnesses next week.

- A number of questions were submitted by Sen. Bond and Rep. Lewis during VA/HUD appropriations hearings regarding the justification for the \$149 million request for CCAP. OMB is coordinating responses.

Congressional letters: Received letter from U.S. Sen. Frank Murkowski to State's Reifsnnyder on need to include nuclear power contributions to domestic emissions reductions in draft U.S. Climate Action Report.

- The response to the Lugar/Daschle letter has been cleared. This letter from 14 agriculture state senators asks the administration to release a variety of studies on climate change effects and economic impacts.

Interest Group Activities: Early this week, in a speech at Stanford University, John Browne the CEO of British Petroleum America announced that his company has concluded that now is the time to act on Climate Change. The Task Force distributed the speech to numerous interested parties. Browne met privately with the VP to discuss climate change.

- Dirk Forrester spoke to Western Interstate Energy Board -- the energy arm of the Western Governors Association -- in San Francisco, CA., and attended the BP Stanford speech.
- Task Force met with representatives from Boeing and Dow Chemicals to discuss their views on climate change issues. Both are cautiously supportive of U.S. statements to date. However, in the absence of a U.S. position on a target and timetable, they are

concerned about how we may come out on this critical issue. Boeing strongly supports involving developing countries in a substantial manner.

- AFL-CIO representatives met with Katie McGinty to discuss climate change on Thursday, May 22. According to AFL-CIO's Jane Perkins, labor wants to be supportive of Administration climate change efforts but wants to be better consulted and informed.
- Staff met with Trust for Public Lands.
- Task Force members met with representatives of Nissan North America. Nissan has also been approached about providing a clean energy demonstration car for the G-8 Denver Summit and needs more information.
- On Friday, Forrister spoke at a CEO roundtable on climate change at Northwestern University's Kellogg School of Business.
- Staff met with the National Trust For Historic Preservation. A number of potential outreach opportunities exist with this group and related groups concerned about protecting towns and cities from flooding and urban decay, and improving land use and transportation as it affects towns and cities.

Interagency Communications Activities: Task Force hosted a meeting Tuesday of Assistant Secretaries and principal authors of papers for distribution at tentative June public meeting.

- Staff provided input in the development of position papers being prepared for June 1st submission to Climate Secretariat. These papers fill in details on issues related to the scope of coverage of greenhouse gases and implementation of joint implementation and emissions trading.
- Staff attended interagency meetings on international negotiations, modeling, discussed tentatively planned public meeting on economic analysis; made further progress on industry sectors paper.

Media: Coverage of BP CEO's Stanford speech in Los Angeles Times, San Francisco Chronicle, San Jose Mercury-News and Washington Post.

Upcoming Events Next Week May 25 - 29, 1997

Congressional: Congress is on Memorial Day recess for the week.

- The Center For Market Studies at George Mason University is sponsoring a two-day conference in Annapolis, MD with a one-hour climate economics discussion. 40 hill staff are expected, with most from the senate. A number of administration and academic speakers are invited. Al McGartland of EPA will address climate economics issues for the administration.
- Staff has scheduled meetings with House Commerce Committee Minority Staff and Congressional Research staff.

Interagency Communications Activities: The first OSTP conference on climate change will be held at the University of Alaska next week. The Department of Interior has provided logistical support. Senate energy staff (majority) will attend.

Interest Groups: Task Force will meet with representatives of the American Gas Association, the Reinsurance Industry; follow-up meeting with Nissan.

White House Climate Change Task Force

734 Jackson Place, NW • Washington, D.C. 20503
202/343-1060 • fax 202/343-1163

Weekly Report Week in Review: May 26 - 30, 1997

Congressional Activities: Congress is on Memorial Day recess for the week.

- Democratic coal state staff obtained the IAT draft policy-case analysis from a coal company on Tuesday. A peer reviewer leaked the analysis to industry. No evidence exists that a media release of this information is imminent. Staff prepared an immediate press brief and background session as a contingency. Separately, staff provided a one-page proposal for a Public Meeting to CEQ and NEC.
- Pursuant to Rep. Dingell's request to GAO for review of the IAT modeling effort, GAO has interviewed a number of agencies. So far, the review team has been most interested in the peer review process. Separately, GAO is reviewing the Climate Change Action Plan.
- The Senate Foreign Relations Subcommittee hearing on climate change is set for June 19. Tim Wirth is confirmed as a lead witness. A replacement for Ev Ehrlich has not yet been designated.
- The Center for Market Studies at George Mason University held a two-day conference in Annapolis, MD with a one-hour climate economics discussion. Approximately, forty Hill staff attended, with most from the Senate. The administration was represented by Joel Scheraga of EPA.
- Staff met with House Energy and Commerce Committee minority Staff, and Congressional Research Service staff.

Interest Group Activities: Task Force met with representatives of Nissan North America. Meetings scheduled with the American Gas Association and the Reinsurance Industry were postponed.

- Speech to International Federation of Industrial Energy Consumers: briefed about 50 representatives from large energy-using companies (e.g., DOW, ALCOA, Hoechst, Goodyear, Eastman Chemicals) on the U.S. position on climate change. Main questions involved scientific basis for action and concerns about the need for action by developing countries.

Interagency Communications Activities: The Interagency Climate Change Communications Working Group met this week and was briefed by a representative of NOAA's Office of Global Programs on their activities related to climate change. Discussed possibility of making some of their materials more widely available for use by other agencies. Distributed for internal review sections of climate change resource kit.

- Staff met with representative of the Department of Defense (DoD) to discuss issues related to impact of climate change on national security and DoD operations.
- Staff worked on responding to comments on the National Communication and collected comments on draft agency papers and agenda for possible public workshop. In

conjunction with the Interagency Analysis Team, the Task Force participated in a review of revised draft report summarizing economic analysis.

Upcoming Events Next Week
June 2 - 6, 1997

Interagency Communications Activities: The first OSTP conference on climate change is in progress in Denver this week, and the Alaska region conference is next week.

Interest Groups: Staff will speak to the annual conference of The Fertilizer Institute next Tuesday on agriculture issues.

White House Climate Change Task Force

734 Jackson Place, NW • Washington, D.C. 20503
202/343-1060 • fax 202/343-1163

Weekly Report

Week in Review: June 2 - 6, 1997

Interest Group Activities: Dirk Forrister spoke at the annual conference of the Association of Cooperative and Mutual Insurance Societies (AAC/MIS) in New York. This group of customer-owned insurance companies (Nationwide is the largest member) is loosely affiliated with other cooperatives (farm, rural electric, urban housing) and is considering appropriate strategies to address climate risks for their customers. Rather than simply plan for increasing premiums, they are discussing potential for funding mitigation project portfolios or for creating a "green" electric purchasing cooperative to aggregate customers to purchase clean electricity in states allowing retail electric choice. They may also launch their own public education campaign to inform their member/customers of need for climate action.

- Forrister met with EDF's Michael Oppenheimer and Dan Dudek regarding their public education efforts with media, scientists and businesses.
- Forrister met with a small group of Wall Street lawyers and investment bankers regarding the Administration's emissions trading proposals and received feedback on potential capital market reactions.
- Forrister met with the American Gas Association.
- Staff spoke at the annual conference of The Fertilizer Institute Tuesday on agriculture issues. Fertilizer Institute CEO's are skeptical, but interested in partnership and dialogue. In a sharply partisan speech, Haley Barbour discussed environment and climate change, among other issues. On EPA's proposed PM/Ozone standards, he stated that this proposal was not supported by science, the cabinet, or the media, and was outrageously costly. Barbour stated that the Vice President and his staff were managing the administration's environmental agenda and the President was simply rubber stamping anything pro-environment without review. Barbour stated that the climate change issue was simply the PM/Ozone issue multiplied by a thousand, and must be fought and defeated.
- Staff attended a Farm Bureau Federation sponsored presentation by Dr. Brian Fisher of Australia's Agricultural and Economics Research agency. Fisher provided a CGE/trade analysis conducted by ABARE. His main points were: 1) climate should be analyzed and viewed as a trade issue; 2) developing nations are assumed to face no new commitments indefinitely; 3) the cost of implementing the EU proposal without emissions trading is devastating to all developed nations due to trade shifts; 4) trading and JI reduce this cost substantially, but (oddly) will be more costly to the US than a no-trading approach; and 5) trading will take 15 to 25 years to develop, and is therefore not a feasible implementation item. He argued against any action in Kyoto. The Farm Bureau group endorses this view and is working actively with the Australians to formulate domestic positions. They do not have much analysis of their own. Most FB members believe, presumptively, that an agreement of any kind will cause massive export of jobs and investment to developing nations. The administration was criticized for failing to provide economic analysis.

- Staff met with representatives of the American Forest and Paper Association and are arranging further dialog on economic modeling and forest sequestration.
- Staff met with the Pacific Forest Trust on forest sequestration and the need to collaborate with forest industry.

Congressional Activities: Senator Lugar's staff is asking for a briefing on economic impacts on agriculture by USDA's Chief Economist Office as soon as possible. That failing, a full committee hearing is proposed for July.

Interagency Communications Activities: The first OSTP conference on climate change is in progress in Denver this week, and the Alaska region conference is next week.

- Interagency Analytical Team: reviewed peer review comments on draft IAT analysis. Meeting is scheduled next week to review and begin responding to comments.
- Coordination with PCSD: staff met with Christine Ervin to discuss on-going activities and to discuss possible avenues for PCSD involvement on climate change.
- Second National Communications: assisted in responding to public comments on draft report. Final changes are being made and report will be circulated for clearance next week.
- Interagency Climate Change Communications group: No meeting this week. Reviewed draft sections of Climate Change Resource Kit.

Media Activities: Forrister met with Jim Gerstenzang of the Los Angeles Times and Gil Klein of the Media General Newsgroup (Richmond Times-Dispatch, Tampa Tribune and other newspapers) in separate climate change briefings. Staff met with senior producers of National Geographic Television regarding proposed upcoming program on climate change.

Upcoming Events Next Week June 9 - 13, 1997

Congressional Activities: Appropriations markups and hearings have been delayed a week or two due to work on reconciliation and the tax cut proposal.

Upcoming Congressional Hearings: Senate Foreign Relations Subcommittee on International Economics will hold a June 19 hearing with Tim Wirth as a lead witness. They are holding a spot for an administration spokesperson on economic analysis, and are asking for confirmation by next Tuesday. Draft testimony for OMB clearance is also requested by that time. Staff is assisting Sen. Biden's staff with witnesses.

- A potentially favorable hearing may be held in July by the House Joint Economic Committee on market-based approaches (such as trading) that can address emissions reductions. Staff is assisting with the development of a paper on trading.
- Rep. Schaeffer will not hold a House Energy subcommittee hearing on climate change until the week of June 23 due to delays from work on reconciliation and tax cut legislation.

Upcoming Congressional Briefings: The National Center for Policy Analysis (a new industry

creation) will hold a staff briefing on Friday, June 13 for Senate staff. The briefing is expected to be critical of climate action, with scheduled speakers from AFL-CIO, CEI and two new groups formed under the banner of consumers and small business. Staff is in contact with AFL-CIO for more information and assistance.

- Sen. Lieberman's staff is holding a Northeast Delegation briefing next week on state perspectives on climate change, with state reps from NH and MA.

Interest Groups: Forrister will give the opening "keynote address" at the International Climate Change Partnership Conference in Baltimore on June 12 and 13.

- On June 11, World Resources Institute will hold a news conference on the economics of climate change with Dr. Robert Repetto.

White House Climate Change Task Force

734 Jackson Place, NW • Washington, D.C. 20503
202/343-1060 • fax 202/343-1163

Weekly Report Week in Review: June 9 - 13, 1997

Interest Group Activities: The President spoke to the Business Roundtable on June 12, including well-received comments on climate change.

- Dirk Forrister gave the opening "keynote address" at the International Climate Change Partnership Conference in Baltimore on June 12 and 13. Former Commerce Undersecretary Ev Ehrlich gave the luncheon keynote address.
- On June 11, World Resources Institute released its analysis of the economics of climate change with Dr. Robert Repetto.
- Staff attended Center for Clean Air Policy retreat on emissions trading.

Congressional Activities: On Thursday, Senator Robert Byrd introduced a resolution on climate change that stipulates "specific requirements during the same compliance period" for developing nations, and mandates release of detailed implementation plans to congress at the time of the agreement. At present he is joined by 12 Democrats and 33 Republicans, for a total of 46 senators. It is not clear if Byrd will introduce this as a free standing resolution, as an amendment to State Authorization next Monday, or simply allow it to stand after obtaining more than 50 cosponsors. Staff are intensively working the issue in the Administration and on the Hill to hold members off and open to consideration of an alternative. Senators Chafee, Lieberman and Daschle are discussing an alternative resolution that would more constructively facilitate developing country commitments, including a version of article 16 from the US protocol text. This could be introduced as a substitute to the Byrd resolution. Senator Bingaman is also working on a friendly resolution supportive of market-based mechanisms and advancing developing country commitments.

- Senator Wellstone is drafting a resolution based on the Sierra Club position that calls for no trading or JI.
- The State Authorization bill proceeded from markup with language that apparently requires the President to submit economic analysis six months prior to an agreement. The bill is expected to see floor action Monday and roll call votes Tuesday.
- LCV is considering scoring as a key vote the State Authorization vote and/or the Byrd resolution if offered.

Interagency Communications Activities: State Department will circulate the latest draft of the National Communication at the next meeting of the IWG.

Media Activities: On Wednesday, a reporter for Inside EPA, a trade newsletter, received a May 16 draft of the IAT Climate Change Policy Analysis. An article based on the leaked material ran on Thursday. The article included macro-economic results, potential sectoral impacts and job losses. But the reporter also highlighted the extent to which the Administration's policy of

international emissions trading and technology R&D would reduce these impacts dramatically.

- Prior to the President's speech, the BRT ran large, 3-page ads in the Wall Street Journal and the Washington Post calling for "public debate" on climate change.
- Fred Hiatt, columnist for the Washington Post, ran an op-ed on climate on Wednesday.

Upcoming Events Next Week June 16 - 20, 1997

Congressional Hearings: Senate Foreign Relations Subcommittee on International Economics has scheduled a hearing on the economics of climate change for June 19. Undersecretary Tim Wirth is scheduled to testify on behalf of the Administration. We still do not have a witness from another economic agency to speak to the Administration's economic analysis.

Media Activities: The Washington Post will run an op-ed by former Undersecretary of Commerce Ev Ehrlich on Sunday or Monday on climate change.

- Jack Cushman of the New York Times is expected to write an article on the economics of climate change mid-week.

White House Climate Change Task Force

734 Jackson Place, NW • Washington, D.C. 20503
202/343-1060 • fax 202/343-1163

Weekly Report

Week in Review: June 16 - 20, 1997

Interest Group Activities: On a more positive note, 2,400 scientists, including most of the nation's climate change experts, released a "Global Climatic Disruption" statement on Thursday calling for "early domestic action to reduce U.S. emissions via the most cost-effective means." The statement also notes there are "financial as well as environmental advantages to reducing emissions." Staff attended a meeting where the statement was publicly released.

- Dirk Forrister spoke to an Atlanta business roundtable meeting on climate change.
- Forrister traveled to Chicago to attend the UNCTAD/Earth Council Policy Forum on Greenhouse Gas Emissions Trading.

Congressional Activities: Senate Foreign Relations Subcommittee on International Economics held a hearing on the economics of climate change for June 19. Undersecretary Tim Wirth testified on behalf of the Administration. Senator Robert Byrd testified that the U.S. shouldn't sign a treaty that would exempt developing nations from mandatory controls on greenhouse gases. Byrd spent the first half of the week gathering 61 signatures (18 Democrats, 42 Republicans) for his resolution. It is unclear as to whether Senator Byrd intends to submit his resolution for a formal vote in the future. Several other senators, including Paul Sarbanes of Maryland, joined Byrd in criticizing the Administration climate change position.

Interagency Communications Activities: Staff met with agency representatives to discuss the President's upcoming meeting with automakers.

- Staff attended the IWG meeting and will provide comments on the latest version of the National Communication. Staff will also assist in preparing background papers on ITAPS and NGO involvement at Kyoto.
- Staff attended meeting on developing interagency climate change Internet site.

Media Activities: The Washington Post ran an op-ed by former Undersecretary of Commerce Ev Ehrlich on Sunday or Monday on climate change.

- The Washington Times and other newspapers reported on the Senate Foreign Relations Subcommittee hearing.

Upcoming Events Next Week
June 23 - 27, 1997

Interest Group Activities: Forrister will travel to North Dakota to attend the Western Governor's Association Board of Directors Meeting on June 23.

Media Activities: Jack Cushman of the New York Times is expected to write an article on the economics of climate change mid-week.

White House Climate Change Task Force

734 Jackson Place, NW • Washington, D.C. 20503
202/343-1060 • fax 202/343-1163

Weekly Report

Week in Review: June 23 - 27, 1997

Interest Group Activities: Dirk Forrister attended the Western Governor's Association Board of Directors Meeting on June 23 in North Dakota. Governors of Colorado, North Dakota, New Mexico, Utah, Wyoming, Alaska and American Samoa were present. Generally, the Governors were very aware of environmental changes that have occurred under global warming and desire solutions that would include partnerships between state and federal agencies and private industry.

- Richard Trumka, Secretary-Treasurer of the AFL-CIO, released a positive statement after the President's speech. He stated that "the AFL-CIO applauds President Clinton for his remarks today that invite discussion and dialogue from all quarters on the issue of global climate change.

Congressional Activities: The Senate Foreign Relations Subcommittee on International Economics held a second hearing on the economics of climate change on June 26 which included testimony from representatives of business and labor organizations. Robert Repetto was invited on behalf of the World Resources Institute. The Administration was not asked to provide testimony.

- A resolution was introduced in the House by Reps. Gilchrest (R) and Waxman (D) with 10 co-sponsors on Thursday calling for binding cuts in greenhouse gas emissions. The resolution as of Friday has

Interagency Communications Activities: IAT meeting was held on Friday.

Media Activities: As expected, there was heavy press coverage of the climate change issue with the Denver Summit at the beginning of the week and the President's UN address on Thursday. U.S. environmental groups held a press conference in New York prior to the President's address. Scott Sklar of the Solar Energy Industries Association spoke to media on Thursday in support of the President's "million solar roofs" initiative and held a news conference with Energy Secretary Pena on Friday on the same subject.

Upcoming Events Next Week June 30 - July 4, 1997

Media Activities: On July 2, the Department of Energy is planning to release a final report by Argonne National Laboratory on the effects of climate change mitigation strategies on six heavy industries.

FAX

weekly

202 343 1163

Date: Friday, August 15, 1997

Time: 6:04:01 PM

3 Pages

To: Todd Stern
WH

From: Paul Risley
WHCCTF

Fax: 4562215

Fax: 202 343 1163

Voice:

Voice: 202 343 0486

Comments:

White House Climate Change Task Force

734 Jackson Place, NW • Washington, D.C. 20503
202/343-1060 • fax 202/343-1163

Weekly Report

Week in Review: August 11 - 15, 1997

Congressional Activities: Congress is in recess until September 2nd. Staff is developing proposals for Fall congressional outreach plans for cabinet and senior White House staff; work is being coordinated with White House Legislative Affairs and CEQ.

Interagency Activities: Staff was briefed by DOE Acting Assistant Secretary Joe Romm on Thursday on DOE's upcoming "Scenarios of U.S. Carbon Reductions" Study on Energy Efficient and Low-Carbon Technologies.

Interest Group Activities: At the request of CEQ, Task Force staff met on Wednesday with senior Japanese climate negotiators to review their proposal for a target and timetable.

Staff also met with the following individuals or groups:

- the director of the labor studies program at Cornell University to review a proposal to educate labor on climate change issues. Proposal will be reviewed by AFL-CIO for possible funding by US Department of Labor;
- representatives of the Sustainable Energy Coalition;
- representatives of GreenGold Corporation regarding its interest in support for a demo of a new biological waste treatment/recycling system (using duckweed plantations) for hog and poultry waste that could, potentially, reduce methane emissions and several other air and water pollutants in the US and abroad;
- a representative of Friends of the Earth to discuss district heating; and
- a representative of Michelin Tire to discuss low rolling-resistance tires.

Media Activities: Bill Stevens of the New York Times filed a Science Section story on Tuesday, "U.S., Japan Hold Key to Global Warming Talks," reporting on the just concluded Bonn talks.

Todd Stern and staff spoke with the director of Turner Broadcasting System's environmental unit on Friday to discuss TBS's interest in developing a public education campaign promoting awareness of the danger of climate change through its networks and programming this fall.

Upcoming Events Next Week
August 18 - 22, 1997

Task Force Activities: Staff scheduled a meeting with representatives of the Nuclear Energy Institute for Tuesday.

Upcoming Media Activities: Andrew Rebken of the metro news desk of the New York Times is expected to file a "Week in Review" article for the Sunday Times on public education and outreach on climate change.

THE WHITE HOUSE
WASHINGTON

FAX

OFFICE OF THE STAFF SECRETARY

Fax Transmittal Sheet

19 JUL '97 12:58

TO: Todd Stern

Fax Number: 1-441-236-1876

Phone Number:

FROM: Anna White

SUBJECT: Climate Change

DATE: 7-19-97

NUMBER OF PAGES (including cover sheet): 14

MESSAGE:

The fax you asked for doesn't seem to be here. I'm waiting to hear back from Carol about it. I'll keep looking. I'm sending one of 6 faxes you received yesterday. The others are lists, a senate letter a meeting summary, and memos from Sen. Peña. Let me know if I should fax them all.

The document accompanying this facsimile transmittal sheet is intended only for the use of the individual or entity to whom it is addressed. This message contains information which may be privileged, confidential or exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any disclosure, dissemination, copying or distribution, or the taking of any action in reliance on the contents of this communication is strictly prohibited.

JUL-18-97 02:40P Climate Change Task Force

P.01__

White House Climate Change Task Force

734 Jackson Place, NW • Washington, DC 20503
202/343-1060 • fax 202/343-1163

TO: Julie Green 456 6409
Mark Mazur 395 6809
Katie McGinty 456 2710
David Sandalow 456 2710
Todd Stern 456 2215
Dan Tarullo 456 1605
Dan Tate 456 2604

FROM: Paul Risley
White House Climate Change Task Force

DATE: Friday, July 18, 1997

RE: Weekly Report

See attached.

Total Pages: 13

White House Climate Change Task Force

734 Jackson Place, NW • Washington, D.C. 20503
202/343-1060 • fax 202/343-1163

Weekly Report

Week in Review: July 14 - 18, 1997

Congressional Activities: On Thursday, the Byrd Resolution was marked up by voice vote without amendments, but Senator Kerry raised concerns and indicated an intent to offer floor amendments. He indicated that the Byrd resolution needs clarification to be sure it is not intended to be a treaty killer with respect to the timing of developing country commitments. He also suggested that it missed the real economic protection issues for the US by neglecting trading and II. Apparently he chose to withhold an amendment in order to work with other committees to build support. Floor action is expected as early as next week, and probably by the August recess unless industry decides not to risk a vote. Kerry and Hagel did a press conference afterward in which Hagel suggested the Byrd resolution said there was no scientific justification for climate change. Kerry pointed out that Hagel was in disagreement with Byrd and the majority of other cosponsors on that point and asked Hagel if he would work to improve the resolution. Hagel agreed.

Staff briefed Senate EPW staff on prehearing issues, including the President's speech, the economic analysis, OSTP conferences, and a negotiations update. One question was raised by Inhofe's staff to the effect that the administration must be planning a non-ratification approach, since the Byrd resolution has clearly killed the treaty. Staff pointed out that Byrd's remarks are to the contrary, as well as those of many cosponsors.

Hearings this Week: Tuesday, July 15: House Commerce/Energy and Power Subcommittee Hearing (Chair - Schaefer). Tim Wirth and Janet Yellen testified for the administration. Cross examination was dominated by Reps Dingell, Schaeffer and Crapo on the negative side; McCarthy and Markey on the positive. The administration was sharply questioned and criticized for its failure to deliver economic analysis and a policy for congressional consideration. In response both Yellen and Wirth attempted to clarify the rationale for discontinuing the IAT work, but left the committee and some press with the view that the analysis was failed, the administration is abandoning it, and little was learned. Developing nations issues also dominated, particularly concerns about China. Tim Wirth spoke to the issue extensively, but the committee continued to express frustration on the lack of a crisp response to its resolve on this issue, and article 16 in the protocol text. See attached summary.

Thursday, July 17: Second Senate EPW Hearing. Tim Wirth and Janet Yellen appeared as administration witnesses, and industry was represented by Kevin Fay and Bill O'Keefe. Several senators appeared, and provided many friendly questions. Wirth and Yellen were able to clarify the administration view on economic analysis more favorably, but frustration by some members with the lack of clear economic answers and policy recommendations was clearly evident. There was a call for more direct involvement by the President and the use of the "bully pulpit". Senator Inhofe provided an interpretation of the Byrd resolution to the effect that it mandated equal

Jul-18-97 02:41P Climate Change Task Force

P.03

commitment levels at equal times. Wirth disagreed, citing the language directly and quoting Senator Byrd's remarks. After the hearing Byrd's office was contacted by industry representatives wanting to know who was right; Byrd's staff supported Wirth's interpretation. Inhoffe also raised potential conflicts with Unfunded Mandates legislation, and the committee staff afterward indicated that the administration should provide more clear and compelling information on this issue. See attached summary.

The Senate Commerce, Science, Transportation (Chair - McCain) hearing scheduled for this week was postponed to July 31.

Interagency Communications Activities: Staff attended IWG meeting, where final preparations for the upcoming Bonn meeting were discussed. Also helped prepare background briefing materials for use by Cabinet Secretaries and assisted in development of invite list for upcoming Nobel scientists event.

Media Activities: Multiple stories appeared reporting on the Tuesday hearing and release of economic analysis. Both the Wall Street Journal and the New York Times carried articles. More than one article also mentioned the Argonne study that was released by DOE late last Friday.

Upcoming Events Next Week July 21 - 25, 1997

Congressional Activities: Staff will brief the House International Relations Committee on Monday or Tuesday on prehearing issues. House staff indicate the big issue will be China and trade shifts, to which its chair will speak with extensive analytical and graphic support. Staff are interested in substantive information on trading, II, article 16, and an administration position on the Byrd resolution.

The Byrd resolution may go to the floor with amendments.

Upcoming Hearings: Thursday, July 24: House International Relations/Chair - Gilman. Hearing on negotiations and economic impacts, with focus on China and developing nations trade shifts. Tim Wirth has been invited as a witness.

Interest Group Activities: The Center for Strategic and International Studies will hold a Climate Change Roundtable Discussion on July 22. Several Administration representatives will be speaking.

Upcoming Media Activities: Harvard University's Dale Jorgenson will submit an opinion page piece to the Washington Post to counter Robert Samuelson's op-ed that ran on Wednesday.

Climate Change Hearing
House Commerce Committee
Subcommittee on Energy and Power
July 15, 1997

Members attending:

Dan Schaefer, Subcommittee Chair (R-CO)
Tom Bliley, Full Committee Chair (R-VA)
Michael Crapo (R-ID)
Rick White (R-WA)
James Rogan (R-CA)
Edward Whitfield (R-KY)
John Shimkus (R-IL)
Ralph Hall, Ranking subcommittee member (D-TX)
Ed Markey (D-MA)
Tom Sawyer (D-OH) [not on subcommittee; just sitting in]
Karen McCarthy (D-MO)

Witnesses:

Tim Wirth, Undersecretary for Global Affairs, U.S. Dept. of State
Janet Yellen, Chair, President's Council of Economic Advisors

In general, the Republican members were astonished that the Administration is backing away from the long-promised analysis and assessment. They were particularly surprised by Dr. Yellen's characterization of the IAT effort as a "failed project" and a "futile exercise." Toward the end, they were almost pleading to be consulted prior to the Kyoto meeting.

Mr. Schaefer began by saying that this is the first hearing of the 105th Congress. He was pleased to finally get some real information in the form of the draft economic analysis and assessment and the peer review comments and he looked forward to hearing what the Administration thinks of the numbers. He wants to know what is Administration policy and what is not, and at least narrow the range of the options on the table. He agrees with the Administration that any actions must be reasonable and achievable and that flexibility is key. He is looking for assurances that the Administration will not rush to judgement in December 1997, and will not sign an agreement that results in transferring emissions and jobs overseas.

Markey said nice things about Wirth. He then said that he thought today was an appropriate day to have this hearing--with temperatures expected to top 102 degrees and ozone expected to hit dangerous levels. He quoted Mark Twain's comment that everybody talks about the weather but nobody ever does anything about it, but that he hopes there will be real action in Kyoto. He applauded the Clinton Administration for their leadership, and expressed his confidence that the Administration is basing its policy on the best scientific information and a clear understanding of the economic implications. He said he is particularly interested in energy conservation and

renewables, and in the role of India and China.

Bliley said that in 2 weeks the Administration will be negotiating in Bonn, and in less than 6 months, if things go as planned, we'll have an agreement, and yet when he looks at the Administration's proposal he sees a piece of paper with the most critical elements blank. He's glad to see a draft of the long promised analysis, but concerned that stabilization at 1990 levels by 2010 will require the "equivalent of a tax" of 26 cents/gallon of gasoline, 2 cents /kwh, \$52.50/ton of coal; \$1.49/MCF natural gas. (Several members used the phrase "the equivalent of a tax") Going 10% below doubles the cost; 10% above cuts the cost in half. The analysis raises more questions than it answers. How do our costs compare to Europe's? Will Europe get an economic advantage from this treaty? How do we know we're not just moving emissions and jobs overseas? He said that because he has questions does not mean that he isn't concerned about the environment.

Dingell expressed concern about the ambitious negotiating schedule. Kyoto is less than 5 months away. He applauds the Administration for providing some of the information the Committee had requested. He wants to know what impact the information will have on the negotiations. He quoted a letter he received from President Clinton in 1995 which said (a) that this process must reflect thoughtful analysis and (b) that he won't agree to anything that will adversely affect U.S. competitiveness. *Dingell* said that the negotiating parameters of the Berlin mandate, which rule out developing country commitments, rule out protecting American competitiveness. The Administration agreed in Berlin last year to develop, at early stages, an analysis and assessment of possible policies for Annex I countries to adopt. [There seemed to be some confusion about this international analysis and assessment which the IPCC completed last year, which is different from the analysis and assessment which the Administration promised. *Wirth* cleared this up later.] We have already provided our negotiating text: the public has little opportunity to comment on the analysis..."I wonder how anybody can be comfortable with this process...How has the Administration been able to progress so far so fast without this information?"

Whitfield said that he has met with labor business and environmental interests and that they all agree that the climate change issue has greater impact on the U.S. than any other environmental issue we've considered recently. He has been concerned that that Administration has been reluctant to say where it's headed, and there's been a lack of information and candor. He is worried about the equivalent of a \$95 or \$100 per ton carbon tax. He is worried that *Wirth* told the Senate a couple of weeks ago that the reason we have to go from voluntary to involuntary targets is that the U.S. economy is doing too well.

Shimkus said it's warm in southern Illinois so he doesn't mind the heat. He's worried about closing factories, closing coal mines. He knows there's angst about discussing jobs and the environment, but he's not sure the science is there yet on this issue.

White said he has no preconceived notions on this issue. The central issue for him is how to figure out how to spend our scarce resources when we don't have all the information we need. We need to protect our environment, but we need to do in the most cost-effective way. We really don't know what greenhouse gas emissions are doing to the climate, but some want to err on the

side of caution.

McCarthy talked about her experience on a Missouri state commission looking at climate change issues. She said we need to make sure developing countries join in this process. We also need to educate the public at home. She sees climate change as a national security issue. If implemented right, it can be clearly positive for the U.S. (e.g., in Missouri they found that alternative fuels are an economic winner.)

Dr. Yellen said that the costs depend on a number of critical assumptions. If we do it dumb, it's expensive. If we do it smart, it's not so bad. Developing countries must be part of the process.

Undersecretary Wirth said the science is clear and compelling. We agree that the developing countries must take on commitments. The issue is when. The developed and developing countries have common but differentiated responsibilities. It is neither realistic nor consistent with the Climate Convention approved by the Senate to require developing countries to be on the same schedule as the developed countries. The Administration welcomes your ideas and support.

Schaefer's first question was on the Argonne report. *Yellen* said that the Argonne scenarios came from the base case in the IAT report, which assumed no flexibility in implementation. He asked her what the scenarios were and she said she would provide that for the record. Regarding the IAT report, *Yellen* said the staff focused on a scenario that was not Administration policy. She said the analysis is concluding because it's futile. *Schaefer* said that he is surprised that we still don't have the analysis that was promised in the last Congress.

Dingell gave *Wirth* and *Yellen* a hard time. He tried to get them to say that all of the important decisions (e.g., leaving out developing countries) were made without doing any analysis, but *Yellen* pointed out that the targets and timetables haven't been decided yet. The U.S. position on flexibility and developing countries is settled, she said. *Dingell* said the analysis is too little too late. *Dingell* asked *Yellen* whether developing countries get a huge advantage by not having requirements, and she said that it depends how it is implemented. *Wirth* said that the U.S. position is that developing countries will have to do some things. *Dingell* said "but there are no enforcement mechanisms," and *Wirth* said that there are no enforcement mechanisms for our commitments either. *Dingell* said he is worried that the Administration will just do this by regulation, like they did with PM and ozone, and not bother with implementing legislation. *Schaefer* chimed in and quoted from an EPA analysis that said that EPA could impose a 50 cents/gal gasoline fee without new legislation. *Dingell* tried to get *Wirth* to promise that the Administration wouldn't use its regulatory authorities, but *Wirth* demurred.

Wirth said that there are discussions going on between the Administration and the House leadership on setting up a Congressional observer group for the negotiations. He suggested that interested members should join.

Whitfield asked what the significance of legally binding targets are if there is no enforcement mechanism. *Wirth* said that nations just generally comply. *Whitfield* also asked what the difference is between legally binding and binding because the Vienna Convention on the Law of

good idea.

Rogan asked about the timing of the analysis. *Wirth* explained that we had hoped to have it by the first of this year. The modeling was harder than we thought it would be. The predictive power is less than we had hoped. We're not going to go any further with this exercise.

Crapo said "You're not going to continue with economic analysis?" *Yellen* said we are still going to do analysis, but we will not rely on a single model or small group of models. The tool kit has not worked. For any policy we propose, we will testify on its economic impact. We will share all kinds of analyses of particular issues. There is no expectation that there will be a final draft.

Rogan asked, "If we ask how will this impact the iron and steel industries, will you be able to answer?" *Yellen* said no. "Are we going to be able to hear before December on a solid economic analysis of particular industries?" *Yellen* said if you're expecting forecasts of jobs in the steel industry by 2020, the answer is no. *Rogan* said that Argonne National Lab wasn't reluctant to do this type of analysis, and they said this treaty will devastate the steel industry. *Yellen* said the Argonne report didn't assume flexibility. The price scenarios were based on relatively stringent and rigid policies. President Clinton's #1 priority has been jobs and the economy; he would not support bad policies.

Hall said nice things about *Wirth*. *Hall* asked whether the current draft is the last draft. *Yellen* said it is in many ways a failed project. *Hall* was concerned that the President said the new air quality standards are a positive first step but more to follow. *Wirth* explained that there were three models--a DOE model, and EPA model, and the DRI model. *Hall* asked if we have time to do the necessary work by December. *Wirth* said that it's like an election, you do whatever you can by election day. *Hall* said it looked like if the work isn't done, we'll get an agreement anyway.

Crapo said that for 2 years we have expected an economic analysis and policy to be based on that analysis--and now we find out it is a failed project. *Wirth* described the effort as trying to build a composite model of three models, and we failed. (?) *Crapo* said Congress is supposed to have a role in this. Is there going to be some time when the Administration tells us what their economic analysis is so that we can participate? The President is going to ask us and the rest of America what he should do. This is going to be dropped in our lap. Is there some time that the President will tell this Committee anything?

Wirth said that we will come to a conclusion on targets and timetables at the end of October. This will be presented to Congress prior to October. *Wirth* suggested that members work with us through the observer group. *Crapo* said he is still at a loss as to when Congress will get the information on which to base policy. "We want to engage with you."

Crapo asked if *Wirth* acknowledges that what he does will be subject to a vote in the Senate. *Wirth* said yes, and it will require enabling legislation.

Hall said we'd like to have some input "before the fact, rather than you bringing something back

that I in the oil patch and Dingell in Michigan can't live with."

Pallone was friendly. He said he liked the President's speech. He's interested in the renewable energy industry and in joint implementation. Yellen said we want to see credits for joint implementation.

Schaefer concluded that all we're asking is that before you act, you tell us the options and the economic implications. People are starting to ask us about this.

Senate Environment and Public Works Committee
Climate Change Hearing
July 17, 1997

Senators attending:

John Chafee (R-NH), Chair
Max Baucus (D-MT), Ranking
Dirk Kempthorne (R-ID)
James Inhofe (R-OK)
Harry Reid (D-NV) (attended briefly)
Ron Wyden (D-OR)

Witnesses:

Panel I: Tim Wirth, Under Secretary of State for Global Affairs
Dr. Janet Yellen, Chair, President's Council of Economic Advisors

Panel II: Kevin Fay, International Climate Change Partnership
Bill O'Keefe, Global Climate Coalition

Wirth and Yellen gave the same testimony they gave at the July 15 hearing before the House Commerce Committee. In response to questions at this hearing, they clarified what they had said in response to questions at the House hearing regarding the economic analysis. They said that even though they had not been able to come up with a definitive estimate of the costs of reducing greenhouse gas emissions, they had learned a great deal from the analysis, and would continue to do economic analysis. Kevin Fay criticized the Administration for demurring on doing analysis and for failing to engage in substantive dialogue. Bill O'Keefe said "I'm not saying we should do nothing," but the Administration is moving too fast.

Senator Chafee in his opening statement said he wants to learn how the Administration has interpreted available scientific and economic information. He talked about the Committee's science hearing last week. He said that many left that hearing believing that there are too many uncertainties to do anything. Others said we have enough information to act. Reasonable people could plausibly arrive at either judgement.

Senator Baucus said that last week the scientists presented solid evidence of a potentially serious, if not certain, outcome. Modest steps are warranted now. He said we have to get China's participation. China will contribute one third of the world's additional greenhouse gas emissions over the next 20 years. We need to constructively engage with them on this issue. He thinks there is a compelling case to be made. He welcomes the President's decision to be involved. It will not be easy because we are better at dealing with immediate crises than long-term problems.

Senator Inhofe said he is upset by disingenuous statements on the part of the Administration. He submitted a list of such statements for the record. He used one as an example--Rafe Pomerance in June of 1996 (he meant June 1995) said "No way" in response to the question whether we would agree to a legally binding instrument in Geneva. (Wirth later explained that we didn't agree to anything in Geneva; it was a preparatory meeting, so Rafe was correct.) Inhofe said that the scientific facts aren't there; the satellite data shows cooling, and all the scientists at the hearing last week agreed that we wouldn't have the uncertainties resolved by the Kyoto meeting in December.

Senator Kempthorne said that fundamentally we're all environmentalists. The best way to achieve environmental goals is through incentives and flexible approaches, not through more federal mandates. We're not sure whether humans are changing the climate, but some argue we should do something anyway. He won't dispute that judgement. In light of the uncertainties, he thinks we should not go beyond voluntary programs. If we do reductions, our treaty partners must do reductions, too.

[Dr. Yellen and Senator Wirth gave the same testimony they gave at the July 15 House hearing.]

Chafee said the Montreal Protocol on CFCs looks easy compared to global warming. It was a less complicated problem and we had cooperation from American industry.

Chafee asked Yellen about her comment that the Administration hasn't settled on a policy. Yet there are only 20 weeks to Kyoto. If you haven't settled on a policy, you better hurry, he said. Yellen clarified that some elements are settled--joint implementation, international trading, and flexibility. The domestic implementation plans have not been settled. Before we settle, the President wants to be personally and heavily involved in hearing from a broad spectrum of people.

Baucus asked about the Byrd resolution which is co-sponsored by two thirds of the Senate. Byrd intends to push the resolution quickly, Baucus said. What is the Administration doing to turn that vote around? It says that all countries should act. This is persuasive because India and China are 40% of greenhouse gas emissions. Baucus' advice is to persuade developing countries as well as developed countries to participate.

Wirth said he met with Byrd and that the Administration thinks the Byrd resolution is "largely on the button" and comes close to the Chafee resolution which we applaud and support (Wirth should have said "draft" Chafee resolution.) We agree with having a Senate observer group. We agree with the thrust of involving developing countries, which are a huge market for U.S. technology. The U.S. position is that developing countries should negotiate commitments in 2005. We want developing countries to enhance their existing commitments, and we believe there should be a "graduation" process for developing countries to take on commitments consistent with their level of development.

Baucus asked, Why not have all countries commit at different rates? Wirth said we'd like to see that, but we're far out front on our developing country position. Wirth asked why the European Union is not supporting us. Wirth said he thinks they're upset that we don't have targets and

timetables. He said it's possible that they want to be the good guys in the developing countries' eyes, perhaps to gain market advantage over us in the future. Wirth said he thinks that once we get our targets and timetables out, the Europeans will come along on the developing country issue.

Inhofe asked whether armed services would come under climate change requirements. Wirth said our armed services are world leaders in efficiency and recycling. Inhofe asked whether political subdivisions, state and local governments would be exempted. He asked this as a former mayor. "Is this an unfunded mandate?" he asked.

Wirth responded that most things we are proposing will pay for themselves. Inhofe asked, "So you don't think there would be any cost?" Wirth said there would be investments made, but they would pay from themselves. He agreed there would be costs incurred by state and local governments. Yellen said it's impossible to discuss costs when we haven't reached conclusions about what kind of system we would put in place. Wirth said it's up to the implementing legislation. We haven't gotten there. Nobody's exempt. Yellen said that it seems that Inhofe is assuming specific mandates, when we are more likely to have a flexible framework such as tradeable permits.

Inhofe said that if Wirth thinks it's not realistic to propose the same requirements on developed and developing countries, then there's a big problem, because if you don't treat them the same, we're not gonna ratify. Wirth said that in the Montreal protocol, developing countries were given a longer period of time to phase in. Wirth said that the Byrd resolution says (and Byrd has told him this is the right interpretation) within the same compliance period, not the same requirements. Inhofe interprets it differently.

Kempthorne asked whether developing country emissions will continue to grow while we freeze ours. Wirth said that is one result in this first period of time. Then developing countries will phase in their commitments. Kempthorne asked about enforcement. Wirth said that for the most part, countries meet their legally binding commitments. We have proposed reporting requirements, public disclosure and expert analysis.

Kempthorne asked why the effort to model economic impacts was abandoned. Yellen said it was a search for a single model or single set of models that would provide a definitive answer. Yellen said we will use a broad set of tools and continue to do analysis. Kempthorne asked how are you going to agree to strategies without knowing the costs and benefits. Yellen said certainly we need to produce economic analysis, even if it's only a range. When there is a policy we will be prepared to do that.

Kempthorne said that when the Administration says "if we do it dumb, it will cost a lot" you seem to be telling us to trust you, yet you can't even estimate the relative costs of different strategies. Yellen said she does not mean to suggest we have not learned a great deal about the economic impacts. One thing the IAT report does well is give a general sense of what the gains are when you use flexible and smart strategies.

Kempthorne asked *Wirth* why he is arguing for a per capita limit. *Wirth* said he isn't. With regard to the modeling, *Wirth* said he regards it all with some skepticism. Modelers overestimated the cost of the acid rain program, and oil price forecasts during the energy crisis were way too high.

Chafee said with the acid rain problem some of us travelled to Germany and saw the damage there and sounded the alarm. What's lacking on this issue is the sounding of an alarm 2100 is only 100 years from now. He said "I think your case is helped by pointing out the dangers that lie ahead. Isn't it possible for the President to use the bully pulpit?" *Wirth* said the President is planning a White House conference this fall (*Chafee* seemed to have been unaware of that) The President has been much taken by the World Wildlife Fund Report saying that 70% of the glaciers in Glacier National Park have melted. *Chafee* said he has the feeling that the concerns haven't gotten out there. He urges the President to speak out.

Wyden said Oregon is the only state in the U.S. with a CO2 control program. He said his state has shown that it is possible to do this without causing economic meltdown. *Wyden* said very significant efficiency can be had over a short period of time. *Wirth* agreed. He said Japan is twice as efficient as us. *Wyden* asked whether we shouldn't look at tree planting and forest management first. *Wirth* agreed that sequestration is an important opportunity to develop partnerships with agriculture and forestry. *Wirth* said there are a number of JI forestry projects. *Wyden* asked if the Administration can make a special push that forestry be a significant part of the treaty. *Wirth* said it is included.

Baucus asked how we implement emissions trading. Can the SO2 model be expanded to greenhouse gases on a global level? *Yellen* said a system could be developed that could work. *Baucus* asked why Europeans are resistant. *Wirth* said it's a little bit of disingenuousness because the EU bubble is just another version of emission trading. *Baucus* asked whether we should wait until there's better technology. *Wirth* said our new technologies are the best in the world. The auto industry has told us they can do much better. *Baucus* said it is a chicken or egg question-- we find efficiencies when we have to.

Wyden said to do nothing would have extraordinary economic effects, e.g., on water resources and flooding. What are the ballpark estimates of the economic consequences of doing nothing? *Yellen* said it is extremely difficult to say quantitatively. We didn't model the benefits side, but some work indicates that the benefits of action or costs of failing to act are significant. *Wyden* said if you mess up your water supply it's hard to attract high tech companies because they need clean water.

Chafee asked how long can we afford to wait around. *Wirth* said he wanted to submit analysis for the record showing that the longer we wait, the worse the problem gets because we get committed to greater amounts of warming.

Baucus said "I wish you well. This is a daunting task, but a necessary one"

Kevin Fay testified that now that the Administration has demurred on economic analysis, his

Jul-18-97 02:47P Climate Change Task Force

P.13

frustration only grows. He praised our comprehensive approach—emissions trading, joint implementation, binding targets and timetables, ultimate environmental target, and avoidance of policies and measures. He urged the Administration to reiterate its commitment to the framework. He is pessimistic about the ability to reach an agreement at Kyoto. There has been a lack of dialogue and a lack of information. Fay wants to know what analysis the Administration will do now that it has decided not to complete what it has promised for more than a year. Fay said that at one point the Montreal Protocol negotiations had taken on a bitter tone, and negotiations were suspended and instead established a series of workshops where people could better understand the options. Two years later, a treaty structure was adopted that worked. Climate change is far more complex.

Bill O'Keefe said the May 16 article in Science magazine says we do not face an imminent crisis. Estimates of future temperature increases and sea level rise have moderated. There is no economically viable technology that can get us to stabilization at 1990 levels by 2010. We're going to have a severe form of energy rationing. An international trading system is unworkable. 2600 economists and 67 Senators agree all nations must be included. The Administration is going too fast. We should invest in information to reduce uncertainties. We should encourage economic turnover of capital stock, rationalize depreciation schedules. Superfund and the Clean Air Act encourage keeping plants in operation longer. We need voluntary programs. We need to facilitate overseas investment.

Chafee asked if the panelists accept the science. Fay said yes, we accept that the science says we should pay attention. O'Keefe said there is a legitimate scientific dispute. Chafee said, so what would you do? Fay said we need to take a longer term view. In the Montreal protocol, the developing countries recognized they had to be part of the solution. Fay said he hasn't seen this in this negotiation. O'Neill said we are 22% of the world's emissions, but also 22% of its wealth. Fay suggested that through the entry into force provisions, we could require a majority of developed and a majority of developing countries comprising a significant percent of world greenhouse gas emissions to be parties to the treaty.

Chafee asked Fay about his lament that there doesn't seem to be dialogue with the Administration. Fay said there are lots of talks, but not enough specifics. We want the Administration to tell us, What is your expectation of our industry sector? Until we can get that, it's difficult for us to sign a blank check. We have reasonable questions. This is reasonable information for them to have. During the Montreal Protocol negotiations, we had better information on implementation schemes.

O'Keefe said "I'm not saying do nothing." Oil companies are spending over \$10 billion per year on this issue. It makes much more sense to take the time to do it right and wait for capital to turn over. The Administration went off to do analysis and came back and said it's hard. What basis are they going to use to make judgements? Fay said it's possible to achieve an agreement in Kyoto, but the possibility is shrinking. He doesn't think a White House Conference is the answer.

Sunday

- ① Call Bob re
rewriting TPs

Monday

- ② Q & A - complete
but shorten -- suitable
for Cabinet

Sem?
Demos.

③

Background

TDS edit & Sandakov

FAX

*Weekly
update*

Date: Friday, August 08, 1997

Time: 6:03:01 PM

2 Pages

To: Todd Stern
WH

From: Paul Risley
WHCCTF

Fax: 4562215

Fax: 202 343 1163

Voice:

Voice: 202 343 0486

Comments:

White House Climate Change Task Force

734 Jackson Place, NW • Washington, D.C. 20503
202/343-1060 • fax 202/343-1163

Weekly Report

Week in Review: August 4 - 8, 1997

Congressional Activities: Congress is on recess until September 2. A small group of Congressional staff observers attended the Bonn Talks this week.

Media Activities: Bill Stevens of the New York Times filed a front page story on Tuesday, "Industries revisit global warming," indicating changing US business attitudes toward climate change.

Turner Broadcasting System (TBS) is interested in developing a public education campaign promoting awareness of the danger of climate change through its networks and programming this fall.

On Friday, NPR's "Talk of the Nation: Science Friday" focused on the economic of climate change mitigation with guests Dan Dudek of EDF and Bill O'Keefe of API.

Staff met with WH Office of Communications personnel to set up a climate change site on the WH Home Page.

Interest Group Activities: Task Force staff received at least five phone calls and three faxes this week in support of the US taking a "strong stand" at the Kyoto Conference -- apparently instigated by a group called "20-20 Vision."

Upcoming Events Next Week August 11 - 15, 1997

Task Force Activities: Staff will be briefed by DOE Acting Assistant Secretary Joe Romm on Wednesday on DOE's upcoming Five Lab Study on Energy Efficient and Low-Carbon Technologies.

Upcoming Media Activities: Bill Stevens of the New York Times is expected to file a story on Tuesday for the Science section on the Bonn Talks. Andrew Revken of the metro news desk of the New York Times is expected to file a "Week in Review" article for next Sunday on public education and outreach on climate change.