

THE WHITE HOUSE

WASHINGTON

December 1, 1998

MEMORANDUM FOR JOHN PODESTA
MARIA ECHAVESTE

FROM: TODD STERN 

SUBJECT: Climate Change -- Mission Statement

The central objective of the Administration's climate change effort over the next two years should be to lay the groundwork for an effort to secure ratification of the Kyoto Protocol in the 2001-2002 period. Even in the absence of Kyoto, we would seek to build support for addressing climate change and to reduce greenhouse gas emissions through domestic efforts to spur the use of clean and efficient energy. But it is ratification of the Protocol that represents the real prize, and focussing on the groundwork that must be laid to make ratification possible is the best way to organize our efforts. That groundwork will require activity in five broad areas.

Diplomatic. The key diplomatic issues that must be satisfactorily resolved before the Kyoto Protocol has a chance for ratification are: (1) rules for the Protocol's free-market provisions, including international trading and the Clean Development Mechanism; (2) interpretation and expansion of the provisions on carbon absorbing sinks; (3) compliance; and (4) developing country participation. The first three of these are on track to be resolved in the Sixth Conference of the Parties in November or December 2000. Getting them done right for both the substance and the domestic politics of climate change will be quite difficult but achievable. The toughest issue is developing country participation, and it could make ratification impossible even in the 2001-2002 period. Argentina's announcement in Buenos Aires that it would accept binding emissions limits was a breakthrough on this front, and we hope that it will become a model for others. But it remains the case that, to date, the most important developing countries still resist binding commitments as strenuously as Senator Hagel and others insist on them.

Domestic Policy. In the President's October 1997 announcement on climate change, he set forth a plan based on win-win actions in the ten-year period before a binding emissions target would take effect under a ratified Kyoto treaty. Our mission over the next two years must be to push as hard and effectively as we can to spur both R&D into energy efficiency and renewable energy, and the dissemination of available energy-saving products. This will include work on (1) climate-related budget and tax proposals (including efforts like the Partnership for a New Generation of Vehicles, the Partnership for Advancing Technologies in Housing, Energy Star, etc.) and other initiatives, such as legislation to reward companies who act early to reduce emissions with credits that could be used or sold at such time as there is a national emissions trading system (2008-2012 under the President's proposal); (2) electricity restructuring; (3) consultations with industry sectors to encourage voluntary steps to cut emissions, including actions by the government to reduce barriers; and (4) federal government actions to improve

federal energy use and procurement.

Congressional Relations. Our goal over the next two years must be to build a base of support for addressing climate change and, ultimately, for ratifying the Kyoto Protocol, assuming the open diplomatic issues have been successfully resolved. To that end, we need to expand significantly the core of Members who understand that (1) taking action on climate change is an essential insurance policy, given the state of the science, and (2) that our approach is sound and balanced. There is, to be sure, a hard core of opposition that isn't open to reasoned argument, as well as a smaller core of Members who already support our efforts. But a much larger group in the middle just isn't familiar with the issue and shies away from the controversy surrounding it. We can do much better in reaching this group. (One idea we're working on is a series of occasional breakfasts or lunches hosted by top Administration officials like the Vice President and Secretaries Albright, Richardson and Glickman. At these gatherings, we could discuss climate change broadly, explaining why it is an issue that must be addressed and why our approach is a balanced, reasonable way to proceed. We might well include a top scientist in each event to handle questions on the science.)

Communications. Our communications goal over the next two years is to continue trying to get a message out to the public and opinion makers that (1) global warming is real as a matter of science; (2) it poses a health and safety threat to our children and grandchildren; (3) taking action is therefore a necessary insurance policy; (4) the Administration's balanced approach will protect the environment without hurting the economy; (5) there are sensible, cost-effective measures we can all take in our homes and businesses (including our farms) to reduce the emissions that cause global warming; and (6) the need to counteract global warming will create not only challenges but also opportunities.

Outreach. Our outreach goal over the next two years will be to build support or mute opposition in relevant sectors including environmental, business, labor, agriculture, State and local governments, religious, etc. The point will be to begin creating what must ultimately become a political coalition in support of ratifying the Kyoto Protocol and, more generally, taking responsible action to combat global warming.