

THE WHITE HOUSE
WASHINGTON

June 15, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: TODD STERN^{PRO}

SUBJECT: Climate Change Weekly Report

Diplomatic

Bonn. Mid-level climate negotiators in Bonn concluded two weeks of difficult discussions on related to post-Kyoto follow-up. The next high-level meetings are in November in Buenos Aires.

Beneath the surface of these technical talks, there were troubling signs regarding prospects for progress at Buenos Aires and beyond. (See yesterday's *NYT* story, attached.) The European Union continued to insist on restricting international emissions trading, and had a good deal of developing country support. Several leading U.S. environmental groups purchased a full-page ad in the *New York Times* attacking trading as a loophole, though, on the other hand, the Environmental Defense Fund is one of the leading proponents of unrestricted trading.

Several key developing countries used the Bonn talks to stress their unwillingness to take on any targets under the climate treaty. China, India and Brazil worked to block efforts to shape a mechanism for developing countries to voluntarily assume binding commitments under the treaty. The Mexicans urged their Korean counterparts to resist U.S. pressure for a Korean target. (Your discussions with Presidents Kim and Zedillo, however, should help to pave the way for progress on these issues with Korea and Mexico. We are planning visits to these countries this summer by our energy, environment and economics experts, following up on your talks.)

Binational Commission Meeting. Climate change discussions figured prominently at the 1998 U.S.-Mexico Binational Commission Meeting held on June 10-11 in Washington and we agreed with Mexico's Environment Ministry to set up a process for continued cooperation and discussion on climate change.

Congressional

Your Climate Change Technology Initiative has faced rough sledding so far. In markup of the VA-HUD appropriations bill, the Senate Appropriations Committee cut our requested \$115 million increase for EPA's climate change portfolio by \$91 million. The Committee Report states that "none of the funds provided to EPA are to be used to support activities related to implementation of the Kyoto protocol prior to its ratification." Senator Boxer (D-CA) pointed out that this language is meaningless because none of EPA's programs have been or are intended to implement the treaty. In the House, the Energy and Water Subcommittee followed its Senate

counterpart by eliminating our total requested increase (about \$100 million) for the solar and renewable energy portfolio. Congressman Fazio (D-CA) worked to retain at least level funding of the renewable portfolio and helped stave off a potential amendment by Rep. Knollenberg (R-MI) to prohibit funding for any program that contemplated implementation of the Kyoto Protocol before Senate ratification.

Meanwhile, with the Energy and Water bill coming to the Senate floor soon, Sen. Jeffords is working on his floor amendment, and looking for offsets, to add back the renewable money.

Communications

The Vice President's El Niño event last Monday was widely covered. He announced record temperatures this year and global warming's potential effect on El Niño. The story ran on the page one of the *New York Times* Monday, led the CBS and NBC evening news broadcasts and ran in the *Washington Post* and significant regional papers on Tuesday.

On Monday, the *Wall Street Journal* ran a letter we worked on with DOD Assistant Secretary Sherri Goodman's responding to an inaccurate op-ed by former Sec. of Defense Frank Carlucci regarding Kyoto's impact on military readiness.

On Monday, *Roll Call* ran an interview with Rep. Dingell attacking the Kyoto Protocol as "the most asinine treaty I've ever seen."

cc: Vice President
Erskine Bowles
John Podesta
Ron Klain
Katie McGinty
Gene Sperling
Jim Steinberg
Janet Yellen