THE WHITE HOUSE

WASHINGTON

October 18, 1993

Dear Colleague:

I would like to take this opportunity to extend an invitation for you to attend the President's unveiling of his Climate Change Action Plan. The ceremony will be held on the South Lawn of the White House at 12:00 noon on Tuesday, October 19, 1993.

In his Earth Day Address, the President announced this Administration's intention to return U.S. greenhouse gas emissions to 1990 levels by the year 2000. President Clinton will be announcing his Climate Change Action Plan to accomplish his goals as outlined on Earth Day in April.

If you are coming from outside the White House, you will need to plan on arriving at the East Visitors Gate of the White House with picture identification by 11:00 a.m. for the announcement on Tuesday. If you have any questions, please feel free to contact Mr. Trey Lindseth or Ms. Jennifer Colamonico on my staff at 456-6224.

I hope you will be able to join us at the ceremony, and I look forward to seeing you soon.

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THE APPROACH: PARTNERSHIPS/FLEXIBILITY/VOLUNTEERISM

Q: What percentage of the plan is voluntary?

A: The plan is really a strategic combination of carrots and sticks — for example, efficiency standards for appliances are reinforced by market-enhancing programs with the private sector. We are all responsible for causing greenhouse gas emissions, and through this plan we will all be responsible for helping to reduce them. This approach has demonstrated results where it has been tried — our plan expands this approach to new areas.

Most of the estimates for the partnership programs include a certain amount of reenforcement from utility demand-side management programs, where utilities pay people to be efficient, and from standards -- so it's a little bit misleading to try to split out the effect of the programs alone. But as a rough estimate, it's one-half to two-thirds. Keep in mind that if we're not on track, we will adjust our programs and efforts so that the President's target is reached.

Q: How much of the plan is under existing authority? How much needs legislation?

A: The plan is designed for rapid implementation and minimizes actions likely to be delayed through legislative or regulatory processes, in order to meet the year 2000 goal. About 90% of the emissions reductions are from administrative actions. About 10% require legislation. The parking "cash-out" reform, and the hydroelectric leasing reform require legislation.

Q: Let me get this straight: You ducked everything politically difficult. You squeaked by on voluntary programs — but only because you added sinks. You backed away from a campaign pledge to do CAFE. You won't commit to anything beyond 2000 — and you won't commit to renegotiate a good treaty. What would Senator Gore say?

A: Some people have very short memories. Just a year ago, the US was a world FOLLOWER on the environment. George Bush was pulled to Rio by the American people and by other countries. President Clinton, with this plan, re-establishes the United States as the world leader on the global environment. President Clinton has committed the U.S. to reaching a target within a time-table and this Administration will do whatever is necessary to get there.

I heard someone say this plan could have been George Bush's. Whether or not he could have prepared this plan, HE DID NOT.

Q: But didn't Bush have a program like this?

A: No he didn't. Although the Bush Administration did outline a series of climate initiatives, there are major differences.

The first is Leadership: President Bush was largely a follower on international environmental issues. Under his Administration, the U.S. was among the most reluctant nations to participate in the development of the climate convention in Rio, and did so only after the commitment reduce to 1990 levels in 2000 had been taken away. President Clinton made that commitment, and with this plan, the U.S. is regaining its leadership position.

Second: Funding. The Bush plan was a plan that existed mostly on paper. The Bush program was proposed, but left essentially unfunded -- in the agencies, nothing really changed and most of the new programs were never initiated. The Clinton strategy is accompanied by real resources -- almost \$2 billion in mostly redirected funding between now and 2000.

Finally, the program itself: The Clinton strategy is broader and more diverse (has two times as many initiatives). The Bush programs that were working have been built into our "baseline" — the starting place for our strategy, and some of the successful programs operating in the agencies on shoestring budgets during the Bush years are being expanded.

(see side-by-side comparison, below)

Q: This voluntary stuff seems pretty squishy. How real are these programs?

A: THE PARTNERSHIP PROGRAMS ARE BASED ON SUCCESS. For example, the EPA Green Lights program began in January, 1991. So our savings projections are based on two and a half years of successful program experience. Participants in the program sign a voluntary contract with EPA which establishes their commitment to achieving results. The Green Lights savings estimates have received substantial independent review. The "voluntary" program estimates are based not only on the success of the program itself, but also on the fact that they are strengthened by utility DSM programs and in many cases, standards. (We took extreme care not to "double count".)

THE PARTNERSHIP PROGRAMS WILL BE STRICTLY MONITORED. For example, partners in the Green Lights, Energy Star Buildings and Rebuild America Programs will report their progress in completing energy-efficient upgrades at least once each year. EPA collects and analyzes the implementation data, thus tracking program success. If program results were to fall below expectations, the recruiting of participants could be accelerated. EPA's experience with Green Lights has shown that recruitment is primarily limited by internal staff and budget constraints, not by the interest of outside parties.

(See the voluntary section for more detail -- below)

Q: How did you choose the programs?

A: President Clinton instructed his administration to produce a cost-effective plan and issued a "clarion call, not for more bureaucracy or regulation or unnecessary costs, but instead for American ingenuity and creativity, to produce the best and most energy-efficient technology."

In response to that call the White House formed a groundbreaking interagency task force, the Climate Change Mitigation Group, to identify the best opportunities for reducing greenhouse gas emissions. This interagency group relied on the expertise of scores of program managers, analysts, and economists and the experience of people around the country who have been engaged in energy efficiency work, technology development, and agriculture.

EMISSIONS PROJECTIONS

Q: How much do emissions rise without your plan between 1990 and 2000?

A: Emissions grow from 1462 to 1568 million metric tons of carbon equivalent (MMTCE), an increase of 7 percent.

Q: What happens to CO2 emissions in this plan?

A: CO2 rises slightly, about 2% -- that's about 24 MMT. HFCs also rise, although their growth is cut in one-half. Cuts in methane and nitrous oxide emissions make up the difference.

(The carbon number above includes CO2 offset by forestry)

Q: What percentage of the reductions come from non-CO2 sources?

A: About one-third.

(For other questions about numbers, see the first few pages of the plan following the overview)

CONTINUOUS MONITORING

Q: What if the plan doesn't deliver the promised reductions?

A: Remember, this is NOT a set and forget plan! In order to meet the goal of returning greenhouse gas emissions to 1990 levels, the President is committing his Administration to a biannual evaluation of emission trends and program effectiveness. In reality, we will be updating the plan even sooner in order to meet international commitments associated with the treaty. The Office on Environmental Policy will chair an interagency task force to monitor progress and pursue additional policy initiatives if needed to attain our goal.

In addition, to ensure that we are rolling, a major climate conference will be held in Washington six months from now with all of the key stakeholders -- from government, business and the environmental community.

The Action Plan detailed here is the beginning of a process, not a one-time product. This Administration is committed to seeking out all cost-effective actions that will reduce greenhouse gas emissions and improve our quality of life through economic growth, job creation and environmental protection.

Q: What were the next actions? If something happens and you need another good program, what would it be?

A: We're confident that the plan will achieve its expected results. Of course, our plan does call for extensive monitoring and adjustments to keep the emissions reductions on track. If for some reason the plan needs adjusting, we'll look again at all of the options available -- new initiatives, changes to existing programs, or more resources for the programs that are working best.

Q: How committed are you to the 1990 goal? If, in 1997 you discover that the plan is falling short, will you be willing to take strong measures to make the target?

A: Yes. Monitoring and evaluation is one of the most important elements of this plan (see above). Starting next year, and every two years after that we'll take a long hard look at our programs, and modify them accordingly. We're absolutely confident that we'll meet our commitment.

INTERNATIONAL NEGOTIATIONS

Q: If you are so sure about the plan making its goal, will you renegotiate the treaty? If were really serious about climate change, you would agree to hard targets and timetables, in a treaty that has teeth.

A: This plan establishes the U.S. as a world leader in climate. We're doing everything called for under the treaty and more. Our position in the next negotiating session will certainly reflect this progress, and reflect whatever progress is made by the other countries.

POST-2000

Q: What happens after the year 2000?

A: The initiatives in the President's plan will continue to achieve emission reductions relative to expected levels beyond the year 2000. Climate change is a long term problem; and the Administration will sustain a long term effort.

This plan by itself is unlikely to stabilize emissions at 1990 levels under reasonable assumptions regarding economic growth, the diffusion of existing technologies, and new technology development.

Therefore, we will continue to develop policies to address the longer term trends in greenhouse gas emissions. The White House National Economic Council, Office on Environmental Policy and Office of Science and Technology Policy will lead a task force to recommend strategies beyond 2000. This long term strategy will build on this plan's support of the development and diffusion of technologies that reduce greenhouse gas emissions. The group will examine all budget, technology, R&D, regulatory and economic policies that could impact emissions beyond 2000, and make initial recommendations by the end of 1994.

Much of the anticipated growth in greenhouse gas emissions after the year 2000 will be in the transportation sector. As such, the President is directing his Administration to develop cost-effective measures to significantly reduce greenhouse gas emissions from personal motor vehicles, including light cars and trucks, and make recommendations in one year (see above).

Q: How short are you in 2010?

A: We haven't fully evaluated the impacts of these new programs beyond the year 2000. The R&D programs and the programs that create markets for efficiency will lead to technical innovation and new designs in ways that haven't yet been quantified.

Q: Why won't you COMMIT to stabilizing emissions in 2010?

A: We're not going to stop when we reach the first milestone. Climate change is a long-term problem that will require sustained effort, and the United States will continue to cut greenhouse gases. The treaty calls us to stabilize emissions at a level that prevents "dangerous anthropogenic interference with the climate system" in a "time frame sufficient to allow ecosystems to adapt naturally to climate change, to ensure that food production is not threatened, and to enable economic development to proceed in a sustainable manner" -- and that's what we'll do.

BUDGET, ECONOMICS AND JOBS

Q: How much do the programs cost to operate?

A: This climate plan is backed up with real resources, about \$1.9 billion in Federal funding between 1994 and 2000, most of which is redirected money.

However, the plan as a whole reduces the deficit, through two new policies. One would allow commuters the option of "cashing-out" employer-paid parking, by taking the value of the fringe benefit as taxable income. The second would permit private development at existing Federal hydroelectric facilities in exchange for lease payments. These reforms would raise \$2.7 billion between 1994 and 2000.

Q: Congress has historically left many of these programs underfunded. Even this year, a Democratic Congress did not fully fund the President's FY 1994 request for some of these programs, such as the EPA programs. What makes you think they will be funded in the future?

A: The President and Vice President have made their commitment to the climate programs abundantly clear, and we will ensure that this plan is funded -- this year, and every year. And it will be funded at levels that get us to our commitment.

Congress made this year's decisions without knowing how the pieces of the plan fit together toward the overall climate strategy. With the release of the plan, and with a concerted Administration effort in the future appropriations bills, we will get the funding necessary to meet the President's goal.

Q: How do these programs benefit the economy? Do they really create jobs?

A: Through the programs, businesses and homeowners will have greater access to technologies that <u>save them money</u>. Now it is difficult to find energy efficient technologies and the expertise needed to get them in place. Using these technologies cuts costs, makes companies more competitive and allows them to invest in new designs, new manufacturing and new jobs. (It also is more labor-intensive to install energy efficiency than build power plants.)

TRANSPORTATION

Q: If transportation GHG emissions are increasing faster than emissions in other sectors, why isn't more action being taken in the transportation sector?

A: The plan emphasizes long-run strategies to deal with an issue that has long-term implications. As part of the action plan, President Clinton is directing the White House National Economic Council, Office on Environmental Policy, and Office of Science and Technology Policy to develop measures within one year that will significantly reduce greenhouse gas emissions from personal motor vehicles.

This task force will:

 Seek broad public input from industry, state and local government, the environmental community and others

 Cut greenhouse gas emissions from cars and light trucks while meeting or exceeding all vehicle safety and clean air requirements

Include regulatory and/or non-regulatory actions.

Q: Why did you break your campaign pledge and not increase the CAFE standard?

A: The Administration is taking a different approach at this point.

- Transportation Strategy Task Force: In addition to the transportation measures included in the plan, we've established a White House group to prepare a transportation strategy. (see above)
- 2. Clean Car: By working with the auto industry through the Clean Car Initiative, we're pursuing a whole new generation of cars. These cars are not incrementally more fuel efficient they're miles ahead. And we're helping to position Detroit for world-leadership into the 21st century. These new cars should have fuel efficiency 300% better than the current standard and all the safety and affordability of their competition, and they could hit the market in just 10 years.

Due to the lead time needed to change CAFE standards and have those changes reflected in vehicle design, CAFE is unlikely to produce significant improvements in the technology of new vehicle offerings before model year 1998 or 1999. Then, since new vehicles replace less than a tenth of the on-the-road fleet in any given year, the impact of CAFE on GHG emissions before the year 2000 would be minimal -- less than 5% of our total.

(Note: We don't want to rule out CAFE, just point out that it isn't the silver bullet it's cracked up to be.)

FORESTRY

Q: What are "sinks" and why are they in the Plan?

A: Scientifically, what matters to the climate system is the atmospheric concentration of greenhouse gases -- and it doesn't matter how you reduce them. Since atmospheric concentrations are the result of both emissions and uptake (plants take in CO2 from the atmosphere as they grow, through photosynthesis), a good plan should address both -- and use the most cost-effective options available. This plan does.

In fact, the forestry actions themselves address both emissions and uptake: By reducing cutting of forests, the plan prevents additional emissions, and extra tree planting and tree growth take carbon dioxide out of the atmosphere (that's why they are called "sinks"). The forestry actions are some of the most costeffective actions in the plan.