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ONE HUNDRED FIFTH CONGRESS

# Congress of the United States

## House of Representatives

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BERNARD SANDERS VERMONT  
INDEPENDENT

November 19, 1997

The Honorable William J. Clinton  
The President  
The White House  
Washington, D.C. 20500

Dear Mr. President:

The unprecedented increase in carbon dioxide and other greenhouse gases in the atmosphere is one of the most serious environmental threats facing the world today. These atmospheric changes are the result of human activities, such as the burning of fossil fuels. Scientists predict that they may cause devastating impacts, including rising sea levels, the spread of infectious disease, more hurricanes, floods, and droughts, and the extinction of plant and animal species.

I am concerned that the international agreement to be negotiated next month in Kyoto, Japan, won't succeed in protecting the planet from the worst effects of global warming. First, I do not believe that the U.S. position is as strong as it needs to be to avoid severe impacts to our environment. Second, I fear that lobbyists for polluting industries will succeed in inserting loopholes that undermine the effectiveness of any agreement that may be reached.

I have been appointed to be one of the 14 House members in the congressional delegation to the Kyoto negotiations. I am writing in advance of these negotiations to share my concerns with you. I hope they will be taken into account as you finalize the U.S. position.

### I. The Need for a Strong International Agreement

The danger of delaying action to curb global warming is that the CO<sub>2</sub> emissions we produce today will stay in the atmosphere for more than a century. The pollution we emit next year will still be in the atmosphere when our children and grandchildren are faced with the potentially catastrophic consequences of global warming. By then, it may be too late to avoid the impacts of increased levels of CO<sub>2</sub> and other greenhouse gases in the atmosphere. In effect, we are borrowing against our children's future. Every ton of CO<sub>2</sub> pollution that we fail to prevent today grows to over 20 tons of CO<sub>2</sub> pollution that our children must remove from the atmosphere a generation from now.

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From this perspective, the current U.S. position is simply too weak. You have proposed delaying the requirement that the U.S. limit its CO<sub>2</sub> emissions to 1990 levels from 2000 to some time between 2008 and 2012. During this delay, U.S. emissions are projected to exceed what they would be if stabilized at 1990 levels by approximately 14.361 million metric tons of CO<sub>2</sub> -- over two times what the U.S. currently emits annually. Due to our failure to take stronger action today, much greater reductions will be required in the future.

The economic argument that we can't afford to do more simply isn't persuasive. Earlier this fall, my staff released a report that showed that the Department of Energy has missed every statutory deadline for revising out-of-date energy efficiency standards. If current law had simply been complied with, total annual energy savings in the future would be equivalent to the gasoline required to fuel the entire U.S. auto fleet for four months per year -- and consumers would save billions. In fact, one recent Department of Energy study showed that the U.S. could stabilize emissions at 1990 levels in 2010 at virtually no cost to the economy.

Today's debate over global warming reminds me of the debates Vice President Gore and I had with industry several years ago when we were fighting to reduce emissions of CFCs, the chemical responsible for ozone depletion. In 1990, the Du Pont Company testified before my subcommittee that phasing out CFC production in 1996 would cause "severe economic and social disruption," and an industry trade association testified that it was "certain" that "[w]e will see shutdowns of refrigeration equipment in supermarkets, ... our large office buildings, our hotels, and hospitals." In reality, after an international treaty was negotiated, CFC production was phased-out in the U.S. in 1995 without economic disruptions.

We should learn from the lesson of the Montreal Protocol on ozone depletion. We can do much better than industry says we can. The European Union has proposed that emissions of the three most prevalent greenhouse gases -- CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O -- should be 7.5% below 1990 levels by 2005, and 15% lower by 2010. I believe the U.S. should at a minimum support the E.U. position. Indeed, we should seek to strengthen the E.U. position by including limits on emerging greenhouse gases, such as the hydrofluorocarbons and perfluorocarbons that are now being used as replacements for CFCs.

## II. Loopholes Threaten to Undermine the Effectiveness of any Agreement

It is important not only to have a strong goal, but also to avoid loopholes that could prevent achievement of the goal. Although technical and sometimes tedious to wade through, the details of the agreement will ultimately determine whether the international goal of reducing emissions of greenhouse gases will be achieved. Unfortunately, it appears that advocates for industry and others are pushing for provisions that would undermine the effectiveness of any agreement. I urge you to insure that none of these loopholes are included in the final agreement.

For simplicity, the discussion below assumes that the goal of any international agreement is to stabilize emissions at 1990 levels by 2010. As mentioned above, I support a stronger goal. The points raised below would be equally applicable if stronger requirements were adopted.

A. Russian Paper Tons

I understand that a proposal has been put forward that would allow countries like Russia and Poland to bank and trade "paper tons." According to official projections, Russia and other Central and Eastern European nations are significantly below their 1990 level emissions. These reductions are a consequence of declines in the economies of these countries, not action to curb global warming. If these nations are allowed to claim credit for these reductions and then trade them to the U.S. or other nations, emissions in 2010 will be significantly inflated above 1990 levels.

The magnitude of this problem is immense. Current estimates are that Russia and other Central and Eastern European countries are 30% below their 1990 emission levels. If these countries are allowed to bank these reductions from 1990 until 2010, the available paper tons would be about 10,000 million tons -- the equivalent of 75% of the aggregate emissions of the developed world in 1990. Even if the countries did not bank the tons, and simply traded their excess tons between 2008 to 2010, the available tons amount to 300 million tons per year. Both scenarios would lead to increased overall emissions levels, and would delay real action to protect the environment.

B. Paper Tons from Unsubstantiated Early Reductions

Some have suggested that the U.S. and other nations should be allowed to claim credits for early reductions achieved before 2010. This proposal, however, would not create any environmental benefit, because the early reductions would be offset by increased emissions later. More important, it could become an open invitation for abuse. Nations could claim credits for actions that they would have taken anyway (such as a shift from coal to natural gas that is driven primarily by economic considerations). They could also claim inflated emission reductions for other actions (such as reforestation or public education efforts). The end result would inevitably be CO<sub>2</sub> emissions significantly above 1990 levels in 2010 and thereafter.

There may be a legitimate role for recognizing early reductions in setting emission limits for individual companies within a nation. As Congress recognized when enacting acid rain controls in 1990, it is unfair to penalize companies that take early steps to reduce pollution when company-specific emission allowances are allocated. Any such early reductions program, however, must not lead to any increase in the level of emissions allowed from any nation in 2010 or thereafter.

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C. Inflated Emission Reductions from Sinks

There has been continued discussion over whether a climate protocol should give nations credit for carbon "sinks" such as reforestation efforts that absorb CO<sub>2</sub> from the atmosphere. I understand that the U.S. advocates inclusion of carbon sinks and could benefit substantially from their inclusion. In 1995, according to one estimate, U.S. forest sinks absorbed about 8% of total carbon emitted.

As a theoretical matter, inclusion of sinks may make sense. The problem is that there are no internationally accepted methods for measuring the amount of carbon sequestration that can be attributed to reforestation and other activities. The national communications that have been submitted by parties under the Framework Convention on Climate Change (FCCC) show that no uniform reporting format has been utilized. In fact, only 12 out of 35 developed countries reported any data at all on removal of CO<sub>2</sub> by sinks. Without consistent methods for collecting and comparing information on carbon sinks, there is a potential for parties to abuse the reporting system and inflate sink sequestration claims. A better approach is to delay inclusion of sinks until these crucial technical issues can be resolved.

In Bonn, there was also discussion about the effect of adopting a New Zealand proposal to address sinks. I understand that this proposal excludes the effects of sinks in establishing baseline 1990 emission levels, but includes them in determining the level of a nation's allowable emissions in 2010. This one-sided treatment of sinks would simply inflate each country's baseline by the amount of carbon sequestered by sinks in 1990. It should be strongly resisted.

D. Potential Exclusion of Greenhouse Gases

A global warming treaty should be comprehensive and should not exclude particular gases. Hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF<sub>6</sub>) are three very powerful greenhouse gases. The manufacture of one ton of HFC-134a has more than 35 times the warming potential of a ton of CO<sub>2</sub>. If left out of the protocol, these three gases could add approximately 5% to industrialized country emissions by 2010. I support the Administration's comprehensive approach of including all greenhouse gases -- and urge you to oppose efforts to exclude any greenhouse gases.

A treaty also should not exclude specific sources of greenhouse gases. For example, I understand that fuels from international air and ship freight transportation are currently exempted from emission controls. Exemption of these fuels would allow emissions from developed countries in 2010 to exceed their 1990 levels by 5% or more. Continued growth in air travel could bring this figure even higher. If we allow for these kinds of exclusions, we will fail to adequately protect the atmosphere from dangerous accumulation of greenhouse gas pollution.

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E. Potential Problems with Joint Implementation

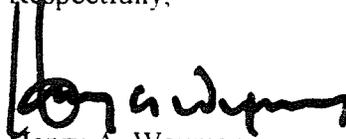
Joint Implementation (JI) offers a potential opportunity to use an innovative, market-based approach to address global climate change and facilitate technology transfer. Yet only a handful of projects are currently underway in the pilot phase of JI. Under the FCCC process, an assessment of the success of JI projects is due in the year 2000. If we commit to an expanded role for JI before the pilot phase assessment is complete, we will not know whether JI projects work and whether it is possible to assure accurate assessment and oversight of the projects. It would make more sense to defer any international agreement on JI until we have better knowledge about the potential benefits and pitfalls of these projects.

III. Unanswered Technical Questions

There are many technical questions related to the issues raised in this letter that have yet to be analyzed. I have attached to this letter a list of some of these questions. I would appreciate it if you could direct these questions to the appropriate department or agency for a response before the congressional delegation leaves for Kyoto on December 4.

I commend you and Vice President Gore for your leadership on the crucial issue of global climate change. I look forward to working with the Administration in Kyoto and after to insure the strongest possible response to the environmental threats posed by global warming.

Respectfully,



Henry A. Waxman  
Ranking Minority Member

cc: Vice President Albert Gore, Jr.  
Secretary of State Madeleine K. Albright  
Secretary of Energy Federico F. Pena  
EPA Administrator Carol M. Browner

## Technical Questions

### A. Russian Paper Tons

1. What would the environmental consequence be if emissions reductions are banked by Russia and the CEE countries between 1990 and the first budget period, presumably starting in 2008? Specifically, how long could it defer real action by Russia to reduce current emission levels?
2. What is the environmental cost if these tons could be traded between Annex I countries? How would this proposal affect overall emissions among Annex I countries compared to a proposal with an emissions limit similar to the U.S. proposal but without trading of paper tons?
3. What would be the consequence if these tons are banked or traded within the first budget period, from 2008-2012, assuming actual emissions in Russia and CEE remain below a 1990 baseline?
4. How do both the pre- and in-budget period banking and trading options compare with a scenario where trading of emission reductions were only permitted if the reductions were the result of specific policies designed to reduce emissions?
5. One of the justifications for Russian paper tons is to defray the costs of establishing a system of accurate measuring and verification of emissions in Russia. It seems unlikely that the cost of setting up a monitoring system is as expensive as the value of the emissions credits that could be generated between 1990 and 2008 in Russia and CEE. Could you please explain how much would it cost Russia to set up such a monitoring system?

### B. Paper Tons from Unsubstantiated Early Reductions

6. My understanding is that the Administration is committed to reducing U.S. emissions to 1990 levels by 2008-2012 and that the U.S. will not support proposals that would allow for greater emissions in this period based on emission reductions that are alleged to have occurred earlier. Is my understanding accurate?
7. I also understand that in developing an early action plan, it is possible that rewards could be given for voluntary emission reductions that have been reported under EPACT Section 1605(b). Do you anticipate that the voluntary programs that were part of the Climate Change Action Plan, Climate Challenge, Climate Wise, Motor Challenge, and other voluntary programs reported under EPACT Section 1605(b) will be rewarded as early action?
8. If projects reported under 1605(b) are considered for rewards, on what basis will credit be awarded? Since no outside verification system for the reductions claimed on 1605(b)

form exists, how will the accuracy of the early reduction claims be ensured?

9. Will there be a process for evaluating emission reductions claims and for reductions resulting from different project types?

10. How many tons of carbon could potentially be claimed as early reductions under 1605(b)?

C. Inflated Emission Reductions from Sinks

11. What are the best available methods for measuring fluxes of carbon related to forestry and other land uses? Are these methods promoted within the official U.S. negotiating position?

12. What international process will be used to ensure that best available methods are agreed upon and employed by the parties?

13. Is there potential for abuse in calculating net emissions if sinks are not properly or uniformly accounted for by parties?

14. Given the remaining uncertainties in assessing and reporting carbon sinks, isn't it in the interest of the U.S. to exclude sinks from quantitative targets until consistent, transparent, and comparable methodologies have been developed and applied in a manner that ensures accuracy and will remain stable over time?

15. What would the effect be for the United States if the New Zealand approach for calculating sinks is used?

16. If the New Zealand proposal were adopted and the sink calculation process generates a greater amount of sink sequestration than that identified in the U.S. proposal, how will the U.S. ensure its goal of stabilization between 2008 and 2012? If the U.S. simply claimed credit for additional sequestration without making an adjustment in the emissions budget, wouldn't the U.S. emissions would be greater than stabilization?

17. How would the New Zealand approach affect uncertainty involved in measuring sinks, monitoring of overall emissions levels, and evaluation of compliance among all parties?

D. Potential Exclusion of Greenhouse Gases

18. What are the best estimates of the projections of global growth in HFCs, PFCs and SF<sub>6</sub> between today and 2010?

19. What are the best estimates of emissions growth from international aviation and marine bunker fuels between today and 2010?

20. What are best options of allocating emissions from international aviation and marine bunker fuels?

E. Potential Problems with Joint Implementation

21. If JI projects are part of the treaty, how will the current pilot project system of verification be adapted under a broadly expanded JI system?

22. How will credits be accounted for in instances where JI occurs between countries with caps and others without?

23. If Annex I countries, with caps, are adding credits to their emissions budgets, it is critical that an accurate system is in place to verify that the reductions are creditable. What auditing or oversight mechanisms are proposed to verify that JI projects fulfill the mandates proposed in Article 7 of the current revised text that JI projects “bring about real, measurable, and long term environmental benefits...[that] provide a reduction in emissions that is additional to any that would otherwise occur?”

24. How will an oversight system be funded?

25. How will JI projects be coordinated with the function of the Global Environment Facility?

26. Will international projects between Annex I parties also be credited such that action in one country is credited by the participating party, but deducted from the budget period allowances of the host country such that the emissions reductions are not double counted?