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Grist for Rebuttal to Compass Letter of 22 January 1998
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The letter makes the following five explicit points, which are addressed in turn:

Point One: *"...the precedent set at Kyoto...exempting a number of growing economies like China, Mexico and Indonesia from the restrictions of the treaty....will restrict our future negotiating strategies."*

Rebuttal: Developing countries are not exempt from commitments under the Convention or under the Kyoto Protocol. Their commitments are different from those of industrialized (Annex I) countries in recognition of the wide disparities between them, both in their contributions to worldwide greenhouse emissions and in their financial and technological abilities to respond to the problem. While the Protocol in its current form does not contain emissions limitation commitments for developing countries, it advances the commitments of all parties to the 1992 Framework Convention on Climate Change to develop national programs to combat global warming and to report on their efforts. Developing countries will also be engaged through emissions reduction projects under the Clean Development Mechanism.

However, recognizing that ghg emissions from developing countries are growing and will overtake those of the developed world in another generation or so, the United States has led the charge internationally to ensure that developing countries participate meaningfully in the climate change process. More than any other nation, the United States has stressed that climate change is a global problem that can only be solved by global action and has made clear that, without more meaningful participation from developing countries, we will not be in a position to ratify the protocol.

Point Two: *[The Kyoto Protocol will] "...make [the climate change problem] worse by sanctioning continued burning of rain forests and by forcing relocation of energy-intensive industries from the United States..."*

Rebuttal: Contrary to the letter's assertion, the Protocol actually creates incentives to stem the burning of rain forests and to ensure that energy-intensive U.S. industries do not relocate overseas. The protocol's Clean Development Mechanism will encourage afforestation and reforestation projects, as well as investments in clean technology, and allow these efforts to partially fulfill the emission reduction commitments of industrialized countries. Thus, industrialized (Annex I) countries will see advantages to working with developing countries in these and other areas as a means of achieving cost-effective reductions. Through such projects, developing countries will be able to obtain the financial resources, technology and know-how to promote their own sustainable development.

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The Protocol's other "flexibility" provisions, including joint implementation projects and emissions trading among industrialized countries, will enable those countries to meet their emissions reduction commitments wherever reductions can be achieved most cost-effectively.

As the letter correctly notes, the United States has among the strictest air quality rules in the world -- rules that already exist under the Clean Air Act and its amendments -- but these rules have not forced our energy-intensive industries to relocate overseas. In fact, emissions trading for sulfur dioxide under the Clean Air Act has reduced costs to a fraction of the early estimates of both industry and government. There is substantial anecdotal evidence from our large cities that environmental regulation did not drive industry to other cities or countries. Further, several academic studies find that, in general, environmental regulations seem to have little effect on a firm's decision to relocate. This literature suggests that, in aggregate, increasing energy costs due to some options for climate change action would not significantly effect U.S. competitiveness.

Point Three: *"...delaying consideration of the verification protocols of the treaty...violated the...dictum—trust but verify."*

Rebuttal: The Kyoto Protocol contains detailed reporting requirements with respect to the emissions reduction commitments of industrialized countries.

At present under the Convention, each industrialized country is required to provide an annual inventory of its greenhouse gas emissions. In addition, at regular intervals (about every three years), each such country is also required to submit a "national communication" detailing all of the actions it is taking to implement its treaty commitments. These national communications are made publicly available to all Parties and an in-depth review team, consisting of experts nominated by Parties and international organizations with appropriate expertise, meets with a broad range of officials and citizens in each capital to consider the information provided. Reports of the review teams are also provided to the host country and to each Party; they are synthesized by the Convention's secretariat and considered at length by all Parties in the course of their regular meetings.

The Kyoto Protocol goes beyond even these existing requirements in the information it requires each industrialized Party to submit regarding the actions it will take to implement its emissions reduction commitments. All of the industrialized countries share a strong interest in seeing to it that each such country meets the commitments to which it has agreed. Moreover, there will be strong domestic pressure in the United States and throughout Annex I countries to ensure adequate verification..

Point Four: *"Even if the United States never ratifies the Kyoto treaty...["the growing power of international bureaucracies intent on expanding their role"]...will limit the legitimate exercise of*

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US sovereign decision making in the world."

Rebuttal: How the United States will "now have to address the growing power of international bureaucracies intent on expanding their power" is not at all clear. As "globalization" increases, and as nations find that they must work together to solve problems that no nation can solve by itself, it is natural that nations will establish institutions with the expertise needed by those nations to achieve the objectives that nations themselves have set.

The United States contributes one fourth of the budget under the Framework Convention on Climate change and consequently has considerable influence within the Convention and vis-a-vis its Secretariat. In all of its actions under the Convention, the Secretariat looks to the Parties for guidance, and must answer to the Parties with respect to its activities. If the United States ratifies the Kyoto Protocol, it will have similar influence under that instrument. It is difficult to see how the Convention's secretariat, which numbers less than 100 staff (both professional and administrative) in total, can exert diplomatic or legal powers to limit the legitimate exercise of "U.S. sovereign decision making" in the world. Looked at another way, the United States has positioned itself to use international mechanisms to address a global problem which cannot be resolved by one country alone.

Point Five: *The Kyoto Treaty (sic) also threatens to limit the exercise of American military power [b]y exempting only US military exercises that are multilateral and humanitarian..."*

Rebuttal: The Kyoto Protocol achieves the objectives identified by the Department of Defense where international agreement was necessary to protect U.S. military operations (see attached Fact Sheet). Moreover, emissions of greenhouse gases by the U.S. military amount to less than one-half of one percent of total U.S. greenhouse gas emissions. Even if these were to increase modestly because of unilateral military actions, it is simply untrue that such an increase would make such actions politically or diplomatically more difficult. We have ample room within the emissions reductions commitments agreed in Kyoto to accommodate U.S. military emissions, including any that might result from unilateral military actions.

General Note:

The science of climate change and its implications for our national security has progressed significantly since most of the signers were in office. In late 1995, the IPCC indicated that there is a "discernible human influence on the climate system." For the first time, we have a clear scientific indication that human emissions of greenhouse gases are affecting the climate system, and we have ample indications from the IPCC and others about the potential impacts of climate change. Moreover, dealing with climate change is different from dealing with other environmental problems because of the significant lag time between emissions of ghgs and radiative forcing of temperature change and, consequently, impacts such as sea-level rise.

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