

THE WHITE HOUSE
WASHINGTON

April 18, 2000

MEMORANDUM FOR JOHN PODESTA
CHARLES BURSON

CC: GEORGE FRAMPTON
LEON FUERTH
JIM STEINBERG

FROM: ROGER BALLENTINE *RB*

RE: COP6: Policy Status and Outlook

*RB.
You've got
the action on
this. Is Todd?
Still involved?
JDP*

As we come upon the conclusion of Earth Day, we will begin to focus intently on the Sixth Conference of Parties to the United Nations Framework Convention on Climate Change ("COP6," November 13-24 in The Hague, Netherlands). This Memorandum outlines the issues currently on the table and our plans for preparation.

I. Background

The President and (especially) the Vice President, were responsible for the success at COP3 in 1997 that produced the Kyoto Protocol. The last two meetings of the COP have incrementally addressed open issues with the Protocol. COP6, on the other hand, has been targeted by much of the international community (as well as by domestic NGOs) as the meeting at which a ratifiable Protocol must be finalized. The Europeans and others have rallied around this notion, calling for ratification of the Protocol by 2002.

While we have not voiced such expectations, we too have stated that COP6 is a crucial meeting. Most of the world community considers the U.S. the main obstacle to completion of the Protocol. The U.S. NGO community shares much of this sentiment. Thus it is very likely that the U.S. would be blamed for a "failure" at COP6.

II. Our Goals

Our first preparatory task is to come to some consensus as to what constitutes "failure" and "success" at COP6. Failure would most likely mean that at the meeting's end, much of the world community considers the multi-lateral process over - at least one including the U.S. This suggests that we might define "success" as an ending to COP6 with a consensus that 1) the Protocol is alive and moving toward completion and 2) there remains a chance for U.S. ratification in the near term.

III. The Challenge

Success defined in this way requires a balance between the “rightward” pull of the current U.S. Senate and much of the U.S. business community, and the “leftward” pull of the international community as well as U.S. NGO’s. Conceptually, this is a balance between issues of the *costs* of the Protocol and its “*environmental integrity*”. More specifically, such a balanced result will depend on the resolution of a number of key matters: flexibility mechanisms (such as emissions trading), developing country participation, the role of agricultural “sinks”, and potential new cost-controlling mechanisms (such as a “safety valve”).

For example, much of the developed and the developing world (as well as the U.S. environmental community) resists our efforts to make unlimited use of trading and to get the developing world to “meaningfully participate” in the climate change fight (despite the fact, for example, that we would argue that cost-decreasing flexibility mechanisms add to the environmental integrity of the Protocol; unfortunately, many of those calling for “environmental integrity” are really calling for the U.S. to “pay” for our past emissions). Many see both issues as signs that the U.S. is not willing to seriously address the problem at home. On the other hand, without securing liberal use of flexibility mechanisms and achieving some progress in developing country greenhouse gas abatement, the Protocol would be pronounced dead on arrival by a significant faction in the Congress, and would receive harsh reviews from a wide array of business sectors. Therefore, the negotiations of all of these issues will be roughly defined by these polarized positions.

IV. Preparations

We do not, of course, need to achieve a perfect, consensus balance on each remaining issue to be negotiated. Instead, the political and policy balance we need to achieve is one measured across all of the elements to be worked out at COP6. Working with the State Department and our interagency team, we are addressing each of these issues. We are consulting with stakeholders, the Congress, academics and others to evaluate our negotiating flexibility as to each issue, and exploring how we could negotiate a package of issues that achieves the overall balance we need. Thus, either here or at the State Department, we are holding meetings on sinks, rules for the mechanisms, compliance, developing country participation, and so forth. I can provide details as to the status and outlook for each of these issues at any time.

One important point deserves significant emphasis: to maximize our leverage in multilateral negotiations we need to demonstrate serious domestic actions. Showing a serious intent to take action to reduce emissions in the U.S. will lessen environmentalist criticism of our positions and will give us greater credibility with other nations in our negotiations.