

RELEASED IN FULL

GETTING TO SUCCESS IN KYOTO: STRATEGY AND TACTICS

Chairman
23 Annexes

We anticipate that neither the existing U.S. proposals for developing countries (particularly Annex B and Evolution), nor any expanded set of obligations, would be included in a draft text to be prepared by the AGBM chairman (Raoul Estrada of Argentina). However, the release of the chairman's text, expected around October 1, 1997, provides an opportunity for the U.S. to call for a "fallback" – in which we could endorse a two stage process:

- Stage (1): conclude an agreement in Kyoto with the elements that would be acceptable (including the flexibility provisions, and items defining developing country obligations under Article 4.1, but eliminating Annex B and Evolution); and
- Stage (2): proposing a Kyoto Mandate to negotiate a new agreement (albeit linked to the Kyoto agreement), that would involve all Parties, for example through the kinds of criteria suggested above on a percentage of global emissions and GNP per capita. We would not submit any stage-1 agreement to the Senate for its advice and consent to ratification until concluding negotiations under stage 2.

Calling for more stringent obligations now (prior to release of the chairman's text) gives us cover when we introduce our fallback with significant (and new) developing country obligations.

Rationale:

- Reaching international agreement on the existing U.S. position is probably impossible, and is almost certain to end in failure – for which the U.S. will be blamed for straying outside of the negotiating mandate agreed in Berlin with its evolution and Annex B proposals.
- Furthermore, we know that even the existing developing country language in the U.S. draft protocol proposal is inadequate to meet domestic standards set by the Senate and others.
- The option of terminating the negotiations (either intentionally or unintentionally) would create an enormous political backlash, both domestically and internationally (the President, the Vice President and senior Administration officials have consistently and at numerous meetings called for success in Kyoto).
- A two-stage process could provide both for success in Kyoto and for including developing country commitments.
- Strong statements with new ideas for developing countries will both respond to Byrd and signal the importance of including specific developing country commitments.

Process:

- Internationally, we must:
 - Strongly support our existing proposal with new ideas/elements at public appearances and meetings prior to the release of the chairman's text.
 - To assuage concerns (e.g., from Japan) that we are sabotaging success in Kyoto, we may need to explain our strategy (at the highest levels only) to other countries.
 - We will need to submit a draft "Kyoto Mandate" by the Bonn meeting.
- Domestically, we may choose a similar path, forewarning senior environmental NGO representatives about our strategy.
- We can expect substantial flak from NGOs and in the press over the next month (e.g., prior to our announcement in Bonn in October with our new proposal); some in industry will also oppose this approach as an indication of our commitment to a target.

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