



## INTERNATIONAL CLIMATE CHANGE PARTNERSHIP

August 15, 2003

Honorable Spencer Abraham  
Secretary  
Department of Energy  
1000 Independence Avenue, S.W.  
Washington, D.C. 20585

Dear Secretary Abraham:

On behalf of the International Climate Change Partnership (ICCP), a coalition of companies and industry associations committed to responsible participation in the climate change policy process, I am writing to reiterate our support for an enhanced greenhouse gas reporting program with transferable credits and to express concern with the delay in releasing draft guidelines of the program for public comment.

For the last ten years ICCP has actively supported the idea that companies that make verifiable reductions in greenhouse gas emissions should receive legal recognition of those reductions and should not be penalized for making those reductions in a future regulatory program. In our view, a robust voluntary reporting system and verifiable reduction credits are imperative for stimulating activity in the private sector for greenhouse gas emission reductions. That is why we were extremely pleased when the President included enhancement of the 1605(b) GHG reporting program and transferable emission reduction credits as cornerstones of U.S. climate change policy.

The President's February 2002 announcement of his climate change program called on the Secretary of Energy to propose improvements in the 1605(b) reporting program within 120 days. At the DOE workshops in December it was announced that draft guidelines for an enhanced 1605(b) reporting program would be released for public comment in April. It is now August and draft guidelines have not yet been released and there is no indication from DOE staff that their release is imminent.

DOE staff recently stated publicly that they do not believe they have the legal authority to require third-party verification of emission reductions reported under 1605(b). One of the issues raised at the December workshops was whether DOE has the legal authority to provide transferable credits for verified emissions reductions. It is imperative that DOE speak to this issue soon.

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Legal recognition of reduction activities is an important issue to private sector entities, including ICCP members, who have begun to formulate and/or act on strategies to reduce greenhouse gas emissions. The Administration's program is based on an effective reporting program including transferable credits, an aggressive science and technology program, and significant voluntary actions by the private sector. These steps are all critically interwoven.

We urge DOE to release the draft guidelines for an enhanced GHG reporting program under 1605(b) that includes transferable credits so that public comments can be obtained and the program can be finalized and implemented as soon as possible.

Sincerely,

Kevin J. Fay  
Executive Director

Cc: The Honorable James Inhofe  
United States Senate

The Honorable Pete Domenici  
United States Senate

The Honorable Billy Tauzin  
House of Representatives

The Honorable John Dingell  
House of Representatives

The Honorable James Connaughton  
Council on Environmental Quality