



April 12, 2001

The Honorable Joe Barton  
Chairman  
Subcommittee on Energy and Air Quality  
Committee on Energy and Commerce  
United States House of Representatives  
Washington, D.C. 20515

Dear Chairman Barton:

On behalf of the members of the International Climate Change Partnership (ICCP), I am writing in response to your letter of March 26 requesting our views on issues related to the Kyoto Protocol. The ICCP is an international coalition of companies and industries (see enclosed list) committed to responsible participation in the climate change policy process. As such, ICCP members have been active participants in international climate negotiations since 1991.

ICCP continues to recognize climate change as an important issue with which governments should be concerned and we have consistently advocated that if any international climate policy framework is to be developed, it must be based on national flexibility and market mechanisms. A framework that was first enunciated by the United States in 1996 contains the following key elements:

- comprehensive approach that includes all sources and sinks and does not allow individual gases to be singled out
- maintenance of maximum national flexibility (no common policies and measures)
- unfettered use of market-based mechanisms (emissions trading, joint implementation, clean development mechanism) with full fungibility
- identification of a long-term objective
- developing country participation

As compared to this framework, ICCP believes that the Kyoto Protocol is incomplete and should not be ratified in its current form. While the treaty starts to establish a market-based

framework for addressing the issue on a global basis, it is a work in progress. It sets ambitious targets to be met in an unrealistic timeframe and does not provide for developing country participation. The treaty negotiators have also failed to identify an appropriate long-term objective. Although some progress has been made to address these shortcomings since the treaty was first approved, there are still a great number of issues to be resolved in order to ensure an agreement that is fair, effective, and commensurate with the global risks we face.

It is impossible to predict at this time whether or not the United Nations Framework Convention on Climate Change, which was signed by President Bush and ratified by the Senate in 1992, can result in an international climate treaty that will satisfy the elements of Senate Resolution No. 98. The fundamental success of the negotiations to date has been the agreement to employ market-based mechanisms as a primary means of achieving greenhouse gas emissions reductions. The successful fulfillment of these market-based mechanisms continues to be the key to engaging the private sector to broadly participate in this endeavor in a manner that offers the best hope of achieving the environmental objective while promoting worldwide economic growth.

ICCP believes that the United States should continue to engage in a policy of constructive engagement in the international climate change policy process and continue to pursue the basic U.S. framework for achieving a ratifiable international climate treaty. We would urge the U.S. to work closely with "umbrella group" countries and to build upon the substantial progress that was made on many of these issues before and at COP 6.

ICCP members look forward to working with you in the coming year on these important issues.

Sincerely,

Kevin J. Fay  
Executive Director

Enclosure