



INTERNATIONAL CLIMATE CHANGE PARTNERSHIP

November 8, 2002

The Honorable George W. Bush
President of the United States
The White House
Washington, D.C. 20500

Dear Mr. President:

On the eve of workshops sponsored by your Administration to develop an effective registry for greenhouse gas emission reductions, we are writing to reiterate our support for such a registry as well as your proposal to provide marketable credits for voluntary reductions.

The members of the International Climate Change Partnership (ICCP) consider it essential to provide such legal recognition as part of any effort to address greenhouse gas emissions. We are aware of recent arguments made concerning the potential for a credit “scheme” to create demand for Kyoto Protocol ratification or Kyoto-like mandatory control programs. These arguments are unfounded.

Legal recognition of greenhouse gas reductions and transferability are prerequisites for success in a voluntary reduction program. Such transferable credits minimize the fear that any resulting reductions may alter an entity’s future legal or regulatory standing and create unintended economic disadvantages. They are an inexpensive but important insurance policy against future unintended consequences.

ICCP member companies include many of the premiere manufacturing companies and industry associations, with membership from the United States, Europe, Canada, and Japan. Many companies have implemented voluntary reduction measures or are contemplating such reductions in the future. Since the unanimous Senate ratification and subsequent adoption of the United Nations Framework Convention on Climate Change in 1992, actions to limit or reduce greenhouse gas emissions have been encouraged by the first Bush Administration, the Clinton Administration, and now your Administration. These voluntary reductions are being made in response to our nation’s commitment under the UNFCCC and because they make good business and environmental sense. They are not being made to somehow capture some unknown value in a future trading market. But neither should they become a liability in the event some future regulatory scheme is adopted.

We recognize the voluntary approach as the preferred means of achieving the reduction of greenhouse gas intensity. We also recognize that there were more than 20 legislative proposals in Congress this year to create a variety of voluntary and mandatory programs dealing with the climate change issue. At the same time, we note that a wide variety of reduction programs are now being prepared, proposed, and implemented at the state, national, and international level. Legal recognition of these reductions is the least cost means of ensuring that entities that take these steps are not placed in jeopardy by changes in a future political or regulatory climate.

ICCP has indicated in previous communications that an effective reporting and registry program and legal recognition of reductions are the critical first steps for addressing climate change. We encourage your Administration to vigorously pursue these initiatives to help create an equitable and effective basis for initiating private sector steps on this important environmental issue.

We look forward to working with you on this and other important climate policy matters. Thank you for your consideration of our views.

Sincerely,

Kevin Fay
Executive Director

Cc: The Honorable Spencer Abraham
U. S. Department of Energy

The Honorable Paul H. O'Neil
U. S. Department of the Treasury

The Honorable Donald L. Evans
U. S. Department of Commerce

The Honorable Christine Todd Whitman
U. S. Department of Environmental Protection Agency

The Honorable James L. Connaughton
Council on Environmental Quality

The Honorable Lawrence B. Lindsey
Assistant to the President for Economic Policy