INFORMATION MEMORANDUM

CONFIDENTIAL
DECL: 9/4/07

TO: The Secretary

FROM: G - Timothy E. Wirth
E - Stuart Eizenstat

SUBJECT: Climate change: An emerging policy on developing country participation

At a meeting chaired by Gene Sperling Wednesday at the White House, we agreed to a next step on how to more fully engage developing countries in the climate change negotiations, based upon a proposal we presented. The consensus achieved represented an agreement within the White House (which in addition to Sperling, included Todd Stern, CEQ - Katie McGinty and David Sandalow, NSC - Jim Steinberg, CEA - Janet Yellen, and OMB - T.J. Glauthier) as well as with Treasury (Larry Summers) and ourselves.

Largely due to the Byrd Resolution, we agreed that the existing U.S. proposal was inadequate with respect to developing country participation. But it will be virtually impossible to abandon our existing proposal - and see our new ideas for more explicit developing country commitments adopted - in time for agreement in Kyoto. Thus, we are seeking a two step approach.

The first step will be to set forth in the next few weeks an elaboration and expansion of our existing developing country proposals that details the commitments we expect these countries to make in the current negotiations. This would be done in the full recognition that our proposals will be rejected by the chairman of the negotiations when he presents his version of the negotiating text at the end of the month. We will then be free to “gracefully” insert these same proposals under the rubric of a new negotiating mandate to be adopted in Kyoto where they are not likely to be so summarily rejected, and thus open ourselves to the charge that we are “blowing up” Kyoto.

To satisfy the Senate demands, we would explicitly link our ratification of any agreement signed in Kyoto to the successful conclusion of subsequent negotiations on developing country commitments.
Attached is a set of talking points which provide the substance of these ideas. These points have been sent to Gene for distribution to and clearance by those involved in yesterday’s discussions; we anticipate that our climate team (and any other Administration officials) speaking on this issue will be able to use them over the next month in laying the groundwork for the further development or our position.

While Wednesday’s meeting resolved the developing country problem (at least temporarily), it exposed differences of views on the issue of a U.S. target and timetable. Summers continues to support a long-term and cautious approach – even suggesting that having no target at all would be the preferable alternative. Yellen, likewise negative, suggested that even a return to 1990 emission levels by 2040 would constitute an “aggressive” level of action. McGinty, in contrast, argued that returning emissions to 1990 levels by 2010 would be acceptable internationally, and that anything less stringent would be a difficult sell.

All agreed that the final agreement needed to be one we could support with integrity, both on the environmental side and the economic side – but that the final decision would be one made by the President and the Vice President. It was also noted that the option of doing nothing was not real – as the President had already committed himself to action on this issue in numerous international and domestic public fora over the past several months.

CONFIDENTIAL
Classified by OES A/S Melinda Kimble, Acting
Reason: E.O. 12958, 1.5 (D)

UNCLASSIFIED