United States Department of State

Washington, D.C. 20520

FEB 14 REC'D

FEB 13 2006

Dear Mr. Waxman:

I am writing in response to your January 27 letter regarding U.S. greenhouse gas (GHG) emissions data.

President Bush believes that climate change is a serious long-term issue, requiring sustained action over many generations by both developed and developing countries. His climate change policies are designed to set America on a path to slow the growth of our greenhouse gas emissions and, as science justifies, to stop and then reverse the growth of emissions.

As you know, from 1990 to 2004, U.S. GHG intensity declined by 23%, representing a decrease of 1.9% per year. This decline occurred despite substantial economic and population growth, and compares favorably with GHG intensity figures for most of our allies and trading partners, including parties to the Kyoto Protocol, many of whom did not experience similar rates of growth.

According to the recently released Energy Information Administration report, Emissions of Greenhouse Gases in the United States 2004, the trend in falling U.S. GHG intensity continued in 2004. U.S. GHG emissions intensity fell by 2.1% between 2003 and 2004. This decrease came despite the U.S. economy growing at the rate of 4.2 % in 2004, the highest rate of growth since 1999. While absolute GHG emissions vary from year to year, the key statistic is that the U.S. GHG intensity continues to decline.

As we noted during the 11th Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC), held in Montreal in late November and early December 2005, U.S. GHG emissions declined from 2000 to 2003, according to the most recent UNFCCC data, by 0.76%.

The Honorable
Henry A. Waxman,
House of Representatives.

This data was the most appropriate to use at the Montreal meeting because it was compiled using standard UNFCCC methodologies and reporting formats. Moreover, such data is subject to "in-depth" UNFCCC Secretariat review to assure its accuracy. The UNFCCC data we used in Montreal was also the most useful data for drawing comparisons between UNFCCC parties. Pursuant to our commitments under the UNFCCC, the U.S. will submit 2004 GHG inventory data to the UNFCCC by April 15, 2006.

With respect to your concerns regarding the Administration's statements on 2004 GHG emissions, we note that James Connaughton, Chairman of the White House Council on Environmental Quality discussed the EIA's projections for 2004 GHG emissions in testimony at a joint hearing of the Senate Foreign Relations Subcommittees on International Economic Policy, Export and Trade Promotion and East Asian and Pacific Affairs on November 14, 2005. As you pointed out in your letter, the final EIA data for 2004 emissions were released on December 16, 2005. In his testimony, Chairman Connaughton noted the EIA flash estimate projection for an increase in carbon dioxide emissions in 2004, but stressed that the increase would be well below 2004 GDP growth. Chairman Connaughton was correct and emissions intensity dropped by 2.1% in 2004, keeping us on pace to meet the President's 2012 goal.

However, in the UNFCCC context, our emphasis was on the latest UNFCCC data to show the progress of countries in that forum. The data indicate that the United States is performing well relative to other developed countries that have chosen to address their greenhouse gas objectives through the Kyoto Protocol. Our statements emphasize that U.S. greenhouse gas performance takes place in the context of strong economic growth, which is consistent with the President's focus on greenhouse gas intensity as the appropriate measure of progress. A focus on greenhouse gas intensity is in keeping with the Energy Policy Act passed by the Congress in 2005.

Thank you for your interest in and attention to this matter. Answers to your individual questions are attached. We will continue to keep you and your staff informed about developments related to this issue.

Sincerely,

Jeffery T. Bergner
Assistant Secretary
Legislative Affairs

Questions Submitted to
Under Secretary Paula Dobriansky by Senator John Kerry and
Representative Henry A. Waxman
January 27, 2006

1. What information did you, Dr. Watson, and your staff have available to you regarding the quantities of and trends in U .S. greenhouse gas emissions from 2000-2004, at the time of the conference in Montreal? Please provide copies of all such information. (To the extent that this or other information requested is available on-line, it is sufficient to provide the link to the information on-line.) Please include all written communications within the State Department, or between State Department staff and appointees and EPA, EIA and CEQ staff and appointees, since January 1, 2005, that address factual information regarding the quantities of and trends in U.S. greenhouse gas emissions.

We rely on a number of sources to track GHG emissions including the most recent annual inventory submission to the UNFCCC, the, Inventory of U.S. Greenhouse Emissions and Sinks: 1990-2003 (see http://yosemite.epa.gov/oar/globalwarming.nsf/content/ResourceCenterPublicationsGHGEmissionsUSEmissionsInventory2005.html), prepared by the Environmental Protection Agency, and UNFCCC national inventory data from 2005 Annex I National Inventory Reports and Common Reporting Format tables found on the UNFCCC website at http://unfccc.int/national_reports/annex_i_ghg_inventories/national_inventories_submissions/items/2761.php. Because the information was taken directly from published data sets, we have no record of written communications regarding quantities or trends of greenhouse gas emissions.

2. Were you, Dr. Watson, or your staff aware at the time of the conference in Montreal that U.S. greenhouse gas emissions had increased each year since 2001? Do you consider that information relevant to presenting a fair picture of recent progress on U.S. greenhouse gas emissions to the international community? If not, why not?

The intensity of U.S. GHG emissions has declined each year since 2001. We view GHG intensity as the most appropriate trend to track as it takes into account economic and population growth.

We are aware of official data submitted to the UNFCCC in April 2005 indicating that U.S. GHG emissions increased from 2001 to 2002 by 0.75% and from 2002 to 2003 by 0.61%. U.S. GHG emissions declined by 2.10% from 2000 to 2001.

The information provided in Montreal accurately reflected U.S. GHG trends in comparison to other UNFCCC parties. The most critical facts are that U.S. emissions growth is tracking below GDP growth and the United States is doing well in reducing its GHG intensity, particularly in comparison to parties to the Kyoto Protocol.

3. Were you, Dr. Watson, or your staff aware at the time of the conference in Montreal that U.S. emissions for 2004 were expected to be the highest ever, or at least that they were expected to be substantially higher than emissions in 2003?

We were aware of the EIA "flash report" and CEQ Chairman Connaughton discussed that report in Congressional testimony in November, 2005. As you noted in your letter, the final EIA data for 2004 emissions were released on December 16, 2005. During our discussions with other Parties at COP-11, we focused on UNFCCC data as the most up to date and complete information for all Annex I parties, especially for drawing comparisons with other UNFCCC parties. As is standard operating procedure for the United States (and other Annex I parties,) the official Inventory of U.S. Greenhouse Gases and Sinks: 1990-2004 report will be finalized and submitted to the UNFCCC prior to the April 15, 2006 deadline.

4. What analyses do you have to support the claim that President Bush's climate change policies have slowed the growth in U.S. greenhouse gas emissions since 2000? Please provide any such analyses.

a. What is the quantity of avoided emissions relative to projected business-as-usual emissions that have already occurred and that are directly

attributable to new climate change policies and programs adopted by President Bush or expansions of existing climate change policies and programs implemented by President Bush (as opposed to the continuation of policies and programs instituted by the Clinton Administration or prior administrations). Please identify the quantity of emissions avoided by each such new or expanded portion of a policy or program and provide the analytical basis for the assertion.

Under the leadership of President Bush, the United States has formulated and is now implementing a new and comprehensive strategy to address the challenges of global climate change. It is science-based, encourages innovation and scientific and technology breakthroughs, harnesses the power of markets, and encourages global participation. It focuses on reducing emissions, while sustaining economic growth. It involves both near-term policy measures and longer-term elements that build upon the U.S. strengths in innovation and technology development. The following are some examples of new or expanded climate change policies and programs implemented by President Bush, which have contributed to the observed decreases in the greenhouse gas intensity of the U.S. economy (-2.3% for 2002-2003, and -2.6% for 2003-2004).

ENERGY STAR: The Bush Administration has greatly expanded the ENERGY STAR program, which was established in 1992 to promote energy efficiency in homes and businesses. To date, U.S. consumers have purchased more than 1.5 billion ENERGY STAR qualified products, almost 10 percent of new housing starts are ENERGY STAR qualified, and thousands of commercial buildings have been improved. EPA estimates that Americans, with the help of ENERGY STAR, prevented 30 million metric tons of greenhouse gas emissions in 2004 alone—equivalent to the annual emissions from 20 million vehicles—and saved about $10 billion on their utility bills. They also saved a significant amount of energy in 2004—125 billion kilowatt hours (kWh) or 4 percent of total 2004 electricity demand. In addition, ENERGY STAR helped avoid 25,000 megawatts (MW) of peak power, the equivalent amount of energy required to power about 24 million homes. And annual reductions in greenhouse gases are on track to double again in 10 years to about 60 million metric tons, the equivalent of annual emissions from 40 million vehicles. For more

information, see http://www.energystar.gov/.

Green Power Partnership: EPA launched the Green Power Partnership in 2001 in response to a recommendation in the President's National Energy Policy. The partnership's goal is to lower the cost of renewable energy by enlisting large electricity purchasers to buy a percentage of their power from green power sources. EPA also works to increase green power's value by offering public recognition to leading green power purchasers. EPA supports the development of green power markets in several ways, such as providing emissions benefits information, recognizing leading purchasers through annual green power awards, and supporting the development of third-party certification so consumers can be confident that they are getting what they paid for. There are currently over 600 Green Power partners that have made a combined commitment to purchase 4 billion kilowatt-hours of green power annually. Fore more information, see http://www.epa.gov/greenpower/index.htm.

Combined Heating and Power Partnership: In October 2001, EPA established the Combined Heat and Power (CHP) Partnership as part of the President's National Energy Policy. CHP projects offer tremendous potential for pollution prevention by using waste heat that is produced in many industrial processes as a byproduct of electricity generation. CHP systems provide many benefits including cost savings, enhanced reliability of the electric system, and local economic development. Compared with conventional separate heat and power, CHP projects are highly efficient—often reaching 75 percent efficiencies and higher—and can often be installed in a variety of settings, including large industrial plants, college campuses, hospitals, hotels, and commercial buildings. According to EPA, CHP Partnership accomplishments for the period 2001-2005 include assisting over 160 projects representing 3,460 Megawatts of new CHP capacity. On an annual basis, these projects will prevent the emissions of over 2.5 million metric tons of carbon dioxide equivalent. This is equivalent to the annual emissions of over 1.6 million cars, or the sequestration from over 2.5 million acres of forest. As of December 2005, the CHP Partnership had 175 Partners dedicated to promoting and installing CHP. For more information, see http://www.epa.gov/chp/about_the_partnership.htm.

Climate Leaders: Announced in February 2002, Climate Leaders is an EPA partnership encouraging individual companies to develop long-term, comprehensive climate change strategies. Under this program, partners set corporate-wide GHG reduction goals and inventory their emissions to measure progress. Currently 79 major companies are now participating, including General Motors, Alcoa, BP, Pfizer, Staples, International Paper, IBM, Miller Brewing, Eastman Kodak, and Target, whose U.S. emissions represent an estimated eight percent of total U.S. GHG emissions. As of January 18, 2006, 46 companies have set GHG reduction goals and the rest are in the process of setting goals. EPA estimates that meeting the goals will prevent more than 8 million metric tons of carbon emissions equivalents per year. This is equal to the emissions of 5 million cars annually. For more information, see http://www.epa.gov/climateleaders/.

Climate VISION (Voluntary Innovative Sector Initiatives: Opportunities Now) Partnership: In February 2003, the Federal Government and industry organizations representing thousands of companies from 12 energy-intensive economic sectors (since expanded to 14) and The Business Roundtable joined in a voluntary partnership known as Climate VISION. Climate VISION is unique in that it focuses on economic sectors, not specific companies, with each industry association making a commitment on behalf of its members to reduce greenhouse gas emissions intensity. These Climate VISION partners, which include some of the largest companies in America, represent a broad range of industry sectors—oil and gas, electricity generation, coal and mineral production and mining, manufacturing (automobiles, cement, iron and steel, magnesium, aluminum, chemicals, and semiconductors), railroads, and forestry products—accounting for about 40 to 45 percent of total U.S. greenhouse gas emissions. Four Federal agencies participate in the program: DOE (lead), Department of Agriculture (USDA), Department of Transportation (DOT), and the Environmental Protection Agency (EPA). For more information, see http://www.climatevision.gov.

Fuel Economy Increase for Light Trucks: On April 1, 2003, the Bush Administration finalized regulations requiring an increase in the fuel economy of light trucks for Model Years 2005-2007, the first such increase

since 1996. The increase from 20.7 miles per gallon to 22.2 miles per gallon by 2007 more than doubles the increase in the standard that occurred between Model Years 1986 and 1996. The new increased fuel economy standards are expected to save approximately 3.6 billion gallons of gasoline over the lifetime of these trucks, with the corresponding avoidance of 31 million metric tons of carbon dioxide emissions. For more information, see http://www.nhtsa.dot.gov/portal/site/nhtsa/menuitem.d0b5a45b55bfbe582f57529cdba046a0/.

Targeted Incentives for Greenhouse Gas Sequestration: In June 2003, Agriculture Secretary Veneman announced that, for the first time, the Department of Agriculture (USDA) would provide targeted incentives to encourage wider use of land management practices that remove carbon from the atmosphere or reduce emissions of greenhouse gases. Through USDA's forest and agriculture conservation programs, such as the Environmental Quality Incentives Program and Conservation Reserve Program, USDA is encouraging the increased use of biomass energy, crop and grazing land conservation actions, practices to reduce emissions from agriculture, and sustainable forest management.

SmartWay Transport Partnership: Announced by EPA in February 2004, SmartWay is a voluntary partnership between various freight industry sectors and EPA that establishes incentives for fuel efficiency improvements and greenhouse gas emissions reductions. By 2012, this initiative aims to eliminate 33-66 million metric tons of carbon dioxide emissions and up to 200,000 tons of nitrogen oxides emissions per year. At the same time, the initiative will result in fuel savings of up to 150 million barrels of oil annually. Currently, 225 companies have joined SmartWay, including 170 Trucking Carriers, 25 Shippers, 7 Shipper/Carriers, 8 Railroads, 7 logistics companies and 8 Affiliates. Based on the actions taken by these partners to date, EPA projects savings of at least 175 million gallons of fuel by the year 2007. For more information, see http://www.epa.gov/smartway.

b. To what degree do you attribute the drop in emissions in 2001 to economic and weather related factors, as opposed to Bush Administration

climate change policies? What new policies or programs had the Bush Administration instituted in time to affect emissions in 2001? Please identify the specific policies, if any, and their quantified impacts.

There were a variety of factors that resulted in the decline of overall U.S. greenhouse gas emissions in 2001 relative to 2000.

According to EIA in its December 2002 report "Emissions of Greenhouse Gases in the United States 2001": The decline in U.S. greenhouse gas emissions can be attributed to the combination of the following factors: a reduction in overall economic growth from 3.8 percent in 2000 to 0.3 percent in 2001; a 4.4-percent reduction in manufacturing output that lowered industrial emissions; warmer winter weather that decreased the demand for heating fuels; and a drop in electricity demand and coal-fired power generation that reduced emissions from electricity generation. (See page ix at http://www.eia.doe.gov/oiaf/1605/gg02rpt/pdf/057301.pdf.)

EPA's April 2003 report "US Emissions Inventory 2003" states: "The following factors were primary contributors to this decrease: 1) slow economic growth in 2001, leading to decreased demand for electricity fuels, 2) a considerable reduction in industrial output, leading to decreased demand for electricity and fossil fuel, 3) warmer winter conditions compared to 2000, and 4) increased output from nuclear facilities." (See page ES-2 at http://yosemite.epa.gov/oar/globalwarming.nsf/UniqueKeyLookup/LHOD5MJTM5/$File/2003-final-inventory_ES.pdf.)

Given that there are numerous factors that contribute to greenhouse gas emissions for any given time period, we believe the more effective way to measure progress is to compare the change of greenhouse gas emissions to change in economic growth, rather than focus on aggregate emissions for any given year. Based on this intensity metric, it is clear that President Bush's policies are having an impact on reducing the overall greenhouse gas intensity of the U.S. economy. In fact, between 2002-2003 U.S. greenhouse gas intensity fell by 2.3% and the data for 2003-2004 show that greenhouse gas intensity fell by 2.6%.

5. Please provide any information you have at this time related to the quantities and trends in U.S. greenhouse gas emissions in 2005.

We have no information regarding 2005 U.S. GHG emissions trends.