

THE WHITE HOUSE
WASHINGTON

November 25, 1998

MEMORANDUM FOR JOHN PODESTA

FROM: TODD STERN 

SUBJECT: Climate Change -- Organization and Staffing

This memo considers how the climate change issue should be organized and staffed in the final two years of the President's term.

Background. In the wake of the Buenos Aires meeting, it is clear that the key open issues of the Kyoto Protocol won't be resolved until the annual Conference of the Parties in November or December 2000. In the best case scenario, the Protocol could then be submitted to the Senate for advice and consent in 2001. The reality is that submission of the Protocol (together with implementing legislation) even by 2002 would be a major achievement.

Thus, the Kyoto Protocol won't come to closure within the President's term in office. At the same time, a much needs to be done to lay the groundwork for possible ratification in the 2001-2002 period. And a number of constituencies are significantly vested in the issue.

The work ahead. The work, broadly, breaks down as follows: *diplomatic efforts* to resolve the open issues successfully and to get a critical mass of developing countries on board; *domestic policy* work to advance climate-related budget and tax proposals and other initiatives (e.g., legislation to reward companies who act early with bankable emissions credit, etc.); *congressional relations* to expand the core of Members who are sympathetic to this issue, through activities such as an occasional series of breakfasts/lunches with VP, Sec. Albright, Sec. Richardson, etc.; *outreach* to business, labor and NGOs, shifting, in time, into a more explicit effort to build a coalition to support ratification; *communications* to get out the message that taking action is essential, that our approach is sound and that we continue to treat this issue as a priority. As in the case of outreach, the communications objective will need to shift in time to support a broad-based ratification effort.

Constituencies. The constituency that cares the most about climate change is the environmental community, and they care a great deal. The major organizations routinely describe climate change as their top priority. Business and labor are also very engaged. Although many of them would be delighted if the issue went away, that doesn't mean they'd favor a lower White House profile. My guess is they wouldn't.

Organization and Staffing. Staffing decisions need to be guided by the facts that (1) there won't be a ratification fight during the President's term, but that (2) groundwork needs to be laid for possible ratification in the 2001-2002 period, (3) there is substantial constituency interest in

and concern about climate change, and (4) climate change may well loom as a significant political issue in the 2000 cycle.

Task Force. I think the Task Force should be retained, though it could be scaled back somewhat. In general, the Task Force's most essential business is (1) to handle the consultation process with industry sectors and outreach; and (2) to produce materials like talking points, fact sheets, op-eds, etc. Congressional relations and press are useful but not essential Task Force functions. I don't want to bother you with details of what everyone on the Task Force does, but I'd be happy to discuss it with you or whomever you designate, if you'd like.

Diplomatic and domestic policy should be handled by White House staff. NEC and CEQ will need to be more engaged than they were this year on domestic policy, but that shouldn't be a big problem since NEC has now filled their vacant energy slot and George Frampton is committed to the issue. David Sandalow or his successor can handle the diplomatic side. Sandalow, incidentally, has drawn some staff support from the Task Force since he gets none from NSC.

White House Coordinator. The real resource question involves whether to have a high-level White House coordinator on climate change. It is worth considering this both in the period while I'm still at the White House and the period after that. For whatever period I continue on the White House staff, I think it would make sense for me to oversee the issue since I know it well and it would send a bad signal to the outside world if I disengaged. On the other hand, I could provide adequate oversight while giving at least half my time to other projects.

Whether you should appoint a high-level, albeit not full-time coordinator to take my place after I've left is a separate question. In principle, I would favor doing so assuming you have a suitable person to fill the role. The reasons are: first, even though we aren't gearing up for ratification, climate change is still an unusually cross-cutting issue with large domestic and international components, and a lot of agency players; second, there is some advantage in having an "honest broker" in charge who isn't on either the economic or the environmental side of the issue. (One person who could probably do the job well is Roger Ballentine, in leg affairs. I'm impressed with him. I don't know whether he'd be interested, but he's someone to keep in mind.)

If you didn't appoint a new person, leadership on the issue would revert to CEQ, with NEC and NSC in a supporting role. This option would probably work if George could give it enough resources and attention, someone on your team had it on his or her radar screen, and the President and Vice President were comfortable with the arrangement. If you went this route, you'd need to explain the new arrangement effectively to guard against the perception that the White House was reducing its commitment to the issue.

If you want to discuss any of this further, let me know.