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THE WHITE HOUSE

WASHINGTON

February 12, 1998

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 Bowles
 Podesta
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 Spurling
 McGinty
 Stern
 Steinberg
 Klain
 VP

MEMORANDUM FOR ERSKINE BOWLES AND JOHN PODESTA

CC: SYLVIA MATHEWS

FROM: TODD STERN *TJS*

SUBJECT: Organization of Climate Change Effort

At your request, this memo outlines an internal organization for our climate change effort premised on the notion that I would be the overall CEO, or coordinator, with others in the core group acting in effect as a Board of Directors or Steering Committee. The Steering Committee would include me, Katie, Gene, Jim and John. Ron Klain should be part of it as well, if he is interested. A flow chart is attached.

There are five principal areas of activity: diplomatic, domestic policy/implementation, outreach, communications and congressional. Under this model, I would be the point person for all of these, responsible for making sure that we were moving forward appropriately on all fronts. As a practical matter, this would involve me chairing a weekly Steering Committee meeting as well as chairing regular working group meetings in the functional areas. Of course there are some areas, such as electricity restructuring or our budget package where NEC or CEQ would continue to have the lead. But I would be responsible for knowing what was up on such issues and how they were contributing to our overall climate change effort.

The teams of people in each functional area would be drawn from relevant White House offices as well as some agencies. Consistent with their other obligations, I would have the authority to task people on these teams with specific assignments.

What follows is a brief discussion of how each functional area would be handled. If the go-ahead for this overall structure is approved, the working group in each area would develop a more detailed strategy, setting forth goals, plans for achieving those goals, and timelines.

Diplomatic

NSC and State (Stu Eizenstat and Wendy Sherman, with Melinda Kimble at Assistant Secretary level) will have the lead in working the substantial diplomatic issues on the agenda -- e.g., negotiating rules for emissions trading and the new "Clean Development Mechanism", making progress on developing country participation, etc. I am currently doing a weekly meeting with Wendy and Stu others at State, David Sandalow, Bill Antholis, and selected additional agency people to discuss strategy and tactics, discuss relevant issues like upcoming congressional

hearings, etc. David is in turn chairing working level interagency meetings to pursue matters discussed at the senior meeting.

Domestic Policy

The principal elements of our domestic policy implementation are the \$6 billion program; electricity restructuring; federal procurement and usage; standards; and the sector by sector effort. The first two of these should continue to be run through the NEC process. For federal procurement, we need to enlist a person to head up a vigorous interagency effort. In addition, there are a variety of other initiatives that need to be monitored and kept on track, such as the Million Solar Roofs initiative.

The sector by sector effort will be the most labor intensive. Ideally, we would have an inside-outside team managing this, with a high-level outside person, such as John Deutch or a major ex-CEO, helping engage top level management in the relevant sectors, and Dirk Forrister heading an inside team to do the hands on, day-to-day management of the process. Dirk would need a deputy and an assistant (new agency reps to the Task Force), as well as the active participation of an interagency team of experts with knowledge of the relevant sectors. Finally, I would propose bringing on Amory Lovins as a consultant to be actively engaged in developing cost-effective, energy-saving ideas for industry sectors and the federal government. Getting the benefit of his thinking without having him too high profile would be the best way to go.

I would chair a weekly meeting of the domestic policy team to review where we are on each of the key issues of our domestic policy. This team would include: Dirk Forrister, our federal procurement person, Peter Orszag, Linda Lance, T.J. Glauthier, Rosina Bierbaum, Bill Antholis, Jon Gruber, Peter Bass (or other representative from State), and other relevant agency people, such as David Gardiner or David Doniger from EPA, and Dan Reicher from DOE.

Outreach (business, enviros, labor, agriculture, State and local, academics)

Our principal outreach objectives are to maintain a positive, working dialogue with key stakeholders, secure public support and validation, neutralize antagonistic, or potentially antagonistic constituencies, engage State and local leaders.

Regarding business, there will be a lot of overlap between our industry by industry effort and general outreach, so Dirk should head up this aspect of outreach, as well as ag. Regarding enviros, labor and State/local, those areas would be headed up by CEQ, Karen Tramontano and Fred Duval, respectively. We also need a further active effort to develop academic validators, such as scientists, economists and foreign policy experts. All of the components of the outreach effort would operate under my supervision.

Communications/Press

Our public affairs objectives include defining this issue for the public (e.g., protecting environment for children and grandchildren vs. \$2000 for a family of four, etc.); positioning the President in the vigorous center; building support for reasonable action, etc.

We need to bring on a senior person to head up the communications/press team. Others on that team will include Jake Siewert, Elliot Diringer, David Sandalow, Eli Attie, Beverly Barnes, Jeff Smith, Bob Boorstin, Jonathan Prince, John Haber, Beth Viola, Bill Antholis, Natalie Wymer and possibly a few other agency people.

Congressional

Our immediate congressional objectives are to prevent or defend against hostile actions, such as a resolution against signing, build our base of genuine supporters and build a larger base of those willing to remain neutral. Down the road a bit, we will need to focus attention on passage of the President's \$6 billion plan, dealing with potential appropriations riders, etc.

I would chair a weekly working group meeting on legislative strategy. We need to bring on an additional legislative person to work this issue, either in our own leg. shop or from an agency. I have lined up a good agency candidate and am discussing this with Larry Stein. The legislative team will also include Lucia Wyman, Barbara Larkin or Meg Donovan, Julie Norton, John Angell, Kay Casstevens, Mara Rudman (NSC), Dirk Forrister, Bill Antholis. State will keep a climate change data base on all Members.

Steering Committee

I would chair a weekly Steering Committee meeting to report on what is happening on all fronts and to discuss major issues that need resolution at the Steering Committee level. The core group, as noted, would be Gene, Katie, Jim, John Podesta and Ron Klain, if he wishes. As we did during the fall when we were working on the President's policy, we might well want to include others such as Stu Eizenstat, Larry Summers, Janet Yellen.

Summary

There are obviously a number of White House offices with equities in this issue -- CEQ, NEC, NSC, OVP, OSTP. The premise of the organizational model set forth in this memo would not be to limit their activity -- the Steering Committee and working group meetings would be designed to insure a full opportunity for active participation and, at the Steering Committee level, guidance. However, the premise of this model *would* be to insure that offices (and agencies) are acting in a coordinated manner rather than independently.

**Climate Change
Steering Committee**

Stern
Sperling
McGinty
Steinberg
Podesta
[Klain]
Eizenstat
Summers
Yellen

White House Coordinator

Stern

Outreach

Team Leader: Forrister

CEQ: Viola
COS: Tramontano
IGA: Duval
OPL: Carter
Cab Aff: Balderston

Stern Deputy: Antholis

Congressional

Team Leaders: WH Leg [TBD]

WHL: Wyman [TBD]
State: Donovan Norton
OVP: Casstevens
NSC: Rudman

Stern Deputy: Forrister Antholis

Communications

Team Leader: [TBD]

Treas: Boorstin
State: Prince Bass
Energy: Wymer
EPA: Ucelli
COS: Barnes
OVP: Attie Ewing
NSC/CEQ: Sandalow
OSTP: Smith
NEC: Siewert
CEQ: Diringier Viola

Stern Deputy: Antholis

Diplomatic

Lead Negotiator: Eizenstat

Team Leader: Sandalow

Treas: Gruber Boorstin
State: Kimble Pomerance Reifsnieder Pershing Biniiaz Greenfield
EPA: Doniger Gardiner
USAID: Hales
DOE: Mazur
Commerce: Hunker
OVP: Jordan
NEC: Orszag

Stern Deputy: Antholis

Domestic

Climate Driven Initiatives:
Industry by Industry: Forrister
Federal Procurement: TBD
Other Climate Issues: TBD

State: Greenfield
Treasury: Gruber
Energy: Mazur, Reicher
EPA: Doniger, Gardiner
NEC: Orszag
CEA: Aldy
NSC/CEQ: Sandalow
OSTP: Bierbaum
OMB: Glauthier

Stern Deputy: Forrister Antholis

Climate as key component Budget (\$6 Billion): Sperling
Electricity Restructuring: Sperling, w/ McGinty

Industry by Industry ex-CEO

TBD

Technology Consultant

[Lovins]