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Inside EPA

Chemical Industry Agrees To First-Time Targets For Cutting Greenhouse Gases

Major chemical companies have reached an agreement with the White House to voluntarily lower greenhouse gas emissions relative to their level of production, making the industry one of the first to set a specified target for reducing emissions that contribute to climate change.

Industry officials met at the White House in October and agreed to reduce their greenhouse gas emissions per pound of production by 18 percent between 1990 and 2012, according to a well-placed industry source. The industry will publicly unveil the agreement within the next few months. The 18 percent reduction is consistent with a goal laid out by President Bush for all U.S. industries in a major speech in February 2002.

Chemical companies are among the first to agree to a specified target for greenhouse gas reduction, though the administration has been meeting with many other industries in order to secure more commitments as part of the President's climate change initiative. Bush has stressed the importance of voluntary agreements as an alternative to the mandates under the international Kyoto protocol, which the U.S. has refused to sign.

The agreement comes as the American Chemistry Council recently announced that it would begin annual reporting of greenhouse gas emissions across the industry, as part of a new program to make the industry's environmental data widely available to the public (Chemical Policy Alert, Nov. 5, 2002, p3). The industry's measurements of greenhouse gas emissions will be taken from this survey, and emissions throughout the 1990s will be drawn from data collected by the Energy Information Administration, the industry source says.

The Business Roundtable, a coalition of numerous industries, is also expected to unveil in the next few weeks a

strategy calling on its member companies to reduce greenhouse gas emissions by a specified amount, though it will be up to the companies to determine the level of reductions. In the past, many businesses have been reluctant to commit even to voluntary targets, claiming that scientific uncertainty still exists on the extent to which global warming is caused by human activities.

One industry source says that petroleum companies have so far decided not to set a reduction target because there are so many different ways to measure emissions. "One of the problems with this whole issue is there is not a clear methodology for measuring and counting greenhouse gases," the source says.

Another source says that the utility industry is likely to unveil a number of new voluntary climate change initiatives early next year, but without setting any specific targets or timetables. The source says the industry remains committed to meeting the Bush administration's target to reduce greenhouse gas intensity nationwide by 18 percent, measured against the gross domestic product.

On the other hand, environmentalists have been critical of the Bush administration's decision to measure greenhouse gas emissions relative to the expansion of the economy, noting that "greenhouse gas emissions are allowed to continue to grow" as production increases, one source says. "Basically, it's a business as usual path."

A White House source says that the Bush administration continues to consult with industry officials on climate change, but could not confirm any specific agreements for industry to reduce emissions. "We've made no announcements on that front at this point," the source says.