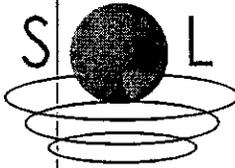


# CLIMATE RESOLVE



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Responsible Environmental Steps, Opportunities to Lead by Voluntary Efforts is a proactive initiative by BRT member companies to demonstrate that voluntary actions can control greenhouse gas (GHG) emissions and reduce the risks of climate change.

## TABLE OF CONTENTS

TAB 1.	TWO-PAGE PROGRAM SUMMARY
TAB 2.	PARTICIPATION FORM
TAB 3.	PROGRAM TIMELINE
TAB 4.	DETAILED PROGRAM OVERVIEW <ul style="list-style-type: none"><li>• PROGRAM RATIONALE</li><li>• MILESTONES</li><li>• KEY ELEMENTS</li></ul>
TAB 5.	REPORT ON BRT CLIMATE SURVEY
TAB 6.	WORKSHOP AGENDA
TAB 7.	OUTLINE FOR IMPLEMENTATION WORKBOOK
TAB 8.	BRT STATEMENT ON CLIMATE CHANGE
TAB 9.	RESOURCE LIST
TAB 10.	MESSAGE POINTS FOR COMPANY SPOKESPERSONS
TAB 11.	QUESTIONS & ANSWERS
TAB 12.	MY COMPANY'S PLAN
TAB 13.	WORKSHOP 1
TAB 14.	WORKSHOP 2
TAB 15.	NOTES



THE  
BUSINESS  
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An association of CEOs committed  
to improving public policy



## Implementation Timeline

July – December	Meetings of steering team, one-on-one company contacts, additional follow-up as needed to assure successful implementation
September	Second workshop (Washington DC) – focused on in-depth discussion of reporting and implementation issues
December 1	Distribute surveys on 2003 accomplishments and participation forms for 2004

### 2004

February 1	Initial deadline for returning 2004 participation forms and completed survey forms on 2003 accomplishments
February – April	One-on-one follow-up on participation forms and surveys
April 1	Second deadline for returning participation forms and surveys
June – July	Distribution to BRT members of second annual report on program implementation
July – August	Publish first annual public report on Climate RESOLVE
January – December	Additional workshops, implementation updates, steering team meetings, etc. as needed

## RATIONALE FOR CLIMATE RESOLVE

### *What is at stake?*

While many scientific uncertainties remain, the potential impact on global climate of rising greenhouse gas concentrations in the atmosphere is a source of concern to government and the private sector. Breakthrough technologies that fundamentally alter our systems of transportation, energy production and use, and manufacturing will ultimately be needed to deliver the dramatic reductions in emissions required to stabilize GHG concentrations in the atmosphere at acceptable levels. However, transitioning to new technologies will necessarily be a lengthy and uncertain process. In the interim, it is prudent to pursue – in the words of President Bush – “a path to slow the growth of greenhouse gas emissions and – as the science justifies – to stop and then reverse that growth.”

The BRT has strongly supported industry-government partnerships to accelerate technology development. The BRT has also identified near-term opportunities for promoting technology innovation and deployment, and spurring voluntary GHG mitigation actions through changes in regulatory, tax and trade policies. The BRT will continue to urge the Administration and Congress to provide appropriate incentives to encourage these actions, which should enhance participation in Climate RESOLVE.

As BRT has repeatedly emphasized, the Kyoto Protocol does not provide a sound or workable basis for near-term measures to control GHG emissions. The targets and timetables in the Protocol would require the United States to make significant and immediate cuts in energy use that would threaten economic growth and harm the competitiveness of U.S. industry. Because developing countries would not participate, emission reduction efforts under the Protocol would have little benefit and would likely distort investment and capital flow.

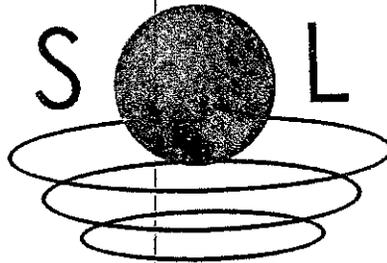
As an alternative to Kyoto, the President announced a two-pronged approach on February 14, 2002:

“[O]ur investments in advanced energy and sequestration technologies will provide the breakthroughs we need to dramatically reduce our emissions in the longer term. In the near term, we will vigorously pursue emissions reductions even in the absence of complete knowledge.”

To guide near-term reduction efforts, President Bush set a national goal of lowering the “greenhouse gas intensity” of the U.S. economy by 18 percent by 2012. This means an 18 percent reduction in the ratio between emissions and economic output. According to the Administration, achieving this goal will require sequestering, reducing, offsetting and avoiding *over 500 million tons* of GHG emissions over the next decade. Put differently, emissions will need to decline from the current level of 183 metric tons per million dollars of GDP to 151 metric tons per million dollars of GDP in 2012.



# CLIMATE RESOLVE



Responsible Environmental Steps  
Opportunities to Lead by Voluntary Efforts

## **PROGRAM RATIONALE, MILESTONES AND KEY ELEMENTS**

**November 25, 2002**

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## OVERVIEW

The Business Roundtable (BRT) is launching Climate RESOLVE – Responsible Environmental Steps, Opportunities to Lead by Voluntary Efforts – to mobilize the resources and expertise of BRT member companies behind the goal of enhanced voluntary action to reduce the greenhouse gas (GHG) intensity of the U.S. economy. Our CEOs believe that motivated, forward-looking companies working in partnership with government can find many practical, cost-effective opportunities to reduce, avoid, offset or sequester GHG emissions – without the serious economic disruption caused by mandatory GHG controls.

BRT has consistently emphasized that concerns about global climate change can best be addressed through long-term strategies to develop and deploy breakthrough technologies that dramatically reduce GHG emissions without undermining economic growth. While these technologies mature, BRT supports near-term measures by U.S. industry to reduce, avoid, offset or sequester GHG emissions so that the GHG intensity of our economy can be reduced.

It will take the collective actions of every nation, industry and company to address the risk of climate change. Because emissions from any individual company are small relative to total GHG emissions, it is essential that all companies do their part. In keeping with this approach, the ultimate goal of Climate RESOLVE is 100 percent participation by BRT members in voluntary actions to reduce, avoid, offset or sequester GHG emissions. BRT will monitor the activities of its members and report on progress toward this goal. Climate RESOLVE will continue through 2012, a critical milestone year for reviewing U.S. progress in reducing GHG intensity and determining next steps.

A wide variety of strategies are available to reduce, avoid, offset or sequester GHG emissions. BRT will rely on creativity and innovation by its members to identify the reduction strategies that offer the greatest environmental and economic benefits consistent with each company's individual circumstances. Climate RESOLVE will build on existing or planned voluntary programs, not impose additional responsibilities.

Communicating industry's GHG control efforts to government and the public is vitally important so that progress can be measured and recognized. BRT is therefore encouraging companies participating in Climate RESOLVE to report to the GHG registry maintained by the Department of Energy (DOE) or its successor program. These reports will assure that the activities of BRT members are tracked and credited toward the overall national emission management goal.

BRT members differ in their level of understanding of GHG management strategies and their readiness and capacity to undertake voluntary emission management measures. The BRT is committed to providing support and guidance to members who do not yet have GHG management programs or seek to improve programs already in place. Companies with limited experience in controlling emissions may initially participate in Climate RESOLVE by reviewing their operations and putting in place emissions management plans and procedures to track progress. These first steps will provide a foundation for actions under Climate RESOLVE to reduce, avoid, offset or sequester emissions in subsequent years.

### ***How will this progress occur?***

In his February 14, 2002 announcement, the President "challenged American businesses to make specific commitments to improving the greenhouse gas intensity of their operations and to reduce emissions." Noting that some sectors have already achieved dramatic reductions, the President said: "We will build on these successes, with broader agreements and greater reductions." To that end, the Administration is already working with trade associations and companies to expand existing voluntary programs and launch new ones and to improve the accuracy and reliability of emission reporting mechanisms.

The BRT agrees that, while American industry has done much to reduce the growth of GHG emissions, more must be done. The BRT recently surveyed its members to develop a profile of ongoing voluntary initiatives within industry. We found that awareness of the climate issue was widespread, that many members were already taking action, and that a wide range of innovative strategies were in place, including energy efficiency programs, manufacturing and materials changes, technology deployment and sinks and offsets. We also found that these strategies were yielding impressive results: responding companies reported 57 million tons (TCE) of emissions reduced, avoided, offset or sequestered in 2000. At the same time, the survey found considerable room for improvement. The responses showed that additional BRT companies could initiate GHG management efforts and that companies with programs in place could more effectively quantify reductions and report progress to the government and the public.

### ***Why are the BRT's actions important?***

Climate RESOLVE will provide encouragement and support for *all* BRT member companies to undertake voluntary actions to manage GHG emissions and to inform government and the public of the results achieved. As the heads of America's largest corporations, BRT CEOs are strategically positioned to provide leadership within the business community because of the many important sectors of the economy they represent and their standing with industry peers and policymakers. The BRT's commitment to expanded participation in voluntary GHG management programs will send a strong message about the importance that business leaders attach to these efforts and catalyze broader action across industry.

### ***Why should business leaders step forward now?***

The President has promised to review progress over this decade and to consider stronger measures in 2012 if the goal of lowering greenhouse gas intensity by 18% has not been reached. Large states like Massachusetts, New York and California are independently moving ahead with emission control programs for major sectors like power plants and automobiles. Some groups are arguing that we need mandatory emission reduction programs immediately and cannot wait for the results of voluntary initiatives. While many of these proposals are unwise and misguided, they underscore an important point – *now is the time for business leaders to demonstrate that voluntary programs will succeed in meeting our emission reduction objectives and deliver results at less cost to business and consumers than mandatory approaches.*

## CRITICAL MILESTONES FOR IMPLEMENTING CLIMATE RESOLVE

BRT has established several critical milestones for implementing Climate RESOLVE. These milestones will enable us to document company commitments to participate in the program, provide needed support and assistance, monitor progress, and report on results without undue burden or paperwork:

- Members should inform BRT of their plans to participate in Climate RESOLVE by completing and returning the program participation form by February 1, 2003. This form will provide a baseline for the program by identifying GHG management activities in 2002 or earlier years and capture activities planned for 2003 and later years. Companies who need additional time to develop GHG management programs will have the option of initially participating in Climate RESOLVE by reviewing their GHG emissions, identifying GHG control opportunities and developing GHG management goals and tracking measures. However, these companies would ultimately need to implement GHG control measures to be counted toward BRT's 100 percent participation goal.
- BRT workshops at which industry and government experts will discuss cost-effective GHG management strategies will be held in Washington, DC in February and on the West Coast in April 2003. Before these workshops, BRT will distribute to all members a Climate RESOLVE implementation workbook.
- During the first half of 2003, BRT will conduct one-on-one outreach to individual companies as needed to broaden participation in Climate RESOLVE and will solicit commitments from additional members by May 1, 2003.
- In June of 2003, BRT will distribute to its members the first of its annual reports on the status of Climate RESOLVE. These annual reports, will provide an update on the progress of BRT members in establishing and implementing GHG management programs and participating in Climate RESOLVE.
- A second workshop will be held in Washington, DC in September of 2003 to provide in-depth assistance to companies on GHG management options, emissions assessment and reporting, and other issues.
- At the end of 2003, we will assess progress under Climate RESOLVE by surveying participating companies to get a fuller picture of their activities during 2003. Outreach to members will continue in order to maintain progress toward the goal of 100 percent participation in voluntary GHG management programs.
- In June of 2004, the BRT will distribute to member companies its second annual status report on Climate RESOLVE. Shortly thereafter, the BRT will release its first annual public report on accomplishments under Climate RESOLVE to date and measures planned for subsequent years. The report will be made available to government

policymakers and the general public. It will not disclose the details of individual company programs but will provide a profile of GHG management efforts by BRT members as a whole. Included in this profile will be examples of the wide variety of actions BRT members are taking to manage GHG emissions through energy efficiency, manufacturing improvements, new products, investments in technology and changes in management practices.

## **KEY ELEMENTS OF CLIMATE RESOLVE**

Climate RESOLVE has been structured to provide broad flexibility to BRT members and to avoid unnecessary bureaucracy and paperwork – consistent with the need to track and document progress and assure accountability. Where companies have already put in place GHG management measures and are participating in existing or planned voluntary programs, Climate RESOLVE is designed to build on these efforts and document their results, not to impose additional burdens. Where companies have not yet taken action to reduce, avoid, offset or sequester GHG emissions, Climate RESOLVE is designed to provide the tools and technical support necessary to review their operations, put in place goals for managing emissions and develop metrics for tracking progress.

Several aspects of Climate RESOLVE demonstrate this combination of flexibility and accountability:

### ◆ *Relationship of Climate RESOLVE to Sector-based Programs*

The Administration is working directly with many sectors to develop new or expanded voluntary GHG emission management initiatives. BRT supports these efforts and does not seek to duplicate them. Members who are enrolled in a sectoral program will be able to participate in Climate RESOLVE by informing the BRT of their activities and providing updates on progress through Climate RESOLVE's participation forms and completing annual surveys.

### ◆ *Role of Federal and State GHG Management Programs*

Over the years, agencies have launched a large number of voluntary programs which provide companies diverse options for reducing the greenhouse gas intensity of their operations. Some of these programs are sector-specific while others are industry-wide. At the federal level, DOE, EPA and USDA have been the principal program sponsors. Examples of their programs include Climate Challenge, Coalbed Methane Outreach Program, Climate Wise, Energy Star Buildings, Green Lights Partnership, Natural Gas Star, Waste Wise, Voluntary Aluminum Industrial Partnership, and Ruminant Livestock Methane Program. Recently, new programs have been added, including EPA's industry-wide Climate Leaders and the DOE Business Partners Program for specific sectors. States such as California and New Jersey also have programs for committing to and reporting voluntary GHG reductions. In addition to participating in state or federal programs, companies have partnered with many non-

governmental groups, including environmental advocates, emission trading organizations and trade associations.

Climate RESOLVE is not intended to endorse specific programs to the exclusion of others or to restrict the freedom of companies to select the program which best meets their needs. The diversity of partnership programs created by governments and private organizations is healthy and reflects the diversity of capabilities, philosophies and interests within the business community itself.

◆ ***Communicating GHG Reductions to Government and the Public***

Measuring emission reduction progress and reporting results to government and the public are vital to assure that industry's efforts are recognized and credited toward national emission goals. The decision whether and how to make such reports is one for individual companies. However, we are encouraging BRT members participating in Climate RESOLVE to report the actions they take to reduce, avoid or sequester emissions to the DOE 1605(b) registry or its successor program so that these actions are properly reflected in the national GHG database. This database will enable industry to receive credit and recognition for its actions and give the Administration the tools to reliably track overall reductions in the carbon intensity of the U.S. economy. A fuller discussion of the 1605(b) process is provided below.

Many companies use other mechanisms besides section 1605(b) to communicate their GHG reduction accomplishments to key stakeholders. Examples include company websites, EHS reports, shareholder reports, trade association surveys and non-governmental reporting programs sponsored by CERES, the Business Council on Sustainable Development and other entities. The BRT encourages its members to use these and other vehicles to inform the public of their GHG management activities. We recognize, however, that whether and how to conduct such outreach is a decision for each individual company, based on its established policies and procedures for sharing information with the public.

◆ ***Selection of GHG Management Strategies***

Experience has shown that management strategies for GHG emissions vary dramatically across sectors and even within sectors and that each individual company is in the best position to select the combination of measures that fits its business strategy and operational profile.

For electric utilities, for example, options include shifting to fuels with lower carbon content, improving the efficiency of fuel utilization, modernizing transmission and distribution systems, expanding renewable energy sources or encouraging energy conservation by downstream customers. Manufacturing companies likewise have many choices, including improving energy efficiency at their facilities, encouraging ride-sharing or telecommuting by employees, building cogeneration or waste heat recovery units, using more energy-efficient motors and manufacturing equipment, or changing processes or raw materials to reduce emissions. And methane gas recovery opportunities exist in many sectors, including waste management and disposal, coal mining, natural gas production and distribution and

agriculture. For particular industries, projects to reduce emissions of halogenated substances classified as greenhouse gases (HFCs, PFCs and sulfur hexafluoride) present the greatest targets of opportunity; the aluminum industry, for example, has achieved great success in reducing PFC emissions during aluminum smelting operations.

Firms in all sectors can also invest in carbon sequestration or offset projects (or sinks) that remove carbon from the atmosphere through reforestation, sustainable forest management or conservation tillage; these projects can be conducted in the U.S. or foreign countries. Another form of sequestration involves capturing carbon from emission streams and disposing of it in geologic formations such as saline aquifers, deep unminable coal seams, and oil and gas wells. In addition, firms can invest in global GHG mitigation projects and transfer these credits to U.S. operations.

Climate RESOLVE is not intended to limit the many choices available to companies or to express a preference for some reduction strategies over others. A robust mix of approaches will encourage companies to apply their creativity and expertise to search out strategies that offer the greatest environmental and economic benefits consistent with their individual circumstances. For example, some companies will want to invest in developing more efficient technologies that reduce GHG emissions when used by industry and the general public, rather than reducing or avoiding emissions in their own manufacturing operations. Such investments in new technologies would be one of many appropriate approaches for participating in Climate RESOLVE.

#### ◆ *Targets for Managing Emissions*

Climate RESOLVE does not set any target for the amount of GHG emissions that companies should seek to reduce, avoid, offset or sequester. Individual companies are in the best position to set these targets, which will depend on a host of operational, financial and other considerations unique to each company's situation.

In determining the timing and scope of their GHG management efforts, we do encourage BRT members to carefully consider the President's goal of reducing greenhouse gas intensity by 18% by 2012. This is an economy-wide goal and may not be appropriate for some sectors or companies. At the same time, as leaders in their industries, BRT members should assume their fair share of the overall burden required to implement the President's climate policies. For some companies, programs already underway will be sufficient to meet the 18% target or even exceed it. Other companies with ongoing programs may want to do more and should consider analyzing their operations to identify additional emission reduction opportunities. Companies without programs should consider whether cost-effective emission management strategies are available that would enable them to reach the President's 18% target. Importantly, actions to achieve this target need not be implemented all at once but can be phased in over the next ten years.

Although the basic concept is straightforward, there are many questions about how to measure greenhouse gas intensity and what relation it has to the actual amount of GHG emissions reduced, avoided, offset or sequestered by a company. The Administration will be

providing guidance on these issues in the near future and BRT will work with its members to apply that guidance under Climate RESOLVE.

◆ ***Role of Non-Manufacturing Companies in Climate RESOLVE***

A number of BRT members are service providers whose business consists of investment management, banking, insurance, publishing or data-system development. As non-manufacturers, these companies will not be in a position to control GHG emissions during the production or distribution of energy or end-products. Nonetheless, other options for mitigating GHG emissions will be available to such companies. These may include installing energy-efficient devices in office buildings (lighting, thermostats, windows, shades and appliances); establishing car-pooling or tele-commuting programs; purchasing company trucks and cars that are more fuel-efficient; investing in carbon friendly development projects in the U.S. or abroad; or forming partnerships with customers or suppliers to identify direct or indirect emission management opportunities. As needed, BRT will work with service provider members to search out appropriate GHG management options on a one-on-one basis.

◆ ***Companies Without GHG Management Programs***

Understandably, differences exist among BRT members in their level of understanding of GHG management strategies, availability of skilled resources to implement GHG mitigation measures and management culture. While many BRT members are already reducing, avoiding, offsetting or sequestering emissions, others do not yet have programs to accomplish this objective. We recognize that Climate RESOLVE will pose challenges to BRT members who currently lack these programs. The BRT is committed to providing support and guidance to these companies so they can establish cost-effective GHG management programs which meet the goals of Climate RESOLVE. We intend to provide this assistance in several ways:

- The BRT has retained an experienced GHG management consultant to assist BRT companies on a one-on-one basis in developing approaches for participating in Climate RESOLVE.
- The BRT is establishing a "Climate RESOLVE Steering Team" comprised of industry experts from a diverse group of companies. The mission of the team will be to support BRT companies in developing and implementing the elements of a sound GHG emission management program which reflects each company's individual operations and needs.
- The BRT will distribute a detailed implementation workbook at the beginning of 2003. The workbook will provide BRT companies with examples of successful GHG management strategies, information about government programs, and recommendations for developing and implementing GHG emission management initiatives.
- On February of 2003, the BRT is sponsoring a workshop in Washington, DC to educate participants on the basics of managing GHG emissions and participating in Climate

RESOLVE. The following subjects will be covered: government-sponsored voluntary programs; developing a corporate climate change policy; GHG accounting; GHG reporting under the DOE 1605(b) registry; and potential GHG reduction strategies. Government and industry experts will make presentations at this workshop.

- A West Coast workshop covering the same topics will be held in April of 2003.
- On September of 2003, the BRT will conduct a second workshop designed to take participants to the next level of understanding in managing their GHG emissions. The workshop will cover the following subjects: corporate GHG incentive programs; sequestration projects; GHG credits/emissions trading; GHG risk management programs; employee and retiree involvement in corporate GHG programs; international opportunities for low cost reductions; supply chain and customer initiatives; and renewable energy options.

Because they lack experience in managing GHG emissions, some BRT members may not be ready to implement measures to reduce, avoid, offset or sequester emissions in 2003. These companies may choose to begin participating in Climate RESOLVE by attending BRT workshops and then reviewing their operations and emissions and developing corporate goals and procedures. These first steps will provide a foundation for actions under Climate RESOLVE to reduce, avoid, offset or sequester emissions in subsequent years. Ultimately, companies will need to take such actions to be counted toward BRT's 100% participation goal for Climate RESOLVE.

## **ROLE OF THE §1605(b) PROGRAM IN CLIMATE RESOLVE**

As noted above, BRT is encouraging companies participating in Climate RESOLVE to report their actions to reduce, avoid, offset or sequester GHG emissions in accordance with the Department of Energy's §1605(b) Voluntary Reporting of Greenhouse Gas program.

### ***Background on the 1605(b) Program***

The 1605(b) program has been in place since 1994. It was authorized by Congress in Section 1605(b) of the 1992 Energy Policy Act with the goal of establishing a central data-base within the federal government for tracking both GHG emission levels and voluntary measures to reduce GHG emissions or remove them from the atmosphere. The program covers four types of greenhouse gases: carbon dioxide, methane, nitrous oxide and halogenated substances (PFCs, HFCs etc.). Companies may report both *direct* and *indirect* reduction projects, including those which occur outside the United States.

DOE encourages the submission of reports by *June 1* following the calendar year in which the reported emissions and reductions occurred; for example, 2001 emissions and reductions would be reported on or before June 1, 2002.

Information reported is included in the program's public data-base except when claimed business confidential.

Participation in the 1605(b) program has steadily increased. In 2000, reports were received from 222 entities from 29 different industrial or service sectors. These reports identified 1,882 emission reduction, avoidance or sequestration projects. These projects represented a total of 269 million metric tons (carbon equivalent) of GHG emissions reduced, avoided or sequestered – equal to 3.9% of national emissions.

### ***Benefits of the GHG Registry***

The 1605(b) reporting program offers several benefits to businesses and government:

- ◆ It provides a composite picture of the results achieved in the many different GHG reduction initiatives underway at the federal and state levels and in the private sector.
- ◆ It enables policymakers to assess the level of progress toward national GHG reduction goals by major industrial sectors and the economy as a whole.
- ◆ It catalogues different emission measurement methods and reduction strategies which industry is pursuing – providing examples to other companies of successful innovative approaches that might be applied to their own operations.
- ◆ It extends public recognition to companies who have taken proactive steps to reduce the carbon footprint of their business activities.
- ◆ It positions companies to obtain credit for voluntary emission reduction actions in the event a more formal GHG management regime is later established.
- ◆ It provides a basis for the purchase or sale of GHG “credits” based on voluntary reduction efforts – creating marketable assets that can potentially be traded domestically or internationally.

Aware of these benefits, the Administration has made the 1605(b) program a cornerstone of the President's climate strategy. In his February 14 announcement, President Bush underscored the need to expand participation in the 1605(b) program and emphasized that “an enhanced registry will promote the identification and expansion of innovative and effective ways to reduce greenhouse gases.” According to the President, “this tool goes hand-in-hand with voluntary business challenges . . . by providing a standardized and credible vehicle for measuring progress.”

### ***The 1605(b) Reporting Framework***

DOE has attempted to minimize the burden and complexity of preparing and filing 1605(b) reports. Its program provides considerable flexibility to reporting companies. DOE permits three types of reporting:

- Project-level emissions and reductions, defined as the emission reduction consequences of a particular action or set of actions
- Entity-level emissions and reductions, defined as the emissions and reductions of an organization such as an entire corporation, business unit or specific plant.

- Commitments to take action to reduce, avoid or sequester GHG emissions in the future.

Reporting companies may choose between a long form (Form EIA-1605) and a short form (EIA-1605EZ). The long form is used for entity-level reporting; the short form permits reporting on project-level reductions and sequestration only. A growing number of reports are submitted on the long form; 84 percent of program participants used the long form during the 2000 data reporting cycle. Nonetheless, DOE has recognized that comprehensive emissions data may be difficult or impossible to obtain in some instances and that companies may report the reductions achieved by specific projects without reporting overall emissions for their operations.

### *Analyzing Reduction or Sequestration Projects*

DOE has developed a simple step-by-step process for analyzing emission reduction or sequestration projects that companies wish to report:

- Companies must first establish a reference case – that is, a baseline emissions level against which to measure the effects of the project. This can be accomplished by using historical emissions data or identifying historical conditions (industrial output, processing methods) or technologies that will be modified by the project.
- Companies must identify all effects of the project on GHG emitting activities, including on-site or off-site effects
- Companies must estimate project accomplishments – this is, emission levels for the reference case and the project case and the resulting reductions attributable to the project. These estimates can be made using measured data, engineering projections, default values or a combination of all three.

DOE has recognized that, in applying this process, a wide range of detail and effort may be appropriate in reporting emissions and reductions and that reporting companies have latitude to determine the extent and complexity of the analyzes they perform. Some projects may involve no emissions reporting and very simple emission reductions analyses; others may involve comprehensive emissions reporting and an extensive evaluation of project impact effects and consequences.

As BRT members consider their options for GHG reductions under Climate RESOLVE, the flexibility provided by DOE will be important to keep in mind. DOE has developed extensive sector-specific guidance documents which describe "standard" projects and provide simplified "default" methodologies for estimating emission reductions. BRT contractors will be available on request to help members access these materials and develop reporting approaches that reflect company needs and capabilities. Please fill out and return the form on the following page if you wish a BRT consultant to contact you.

### *Improvements in the 1605(b) Process*

Because of the importance of the 1605(b) program, the President has directed four agencies – DOE, Commerce, USDA and EPA – to "improve the accuracy, reliability and verifiability" of



Responsible Environmental Steps; Opportunities to Lead by Volunteer Efforts

## What It Will Accomplish and How It Will Work

- The Business Roundtable (BRT) is launching Climate RESOLVE to mobilize the resources and expertise of BRT member companies behind the goal of enhanced voluntary action to control greenhouse gas (GHG) emissions and improve the GHG intensity of the U.S. economy.
- BRT has consistently emphasized that concerns about global climate change can best be addressed by developing and deploying breakthrough technologies without undermining the competitiveness of our economy. BRT has advocated strong industry-government partnerships to accelerate technology development. While new technologies mature, BRT continues to support voluntary near-term measures by U.S. industry to control GHG emissions and reduce GHG intensity.
- BRT has identified near-term opportunities for accelerating technology innovation and deployment, and spurring voluntary GHG mitigation actions through changes in regulatory, tax and trade policies. The BRT will continue to urge the Administration and Congress to provide appropriate incentives to encourage participation in Climate RESOLVE.
- President Bush has challenged American business to take additional steps to lower the GHG intensity of our economy. BRT supports this goal. We agree with the President that voluntary programs represent the best approach for controlling GHG emissions. These programs will deliver results at less cost than mandatory approaches and will simultaneously foster innovation and investment in new technologies.
- Strong and sustained support for voluntary action is the best way to avoid undesirable mandatory GHG controls. By participating in Climate RESOLVE, BRT members will underscore the importance that leading companies in each sector attach to voluntary GHG management efforts and catalyze broader action across industry. BRT Climate RESOLVE will continue through 2012, a critical milestone year for reviewing U.S. progress in reducing GHG intensity and determining next steps.
- It will take the collective actions of every nation, industry and company to address the risk of global climate change. Precisely because emissions from any individual company are small relative to total GHG emissions, it is essential that every company take effective actions to manage its GHG emissions. That is why the ultimate goal of BRT Climate RESOLVE is *100 percent participation by BRT members in voluntary GHG management programs*. BRT will monitor the activities of its members and regularly report cumulative progress toward this 100 percent goal.
- BRT Climate RESOLVE reflects a recognition that each BRT member is in the best position to select measures for reducing, avoiding, offsetting or sequestering GHG emissions that fit its business strategy and operational profile. BRT Climate RESOLVE likewise does not set specific targets for the level of GHG emissions that companies should reduce, avoid, offset or sequester. Each company will need to determine what actions to take after reviewing its own operational and financial situation. For example, some companies will want to invest in



# CLIMATE RESOLVE



Responsible Environmental Steps; Opportunities to Lead by Volunteer Efforts

developing more efficient technologies that reduce GHG emissions when used by industry and the general public, rather than reducing or avoiding emissions in their own manufacturing operations. In developing GHG emission management strategies, however, companies should carefully consider the President's goal of reducing GHG intensity by 18% by 2012.

- BRT members differ in their readiness and capacity to undertake voluntary actions to control emissions. BRT will provide support and guidance to members who need additional assistance. In early 2003, BRT will distribute an implementation workbook. It will also sponsor workshops in February and September 2003 on cost-effective strategies for assessing and managing GHG emissions. One-on-one counseling on program design and implementation will be provided to individual companies on request.
- BRT members should inform BRT of their plans to participate in BRT Climate RESOLVE by February 1, 2003. Companies with limited experience in managing emissions may begin participating in the program by reviewing their operations and putting in place plans for controlling emissions and developing procedures to track progress. These first steps will provide a foundation for actions to reduce GHG intensity in later years.
- Communicating a company's GHG management efforts to government and the public is vitally important so that overall progress can be measured and recognized. While the mechanism for such communication is best determined by each individual company, BRT recommends that its members submit reports to the Department of Energy (DOE) 1605(b) registry or its successor program so that their actions are reflected in the national GHG database.
- During the first half of 2003, BRT will conduct one-on-one outreach to individual companies as needed to broaden participation in BRT Climate RESOLVE and will seek participation commitments from additional members by May 1, 2003.
- In mid-2003, BRT will distribute to its members the first of its annual reports on the status of Climate RESOLVE. These annual reports, will provide an update on the progress of BRT members in establishing and implementing GHG management programs and achieving target levels of participation in BRT Climate RESOLVE.
- At the end of 2003, we will assess progress under BRT Climate RESOLVE by surveying participating companies to get a fuller picture of their activities during 2003. Outreach to members will continue in order to maintain progress toward the goal of 100 percent participation in voluntary GHG management programs.
- In mid-2004, BRT will distribute to member companies its second annual status report on BRT Climate RESOLVE. Soon thereafter, BRT will release its first annual public report on accomplishments under Climate RESOLVE to date and measures planned for subsequent years. The report will be provided to government policymakers and the general public. It will not disclose the details of individual company programs but will provide a profile of GHG reduction efforts by BRT members as a whole. Included in this profile will be examples of the wide variety of actions BRT members are taking to manage GHG emissions through energy efficiency, manufacturing improvements, new products, investments in technology and changes in management practices.



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## COMPANY PARTICIPATION FORM

The purpose of this form is to inform The Business Roundtable of your company's plans for participating in BRT Climate RESOLVE. *Please return the form by February 1, 2003.*

The goal of Climate RESOLVE is 100% participation by BRT members in voluntary actions to reduce, greenhouse gas (GHG) intensity. While many BRT members are already taking these actions, others are still formulating GHG management programs and will need time to put these programs in place. Companies may initially participate in BRT Climate RESOLVE by taking steps to develop GHG management programs but ultimately will need to implement GHG control measures to be counted toward BRT's 100 percent participation goal.

This form will enable the BRT to determine whether your company will be focusing on program development in 2003 and later years or whether you will be implementing GHG management measures. It will also give us a picture of which activities in each category you have already completed and what additional steps you are planning under Climate RESOLVE. At the end of 2003, we will be surveying the BRT membership to obtain more information about your activities in these areas so that we can measure improvements in 2003 and track progress toward BRT's goal of 100 percent participation in voluntary GHG management programs.

CEO NAME: \_\_\_\_\_

COMPANY: \_\_\_\_\_

As applicable, please check the boxes below that describe the activities your company took in 2002 or earlier years and the activities you are planning in 2003 and later years.\*

### I. PROGRAM DEVELOPMENT ACTIVITIES

	ACTIVITIES IN 2002 or Earlier Years	ACTIVITIES PLANNED for 2003	ACTIVITIES PLANNED For Later Years**
Designate person(s) responsible for GHG management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Year: ____
Develop written GHG management policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Year: ____
Review emissions profile	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Year: ____
Evaluate operations for opportunities to reduce GHG intensity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Year: ____
Establish GHG emission management goals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Year: ____
Develop procedures for tracking progress and meeting goals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Year: ____

\* You should indicate that an activity is planned for 2003 if you initiated it in prior years and are planning to continue the activity in 2003. For example, continuation of a previously initiated energy efficiency program should be listed as an emission reduction and avoidance activity planned for 2003.

\*\* Please indicate the years in which you plan to conduct the activity in question.



## Implementation Timeline

### 2002

- November 13 Approval of program by BRT Policy Committee
- December 2 Letter to CEOs seeking support for Climate RESOLVE – includes participation form, backup package describing program, report on 2002 survey, details on workshops, etc.

### 2003

- January 5 Workshop invitation distributed
- February 1 Initial deadline for returning company participation forms
- February 5 BRT Policy Committee meeting – report on program launch
- February 5 Distribution of implementation workbook to all BRT members
- February 25-26  
*(tentative)* First Workshop (Washington DC) – focused on tracking and monitoring GHG emissions, operational assessments, goal setting and cost-effective management strategies
- February – April One-on-one follow-up with individual companies
- April West Coast workshop (location TBD) – same agenda as DC workshop for West Coast companies
- May 1 Second deadline for returning company participation forms
- June First annual report to BRT membership on program status and participation
- June 12 Status report on Climate RESOLVE at BRT annual meeting



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## II. PROGRAM IMPLEMENTATION ACTIVITIES

	ACTIVITIES IN 2002 or Earlier Years	ACTIVITIES PLANNED for 2003	ACTIVITIES PLANNED For Later Years**
Take actions to reduce, avoid, offset or sequester GHG emissions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Year: ____
Participate in government-sponsored programs to reduce GHG intensity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Year: ____
Invest in developing products or technologies which improve efficiency or lower GHG intensity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Year: ____
Participate in other GHG management programs (for example, with environmental organizations)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Year: ____
Report entity-wide emissions and/or reduction projects to the Department of Energy's 1605(b) GHG registry or its successor program	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Year: ____
Report GHG emission management actions to the public	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Year: ____

Your completed form should be returned by **February 1, 2003** to:

Dr. E. Linn Draper, Jr.  
The Business Roundtable  
1615 L Street, N.W.  
Suite 1100  
Washington, DC 20036

Fax: (202) 466-3509

### CONTACT PERSON *for* BRT CLIMATE RESOLVE

So that we can coordinate with your company in the future, please list your designated contact person for BRT CLIMATE RESOLVE:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_

Address: \_\_\_\_\_

City, State Zip: \_\_\_\_\_

Tel: \_\_\_\_\_

Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_

If you have any questions about this form, please contact Marian Hopkins of the BRT at (202) 872-1260.

*Thank you for your participation in this important and exciting effort.*

\*\* Please indicate the years in which you plan to conduct the activity in question.

the voluntary GHG emission reduction registry. He also has instructed DOE "to recommend reforms to insure that business and individuals that register reductions are not penalized under a future climate policy and to give transferable credits to companies that can show real emissions reductions." On July 8, 2002, the heads of the four agencies reported to the President on their efforts to carry out these directives. They proposed to initiate an expedited process to improve the 1605(b) program in consultation with stakeholders.

The new 1605(b) guidelines are intended to be issued by January 2004 and to be used for reporting emissions data and reductions for calendar year 2003. Because these new guidelines will apply to BRT members who participate in Climate RESOLVE beginning in 2003, BRT intends to closely monitor development of the guidelines, keep its members updated and assist members in applying the guidelines when they are final.



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## One-on-One Assistance Form

Please fill out and return this form to be contacted by a BRT Climate RESOLVE consultant.

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Telephone: \_\_\_\_\_

Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_

**PLEASE FAX COMPLETED FORMS TO:**

Aimee Klein  
The Business Roundtable  
FAX: (202) 466-3509  
PHONE: (202) 872-1260

# SUMMARY OF BRT CLIMATE CHANGE SURVEY RESULTS

-- *as of June 20, 2002*

1

## BRT Climate Survey – Why Conducted?

- ◆ Respond to President's call for enhanced voluntary programs to reduce the greenhouse gas intensity of the US economy
- ◆ Develop profile of voluntary efforts now underway by BRT members
- ◆ Inform future BRT strategies for strengthening voluntary programs and supporting Administration

2

## BRT Climate Survey – Response Rate

- ◆ 76 Respondents
- ◆ Represents Over 60% of BRT Industrial Members
- ◆ All major industrial sectors represented
  - Utilities
  - Oil and gas
  - Paper products
  - Chemicals
  - Transportation
  - Heavy equipment
  - Consumer products
  - High technology
  - Auto manufacture
  - Mining and metals

3

## BRT Climate Survey – Key Findings

- ◆ Over half of respondents (39) have policies on climate change
- ◆ Over 40% (29) have GHG reduction goals
- ◆ 15% (10) are participating in internal or external GHG credit trading programs

4

## BRT Climate Survey – Key Findings

- ◆ Over 90% of responders are involved in GHG reduction activities. These include:
  - Energy conservation (90%)
  - Processes/practices to reduce emissions (80%)
  - Emission reduction projects for halogenated substances – PFCs, HFCs (46%)
  - Development of new technology (40%)
  - Nitrous oxide reduction (35%)
  - Carbon sequestration (26%)
  - Methane reduction projects (25%)

5

## BRT Climate Survey – Key Findings

- ◆ BRT members are pursuing several advanced technologies:
  - Coal gasification
  - Fuel cells
  - Geological sequestration
  - Light weight plastics
  - Solid hydrogen storage
  - Advanced batteries
  - Carbon reinjection from natural gas processing
  - Photovoltaics

6

## BRT Climate Survey – Key Findings

- ◆ Half of responders are communicating GHG reduction efforts to public or policymakers by the following methods:
  - Annual EHS report (46%)
  - Company website (44%)
  - Reporting to EPA (29%)
  - Reporting to DOE 1605b registry (18%)
  - Annual shareholder report (18%)

7

## BRT Climate Survey – Key Findings

- ◆ BRT members work with many partners --
  - Pew Center on Global Climate Change
  - MIT Carbon Sequestration Forum
  - Keystone Center
  - CERES
  - National Council of State Legislators
  - California Climate Action Registry
  - Chicago Climate Exchange
  - New Jersey Greenhouse Gas Action Plan
  - World Wildlife Fund
  - Environmental Defense
  - World Resource Institute
  - The Nature Conservancy

8

## BRT Climate Survey – Key Findings

- ◆ Sixty-two (62) percent of responders are participating in government programs, distributed as follows:
  - EPA Green programs (60%)
  - Climate Wise (25%)(EPA)
  - Climate Leaders (12%)(EPA)
  - Climate Challenge (9%)(DOE)
  - Other (11%)

9

## BRT Climate Survey – Key Findings

- ◆ Over half of responders quantified emission reduction impacts for past programs (1990-present)
- ◆ Thirty-eight (38) percent of responders projected future emission reductions (2002-2005)
- ◆ Tools for quantifying reductions varied
  - Energy efficiency metrics
  - Company-wide emission inventory/baseline analyses
  - Project-by-project assessment

10

## BRT Climate Survey – Key Findings

- ◆ Total GHG emissions reduced, avoided or sequestered in 2000 were approximately 57 million tons carbon equivalent (TCE)
  - Represents 6.2% of total GHG emissions from industrial/commercial sector (EIA Inventory)
- ◆ Total GHG emissions to be reduced, avoided or sequestered in 2002-2005 estimated at 192 million TCE
- ◆ A few companies account for great majority of reported/projected reductions
- ◆ Some companies still defining future targets

11

## BRT Climate Change Survey – General Observations

- ◆ Awareness of the climate issue is widespread among BRT members
- ◆ Companies are pursuing a wide range of options to reduce GHG emissions – including
  - energy efficiency programs
  - manufacturing and materials changes
  - technology development
  - sinks and offsets
- ◆ These efforts are yielding impressive results in GHG emissions reduced, avoided or sequestered

12

## BRT Climate Change Survey – General Observations

At the same time ---

- ◆ Not all companies have stepped forward
- ◆ Some participating companies are not quantifying reductions they make
- ◆ Other companies could communicate their programs to government and the public more effectively
- ◆ Industry is spreading its efforts over multiple government programs at different agencies – which aren't fully coordinated and use different metrics to track progress

13



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## February 2003 GHG Management Workshop

The workshop is designed to help companies who are in the early stages of taking voluntary action to reduce, offset, sequester or avoid GHG emissions. The workshop is designed to educate and motivate participants on the basics of managing GHG emissions.

### Day One

- |                        |  |
|------------------------|--|
| 12:00 p.m. – 1:00 p.m. | Registration   |
| 1:00 p.m. – 1:10 p.m.  | John Castellani, President, The Business Roundtable  |
| 1:10 p.m. – 1:40 p.m.  | Dale Heydlauff, Senior Vice President, Governmental and Environmental Affairs, American Electric Power Company, Inc. Chairman, Environment, Technology & the Economy Coordinating Committee, The Business Roundtable   |
| 1:40 p.m. – 2:20 p.m.  | The Bush Administration<br>The Honorable James Connaughton, Chairman, White House Council on Environmental Quality (proposed)<br>The Honorable Larisa Dobriansky, Office of Policy and International Affairs, Department of Energy (proposed)<br>The Honorable Jeff Holmstead, Assistant Administrator for Air and Radiation, Environmental Protection Agency (proposed) |
| 2:20 p.m. – 2:35 p.m.  | Break  |
| 2:35 p.m. – 3:20 p.m.  | Industry Sector Business Challenge Reports   |
| 3:20 p.m. – 4:20 p.m.  | “Developing and implementing a company climate change program”   |
| 4:20 p.m. – 4:55 p.m.  | “ENGO’s industry climate programs”   |
| 4:55 p.m. – 5:00 p.m.  | Closing comments by Chairman   |
| 6:00 p.m. – 7:30 p.m.  | Cocktails and hors d’oeuvres   |





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## February 2003 GHG Management Workshop

### Day Two

7:15 a.m. – 8:00a.m.	Breakfast Buffet
8:00 a.m. – 8:10 a.m.	Paul Cicio, Review of agenda
8:10 a.m. – 9:25 a.m.	“Fundamentals of GHG Accounting” Arthur Rypinski, Economist, Department of Energy (proposed)
9:25 a.m. – 9:40 p.m.	Break
9:40 a. m. – 10:40 a.m.	“Reporting to DOE 1605 (b) GHG Registry” Paul McArdle, Program Manager, Voluntary Reporting of GHG Program, Energy Information Administration (proposed)
10:40 a.m. – 11:00a.m.	Break
11:00 a.m. – 12:00 p.m.	“Cost-Effective Mitigation Options”
12:00 p.m. – 1:15 p.m.	Lunch
1:15 p.m. – 2:15 p.m.	“Cost-Effective Mitigation Options”
2:15 p.m. – 3:00 p.m.	“DOE Climate Programs and Resources”
3:00 p.m. – 3:15 p.m.	Break
3:15 p.m. – 4:00 p.m.	“EPA Climate Programs and Resources”
4:00 p.m. – 4:05 p.m.	Closing remarks by the Chairman
4:05 p.m. – 5:00 p.m.	Breakout sessions “How to calculate GHGs on various mitigation options”



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## September 2003 GHG Management Workshop

The second workshop is designed to take participants to a high level of competence in managing their GHG emissions.

Workshop elements would include:

- Goal setting
- Corporate incentive programs
- Sequestration projects
- GHG Credits/emissions trading/Clean Development Mechanism/Activities Implemented Jointly
- Risk management programs
- Employee involvement in corporate GHG programs
- International opportunities for low cost reductions / World Bank programs, etc.
- Supply chain / customer initiatives
- Renewable energy options





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## Workshop Notebook Contents

1. Workshop agenda
2. Backgrounder on climate change
3. BRT Climate RESOLVE Program
4. President Bush's Climate Initiative
5. DOE 1605 (b) GHG Registry
  - Description of the registry and its plans for future changes
  - Directions on how to use it (with software)
  - Examples
6. Government climate change programs
  - Department of Energy
  - Environmental Protection Agency
  - U.S. Department of Agriculture  
(description of programs, tools, resources and mitigation options)
7. GHG mitigation options
8. Glossary of Terms



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## THE BUSINESS ROUNDTABLE

### GLOBAL CLIMATE CHANGE POSITION STATEMENT

The Business Roundtable views global climate change as an important and complex issue with significant potential environmental, energy supply and economic implications. The development and global deployment of new, highly efficient technologies that minimize greenhouse gas emissions and maximize carbon capture promise to be the most effective long-term response to concerns about global climate change. We support actions to implement a U.S. climate change technology strategy that would involve all nations and are committed to playing a key role in its success.

#### **TECHNOLOGY**

The development and global deployment of new, highly efficient technologies that minimize carbon emissions and maximize removal of carbon from the atmosphere is the most effective long-term response to concerns about global climate change. Successful development, commercialization, and global dissemination of new technologies will require a shared public-private sector commitment. Industry alone cannot assume the financial risk necessary to develop and commercialize technologies on a global scale.

The Roundtable believes that key elements for a climate change research and development investment strategy should include:

***Increasing the level of energy research and development funding commensurate with the challenge:*** Energy R&D funding suffers from declining investment, poor coordination across sectors, and insufficient focus on technologies that address climate change challenges. These hurdles must be overcome if the United States and the world are to reduce greenhouse gas emissions. Indeed, energy R&D is less than 1 percent of the value of energy products, far less than the 3 percent for other industries. Public and private sector energy R&D funding should be increased, better coordinated and targeted toward developing revolutionary new technologies that are more efficient and reduce, avoid, or capture greenhouse gas emissions.

***Increasing technology deployment:*** There are valuable emerging and commercially available advanced technologies that could reduce emissions of greenhouse gases today. Increased efforts are needed to deploy these beneficial technologies for application in domestic and international markets, as well as to develop and commercialize technologies to conserve energy and/or to capture and sequester emissions of greenhouse gases.

***Market Incentives:*** Federal technology policy initiatives must take into account the central role of the private sector in commercializing and deploying new and emerging technologies. Governments can most effectively promote the development of advanced energy and environmental technologies through policies that provide effective market-driven incentives for research, commercialization, investment, and the global deployment of new technologies.

We recognize that climate change impacts all nations and that solutions must be of a global nature. One key element of any such efforts will be to maintain and expand trade linkages among nations and facilitate the free flow of private capital through foreign direct investment, the primary vehicle for global technology diffusion.

## ***ECONOMY***

Development and deployment of technology requires a sound economy, both at home and abroad. Only strong, free market economies can produce the kind of technological advancement needed to meet the challenge of climate change.

United States regulatory, tax and trade laws make important contributions to a cleaner and healthier environment. They facilitate an effectively functioning economy and an efficient global trading order. However, too often the implementation of these laws and policies unintentionally increases risks and uncertainty, which can discourage innovation and raise costs.

In our paper "Unleashing Innovation: The Right Approach to Global Climate Change" we identify instances where regulatory policy, tax, and trade laws inadvertently suppressed research, innovation, and the global dissemination of advanced technologies. We support solutions that drive rapid innovation, while improving environmental performance.

We recognize that investments made to address one environmental concern, such as climate change, may not be used simultaneously to address other safety, health and environmental needs. To maximize resources, actions to address climate change should make good economic sense today, while at the same time improving the quality of life for tomorrow.

## ***SUMMARY***

The Business Roundtable is committed to preserving and protecting the environment. We are committed also to the fundamental concept of sustainability – the achievement of economic growth, superior environmental performance and rising living standards for a growing world population. We believe the development, commercialization, and global diffusion of advanced energy- efficient and environmental technologies are the most cost-effective and enduring responses to concerns about climate change.

The best approach to the climate change challenge consists of promoting and fostering technological advancement, and eliminating barriers to technology development and diffusion. The BRT member companies support a climate change policy response that:

- supports principles of sustainability that lead to an improved environmental protection system;
- eliminates regulatory, tax and trade impediments to the development and global deployment of new highly efficient technologies that minimize carbon emissions and maximize carbon capture;
- recognizes the important role of terrestrial and ocean sinks and supports policies that encourage the use of sequestration in agriculture and forestry;

- institutes economically sensible measures that accelerate the deployment of newer more efficient, lower-emitting and renewable technologies;
- increases research, development and deployment of beneficial energy and climate change technologies;
- strengthens our national commitment to basic and applied R&D in the physical sciences;
- fosters development of innovative public-private partnerships that accelerate the commercialization of advanced technologies;
- accelerates research into remaining uncertainties in climate change science; and
- fosters research into adaptation technologies as well as preventive technologies, so that society is better prepared for climate changes that may occur, regardless of cause.

Our goals are a cleaner, safer, and healthier world with economic growth and a higher standard of living for all. We are committed to constructive participation with all stakeholders in the evolutionary process of environmental protection. Ultimately, it will be industry that provides much of the innovation and capital to develop, commercialize and deploy the technologies needed to enable societies around the world to meet their economic development aspirations in a sustainable manner.

FINAL  
September 2001



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## Resource List

### U.S. GOVERNMENT

*National Oceanic and Atmospheric Administration*

[www.noaa.gov/climate.html](http://www.noaa.gov/climate.html)

*National Renewable Energy Laboratory*

[www.nrel.gov](http://www.nrel.gov)

*U.S. Department of Agriculture -- Sustainable Development Program*

[www.usda.gov/sustainable](http://www.usda.gov/sustainable)

*U.S. Department of Energy -- Energy Efficiency and Renewable Energy Network*

[www.eren.doe.gov](http://www.eren.doe.gov)

*U.S. Department of Energy -- Global Climate Change*

[www.energy.gov/world/sub/global\\_climate\\_change.html](http://www.energy.gov/world/sub/global_climate_change.html)

*U.S. Department of Energy -- Voluntary Reporting Under 1605b Registry*

<http://www.eia.doe.gov/oiaf/1605/1605b.html>

*U.S. Department of Energy/ U.S. Environmental Protection Agency -- Energy Star*

[www.energystar.gov](http://www.energystar.gov)

*U.S. Environmental Protection Agency -- Climate Leaders Program*

[www.epa.gov/climateleaders/](http://www.epa.gov/climateleaders/)

*U.S. Environmental Protection Agency -- Coalbed Methane Outreach Program*

[www.epa.gov/coalbed](http://www.epa.gov/coalbed)

*U.S. Environmental Protection Agency -- Global Warming Site*

[yosemite.epa.gov/oar/globalwarming.nsf/content/index.html](http://yosemite.epa.gov/oar/globalwarming.nsf/content/index.html)

*U.S. Environmental Protection Agency -- Natural Gas STAR*

[www.epa.gov/gasstar](http://www.epa.gov/gasstar)

*U.S. Environmental Protection Agency -- Environmental Partners Page*

[www.epa.gov/partners/programs/index.htm](http://www.epa.gov/partners/programs/index.htm)



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Phone (202) 872-1260 Fax (202) 466-3509 [www.brt.org](http://www.brt.org)



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***U.S. Forest Service -- Healthy Forest Initiative***  
[www.fs.fed.us/projects/HFI.shtml](http://www.fs.fed.us/projects/HFI.shtml)

***U.S. Global Change Research Program***  
[www.usgcrp.gov](http://www.usgcrp.gov)

***U.S. Department of State -- Global Climate Change***  
[www.state.gov/g/oes/climate/](http://www.state.gov/g/oes/climate/)

#### **WORLDWIDE GOVERNMENTAL AGENCIES**

***Intergovernmental Panel on Climate Change***  
[www.ipcc.ch](http://www.ipcc.ch)

***United Nations Framework Convention on Climate Change***  
[www.unfccc.de](http://www.unfccc.de)

#### **INTEREST GROUPS, NGOS AND THINK TANKS**

***American Wind Energy Association***  
[www.awea.org](http://www.awea.org)

***The Business Roundtable***  
[www.brt.org](http://www.brt.org)

***California Climate Action Registry***  
[www.climateregistry.org](http://www.climateregistry.org)

***CERES -- A Network for Change***  
[www.ceres.org](http://www.ceres.org)

***Chicago Climate Exchange***  
[www.chicagoclimatex.com](http://www.chicagoclimatex.com)

***Climate Technology Initiative***  
[www.climatetech.org](http://www.climatetech.org)



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***Ducks Unlimited***

www.ducksunlimited.org

***Environmental Defense***

www.environmentaldefense.org

***Green-e Renewable Electricity Certification Program***

www.green-e.org

***The Nature Conservancy***

www.nature.org

***Pew Center on Global Climate Change***

www.pewclimate.org

***Solar Energy Industries Association***

www.seia.org

***World Resources Institute***

www.wri.org

***World Wildlife Fund***

www.worldwildlife.org

**BRT STAFF CONTACT INFORMATION**

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Responsible Environmental Steps; Opportunities to Lead by Volunteer Efforts

## **Messages Points for Company Spokespersons Climate RESOLVE Initiative**

**Every company in every sector of the economy has a role in controlling greenhouse gas emissions, and we are stepping up to do our part.**

- Climate change is truly a global issue that can only be addressed effectively on a global basis, and it is a challenge that we must accept together. It will take the collective actions of every nation, every industry and every company to effectively address climate change.
- The greenhouse gas emissions from any individual company are small when compared to total global emissions. But together, we can make a difference if each company takes prudent actions to avoid, reduce, offset or sequester its greenhouse gas emissions.
- Many companies already have taken voluntary steps to reduce, avoid, offset or sequester greenhouse gas emissions. However, more must be done – and by more companies. By participating in Climate RESOLVE we are stepping up to this challenge.

**Leaders lead. We have chosen to lead by example and demonstrate clearly that voluntary actions are the best way to deliver continued economic growth while minimizing the risks of climate change.**

- President Bush has set a national goal of reducing the greenhouse gas intensity of the economy by 18 percent by 2012. Working alongside other members of The Business Roundtable, we are responding voluntarily to the President's challenge.
- We feel strongly about the importance of participating in voluntary greenhouse gas management programs, and hope that our efforts can catalyze broader action by companies in every region and sector of our economy.

**To truly address climate change over the long term, we must develop breakthrough technologies that dramatically reduce greenhouse gas emissions without curtailing economic growth.**

- But while those new technologies are being developed, it makes good business sense to take voluntary steps to reduce, avoid, offset or sequester greenhouse gas emissions.



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## Q&A for BRT's Climate RESOLVE Initiative

**What is The Business Roundtable trying to do with its Climate RESOLVE initiative? What is the goal, and what are the primary activities associated with it?**

The Business Roundtable is calling on each BRT member company to take voluntary actions to manage greenhouse gas emissions, with the ultimate goal of 100 percent participation by BRT members in voluntary programs.

To give all BRT companies the insight and the tools to effectively manage their greenhouse gas emissions, The Business Roundtable will provide workshops, one-on-one consulting support and examples of options to reduce, avoid and sequester greenhouse gas emissions.

Climate RESOLVE is another example of the Business Roundtable's longstanding leadership role in addressing global climate change, which is an issue with critical implications for the U.S. economy.

The Business Roundtable is leading by example and demonstrating that voluntary actions are the best way to deliver economic growth while minimizing the risks of climate change from greenhouse gas emissions. The BRT's commitment to participation in voluntary greenhouse gas management programs sends a strong signal about the importance of these efforts and can catalyze broader action across industry.

**Why is the BRT's initiative important? Why does the BRT care about this?**

The Climate RESOLVE initiative will provide encouragement and support for *all* BRT member companies to undertake voluntary actions to manage greenhouse gas emissions and to inform government and the public of the results achieved.

As the heads of America's largest corporations, BRT CEOs are strategically positioned to provide leadership within the business community because of the important sectors of the economy they represent and their high standing with industry peers and policymakers.

BRT's commitment to expanded participation in voluntary greenhouse gas management programs sends a strong message about the importance that business leaders attach to these efforts and can catalyze broader action across industry.

Climate change is truly a global issue that can only be addressed effectively on a global basis. Climate change cannot effectively be addressed by any single nation, industry or company. It will take the collective actions of every nation, industry and company to address the challenge of climate change. Because emissions from any single company are small relative to total global greenhouse gas emissions, it is essential that every company take effective actions to avoid, reduce, offset or sequester its greenhouse gas emissions. That's why our ultimate goal is 100 percent participation by BRT members.





Responsible Environmental Steps, Opportunities to Lead by Volunteer Efforts

**What is the national goal set by President Bush for voluntary reductions?**

President Bush set an ambitious national goal of lowering the "greenhouse gas intensity" of the U.S. economy by 18 percent by 2012. This means an overall 18 percent reduction in the ratio between emissions and economic output.

According to the Administration, achieving this goal will require sequestering, reducing, and avoiding over 500 million tons of greenhouse gas emissions over the next decade. Another way of saying this is that greenhouse gas emissions will need to decline from the current level of 183 metric tons per million dollars of GDP to 151 metric tons per million dollars of GDP in 2012.

When he announced this goal in last February, the President challenged American businesses to make specific commitments to improving the greenhouse gas intensity of their operations and to reduce emissions. The BRT is embracing that challenge.

**When do you envision having participation of every BRT member company? Will this effort be a failure if you do not get 100 percent participation?**

The ultimate goal of the Climate RESOLVE initiative is to have participation of 100 percent of BRT member companies in voluntary programs to control greenhouse gas emissions. This is an aspirational goal but one that we believe is achievable with hard work and continuous effort.

We haven't set a specific deadline for reaching 100 percent participation but we will be closely monitoring the efforts of our members and reporting to the public and the government on progress.

The importance of our 100 percent goal is that it will help focus our members on the need for taking action and will motivate them to devote resources and attention to voluntary GHG management efforts. If we can engage our members and expand the reach of voluntary programs within the business community, the initiative will be a success.

**How does The Business Roundtable define participation? What specifically does a company need to do to be considered as participating in the voluntary programs?**

Our overall goal for Climate RESOLVE is for all our members to take actions to reduce, avoid, offset or sequester greenhouse gas emissions and to report their progress under the reporting program administered by the Department of Energy.

The Business Roundtable is a diverse organization made up of companies from a wide variety of sectors. Some companies have already been very active in controlling greenhouse gas emissions. Other companies will just be getting started. Because they lack experience in managing greenhouse gas emissions, some BRT members may not be ready in 2003 to implement measures to reduce, avoid, offset or sequester emissions.

In the early years of the initiative, we will consider a company to be participating if it begins developing a GHG management program, by taking such steps as reviewing its emissions, identifying options to control those emissions and then setting emission management goals. These



Responsible Environmental Steps; Opportunities to Lead by Volunteer Efforts

first steps will provide a foundation for actions in subsequent years to reduce, avoid, offset or sequester emissions. Our ultimate goal is to have each company taking actions that reduce, avoid, offset or sequester emissions, but it will take time for some companies to reach that point.

**What do the letters in Climate RESOLVE stand for?**

Responsible Environmental Steps, Opportunities to Lead by Voluntary Efforts

**How will The Business Roundtable help companies that do not have as much experience in monitoring and managing greenhouse gas emissions?**

To give all BRT companies the support and tools to effectively manage their greenhouse gas emissions, The Business Roundtable will provide workshops, an implementation workbook, one-on-one consulting support and examples of options to reduce, avoid, offset and sequester greenhouse gas emissions.

The BRT will assemble a team of experts – made up of representatives from BRT companies and experienced consultants – to assist companies in developing programs, The team also will provide advice on how to structure the BRT’s workshops, the workbook and other outreach and assistance efforts.

**What is at stake? Why should businesses take voluntary steps to manage greenhouse gas emissions?**

While many scientific uncertainties remain, the potential impact on global climate of rising greenhouse gas concentrations in the atmosphere is a source of concern to governments around the world, the private sector and many Americans.

Breakthrough technologies that fundamentally alter our systems of transportation, energy production and use, and manufacturing will ultimately be needed to deliver the dramatic reductions in emissions required to stabilize greenhouse gas concentrations in the atmosphere at acceptable levels.

The Business Roundtable has strongly supported government policies and programs that promote long-term investment in these technologies and their practical deployment. However, it will take some time to transition to new technologies. In the meantime, businesses should take voluntary actions to slow the growth of greenhouse gas emissions.

**What is the role of BRT companies in causing the global warming trend associated with greenhouse gas emissions?**

The Business Roundtable believes that many scientific uncertainties remain about the degree to which rising greenhouse gas emissions impact climate change. We also recognizes that the buildup of greenhouse gas levels in the atmosphere is a global phenomenon and that many different sources contribute to global emissions.



Responsible Environmental Steps. Opportunities to Lead by Volunteer Efforts

Our members are only one of these contributors but we recognize the need to do our part in addressing public concerns. That's why BRT believes that, while additional scientific study is done and new technologies to reduce emissions and improve efficiency are developed and deployed, businesses should undertake voluntary actions that will slow the growth of greenhouse gas emissions.

**Wouldn't it be more effective to use greenhouse gas reduction provisions contained in the Kyoto Protocol?**

The Kyoto Protocol does not provide a sound or workable basis for near-term measures to control greenhouse gas emissions. The targets and timetables in the Protocol would require the United States to make significant and immediate cuts in energy use that would threaten economic growth and harm the competitiveness of U.S. industry.

In addition, because developing countries would not participate, emission reduction efforts under the Protocol would have little benefit and would likely distort investment and capital flow.

A better alternative is to make investments in advanced energy and sequestration technologies that will provide the breakthroughs needed to dramatically reduce our emissions in the longer term. And in the meantime, we are encouraging businesses to voluntarily act to control greenhouse gas emissions.

**Many members of Congress calling for mandatory controls on greenhouse emissions because they believe that further voluntary efforts like the BRT initiative will not be effective. Why is BRT opposing mandatory controls?**

Mandatory controls limit flexibility and innovation, create bureaucracy and increase the costs of controlling greenhouse gas emissions.

Voluntary programs can achieve sound results at lower cost and challenge companies to find creative mechanisms to control emissions that contribute to economic growth and investment in new technologies. BRT is launching Climate RESOLVE because strong and sustained support for voluntary action is the best way to avoid mandatory controls.

**Have BRT companies already been active in managing greenhouse gas emissions?**

In a recent survey of BRT member companies, we found that awareness of the climate issue was widespread, and that many members were already taking action. The survey showed that a wide range of innovative strategies were in place, including energy efficiency programs, manufacturing and materials changes, technology deployment and sequestration "sinks" and other offsets.

These efforts already are yielding impressive results. The companies responding to the survey reported 57 million tons (tons of carbon equivalent) of emissions reduced, offset, avoided or sequestered in 2000.



Responsible Environmental Steps; Opportunities to Lead by Volunteer Efforts

The survey also found considerable opportunity for improvement by having more BRT companies take action to manage greenhouse gas and by encouraging companies with programs in place to more effectively quantify reductions and report progress.

American industry has done much to reduce the growth of greenhouse gas emissions, but more must be done. Climate RESOLVE calls on every company in every sector to take voluntary actions to reduce, avoid, offset or sequester greenhouse gas emissions.

**Does each company in the voluntary program need to achieve an 18 percent reduction in greenhouse gas emissions? Is there any minimum reduction goal?**

Climate RESOLVE does not set any target for the amount of greenhouse gas emissions that companies should seek to reduce, avoid, offset or sequester. Individual companies are in the best position to set these targets, which will depend on a number of operational, financial and other considerations unique to each company.

The 18 percent reduction in the intensity of greenhouse gas emissions compared to GDP is an overall goal for the nation. Some companies will take – or are already taking – actions that will exceed that target; others may not be able to control their emissions to that degree for a variety of reasons.

The important thing is that all companies take action to reduce, avoid, offset or sequester greenhouse gas emissions, monitor progress and report the results of these voluntary actions to the federal government under establishing programs for documenting greenhouse gas control efforts.

**Isn't this just a problem for utilities, auto companies, petroleum refiners, chemical producers and other large manufacturers? Why should companies in other sectors, such as the financial services, take any action to manage greenhouse gas emissions?**

Some sectors have already achieved dramatic reductions in greenhouse gas emissions, and we should build on these successes. But while American industry has done much to reduce the growth of greenhouse gas emissions, more must be done.

Even in the sectors where progress has been made, more companies should step forward and existing efforts should be enhanced. The Climate RESOLVE initiative calls on every company in every sector to take voluntary actions to reduce, avoid, offset or sequester greenhouse gas emissions.

A number of BRT members are service providers whose business consists of investment management, banking, insurance, publishing or data-system development. As non-manufacturers, these companies will not be in a position to control greenhouse emissions during the production or distribution of energy or end-products. However, other options for mitigating greenhouse gas emissions will be available to these companies. These options could include energy efficiency programs in office buildings or investment in carbon-friendly development projects in the U.S. or abroad.



Responsible Environmental Steps. Opportunities to Lead by Volunteer Efforts

**How many of the 150 BRT member companies have already undertaken action to reduce greenhouse gas emissions?**

According to a BRT survey earlier this year that had responses from about half of our members, more than 90 percent of those responding companies were involved in some type of greenhouse gas emission management activity. The nature and extent of these activities varied from one company to another.

One part of this Climate RESOLVE initiative will be to determine more precisely what the various BRT member companies are now doing to manage and control greenhouse gas emissions. As we move forward, we'll be monitoring what our companies do over time so we can assess progress and encourage more companies to take action.

**Do companies need to report to federal programs, or can they also report to greenhouse gas management programs run by non-government groups?**

The decision whether to report and to whom is one for individual companies. However, BRT is strongly encouraging its members to report to the established registry for greenhouse gas emissions and management actions maintained by the Department of Energy under section 1605(b) of the Energy Policy Act.

Reporting under this program will provide companies with credit and recognition for their actions and strengthen the Administration's ability to track overall reductions in the carbon intensity of the economy. Companies can also report their actions under other federal programs or to non-government organizations.

**What is the BRT's goal for overall reductions in greenhouse gas emissions?**

The goal of Climate RESOLVE is 100 percent participation by BRT companies in voluntary actions to reduce, avoid, offset or sequester greenhouse gas emissions. Business must do its part if we are to reach the President's goal of reducing the intensity of greenhouse gas emissions per unit of GDP by 2012 and preclude mandatory controls.

Climate RESOLVE does not set any target level of emissions that companies should seek to reduce, avoid, offset or sequester. Individual companies are in the best position to set such goals, which will depend on considerations that will vary by sector and even within sectors. However, we are asking our companies to consider how best to apply the President's goal of reducing carbon intensity by 18 percent by 2012 to their operations.

**Do you believe that this initiative will actually reduce greenhouse gas emissions?**

We believe that when more companies take action to reduce, avoid, offset or sequester greenhouse gas emissions, we can slow the rate of growth of these emissions even as our economy grows. The President is focusing on slowing the rate of emissions growth by reducing greenhouse gas emissions as a function of economic output as the best strategy for our country at this time.



Responsible Environmental Steps; Opportunities to Lead by Volunteer Efforts

### **Why should business leaders step forward now?**

Now is the time for business leaders to demonstrate that voluntary programs will succeed in meeting our emissions reduction objectives and deliver results at less cost to business and consumers than mandatory approaches.

The President promised to review progress and to consider stronger measures if the goal of lowering greenhouse gas intensity by 18 percent by 2012 has not been reached. In addition, some large states are moving ahead with emission control programs for major sectors like power plants and automobiles and members of Congress have called for legislation imposing mandatory controls.

The Business Roundtable opposes mandatory controls. We believe that, by demonstrating strong and sustained support for voluntary programs by the business community, Climate RESOLVE will show that our nation is effectively tackling the climate challenge and that mandatory controls are unwarranted.

### **Will The Business Roundtable issue reports showing progress on a company-by-company basis? Will you list the companies that have failed to take any action to control greenhouse gas emissions?**

The Business Roundtable will monitor company action and report year-by-year progress toward the goal of 100 percent participation. We intend to issue periodic reports as part of our plan to regularly inform the government agencies – and the public – of progress toward BRT's 100 percent participation goal and the scope of our members' accomplishments in managing greenhouse gas emissions.

These reports will provide a picture of the activities of the BRT membership as a whole and will not describe the participation status of specific BRT members. However, we intend to conduct continuous outreach to our members and will be actively encouraging them to participate in the BRT program.

### **What do you mean by “reducing intensity” of greenhouse gas emissions?**

“Greenhouse gas intensity” measures the ratio between emissions and economic output as measured by the nation's Gross Domestic Product or GDP. When we are able to manufacture a product or deliver a service with lower greenhouse gas emissions than are now occurring, we are taking action to conserve energy, employ lower-emitting technologies or capture greenhouse gases before they escape into the atmosphere.

Ultimately, these improvements will enable us to actually reduce emissions in absolute terms even though our economy is continuing to grow.

According to the Administration, achieving the overall goal of reducing greenhouse gas intensity by 18 percent by 2012 means that emissions will need to decline from the current level of 183 metric tons per million dollars of GDP to 151 metric tons per million dollars of GDP in 2012. This



Responsible Environmental Steps: Opportunities to Lead by Volunteer Efforts

will require very substantial changes in how we produce and use energy, consume raw materials and manufacture products.

**Are reforms of New Source Review regulations needed in order to make these voluntary efforts to control greenhouse gas emissions?**

There are a number of steps that companies can take to control their greenhouse gas emissions. Modification of New Source Review regulations could help in the implementation process by making it easier for some companies to make technological improvements in their operations that decrease greenhouse gas emissions and improve energy efficiency.

**If 100 percent of BRT companies join this program to control greenhouse gas emissions, what will be the impact on climate change?**

Global climate change is truly a global phenomenon. Current atmospheric levels of greenhouse gases took decades to accumulate and resulted from many different factors. Lowering greenhouse gas levels in the atmosphere is a long-term process and will not be achieved by any of the strategies now being implemented in the U.S. or other countries.

For these reasons, the near-term actions of any individual company or collection of companies will not likely cause a discernible impact on the global climate system. At the same time, voluntary efforts to reduce, avoid, offset or sequester greenhouse gas emissions by BRT companies can slow the rate of emissions growth and reduce their intensity in the economy. Together with the development of breakthrough low-emitting technologies, these steps can ultimately enable us to begin lowering greenhouse gas levels in the atmosphere over the long term.

It would be a significant achievement to have the CEOs of 150 of the largest companies in the world resolving to take action to control greenhouse gas emissions. These companies have \$3.7 trillion in revenues and together represent a third of the U.S. GDP.

**What does the Bush Administration think of this initiative?**

We have briefed senior members of the Administration and they have been very supportive of the BRT's Climate RESOLVE initiative. We will be partnering closely with the Administration as we move forward.

**What are specific examples of actions that companies can take to reduce, avoid, offset or sequester greenhouse gases?**

There are many ways for companies and businesses to manage greenhouse gases.

**Avoid Emissions.** Companies can avoid greenhouse gas emissions by installing more energy-efficient devices (lighting, thermostats, windows and shades, appliances), establishing car-pooling or tele-commuting programs, using more energy-efficient motors and manufacturing equipment, purchasing company trucks and cars that are more fuel efficient, or purchasing renewable electricity such as solar or wind power.



**Reduce Emissions.** Businesses can reduce greenhouse gas emissions by shifting to fuels with lower carbon content, using fuels more efficiently in producing energy or manufacturing products, recovering methane gases from landfills or coal beds, and minimizing pipe leaks.

**Offset Emissions.** To offset greenhouse gas emissions, companies may buy emission credits from other companies, or invest in global GHG mitigation projects and transfer these credits to U.S. operations.

**Sequester Emissions.** Business can help capture carbon from the atmosphere and sequester it by planting trees, participating in private trusts that protect large tracts of land, planting crops, practicing sustainable forest management, and disposing of it in geologic formations such as saline aquifers, deep unminable coal seams, and oil and gas wells.

### How do you report and measure greenhouse gas reductions?

Generally, four types of greenhouse gases are tracked and reported: carbon dioxide, methane, nitrous oxides and halogenated substances. There are standard indexes for comparing the impact on global warming of each gas relative to carbon dioxide (commonly called global warming potential or GWP).

In some cases, companies measure greenhouse gas emissions over time and can compare emissions resulting from a change in operations to emissions from a baseline period to determine the amount of the emissions reduction. In other cases, reductions will be estimated. Often, this can be done on the basis of data generated for other purposes; for example, many companies keep accurate data on projects that involve energy efficiency, fuel switching, conservation, pollution prevention or carbon sequestration and can use these data to estimate emission reductions from particular projects. In other cases, estimates of reductions are more complex and may involve establishing a "reference case" and then applying emission factors to determine how many tons of greenhouse gases the project reduces, avoids, offsets or sequesters. In all cases, it is important to explain the methods used to estimate emission impacts and to document assumptions, raw data or other input information.