

washingtonpost.com

Bush Plans On Global Warming Alter Little

Voluntary Programs Attract Few Firms

By Guy Gugliotta and Eric Pianin
Washington Post Staff Writers
Thursday, January 1, 2004; Page A01

Two years after President Bush declared he could combat global warming without mandatory controls, the administration has launched a broad array of initiatives and research, yet it has had little success in recruiting companies to voluntarily curb their greenhouse gas emissions, according to official documents, reports and interviews.

At the heart of the president's strategy is "Climate Leaders," a program that recruits the nation's industrial polluters to voluntarily devise ways to curb their emissions by 10 percent or more in the coming decade. Scientists believe these greenhouse gas emissions, which include carbon dioxide, methane and nitrous oxide, are contributing to a troubling rise in the earth's temperature that could disrupt weather patterns and cause flooding.

Only a tiny fraction of the thousands of U.S. companies with pollution problems -- 50 in all -- have joined Climate Leaders, and of the companies that have signed up, only 14 have set goals. Many of the companies that are volunteering say they did so either because reducing emissions makes good economic sense or because they were being nudged by state and federal regulators.

Industry groups, meanwhile, have crafted their own programs under a Bush administration initiative called "Climate VISION," but none of the programs requires individual companies to either enlist in the program or set goals for emission reductions.

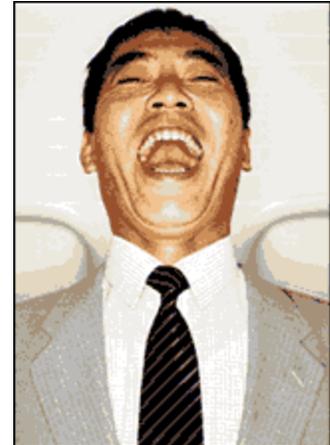
Many of the companies with the worst pollution records have shunned the voluntary programs because even a voluntary commitment would necessitate costly cleanups or possibly could set the stage for future government regulation, according to industry insiders.

Most of what the administration hopes to accomplish in terms of reduced emissions will not become apparent for many decades to come, experts agree. The president's more immediate goal, announced on Valentine's Day 2002, is to reduce greenhouse gas intensity -- the amount of gas put into the atmosphere per unit of economy -- by 18 percent over the next 10 years. Congress's research arm, the General Accounting Office, concluded in October that Bush's plan would reduce overall emissions only 2 percentage points below what the nation would achieve with no federal program whatsoever.

These findings have further fueled a debate in Congress and along the campaign trail over whether voluntary efforts to reduce greenhouse gas emissions are useful.

Bush promoted his voluntary initiatives after he abandoned a campaign pledge to impose mandatory controls on carbon dioxide emissions and then formally disavowed the 1997 accord negotiated by the

▼ ADVERTISING



Small
businesses
need
big benefits.

citi
Live richly.™

United States and 158 other countries in Kyoto, Japan, which would impose mandatory caps on greenhouse emissions in developed countries. The Bush administration argued that mandatory controls would hinder economic growth. The U.S. rejection means that the treaty will die unless Russia, which also has expressed concerns about the economic impact, decides to ratify. Moscow has not yet said what it will do.

The administration followed the 2002 announcement of the voluntary program with a flurry of press events, scientific conferences and research initiatives.

"There are a lot of activities, a lot of initiatives, but I don't think it amounts to very much in the short to medium term -- over, say, the next 10 years," said Eileen Claussen, president of the Pew Center on Global Climate Change, which does advocacy and research on the issue. "We don't think that the goal of the president's program is ambitious. We think it's pretty much business as usual."

She and other skeptics say most of the other initiatives are spruced-up holdovers from previous administrations or long-term research undertakings with little immediate impact.

But James L. Connaughton, the White House environmental policy chief, said recently that the Bush program is working, and that private-sector companies and groups that strongly opposed the Kyoto treaty "are now coming forward in what we would say is a more economically rational and more sensible policy environment."

"They are stepping up to the plate in a way they never have -- never did in the 1990s. That's a huge step," Connaughton said.

Much of what the administration hopes to accomplish through the plan could pay dividends in coming decades. Initiatives announced by the president include promoting a better world network for climate observation, combating illegal overseas logging that destroys carbon-absorbing forests, and encouraging research in fuel cells and nuclear fusion technology.

These "public-private partnerships and the U.S.-international partnerships in scale and scope far outstrip what we've seen in the past," Connaughton said, and are designed to produce results for the near, mid- and long term.

The Problem With Pollution

Although controversy surrounds research on global warming, a panel of the National Academy of Sciences concluded in June 2001 that it is a real problem caused at least in part by man-made pollution building up in the atmosphere and trapping heat like a blanket. At present rates, the trend could well have a "serious adverse" impact on the climate by the end of the century, the panel said.

The United States is responsible for about a quarter of the world's greenhouse gas emissions. Overall, U.S. emissions are nearly 12 percent above the 1990 level and will continue to climb, although in 2001 they dipped by 1.2 percent, largely as the result of an economic slowdown and an unseasonably warm winter that sharply reduced demand for fossil fuels.

Bush has repeatedly opposed mandatory controls, including a bill sponsored by Sens. John McCain (R-Ariz.) and Joseph I. Lieberman (D-Conn.) to impose caps on greenhouse gas emissions from utilities and other industries. That bill was rejected in the Senate late last year, by a vote of 55 to 43.

Instead, the president called for more research and voluntary measures. "My approach recognizes that economic growth is the solution, not the problem," Bush said in his Valentine's Day speech.

Besides the Climate Leaders program for individual companies and Climate VISION for industry and trade groups, the new initiatives included:

- New guidelines for companies to disclose voluntarily their efforts to reduce emissions.
- Financial incentives for farmers who plant trees or cultivate crops in such a way that soil retains carbon dioxide.

Although Climate Leaders represents the cutting edge of Bush's strategy, it has a budget of \$1 million a year and a full-time staff of three, according to the Environmental Protection Agency, which runs the program. And although some "Leaders" are big names in manufacturing -- among them General Motors Corp., Caterpillar Inc., U.S. Steel Corp. and Raytheon Co. -- most are perennial "good citizens" who were participating in "green" programs years before Bush called for volunteers.

Fetzer Vineyards, for example, switched to organic farming in the 1980s and has powered its headquarters with a solar array since 1999.

Another firm that signed up for Climate Leaders is Milwaukee-based We Energies, the biggest utility in Wisconsin, but it is taking no new emissions-reducing actions as a result. Anticipating pressure from state and federal regulators, the company had planned to curb other polluting emissions from nine coal- and natural-gas-burning plants. As a result, the plants would also spew less carbon dioxide -- a major greenhouse gas.

Company executives reasoned: Why not get credit for that as well -- at no added expense? Joining Climate Leaders was an easy call.

We Energies and Ohio-based Cinergy Corp. -- two of the six utility companies participating in Climate Leaders -- had established track records of emissions reduction and were relatively easy to recruit.

"It just made sense to put [our efforts] into a program," said Kris McKinney, manager of environmental policy for We Energies. "Given the range of activities we're involved in and our level of interest in the issue, we had been looking for something we could participate in."

But the administration has made no headway signing up big utility companies with the worst emissions records. Many of those companies vigorously opposed mandatory controls. Now they are refusing to take part in voluntary measures that set targets, largely for fear that those programs eventually will lead to government regulation.

"Some just see it as a slippery slope," said a lobbyist for several major utilities.

No Specific Goals

Most of the 190 major U.S. utility companies represented by the Edison Electric Institute prefer to participate in an industry-created program called "Power Partners," which does not require companies to commit to specific goals.

"Under Power Partners, there's obviously greater flexibility, and it encourages companies to do what

they can, recognizing that some can do more than others," said Dan Riedinger, a spokesman for the utility industry group. "But it tries not to leave any company behind just because they can't make a specific numerical commitment at this point."

"Energy conservation is good business because it helps us avoid costs," said Jack Azar, vice president for environment, health and safety at Xerox Corp., a member of Climate Leaders and a volunteer in federal energy programs for nearly a decade. "And we're not averse to the publicity, if we can get a couple of nice statements about what we've done."

Climate VISION, run by the Energy Department, holds out hope for a broader assault on global warming. It seeks to enlist participants from 12 industrial sectors and trade groups, which represent the vast majority of the nation's industrial greenhouse gas emitters.

The commitments vary widely. The Semiconductor Industry Association had an agreement already in place to reduce emissions of perfluorocarbons, a greenhouse gas, and the American Iron and Steel Institute pledged to reduce greenhouse gas intensity by 10 percent by 2012.

But the Business Roundtable, an association of chief executives of 150 of the country's biggest corporations, sought only to get its members to endorse the program. The Nuclear Energy Institute simply wants people to use more emission-free nuclear power, a controversial goal because of the unresolved problem of disposing of radioactive waste.

In no case have the trade associations compelled participation, let alone compliance with industry-wide goals, although some groups have reported a strong response from their members. To date, no Climate VISION activity has led to a surge in corporate interest in Climate Leaders, but Xerox's Azar acknowledged that Business Roundtable seminars helped pique his company's interest.

A Tougher Registry

Meanwhile, the Energy Department has drawn up more stringent guidelines for the voluntary reporting of steps taken by private companies and other "entities" to reduce emissions. The registry, begun in 1994, gives companies a federal database in which they can "bank" their emissions-control accomplishments, should a national or international regulatory regimen take effect.

The registry had 228 participants in 2001 and 2002, a modest number that could fall when the tougher guidelines kick in.

"We envision a rigorous registry, accurate and reliable for the participants," Energy Undersecretary Robert G. Card said. "There could be an initial decline [in participation] before there's a gain. Our view is that industry is not necessarily going to be happy with the registry, [but] those who take it seriously will be."

Finally, the 2002 farm bill added \$17.1 billion to federal conservation programs over 10 years, and the Agriculture Department, for the first time, is including greenhouse gas mitigation as a criterion for granting incentive payments for such activities as planting hardwood trees and harvesting methane from livestock manure.

"The approach we take in any individual program is going to be slightly different," said William Hohenstein, director of the Agriculture Department's global change program. "Considering greenhouse gases in how we set conservation priorities is a big step for us."

Some administration critics give the USDA high marks for paying attention to global warming, but they note that the new money came not from the administration but from legislation passed by Congress. The critics contend that much of the funding was meant for clean-water programs that the White House simply endorsed and repackaged as greenhouse gas initiatives.

"I don't want to begrudge the administration," said Ken Cook, president of the Environmental Working Group. "But what they're doing is misleading, because they're double-counting those dollars for different environmental purposes."

© 2004 The Washington Post Company