

# BUILDING A FOUNDATION FOR SUCCESS:

## Recommendations for Early Action on Climate Change for the 44th President of the United States

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# BUILDING A FOUNDATION FOR SUCCESS:

## Recommendations for Early Action on Climate Change for the 44th President of the United States

### To the Reader,

The next President will have the opportunity and responsibility of establishing American leadership on climate change with a robust new strategy. The scale and complexity of the issue is unprecedented and will require a renewed focus on the interconnection between the economy, national security and the environment. This report outlines 25 early-action recommendations through which the new Administration can lay the foundations for success in addressing climate change at both the domestic and international levels.

In recent months we have seen more reports on the vast loss of Arctic sea ice in the summer; increased melting of the Greenland Ice Sheet presaging an accelerated level of sea-level rise; the rate of buildup of greenhouse gases, particularly CO<sub>2</sub>, increasing, instead of slowing; the apparent weakening of the carbon absorption capacity of the globe's oceanic and terrestrial carbon sinks; the increased acidification of the oceans caused by already-absorbed CO<sub>2</sub>, threatening oceanic life; and temperature-driven pest outbreaks threatening forests throughout North America. These trends can only be expected to accelerate unless decisive action is taken soon.

The upcoming Presidential transition presents a unique opportunity to craft a new, more successful approach to the climate issue, and to break the gridlock that has so far prevented the U.S. from helping to lead the international effort to avert disastrous climate change. Successfully seizing this opportunity will require a policy approach that meets the scale of the climate challenge while being economically sound, responding to the realities of higher energy prices and acknowledging the impacts of the ongoing crisis in our financial markets. We at Clean Air-Cool Planet offer this report in the belief that a well-thought out program of early actions will help the next Administration successfully address this most important challenge.

Many thanks,

Adam Markham  
Chief Executive Officer, Clean Air-Cool Planet

Rafe Pomerance  
President, Clean Air-Cool Planet



## EXECUTIVE SUMMARY

During the 2007 Presidential primary season, 164 towns in New Hampshire passed resolutions requesting the President of the United States take immediate action on climate change. Numerous candidates responded to this call, including current nominees Senator John McCain and Senator Barack Obama. Following up these resolutions, the bipartisan Carbon Coalition of New Hampshire invited the candidates to identify early actions they would take in seven priority areas:

- Picking the right team to carry the initiative
- Reallocation of budget priorities
- Legislation for economy-wide emissions reductions
- Aggressive research and development for low-carbon energy technology
- Federal planning for adaptation to climate change impacts
- Enable and encourage citizens to build efficiency and conservation in their homes and communities
- Re-engage cooperation with international partners

The following analysis provides concrete recommendations and a detailed timeline for early action addressing each of these seven benchmarks. These early efforts will be instrumental in building a foundation for successful climate change policy over an entire Presidential term. This report is unique because it:

- Started from the bottom up in town meetings as a grassroots effort building support for Presidential action on climate policy;
- Is based on the expert opinions of more than 40 professionals, including senior White House and Executive Branch staff from Republican and Democratic administrations with experience in Presidential transitions, climate change policy, budget and many other critical areas;
- Provides a focused, strategic set of action items achievable within 150 days of Election Day

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Embedded throughout the report are four overarching recommendations for the next President:

- Make climate change a top-tier issue for transition planning and early action;
- Link the Administration's climate change policy with its energy and economic initiatives;
- Use the convening power of the White House, the President's "bully pulpit", and careful consultation with Congress to build consensus for action at multiple levels;
- Take the following 25 early actions as building blocks for a successful Administration policy on climate change

For the next President to be successful in tackling climate change, he must link it in the American public's mind with the need to meet our existing energy challenge while reducing carbon dioxide emissions. An effective White House effort will re-establish American leadership on this global issue by building consensus for a plan that reduces carbon emissions, invests in a clean energy future, and returns money to American citizens.

Incoming administrations are most effective when they have a clearly articulated agenda. During a Presidential transition, however, only a limited number of issue areas are given the priority of early action. Historically, Republican administrations tend to capitalize on this agenda-setting exercise far

better than Democrats. The Reagan Administration and both Bush administrations achieved early policy victories because they chose to focus on a limited number of policy proposals as part of a targeted effort, in contrast to both the Carter and Clinton transitions, which were criticized for concurrently focusing on an overwhelming number of policy fronts.<sup>1</sup> For the 44<sup>th</sup> President of the United States, climate policy should become a top tier issue because:

- The impacts of unrestrained climate change are real, growing, and are projected to cause unacceptable economic and ecological damage;
- Our strategies to reduce greenhouse gas emissions are fundamentally linked to U.S. energy policy;
- A new and constructive approach to climate is critical to re-establishing U.S leadership in the world;
- A properly designed greenhouse gas emissions reduction effort has the potential to generate significant amounts of revenue, which could be used for a variety of purposes, including tax cuts to help Americans with high energy costs, and clean energy research and development.

In order to achieve meaningful near-term success advancing a new strategy for climate policy in the United States, the next President will need to build a broad consensus for action and use the “bully pulpit” to inspire the nation. A White House-led effort to build consensus will include consulting with a bipartisan Congressional coalition, meeting with constituency groups, holding a summit on climate and energy, and reframing the debate to capture the economic, security, and environmental dimensions of mitigating climate change.

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In 1961, President John F. Kennedy began the “Space Race” with the intent to send humans into space and ultimately land a man on the moon within a decade. His powerful speeches and leadership in reorganizing NASA were the driving forces in diminishing public skepticism and making a lunar landing a reality. In a similar way, the next President should frame citizen engagement on climate action in a strategic message that bundles the moral imperative for action, the growth of clean energy jobs and investments in the future as tools for economic revitalization. It will take creativity, investment, and persistent effort at all levels of society to deliver a truly clean energy economy for our country.

**An effective White House effort will re-establish American leadership on this global issue by building consensus for a plan that reduces carbon emissions, invests in a clean energy future, and returns money to American citizens**

This will require setting a new agenda. Before his inauguration, President-elect Bill Clinton held a summit on the economy to which he invited academics, business executives and leaders from the financial community. The event was successful in translating a major campaign issue to the forefront of his early-action policy agenda. After his reelection, President Teddy Roosevelt convened the first Conference of Governors, which brought national attention and support to the issue of natural resource conservation. The next President should emulate these agenda-setting models to build a broad consensus for action on climate change. This will require engaging the citizenry, members of Congress, as well as key constituencies in the business, religious and labor communities.

Engaging the citizenry on climate action will require

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<sup>1</sup> Harrison Wellford, “Preparing to be President on Day One.” *Public Administration Review*, July/August 2008.

using the “bully pulpit” and framing this issue in the new President’s first State of the Union address. He should declare the Administration’s intent to move expeditiously to develop a national energy and climate strategy that will help America shift from an energy mix that is insecure, polluting and expensive to one that is secure, clean, and affordable. The role of the President will be to reframe the public’s understanding of climate issues and to emphasize that climate policy and economic policy are not separate themes; they are linked and can be improved simultaneously.

Outreach to key leaders in business, labor, evangelical and other religious organizations will be critical to building a broad consensus for action on climate change. The next President should engage existing business/non-profit climate partnerships, such as the United States Climate Action Partnership (US-CAP), the Electric Power Research Institute, the Evangelical Climate Initiative and the Apollo Alliance, to collaborate on a national climate strategy.

No later than three months after Inauguration Day, the next President should host a National Summit on Climate and Energy to highlight the importance of the issue and set a new agenda for American action. This event will provide an early opportunity for the President to present new climate initiatives to major constituencies of the American economy.

In attendance should be hundreds of the country’s major corporate executives, thought leaders from the energy and climate fields, and Mayors and Governors representing every region of the United States. Discussions should focus on how to energize the economy by seizing the existing opportunities to mitigate greenhouse gas emissions and identify the associated innovation potential for communities and corporations.

Finally, the President should take a very deliberate approach toward building a consensus with Congress on climate action. To increase the likelihood of success, the President must recognize the obstacles that have prevented the passage of comprehensive climate legislation in past Congresses, and develop a strategy for building consensus that takes into account the powerful impact that public concern over high gasoline prices has had on the Congress during the course of 2008. The White House will need to work closely with key Congressional leaders from both parties to achieve this objective.

**The role of the President will be to reframe the public’s understanding of climate issues and to emphasize that climate policy and economic policy are not separate themes; they are linked and can be improved simultaneously.**

## Summary of Early-Action Recommendations

This report recommends that the next President, beginning the day after Election Day, implement the following 25 actions to take immediate, meaningful action on climate policy:

**Picking the Right Team to Carry the Initiative** – The central issue for the next President is how to organize the Administration’s core team, starting with White House staff, to help him carry out a climate agenda. The President should:

1. Establish a transition team focused on climate policy *before* Inauguration Day.
2. Create a National Energy and Climate Council in the White House to ensure a central, empowered entity that reports directly to the President.
3. Designate a Special Envoy on Climate Change to undertake initial high-level international contacts.
4. Put critical sub-Cabinet positions on the fast track for nomination and confirmation.

**Reallocation of Budget Priorities** – The President’s budget proposal for FY2010 is the first key policy opportunity to make climate change a priority. The President should:

5. Identify climate change as an early budget priority.
6. Include a climate change rebate in the budget of \$80 billion annually over 10 years, derived from future carbon auction revenues.
7. Expand capacity at key agencies and provide at least \$400-500 million to make a new climate strategy operational.
8. Increase funding for the Climate Change Science Program from \$1.8 billion to \$2.1 billion, and to \$3 billion by FY2013.
9. Increase funding for the Climate Change Technology Program from \$3.7 billion to \$6 billion, and to \$13 billion by FY2015.

**Legislation for Economy-Wide Emissions Reductions** – New legislation to limit emissions of greenhouse gases is an essential policy step. The President should:

10. Articulate principles for Congressional action that include long-term emissions reductions linked to the goal for global emissions reductions of 50% by 2050, and which establish a program with auctioned permits that returns 80% of revenue from the auction process to the American public.
11. Establish a White House-Congressional bipartisan working group to shape legislation.

**Aggressive Research and Development for Low-Carbon Energy Technology** – While currently available technologies can do much to reduce greenhouse gas emissions, new breakthroughs will be needed for the long term. The President should:

12. Establish and empower the Advanced Research Projects Administration for Energy (ARPA-E) to embrace a risk-taking culture and a focus on game-changing technology.
13. Fully fund ARPA-E start up in a separate funding line in the DOE budget at \$150 million in FY2010.

**Federal Planning for Adaptation to Climate Change Impacts** – The reality of climate change at the local level is placing a new priority on helping Americans understand and adapt to its impacts. The President should:

14. Issue an Executive Order requiring all federal agencies to report on the potential impacts of climate change on their areas of responsibility.

15. Increase investment in regional climate change assessments and update regional scientific assessments on vulnerability.
16. Restore the “Mission to Planet Earth” as a NASA priority and invest in our capacity to monitor the changing climate.
17. Direct the Secretaries of Commerce, Interior and the EPA Administrator to provide needed information on climate change impacts to the American public through an initial pilot project on water resources.

**Enable and Encourage Citizens to Build Efficiency and Conservation in Their Homes and Communities**

– The next President has the opportunity to mobilize the American public to be more energy efficient in their homes and communities, the most effective strategy for cutting energy bills and greenhouse gas emissions. The President should:

18. Initiate a national effort to retrofit half of America’s homes and buildings by 2020 with average energy savings of 30%.
19. Support a fundamental change in electric utility rules that creates incentives for electric utility companies to help building owners save energy.
20. Call for the establishment of local energy committees across the United States, and direct EPA and DOE to assist local efforts to increase efficiency with information and technical support.

**Re-Engage Cooperation with International Partners** – Climate change cannot be solved without U.S. leadership for a global response that engages key countries. The President should:

21. Direct the Special Envoy on Climate Change to consult with key nations.
22. Declare a change in U.S. policy, the centerpiece of which is the commitment to enact a mandatory domestic emissions reduction program.
23. Act early to engage developing countries through bilateral and collective efforts to reduce emissions.
24. Initiate or expand practical emissions reductions efforts in which other nations can participate, such as the Methane to Markets Partnership and a cooperative effort to reduce short-lived climate forcing pollutants in the Arctic.
25. Fully engage in the U.N.-based international negotiating process.

## Timeline for Action

The next President must execute his climate policy initiatives in a phased approach. This transition plan recommends taking climate action in three phases: Election Day to Inauguration Day, Inauguration Day to Budget Request, Budget Request and Beyond. An effective transition will immediately pick the right team to lead the initiative, propose a significant budget request to execute the initiative and follow through with a clear set of domestic and international efforts that capture the scale and magnitude of the challenge. The following timeline for action is a template for specific priorities and timing correlated with their implementation:

PRIORITY	ELECTION DAY TO INAUGURATION DAY (11/4/08 – 1/20/09)	INAUGURATION DAY TO BUDGET REQUEST (1/20/09 – 2/20/09)	BUDGET REQUEST AND BEYOND (2/20/09 – 1/19/13)
PICKING THE RIGHT TEAM	<ul style="list-style-type: none"> <li>Form a transition team on climate policy</li> <li>Select top WH staff first</li> <li>Draft Executive Order creating a National Energy and Climate Council (NECC)</li> </ul>	<ul style="list-style-type: none"> <li>Designate a Special Envoy on Climate</li> <li>Put sub-cabinet positions on fast track for confirmation</li> </ul>	<ul style="list-style-type: none"> <li>Implement effective interagency efforts on climate policy</li> </ul>
REALLOCATE BUDGET PRIORITIES	<ul style="list-style-type: none"> <li>Identify new budget priorities</li> </ul>	<ul style="list-style-type: none"> <li>Include climate package in FY2010 budget proposal</li> </ul>	<ul style="list-style-type: none"> <li>Launch new climate initiatives at major government agencies</li> </ul>
CAP + TRADE LEGISLATION	<ul style="list-style-type: none"> <li>Frame the debate</li> <li>Articulate principles for Congressional action</li> </ul>	<ul style="list-style-type: none"> <li>Convene White House-Congressional bipartisan working group on cap-and-trade legislation</li> </ul>	
R&D FOR TECHNOLOGY		<ul style="list-style-type: none"> <li>Establish and empower ARPA-E</li> <li>Fund ARPA-E</li> </ul>	
ADAPTATION TO CLIMATE IMPACTS		<ul style="list-style-type: none"> <li>Issue Executive Order requiring federal agencies to assess climate impacts on agency areas of responsibility</li> </ul>	<ul style="list-style-type: none"> <li>Reinvest in earth monitoring satellite system</li> <li>Initiate regional scientific assessments on vulnerability</li> <li>Begin a pilot water information</li> </ul>
ENGAGE CITIZENS AND COMMUNITIES ON ENERGY EFFICIENCY	<ul style="list-style-type: none"> <li>Organize a Climate and Energy Summit</li> </ul>	<ul style="list-style-type: none"> <li>Initiate a national effort to retrofit half of America's existing homes and buildings by 2020 with an average energy savings of 30%</li> </ul>	<ul style="list-style-type: none"> <li>Review the National Action Plan on Energy Efficiency</li> <li>Begin a pilot program working with states to establish local energy committees</li> </ul>
RE-ENGAGE COOPERATION WITH INTERNATIONAL PARTNERS	<ul style="list-style-type: none"> <li>Articulate a change in U.S. policy including a commitment to enact a mandatory emissions reduction program</li> </ul>	<ul style="list-style-type: none"> <li>Send Climate Envoy to major developing countries, namely China and Brazil</li> <li>Intensify complementary efforts</li> </ul>	<ul style="list-style-type: none"> <li>Fully engage in the U.N.-based international negotiating process</li> </ul>