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United States Senate

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

WASHINGTON, DC 20510-6175

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July 8, 2015

President Barack Obama
The White House
1600 Pennsylvania Ave., N.W.
Washington, D.C. 20500

Dear President Obama:

We write today with questions regarding your efforts to impose sweeping new regulations on the American economy in pursuit of an international climate agreement.

On March 31, 2015, your administration formally submitted to the United Nations Framework Convention on Climate Change (UNFCCC) its Intended Nationally Determined Contribution (INDC) which proposes a net greenhouse gas emissions reduction of 26% to 28% below the 2005 level by 2025. While the U.S. pledge is long on promises, it is short on details that would, in the words of the INDC, provide “information to facilitate the clarity, transparency, and understanding of the contribution.” For example, nowhere in the INDC does it lay out, either by sector or by greenhouse gas, how it expects to deliver on its pledge.

We have serious concerns that you and your Administration are rushing headlong into an agreement that would harm the American people and U.S. interests. The sheer magnitude and likely long-term impacts on the direction of the nation demand robust and transparent communication between the Executive and Legislative branches, particularly with respect to the Senate and its Constitutional advice and consent responsibilities. Accordingly, we request that you provide thorough responses to the following questions no later than July 22, 2015.

1. Economy-wide Greenhouse Gas Reduction Goal.

It is important for policymakers and the public to understand how the Administration believes the 26% to 28% emissions reduction goal can be met and what sources and industry sectors it intends to regulate. Numerous analyses of the INDC have found that current policies fall well short of the administration’s goal.

- a. When will the administration release the “intensive analysis” referenced in the White House fact sheet accompanying the China announcement that details how the Administration envisions its INDC goal will be met?
- b. Based on the administration’s intensive analysis, please identify the cuts by sector, source, and greenhouse gas needed to meet the administration’s goal.
- c. Please identify which of those sources and sectors are already regulated, and which would require new or additional regulation.

- d. Based on the administration's intensive analysis, how much of the goal does the administration expect will be met by current and proposed programs, and how much is the shortfall to meet the goal? How does the administration expect to meet this shortfall?
- e. There is no reference in the INDC to emissions from industry. It is unlikely that the steep emissions cuts the administration envisages could even be entertained much less implemented without reductions from industry. EPA's fiscal year 2016 budget proposal notes the agency will soon begin considering new GHG regulations on the refining, pulp and paper, iron and steel, livestock, and cement sectors. What contribution does the administration see emission cuts from the industrial sectors making to its overall goal and how does it propose to get these cuts?
- f. The Administration's goal is framed in terms of net greenhouse gas emissions. Does this mean the Administration intends to propose offsets to help meet its goal? If so, what form would these offsets take and under what authority would they be offered?
- g. Does the Administration intend to offer legislation implementing its INDC?
- h. Which department or agency is coordinating the development of the Administration's INDC?

2. Legal Framework of International Agreement.

The Lima Call for Action agreed to last December "confirms" that Parties should "adopt a protocol, another legal instrument or an agreed outcome with legal force under the Convention." It has been reported, however, that the U.S. intends to pursue a legally nonbinding international climate agreement in Paris intended to circumvent the Senate's Constitutional responsibility to ratify international treaties.

- a. If a new "protocol, another legal instrument or an agreed outcome with legal force under the Convention" is agreed to in Paris later this year, does the Administration intend to submit it to the Senate for ratification? If not, why not and by what authority?
- b. In the absence of Senate ratification, what assurances does the Administration intend to provide to the UNFCCC that its INDC will be binding on future Administrations and Congresses?
- c. How does the Administration intend to share information with and seek input from the Senate and the American public in the coming weeks and months leading up to the Paris convention?

3. Joint Announcement with China and INDC

While hailed as historic and groundbreaking, it is unclear what commitment, if any, the U.S. secured from China as part of the joint announcement with President Jinping and subsequent INDC. In particular, it is notable that more than one well-regarded forecast suggests that China's "commitment" is little more than business as usual.

For example, the central projection of the International Energy Agency's (IEA) most recent *World Energy Outlook*, which was issued before the announcement, forecasts that Chinese CO₂ emissions from fuel combustion will peak shortly after 2030 at a little over 10 billion metric tons. Similarly, ExxonMobil's latest forecast shows Chinese carbon dioxide emissions peaking

five years earlier, *in 2025*, at nearly 11 billion metric tons—levels at least twice as large as the level of CO₂ emissions IEA forecasts for the U.S. in 2030.

- a. Does the Administration disagree with IEA’s projection that Chinese emissions peak shortly after 2030? What is the range of years included in the joint agreement’s phrase “around 2030”?
- b. Is this the first time China has agreed to peak emissions of CO₂?
- c. At what level has China agreed to peak emissions?
- d. The IEA also projects that 18% of China’s energy will come from emissions-free sources in 2030. Is this within the range and definition of China’s stated intention in the joint agreement to boost emissions-free energy to “around 20%” by “around 2030”?

4. Impact on Jobs and the Economy.

The State Department has made clear that the U.S. supports “each country putting forward its own nationally determined commitment” (NDC), and it is well understood that the Administration will be supportive of a final agreement even if commitments vary dramatically from country to country. Because American businesses compete on a global scale, the economic harm from EPA regulations that serve as the centerpiece of the U.S. commitment could severely disadvantage energy intensive, trade-exposed industries, such as refining, chemicals, and manufacturing. Such circumstances would result in “carbon leakage”—not actually serving to reduce carbon emissions, but rather *moving* them to other countries that have not implemented similar restrictions (i.e. different “NDCs”).

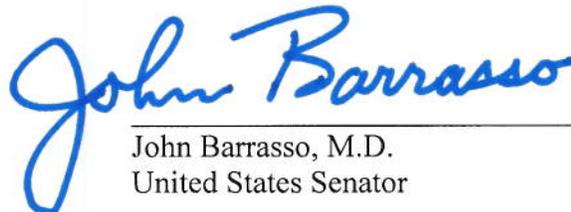
- a. What specific policies are you pursuing to protect against harm to American jobs and the economy resulting from disproportionate commitments?
- b. What specific provisions are you pursuing to prevent carbon leakage to countries such as China, India and many others that have less stringent environmental standards and less rigorous emissions limitations?

We look forward to your prompt and thorough response to these questions. Should your staff have any questions regarding this request, contact the Committee on Environment and Public Works at (202) 224-6176.

Sincerely,



James M. Inhofe
Chairman



John Barrasso, M.D.
United States Senator



David Vitter
United States Senator



Jeff Sessions
United States Senator



Roger F. Wicker
United States Senator



Shelley Moore Capito
United States Senator



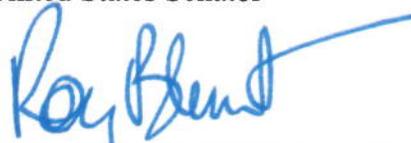
Dan Sullivan
United States Senator



John Boozman
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M. Michael Rounds
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Roy Blunt
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Mike Crapo
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