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## U.S. House of Representatives Committee on Energy and Commerce Washington, DC 20515-6115

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January 31, 2008

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## MEMORANDUM

TO:

Members, Committee on Energy and Commerce

FROM:

John D. Dingell, Chairman

Committee on Energy and Commerce

Rick Boucher, Chairman

Subcommittee on Energy and Air Quality

**SUBJECT:** Climate Change White Papers

In the fall of 2007 we released a White Paper announcing our intention to draft and process through the Subcommittee on Energy and Air Quality and the Committee on Energy and Commerce a mandatory greenhouse gas control program. That paper also stated our intention to rely upon cap-and-trade as the control methodology for greenhouse gas emissions and stated our goal of devising a program with economy-wide scope.

Today, we are releasing a second White Paper that addresses competitiveness concerns and the need to engage developing countries. These topics will be the subject of a hearing to be held by the Subcommittee on Energy and Air Quality on February 28, 2008.

In the coming weeks, additional White Papers will be released that will address other key components of our proposed greenhouse gas control strategy. It is our goal that greenhouse gas control legislation will be drafted, considered in one or more legislative hearings, processed through the Subcommittee and full Committee and reported for House floor consideration in time to conference with the Senate. It is our intention to present a final measure to the President to be signed into law before the Congress adjourns this year.

Our climate change control measure will almost certainly include a provision designed to encourage developing countries to curb their greenhouse gas emissions. Such a provision will be central to the global effort to reduce greenhouse gas emissions and to preserve the continued competitiveness of American industry.

This paper examines the need for such a provision and includes an analysis of current proposals to achieve the dual goals of global emissions reductions and the maintenance of continued U.S. industrial competitiveness. On this challenging topic, the paper poses a range of difficult and unanswered questions in order to stimulate a broad discussion among interested parties of the relative merits of various possible approaches to achieving these goals. It is our hope that thoughtful comment will be made to the Committee on these matters as we prepare to draft greenhouse gas control legislation.

Following a review of this paper, we strongly encourage interested parties to share with us their views and suggestions regarding the proper approach to encouraging the control of greenhouse gas emissions in developing countries.

If you have any questions, please contact us or Sue Sheridan, Lorie Schmidt, Bruce Harris, or Laura Vaught with the Committee on Energy and Commerce staff at (202) 225-2927.