

**Progress Report on
U.S. Industry Voluntary Actions to
Curb Greenhouse Gas Emissions**

Report to the
Global Climate Coalition



The EOP Group, Inc.

March 1996

Progress Report on U.S. Industry-led Voluntary Measures to Curb Greenhouse Gas Emissions

Global Climate Coalition

INTRODUCTION

In April 1993, President Clinton announced a "United States Climate Action Plan" designed to reduce greenhouse gas emissions, but at the same time to enhance prospects for new growth, job creation and competitiveness in a global market. Underpinning the initiatives included in the plan was the challenge to industry to work with government through new government/industry partnerships and to develop new voluntary initiatives independent of government actions which would contribute to the Plan's goal.

The voluntary approach is an effective approach. Economic growth has not declined, it has increased. Employment has increased. Energy use, and thus emissions, are declining for each unit of economic output. Participation in the global market is greater by some industries than in the past. This brief report is to provide a progress report on U.S. Industry-led voluntary initiatives that are improving energy efficiency and are already placing a curb on greenhouse gas emissions. The report finds that:

- The private sector has undertaken numerous initiatives aimed at addressing climate issues. Their initiatives frequently consider energy efficiency as well as environmental protection and productivity improvements when these critical capital investment and modernization decisions are made. Sometimes these initiatives address the commercialization of emerging and renewable technologies and the international transfer of technologies. **(INDUSTRY VOLUNTARY INITIATIVES)**
- Voluntary reporting under the Federal Government's Section 1605 (b) program gives firms the opportunity to report on emission reduction efforts. Although all firms taking such steps may not file reports with the government, in the first reporting cycle, over 600 separate measures were reported. **(VOLUNTARY REPORTING)**
- Since 1993, the over 35 voluntary initiatives included in the Climate Change Action Plan which involved both private sector and federal government action have been modified to be more effective and new programs have been added. To date, available information demonstrates tangible results even though some of the programs are less than one year old. **(FEDERAL VOLUNTARY PROGRAMS IN THE NATIONAL COMMUNICATION)**

Voluntary programs are successful because they represent a unique and innovative approach to addressing greenhouse gas emissions. They are easily adaptable to changing economic conditions. They can be tailored to unique national circumstances. They avoid costly and time consuming rulemaking and litigation. They harness the expertise, ingenuity and financial and human capital of the private sector. They facilitate innovation as technology improves and participants gain greater operating experience.

The successes of these new voluntary programs, which are just now beginning to be documented, offset many of the criticisms that have been raised regarding the efficacy of the U.S. National Communication and its dependence upon a voluntary approach.

Economic growth has been higher, and energy prices lower than the original plan assumed and thus projections of greenhouse gas emissions are higher than anticipated. This underscores the fact that arbitrary greenhouse gas emissions targets and timetables are not appropriate policy for a dynamic economy. Rather, the flexibility offered through voluntary programs allows industry to react to new business and competitive forces in such a way as to encourage economic growth and job creation.

This report, prepared for the Global Climate Coalition, the leading industry organization actively working for sensible and cost effective climate change policies, includes examples of a small portion of the initiatives in which GCC members are involved.

INDUSTRY VOLUNTARY INITIATIVES

The U.S. business sector voluntarily has taken an active role in addressing climate change. Much of this activity is focused on energy efficiency, in many instances through integrated programs which combine energy efficiency and environmental protection with overall and productivity and competitiveness enhancements. This integration ensures that energy efficiency is given appropriate consideration in capital investment and modernization plans. In turn, this longer range planning ensures that reductions of greenhouse gas emissions are permanent, not just one time, reductions. U.S. business is also engaged in other types of activities to reduce greenhouse gas emissions.

Some of these key industry activities are highlighted below. This list provides a small but representative sample of activities underway in the U.S. and is not meant to be comprehensive. Many of these activities are coordinated through industry associations and include government-sponsored voluntary programs as well as industry initiated activities that go beyond the scope on current government initiatives.