

January 7, 2003

The Honorable Spencer Abraham Secretary U.S. Department of Energy 1000 Independence Avenue, S.W. Washington, D.C. 20585

The Honorable Christine Todd Whitman Administrator U.S. Environmental Protection Agency 1200 Pennsylvania Avenue, N.W. Washington, DC 20460

The Honorable James L. Connaughton Chairman Council on Environmental Quality 722 Jackson Place, N.W. Washington, DC 20503

Re: U.S. Cement Industry's Voluntary CO<sub>2</sub> Goal and Associated Climate Program

Dear Sirs and Madam:

On behalf of the Portland Cement Association (PCA) I am pleased to share with you the U.S. cement industry's voluntary goal to reduce CO<sub>2</sub> emissions and the program the industry has devised to implement it. PCA strongly believes that sector-specific voluntary efforts are the most effective means of achieving the objective set by the President's climate change proposal. PCA, like the President, agrees that these approaches are far preferable to the economically punitive measures that would have resulted from adoption of the Kyoto Protocol.

PCA is a trade association representing cement companies in the United States. PCA's membership consists of 45 companies operating 101 plants in 35 states, accounting for more than 95 percent of U.S. cement production. Portland cement is the key ingredient in concrete, a building material essential to our nation's infrastructure.

PCA member companies adopted the voluntary goal in July 2001, as part of the association's continuous environmental improvement program. It is a unit-based goal that, like the President's, allows the industry to simultaneously grow and reduce CO<sub>2</sub> emissions as a function of production.

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To achieve the goal, the industry has developed a three part program that focuses on the production process, the product cement manufacturers produce, and on how the product is applied. While only efforts undertaken under the first two elements of the program will be used to quantify progress towards achieving the industry goal, the third part of the program has the greatest potential for mitigating climate change. PCA has worked closely with various federal agencies to maximize its potential and plans to continue to do so in the future.

Attached please find a document that briefly summarizes the industry's program. Andy O'Hare or I would be delighted to respond to any questions you may have concerning the industry's program or to provide you with additional information. We both may be reached at (202) 408-9494. PCA looks forward to working with you on this program in the future.

Sincerely

Richard C. Creighton President, Government Affai