

# **CLIMATE 21 PROJECT**

## **Transition Memo**

# **Executive Office of the President**

#### **LEAD AUTHORS**

**Christy Goldfuss**, former Managing Director at CEQ, former Deputy Director, National Park Service **Tim Profeta**, Duke University's Nicholas Institute for Environmental Policy Solutions **Kristina Costa**, former Advisor to the Counselor to the President **Jeremy Symons**, former Climate Policy Advisor at EPA

\* Professional affiliations do not imply organizational endorsement of these recommendations

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This memo is part of the Climate 21 Project, which taps the expertise of more than 150 experts with high-level government experience, including nine former cabinet appointees, to deliver actionable advice for a rapid-start, whole-of-government climate response coordinated by the White House and accountable to the President.

The full set of Climate 21 Project memos is available at climate21.org.

# CLIMATE **21** PROJECT

## Transition Memo

# **Executive Office of the President**

# **Executive Summary**

Climate change is unique among the issues facing the President, because both the effects and the policy solutions to the challenge defy neat categorization. Climate change is already or will soon affect every sector of the economy, every community in the nation, and every nation in the world. Reducing the greenhouse gas emissions that drive climate change and helping communities adapt to the unavoidable impacts already baked into the system requires domestic investment, rulemakings, and policy changes, as well as robust international diplomacy to incentivize other countries to also raise their ambitions. That means that every agency in the federal government has some degree of responsibility in addressing climate change—and so does every policy council in the White House.

This diffusion of responsibility can all too easily lead to confusion, turf battles, and inaction. When everyone is partially responsible, no one is ultimately in charge. And despite the increasing political salience of climate change to voters—particularly young people—the long time horizon for seeing results from many climate policies, not to mention the political and technical complexity of many climate solutions, means that the issue can all too easily be put on the back burner when a White House is faced with multiple urgent crises, like a global pandemic and a historic recession.

That is why the single most important thing a new White House must do is commission as Assistant to the President (AP) an experienced, respected Counselor or Senior Advisor who is 1) a credible leader on climate policy, 2) who sits in the West Wing and 3) who has direct access to and is trusted by the President of the United States, to lead the Administration's domestic and international efforts on climate change. When there has been a single, forceful actor with the mandate to lead the President's climate agenda, the White House has historically been able to organize the federal government to effectively address climate change. When that position has not been filled or has not been appropriately empowered, it has been appreciably harder to make progress.

While it is necessary to appoint and empower an AP to lead on the climate agenda, it is not sufficient. There are other important White House organizational changes needed to create an integrated domestic and international vision and provide sufficient staff resources. In addition to being led by an AP for Climate, as described above, a new administration must ensure that the White House structure meets the following criteria:

- (1) Staff resourcing. The White House must have the staff capacity and credibility to manage a wholeof-government climate effort. In addition to the AP position, the White House should have at least one Deputy Assistant to the President for Climate and Energy (DAP); three Special Assistants to the President for various climate functions, including one SAP dual-hatted to the National Economic Council, one dual-hatted to the National Security Council, and one dual-hatted to the Council on Environmental Quality; and further non-commissioned FTE climate staff to support the President's climate agenda.
- (2) Policy council buy-in. The White House climate structure must create buy-in and serious engagement on climate across all White House policy councils, and facilitate effective collaboration, including through the dual-hatted SAPs.
- (3) Robust non-policy support. The White House must integrate the ongoing work of the climate team across non-policy offices, including Legislative Affairs, the White House Counsel's Office, Communications and Digital, Cabinet Affairs, and the Presidential Personnel Office.

(4) Regular interagency engagement. The White House climate structure must formalize an all-ofgovernment approach to climate change, with senior White House staff engaging regularly with senior agency leadership to develop an ambitious climate agenda, monitor implementation, and continually identify opportunities to increase ambition.

To meet these essential criteria, the President should:

• Issue an Executive Order to create a National Climate Council that is co-equal to the Domestic Policy Council and the National Economic Council to organize and drive White House and Administration actions. (Day 1)

For too long, climate policy has been sidelined as solely an environmental issue in the minds of many political operatives and elected officials. In the past, the core White House staff dedicated to domestic emissions reduction and energy transition policies have been grouped in the Domestic Policy Council, with additional support from CEQ and small numbers of domestic climate and energy staff at NEC and OSTP. In the absence of strong AP level leadership outside the DPC, it can be challenging for the DPC staff to coordinate activities with other policy councils or to get the leadership-level attention necessary for Presidential approval of policy initiatives or decisions. A DPC-led climate team can also struggle to plug in effectively to international climate policy led by the NSC, hamstringing both domestic and international progress.

Given the urgency of climate change, a new administration cannot allow these structural challenges to continue inside the White House. Creating a National Climate Council by Executive Order, just as the NEC and DPC were created by Presidents Clinton and Carter, respectively, would elevate climate change as an issue worthy of sustained, national policymaking and communications. It would also create a consistent organizational mechanism for climate change policy in the White House from year to year. In line with the above criteria, the NCC should be led by the Assistant to the President for Climate and staffed by the DAP for Climate Change and Energy, with at least three SAPs, dual-hatted to the NEC, NSC, and CEQ, and at least eight to ten further FTE staff as a starting point. Additional FTE positions on the NCC can be filled using flexible hiring authorities available to the Council on Environmental Quality and the Office of Science and Technology Policy.

It is important to emphasize that creating an NCC is not sufficient to deliver an effective, empowered White House climate team. In particular, an NCC that did not meet the four criteria above—for example, an NCC whose Director sits in the EEOB rather than the West Wing, an NCC without clear authority to drive both domestic and international climate policy, or an NCC that is not directly integrated into the other policy councils via double-hatted senior staff—would be less effective than a more informal structure that meets those criteria.

If the President declines to create an NCC, these minimal staffing requirements—including the AP, DAP, and dual-hatted SAPs—are still essential to building a robust climate policy apparatus in the White House. The AP must be empowered to lead the integrated domestic and international climate agenda, and to draw on staff capacity from all the policy councils, along with functional offices like Communications and WHCO.

• Launch a 90-day, Cabinet-level effort to craft a Climate Ambition Plan designed to hold the Administration accountable in meeting the President's stated goals—and go further. (Day 1)

The next administration will need to set ambitious goals; design and implement policies that will put the United States on a path to achieving net-zero emissions no later than mid-century; and restore the U.S. to a position of global climate leadership that incentivizes increasingly strong climate commitments from other major emitters.

In order to translate those goals and other important policy priorities into a governing plan that will hold the Cabinet accountable for achieving results in a timely manner, the next administration should revive the successful Climate Action Plan approach from the second term of the Obama-Biden Administration. Specifically, at the same time the NCC is created, the President should launch a 90-day Cabinet-level task force to write and publish a new, four-year Climate Ambition Plan, containing within it specific, agencyby-agency actions on greenhouse gas mitigation and the clean energy transition, climate change adaptation and resilience, and international climate diplomacy and development. The AP for Climate should be tasked with driving the 90-day process and, after its completion, with ensuring every responsible Cabinet agency delivers against the policies included in the Climate Ambition Plan. The 90-day process to develop a Climate Ambition Plan should be launched whether or not an NCC is created.

• Embed key aspects of the climate change agenda in other White House policy councils and functions, including CEQ, NSC, OSTP, OMB, CEA, and cross-functional offices like Communications, Cabinet Affairs, Legislative Affairs, OPE, WHCO, and PPO. (Day 1 and ongoing)

Even if a National Climate Council is created, other policymaking councils and cross-functional offices still will play critical roles in furthering an ambitious climate agenda. Appropriate staff from those councils and offices should be consistently included in NCC meetings and policy planning. As detailed later in this memo:

- The Council on Environmental Quality is best suited to elevate environmental justice to the White House and to lead the agenda on climate change resilience, in addition to its statutory responsibilities for NEPA and historic responsibilities for managing conservation and species issues.
- The International Economics deputate should be re-established within the NSC, with a climate-focused directorate led by a senior director (a SAP dual-hatted to the NCC) and team of two to three directorlevel positions, to work with the State Department and other key agencies on international negotiations and coordinate climate inputs into the President's bilateral and multilateral engagements.
- The Office of Science and Technology Policy urgently needs to be re-empowered to support federal climate science and clean energy innovation in the U.S. and internationally.
- The Office of Management and Budget can and should be a stronger partner to federal agencies on climate policy. Senior political staff at OMB and its sub-agencies and offices, notably OIRA, should clearly understand that supporting the President's climate agenda is a central part of their mandate. In terms of budget, OMB must prioritize securing the increased funding for climate and clean energy investments that should be integral to any COVID-19 economic stimulus package, and for implementing the Climate Ambition Plan. The OMB budget process is addressed in more detail in a separate memo.
- Cross-functional offices, including the White House Counsel's Office, the communications shop, and the Presidential Personnel Office, should have staff who are dedicated to working on the climate portfolio and empowered to support ambitious activities.

This memo first explores in detail the structure and purpose of the proposed National Climate Council, as well as additional senior-level leadership commitments essential to keeping up the rapid pace of climate action necessary to get the United States on track to achieving net-zero emissions by mid-century.

Second, this memo proposes a process and parameters for developing and implementing a Climate Ambition Plan, with Cabinet-level involvement.

Finally, this memo describes appropriate roles and responsibilities for other White House policy councils and crossfunctional offices.

# CLIMATE **21** PROJECT

## Transition Memo

# **Executive Office of the President**

#### TOP RECOMMENDATIONS: PRE-INAUGURATION

- Select an Assistant to the President for Climate who will serve as the first Director of a newly created White House National Climate Council (NCC) to organize and drive White House and administration-wide domestic and international climate strategy and actions
- Hold a public event to showcase the president-elect's commitment to climate action and preview the Day 1 climate plan, including the president-elect's whole-of-government approach, the NCC, the NCC Director, other climate appointments, and the Climate Ambition Plan process
- Draft Day 1 climate Executive Orders and lay the foundation for a Day 1 launch of a cabinet-level task force to develop a Climate Ambition Plan
- Evaluate readiness to lead on climate change as an essential consideration when selecting nominees across the government to support an administration-wide climate mobilization
- Engage with Congressional leaders to identify the most promising strategies to achieve budgetary and legislative climate priorities

#### **TOP RECOMMENDATIONS: DAY 1**

- Issue an Executive Order (EO) to create the National Climate Council (NCC) that is co-equal to the Domestic Policy Council and the National Economic Council
- Launch a 90-day, cabinet-level Climate Ambition Plan Task Force that holds the entire administration accountable to meeting the president's stated goals—and goes further
- Update EO 12898 on environmental justice to formalize the Council on Environmental Quality's role in convening EJ leaders and advancing EJ across the federal government
- Mitigate damaging previous climate and environmental decisions, including by re-joining the Paris Agreement.
- Embed aspects of the climate change agenda in other White House policy councils and functions, including CEQ, NSC, OSTP, OMB, and USTR, and cross-functional offices like Communications, Cabinet Affairs, Legislative Affairs, OPE, WHCO, and PPO

#### **TOP RECOMMENDATIONS: FIRST 100 DAYS**

- Convene cabinet-level and staff-level Climate Task Force meetings and produce the administration's Climate Ambition Plan (90 days)
- Issue additional EOs, as identified in the Climate Ambition Plan, to reverse damage done during the prior administration and take additional steps forward
- Convene world leaders to lay the groundwork to secure more ambitious global climate pledges

# **National Climate** Council

The White House is distinct from the Executive Branch agencies in a number of ways, including the notable fact that Presidential buy-in and White House decision-making structure, far more than budget, determine which policies get prioritized for implementation and which get put on the back burner. That is why appointing and empowering an Assistant to the President (AP) for Climate who is trusted by and has direct access to the President is so critical for advancing the climate agenda in the White House. In addition, structural improvements to the White House will help ensure the success of the climate agenda over the entirety of a new administration. Such changes include establishing a well-structured and empowered National Climate Council with a clear mission and mandate to implement the President's climate policy, and creating formal coordination structures between policy councils through dual-hatted SAPs and other mechanisms.

#### ESTABLISH A NATIONAL CLIMATE COUNCIL TO DRIVE CLIMATE ACTION

The single most important thing a new White House committed to climate action must do is to commission as AP for Climate an experienced, respected advisor who is a credible leader on climate policy, and who sits in the West Wing and has direct access to and is trusted by the President of the United States, to lead the Administration's overall efforts on climate change. During the Obama Administration, the periods of most fruitful climate action took place when such an AP was in place and fully empowered to drive the President's agenda by drawing on staff resources across the entire EOP and holding the Cabinet agencies accountable for developing and finalizing specific climate policies.

While an AP who sits in the Chief of Staff's office can be empowered to coordinate staff across all the policy councils—as happened successfully when first John Podesta and then Brian Deese served as President Obama's climate advisors—there are several potential shortcomings to this approach that could paralyze its effectiveness in a new administration. First, the heads of all the policy councils must be willing to allow their climate staff to report to two masters, in some sense—working for both the AP responsible for climate, as well as for the DPC, NEC, or NSC. The AP will also be less effective if other policy council heads are territorial and see a standalone AP for climate, who is entirely reliant on using staff resources from other policy councils, as detracting from their responsibilities and power. This is a particular danger early in an administration, when the highest-profile appointees are likely to be appointed to head the existing policy councils and will be reluctant to cede a portion of their staff resources to another AP particularly for an issue like climate change, which is playing an increasingly prominent role in U.S. politics.

Second, this approach is completely dependent on the personality and skills of the person in the AP position and his or her limited number of direct reports (typically two, in the Podesta-Deese years) to coordinate an informal policymaking apparatus across the entire EOP. Simply giving someone the AP title is not enough. If there is any distance at all between the President's political advisors and the AP for climate, the policymaking process will become much more challenging, particularly on issues require significant coordination within the existing White House structure. And if there are temporal gaps between APs with climate responsibility—as happened in the Obama Administration between the time Carol Browner left and John Podesta came on board—the informal intercouncil decision-making structure risks becoming even more difficult, as lower-level staff are unlikely to be seen inside or outside the White House as truly speaking for the President.

Creating a well-structured National Climate Council that is co-equal to the DPC and the NEC would address both of the above challenges, and publicly elevate climate change as an issue of sustained national importance in the next Administration and beyond. Establishing an NCC would also make it unequivocally clear to the Cabinet, the Congress, business leaders, activists, and the general public who within the White House is principally responsible for organizing and executing on climate change policy. Appendix A includes organizational charts that approximate the structure of the NCC and the "Podesta model" for reference.

Of course, if an NCC is created and is insufficiently staffed or empowered, it may not be able to solve the above problems, either. Similarly, if the AP for climate is ineffective, unempowered, or absent, an NCC will ensure that climate issues are staffed, but it will not enable the full weight of the White House to be brought to bear on those issues. Choosing the right AP—with the characteristics mentioned above—and empowering him or her to lead is critical. So, too, is ensuring that all senior staff (including the leaders of the NSC, NEC, DPC, CEQ, OSTP, and CEA, as well as for the Office of Management and Budget) understand and support the mandate and mission of both the AP for Climate and, if it is created, the NCC.

The NCC should be created by Executive Order and should be headed by the AP for Climate. In addition to the AP, the NCC should have a slot for a Deputy Assistant to the President (DAP, which can be allocated from the DAP for climate change slot that existed in the DPC under President Obama) and at least three Special Assistants to the President (SAPs), one dual-reporting to the NEC, NSC and CEQ; these SAP slots also existed under President Obama.

By staffing the NCC with SAP dual-hats to the NEC, NSC, and CEQ, White House-coordinated policy processes will engage relevant expertise and equities across the climate, national security, and economic domains. By design, the NCC-coordinated policy processes will integrate NEC, NSC, and CEQ perspectives, as well as inputs as appropriate from OSTP, CEA, and OMB, while policy proposals are being developed, evaluated, and elevated for consideration by principals and the President.

The AP would be responsible for the entire sweep of climate policy—overseeing mitigation, resilience, and international actions, as well as coordinating with other policy council heads and the President's political staff. Meanwhile, the DAP should be principally responsible for mitigation policy; the NCC-NSC SAP responsible for international policy; the NCC-NEC SAP principally responsible for policies related to the clean energy transition, the energy workforce, and tax and financial-sector issues; and the NCC-CEQ SAP responsible for coordinating CEQ's responsibilities with the broader climate team.

It is important that staff responsible for international climate policy sit in the NSC as well as the NCC, because the NSC's Executive Secretary process for organizing briefings for the President's international engagements is largely inaccessible to domestic policy staff in the White House, even when such staff have high security clearances. But it is equally important that the NSC international climate staff work in lockstep with the domestic climate staff, since many issues critical to the international climate diplomacy—including, but not limited to, actions to fulfill the United States' nationally determined contribution (NDC) under the Paris Agreement—are dependent on domestic policy activities. As another example, some of the most significant international climate policy actions during the Obama Administration—such as the US-China bilateral statements in 2014 and 2015—emphasized domestic emission mitigation programs to demonstrate commitment to multilateral climate efforts.

The SAP responsible for the clean energy transition should dual-report to the NEC. This dual placement helps to ensure that clean energy investments are included in infrastructure and economic recovery legislation, allowing for collaboration with the Department of Labor on establishing strong labor standards for the clean energy sector, as well as the Treasury Department on economic stimulus and recovery, tax policy, financial-sector regulation, and other relevant policies—all issues that the NEC would retain broad responsibility for handling outside the climate policy lane.

In addition to the commissioned officer positions, the NCC should have at least eight to ten full-time employees, with additional FTE positions filled by utilizing the flexible hiring authorities of CEQ and OSTP. The NCC should also regularly convene and work with relevant staff who will continue to sit in other policy councils, including CEQ, NSC, OSTP, CEA, and OMB, as well as staff in functional offices like White House Communications and the Office of Public Engagement. Additional staff positions can be officially dual-hatted between the NCC and other policy councils on an as-needed basis, as the need to formalize those relationships and responsibilities becomes clear.

The Director of the NCC should chair the Cabinet-level process to develop the Climate Ambition Plan, described in the following section. Ideally, at least one additional senior advisor to the President—e.g., the Chief of Staff or Deputy Chief of Staff for Policy—should also have a strong commitment to advancing the climate agenda, in order to provide additional senior-level political support to the EOP and Cabinet teams.

Climate change affects the programs, policies, and personnel of every federal department and agency—and the actions taken across the federal government will determine the future severity of climate change in the United States and around the world. Only a government-wide approach can address what is, in effect, an economy-wide and worldwide challenge. Beyond the initial development of the Climate Ambition Plan, it will be the principal responsibility of the NCC to coordinate, direct, and drive that whole-of-government strategy.

Consider several examples. Developing the next U.S. NDC under the Paris Agreement should be a core responsibility for the AP and his or her entire team, drawing on the expertise of the State Department and emissions modelers at EPA and elsewhere. The NDC should be seen as a core NCC responsibility, since it is a critical international announcement and negotiations tool that is also dependent on the scope, speed, and ambition of U.S. domestic mitigation policies. The NCC DAP, being principally responsible for mitigation policy, could work with the OIRA Administrator on a climate-focused regulatory program—directing agencies to identify climate actions for inclusion in the unified regulatory agenda and crafting "prompt letters" from OMB to regulatory agencies regarding specific actions in support of the President's climate agenda. The NCC-NEC SAP should be involved from the earliest stages in developing economic stimulus legislation, in order to identify clean energy, infrastructure, climate resilience, and workforce development programs that will create jobs and accelerate the U.S. clean energy transition. As the legislative package develops, the NCC DAP and AP should also be involved at the deputies' and principals' levels. Additionally, the NCC-NSC SAP could work with other NSC SAPs to develop options for advancing climate-oriented deliverables through the President's bilateral meetings and summits. NCC staff would be the go-to policy experts for the White House Counsel's Office when reviewing climate-related Executive Orders and Presidential Memoranda; for the Office of Legislative Affairs when working with Congress or developing statements of administrative policy.

Some may wonder why an NCC or another inter-council White House structure is necessary when CEQ already exists. There are both policy and structural reasons why CEQ is not the right choice to lead the climate agenda for the EOP and the Administration. CEQ has a broad set of important statutory and conservation responsibilities that should not be forced to play second fiddle to implementing a sweeping, government-wide climate change policy agenda. Considerable damage has been done to the National Environmental Policy Act, for instance; repairing that damage and improving implementation of that law to accelerate the clean energy transition will take time and sustained staff attention.

Structurally, CEQ has never been truly empowered to act with the same level of authority as the NSC, NEC, or DPC. The Chair of CEQ is typically not a commissioned officer. Unlike commissioned officers, the chair of CEQ is confirmed by Congress, which consequently has more significant oversight powers over CEQ than over White House Office functions. CEQ documents are subject to FOIA requests; White House Office documents fall under the more protective Presidential Records Act. The majority of CEQ staff typically sits outside the White House gates at Jackson Place, creating a sense of separation between the council and the center of activity in the West Wing. Put bluntly, optics matter in the White House: Experienced agency career staff, legislators and Capitol Hill staff, and political appointees familiar with government service are unlikely to perceive an elevated CEQ as being truly empowered to lead on climate change.

However, CEQ can and should be given significant responsibility for aspects of the President's climate agenda, including around climate resilience and environmental justice. Their staff can provide crucial capacity on both domestic and international climate policy if strategically linked to the broader White House climate structure through a dual-hatted SAP, as during the second term of the Obama Administration and as proposed here. Those assignments should play to CEQ's well-established strengths as a convener accustomed to working on cross-cutting policy implementation with interest groups, federal agencies, state and local governments, and Congress. CEQ's role is discussed in more detail on page 11. It may be necessary to dual-hat some number of CEQ staff with the NCC to have a greater staff capacity; in practice, since such positions are unlikely to receive commissioned officer status, it is more likely that climate-relevant CEQ staff, including those working on environmental justice, climate resilience, Western water issues, conservation, and oceans will be regular and active participants in NCC-convened meetings and understood to be part of the NCC "team" without the formality of a dual appointment.

## "Podesta model" approach

In the absence of an NCC, the above staffing recommendations still apply. If the President takes a different approach to structuring the White House climate team, it remains critically important that he appoint an AP for Climate who is empowered to lead on policy across the entire EOP, along with making it clear to the heads of the other policy councils and functional offices that the AP is responsible for executing the President's climate agenda and that their climate and energy staff should be understood to be part of the AP for climate's cross-cutting team. Such an AP should sit within the Office of the Chief of Staff and have at minimum two direct reports to assist in managing the policy councils' activities. The predominant focus of his or her time should be dedicated to executing and building on the Climate Ambition Plan—a vital organizing tool that should be developed even in the absence of an NCC.

Dual-hatted SAP positions between the NSC, NEC, DPC, and CEQ climate team should be created even outside an NCC model, as in previous administrations, to promote staff-level coordination on climate policy. These SAPs and relevant non-commissioned staff at NSC, NEC, DPC, CEQ, and OSTP should be broadly understood to be part of the AP for Climate's team. These staff members should convene regularly to maintain progress in delivering against the Climate Ambition Plan.

# 2 Cabinet-Level Task Force and Climate Plan

Climate change is unique among issues facing the United States because of its inherently crosscutting nature. The federal government has powerful tools available to monitor, study, and measure climate change; to communicate climate science to public and private decision-makers and to the general public; to enact policies and make investments to mitigate and ultimately eliminate the greenhouse gas emissions driving climate change; to increase economic, social, and environmental resilience to the impacts of climate change; and to conduct international diplomacy and accelerate global progress in combating climate change. Absent a unified, government-wide plan, however, such tools may not be used to the fullest of their potential. That is why on Day One, the President should sign an executive order launching a Cabinet-level task force and a 90-day process to formulate a Climate Ambition Agenda to drive executive and legislative action on climate change mitigation, resilience, and international diplomacy.

#### LAUNCH A CABINET-LEVEL TASK FORCE TO DEVELOP THE CLIMATE AMBITION PLAN

Having the right organizational structure in the White House is key to driving ambitious climate action—but so, too, is having a comprehensive agenda that principals across the federal government feel responsible for delivering against. In the second term of the Obama Administration, the Climate Action Plan and the involvement of empowered senior White House leadership helped coordinate action across the federal government on mitigation, resilience, and international climate policy. In the next administration, there is no need to wait: the President can and should direct his Cabinet to begin formulating a new Climate Ambition Plan, inclusive of both legislative and executive actions on mitigation, resilience, and international policy, as soon as he takes office.

Such a Climate Ambition Plan should aim to provide clarity as to how the next Administration would seek to fulfill promises on clean energy, transportation, manufacturing, buildings, and agriculture; on jobs and job quality in the clean energy sector; on environmental justice; and on international engagement and leadership through both regulatory and legislative actions. The Climate Ambition Plan should also detail the executive actions the next Administration will take to reassess regulations, executive orders, and presidential memoranda in light of climate change. Select conservation actions with a climate policy nexus, like the 30 x 30 conservation goal and measures around marine and wetlands protection, should also be considered for inclusion in the Climate Ambition Plan.

The Cabinet-level group formulating the Climate Ambition Plan should be chaired by the NCC Director and include at minimum the EPA Administrator, Secretary of Energy, Secretary of State, Secretary of Treasury, Secretary of Interior, Secretary of Transportation, Secretary of Agriculture, Secretary of Defense, Attorney General or Associate Attorney General, NOAA Administrator, NASA Administrator, and Secretary of Labor, as well as the Director of the Office of Management and Budget, the CEQ Chair, and the Director of the White House Office of Science and Technology Policy.

The Climate Ambition Plan should be delivered and published no more than 90 days into the President's term to ensure execution can begin as quickly as possible. The Cabinet-level group should additionally consider soliciting written input from interested parties, including but not limited to labor unions, environmental justice groups, clean energy companies, asset managers, insurance companies, scientists, and farmers and rural communities. Given that private-sector firms with lobbying arms will seek to influence the formulation of the Climate Ambition Plan whether or not a process for providing written input exists, on balance it is likely better to create such an option so that a wider array of parties can have their voices heard.

Some executive actions, including rescinding and replacing certain Executive Orders and Presidential Memoranda, can and should be undertaken before the delivery of the Climate Ambition Plan. Similarly, depending on the legislative calendar, simultaneous work may be required to shape clean energy provisions in stimulus or other legislation. The transition team and future NCC Director should begin drawing up a list of such administrative actions and legislative priorities well before the President takes office. However, it would be inadvisable to completely pre-bake the Climate Ambition Plan during the transition period, as agency staff will have the best understanding of their own statutory authorities. Additionally, cabinet officers, their senior staff, and the civil servants at the agencies should all feel a sense of ownership over the plan and understand their responsibility for executing against it.

### A note on transition planning and communications

EOs establishing the NCC and launching the 90-day Climate Ambition Plan process should, as previously noted, be signed on the first day of the President's term. These and a limited number of other policy actions should be prioritized during the transition period, so they are completed and ready for the President's pen.

During past transitions, key policy announcements have been previewed in the media as part of the pre-inauguration messaging drumbeat, alongside personnel announcements. Shortly before the inauguration, the transition team should preview the following Day One climate and environmental actions:

- Creating the NCC by executive order, if an NCC is to be created;
- Launching the Climate Ambition Plan process by a second executive order;
- Updating EO 12898 ("Federal Actions To Address Environmental Justice in Minority Populations and Low-Income Populations," issued in 1994) to formalize CEQ's role in convening environmental justice leaders and advancing environmental justice within the White House, as described in the section below.
- Announcing the intent to re-join the Paris Agreement by presidential memorandum;

The first of these three executive actions are important organizing steps for managing the next administration's climate activities. Formal Presidential action to rejoin the Paris Agreement is not legally necessary—but it is symbolically important. Reversing the Antiquities Act rollbacks is also symbolically important and can be undertaken immediately without requiring extensive review or formal regulatory action, unlike many other important first-term executive actions.

# 3 Key Office Recommendations

Even with a National Climate Council, other White House offices will retain important roles in forwarding the President's climate agendam. For instance, the Council on Environmental Quality is well suited to lead on climate resilience and environmental justice, in addition to its statutory responsibilities for NEPA and traditional role in conservation policy. The National Security Council is critically important to staffing and preparing the President for bilateral and multilateral meetings, and should coordinate with the State Department and other agencies on international climate negotiations. The Office of Management and Budget should be set up to enable, not hinder, the President's climate agenda, including by making strong climate hires at the Deputy Director and PAD level and at OIRA. The Office of Science and Technology Policy should be re-empowered, and at least one climate scientist should sit on the PCAST. The U.S. Trade Representative should more fully integrate climate change into his or her work. And cross-functional offices, like the White House Counsel's Office, White House Communications, and the Office of Public Engagement, should all have at least one climate- and environment-focused staffer with strong background in the issues. In all instances, this work should be fully coordinated with the National Climate Council through formal and informal mechanisms.

#### EMBED CLIMATE IN WHITE HOUSE POLICY COUNCILS AND FUNCTIONS

Even with the NCC structure, there are key reforms that should be made at other policy councils and functional offices to better support the President's climate agenda.

#### **Council on Environmental Quality**

Largely due to its historical responsibility for implementing the National Environmental Policy Act, the Council on Environmental Quality is unique among White House policy councils for being highly skilled at convening interest groups, federal agencies, and state agencies in a sustained, ongoing, and productive way to surface issues, flesh out policy proposals, and resolve disputes. These skills make CEQ uniquely well suited to leading on two important aspects of the President's climate agenda: resilience and environmental justice.

In the Obama Administration, responsibility for climate resilience was split between four policy councils following Superstorm Sandy—CEQ, OSTP, NSC, and OMB. This created occasional conflict and frequent confusion. Eight years later, resilience policy has matured considerably, with more cities and states creating comprehensive resilience plans, along with some increases in pre-disaster funding from the federal government through the new Building Resilient Infrastructure and Communities (BRIC) program, enacted in 2018.

CEQ is well suited to lead on climate resilience policy within the White House because of the council's statutory responsibilities under NEPA, its strong relationships with federal permitting offices, and its relationships with state and local governments. While there are more proven resilience policy solutions now than there were in 2012, large-scale resilience investments will still require careful design and case-by-case engagement, especially given the significant regional variations in climate impacts, existing built infrastructure, climate risk, and socioeconomic need. CEQ has the capacity and convening competence to see resilience policy development through.

For similar reasons, CEQ is well suited to be the lead policy council to elevate environmental justice to a White House-level issue. Environmental justice is as much about the process as it is about the outcomes, as EJ leaders and frontline communities are heavily focused on having their views heard and incorporated into any policies aimed at addressing challenges in their communities. CEQ should be the White House council responsible for convening EJ leaders and communities on an ongoing basis, incorporating EJ considerations into both the formulation and the implementation of the Climate Ambition Plan. Unique among White House councils, CEQ has the ability to 'pass the hat' and raise small amounts of additional funding from federal agencies to support its activities; such a funding effort could be undertaken to help underwrite travel and lodging costs for EJ leaders as part of this process.

Reforming and reinvigorating the National Environmental Policy Act (NEPA), which has been gutted, will be a core statutory responsibility of the next CEQ. It is also an essential enabling mechanism for transitioning the United States to 100 percent clean energy. Merely restoring NEPA to its traditional form will not enable the federal government to effectively permit the clean energy infrastructure—including generation, transmission, and sequestration infrastructure—needed to meet an ambitious goal like achieving 100 percent clean electricity by 2035. The next CEQ Chair and his or her team will need to begin work on Day One to evolve NEPA into a creative, flexible, environmentally sustainable, and efficient tool for infrastructure design, siting, and permitting.

CEQ also has considerable flexibility to bring on staff beyond the limits of its official budget by hiring detailees and IPAs. While CEQ has about 26 full-time staff slots, it can theoretically hire unlimited detailees. Under the Obama Administration, CEQ was arbitrarily capped at about 60 detailees and IPAs, which created unnecessary constraints on staff capacity to advance White House priorities. CEQ's flexible hiring authority should be used to help staff the NCC beyond the Obama DPC slots, in addition to supporting CEQ's other climate and conservation functions.

As noted above in the section describing the role and responsibilities of the NCC, it is likely that in practice, a subset of CEQ staff will be informally considered part of the NCC "team," even if they are not formally dual-hatted with the NCC—including, critically, those CEQ staff tasked with leading work on climate resilience and environmental justice, as well as, when appropriate, staff working on conservation issues around water, lands, oceans, and species.

## National Security Council

The National Security Council has not always been consistently well-staffed on issues of international or homeland security climate policy. Given the critical importance of developing and delivering a new Nationally Determined Contribution in the Paris process and re-establishing the United States as the lead actor in international climate fora like the UNFCCC, however, the NSC must be set up for success from the beginning of the next Administration.

The Trump Administration disbanded the International Economics (Intecon) directorate, a short-sighted move that undermines U.S. foreign policy in a wide range of areas, including international climate policy. Intecon should be re-established, and the director of Intecon should see climate as a key part of his or her overall mandate. Within Intecon, one SAP and senior director for energy and climate should be designated to dual-report to the NCC, and that SAP should be supported by two to three director-level non-commissioned positions, which should also work in concert with the NCC. The overall negotiations strategy should be led by the State Department, with Intecon managing Presidential engagements and ongoing coordination with the domestic functions of the NCC.

Other directorates of the NSC also have a climate nexus and should be staffed accordingly. In the Homeland Security directorate, the disaster recovery function should be the responsibility of one senior director and associated staff, and formally separated from the homeland security resilience function, which should be the responsibility of a second senior director and associated staff. Attempting to have a single group working on "recovery and resilience" would lead to the resilience function always playing second-fiddle to urgent issues around responding to and recovering from natural disasters in the United States. This is all the more imperative given the accelerating pace of severe wildfires, floods, hurricanes, and other climate-influenced events. CEQ should lead on the development of federal and state resilience policies and programs, and the NSC Homeland Security resilience directorate should focus on resilience issues with a clear national security nexus, including programming with FEMA and DOD.

Other NSC directorates should include climate as part of their portfolios as appropriate. For instance, the Arctic director should recognize the importance of dealing with climate change as part of his or her responsibilities, and be involved in NCC meetings and activities. Other regional directorates should be directed to coordinate climate

considerations with the Intecon staff; for instance, the NSC China directorate should not have the primary pen on climate memos going to the President for bilateral or multilateral engagements with China, but should work with Intecon to produce that material and strategy.

The next administration could further strengthen the NSC's capacity to contribute to international climate policy and for the U.S. to regain its position of global leadership—by designating a new Deputy National Security Advisor for Climate. Such a DNSA would be responsible for integrating climate change into the new National Security Strategy and for elevating climate in the regional and strategic directorates—and across foreign policy agencies that have not historically prioritized the issue. It would also signal the importance of climate change as a national security issue to the new administration, both within the foreign policy community and internationally.

There would be several benefits to creating a DNSA for Climate. It would further increase the likelihood that climate change issues are consistently on the agenda for Principals Committee meetings, discussed and highlighted in the Presidential Daily Briefing, and integrated across the President's international engagements, the National Security Strategy, defense and intelligence investments, and bilateral and multilateral diplomacy. A DNSA for Climate would add capacity to more fully engage the Departments of State, Defense, Treasury, and Commerce; USAID; EPA; and other agencies to integrate climate strategy and operational capacity into foreign policy. This would also drive change in the federal foreign policy apparatus by increasing incentives for those agencies to be responsive to the President's climate agenda.

In the event that a DNSA for Climate is designated, the climate team from Intecon and the resilience team from the Homeland Security directorate should be reassigned to report to the DNSA for Climate to create a more coherent climate team within the NSC. While an integral part of the NSC, the DNSA for Climate should work hand-in-glove with the AP for Climate or NCC Director, and could also be formally dual-hatted to the NCC. The SAP-level dual-hat position for international climate should also be maintained to maximize coordination between the NCC and the NSC at all stages of the NSC policymaking process.

If a DNSA for Climate is designated, the new Administration will need to establish clear divisions of responsibility between the DNSA and the Special Envoy for Climate Change at the State Department. In general, the Special Envoy should have the lead on international climate relations, including in bilateral meetings and multilateral forums, while the DNSA is empowered to work across the broader federal national security and foreign policy apparatus. In multilateral forums chaired by the United States (e.g., the Major Economies Forum), the DNSA should chair while the Special Envoy represents the U.S.

## Office of Management and Budget

The Office of Management and Budget can be either a powerful enabler of the EOP and interagency climate agenda, or a powerful hindrance.

Senior political staff at OMB and its sub-agencies and offices, notably the Office of Information and Regulatory Affairs (OIRA), the Office of Federal Procurement Policy, and the Budget Review Division, should clearly understand that supporting the President's climate agenda is a central part of their mandate. In addition, a number of structural changes should be made within OMB to advance the President's climate agenda. Budgetary and other OMB issues are considered in a separate memo.

Within the budget functions and management functions of OMB, the "PAD-doms" should be restructured modestly, to make the current Natural Resources Program Assistant Director (PAD) a "Climate, Energy, and Environment" PAD, encompassing NOAA and FEMA in addition to current responsibilities for USDA, DOI, DOE, EPA, and NASA. This will enable better coordination of programs and investments in climate science and climate resilience by incorporating a major climate science agency (NOAA) and two major resilience agencies (FEMA and NOAA) alongside the core energy and natural resource agencies.

Senior leadership at OMB should be hired with the clear understanding that climate is part of their mandate. Specifically, the Deputy Director for Budget should see climate policy as a top priority in his or her budget planning and negotiations with Capitol Hill. In order to inform future budgets and the management agenda, the Deputy

Director for Budget should be tasked, early in the first term, with working with OMB and the agencies to develop a comprehensive federal climate risk assessment, analyzing how climate change will impact federal budgets and operations. The Deputy Director for Management should be clearly directed to prioritize rebuilding climate science and climate policy career staff, particularly at EPA, DOI, USDA, NOAA, and the State Department—all of which have seen their ranks decimated in recent years. The OMB Director may also want to consider re-creating the Executive Associate Director (EAD) position, which has intermittently existed at OMB as a "first among PADs" just below deputy status, or hiring a Senior Advisor for Climate who could work in a cross-cutting manner on budget, management, and programmatic issues, particularly in the early years of the new administration. The PAD for Climate, Energy, and Environment and the EAD/Senior Advisor should work in close coordination with the NCC.

Urgent attention should also be paid to the regulatory functions of OMB. Absent the Obama Administration's regulatory look-back agenda and the Trump Administration's attempt to impose a "one in, two out" deregulatory system, the basic regulatory framework has changed little since Executive Order 12866 in the Clinton Administration. The strict cost-benefit analysis framework of the 1990s is insufficient to cope with the complex risks, near- and longterm benefits, and upfront costs and avoided costs inherent in major climate regulations. The OMB Director should be tasked with sending a department-wide memo no later than six months into the new administration, defining the approaches to be used for 1) climate scoring in the budget context and 2) cost-benefit and regulatory analysis of climate-related rules. These new definitions for climate scoring and regulatory analysis could be developed by a task force chaired by the deputy director for budget, with inputs from the OIRA administrator and the heads of the Budget Review Division and Office of Federal Procurement Policy, as well as from affected federal agencies, and eventually be turned into formal OMB guidance. An alternative approach that would provide additional political cover to both the OMB Director and the OIRA administrator would be to have Congress direct OMB to issue such guidance; such a step may or may not be possible depending on the political composition of the Senate in January 2021.

Supporting these measures will require an immediate update to the values of the Social Cost of Carbon and Social Cost of Methane to be used in regulatory analysis. The Interagency Working Group on the Social Cost of Greenhouse Gases should be reconstituted and charged with expeditiously developing new estimates that incorporate the significant advances in the economics literature since the Obama administration IWG released its update in 2016. This work should be chaired by the Council of Economic Advisers, as in past administrations, with participation from OMB, the NCC, the NEC, and the interagency.

In addition, and with implications beyond climate policy, OMB should consider updating EO 12866 to raise the threshold for what constitutes an "economically significant" regulation, as inflation and the growing size of the U.S. population has made the \$100 million threshold lower in real terms over time.

Consideration should also be given to moving the Federal Environmental Executive (FEE) role and direct reports from CEQ to OMB. As it stands, the FEE already must coordinate policy actions with the Office of Federal Procurement Policy to achieve maximum take-up. Given the centrality to overall climate policy of using the federal footprint to model zero-emission vehicle solutions, net-zero buildings, and other technologies, the relationship between the FEE and the Office of Federal Procurement Policy could be made essentially seamless by embedding the FEE team within OMB. A notable drawback to moving the FEE is that OMB is culturally less transparent than CEQ, and places less emphasis on convening and consensus—some federal and non-governmental stakeholders could therefore object to such a reorganization.

## Office of Science and Technology Policy

The Office of Science and Technology Policy has been neglected over the past four years. The council went without a Senate-confirmed Director for nearly two years, an historical anomaly, and reports indicate that many of its allocated staff slots remain empty. The President's Council of Advisors on Science and Technology (PCAST), an outside group of science advisors first convened by FDR, was moved out of OSTP and has been administered by the Department of Energy since 2019. While the Congressionally-mandated Fourth National Climate Assessment was released in 2018, companion science reports have reportedly been shelved by OSTP, and federal scientists fear political interference in the early stages of the next NCA.

OSTP urgently needs to be rebuilt along a number of dimensions, including in climate policy. Priorities for OSTP should include working with OMB to rebuild and modernize federal climate science capacity and resources at relevant agencies. Additionally, priorities should include creating a robust, 10-year plan for investing in nextgeneration federal and federally-supported climate science research. OSTP is also well suited to liaise with and convene technologists, innovators, and academics in the climate mitigation and resilience solutions space, both domestically and internationally, and should conduct such work in coordination with the NCC, NSC, and CEQ.

During the Obama Administration, OSTP was the clearinghouse for open data activities across the federal government, including for climate data, where the policy council spearheaded innovative partnerships with nonprofit and private-sector organizations to support the use of federal climate data. Such efforts should be restored and strengthened in partnership with the non-federal scientists who undertook efforts to download and maintain federal climate data sets to protect them from political interference.

Organizationally, at least one seat on PCAST should go to a climate scientist. Like CEQ, OSTP can absorb detailees and hire IPAs at a greater scale than other EOP functions; this capacity should be leveraged to help fill staffing gaps in the NCC and NSC teams as needed.

## Office of the U.S. Trade Representative

The Office of the U.S. Trade Representative (USTR) is unusual among EOP offices, in that it has the strongly outward-facing role of overseeing trade negotiations directly with other countries and working with the World Trade Organization (WTO) system. U.S. leadership of the global trading system has long allowed it to shape the international trade agenda so that it advances U.S. commercial and economic interests. Given the substantial impacts of climate change on the economy, USTR should more fully integrate climate change considerations into its work and encourage other countries and the global trading system to do the same.

USTR has traditionally had a robust structure on trade and environment, with an Assistant USTR for Environment who oversees negotiations on environment chapters in free trade agreements, WTO agenda items and WTO plurilateral agreement negotiations, trade and environment discussions at the UNFCCC and in other forums, and evaluation of trade barriers that arise out of environmental and climate policies. While the office retains a senior professional team on environmental issues, the previous administration had a limited focus on environmental issues, particularly on climate issues. USTR should dedicate greater staff resources with climate and trade expertise, and the U.S. Trade Representative should recognize climate and environment as key aspects of a 21st century trade regime.

USTR regularly coordinates with agency counterparts at the staff level through its Trade Policy Staff Committee (TPSC) and at policy levels through the Trade Policy Review Group (TPRG), works closely with its oversight committees in Congress, and seeks input from stakeholders, affected industries, workers, and NGOs, particularly through its cleared advisors process. USTR can enhance these relationships by adding in climate-specific agendas to better understand opportunities and challenges on the intersection of trade and climate issues.

USTR has a number of programmatic opportunities to advance climate and environmental policy within the context of trade. USTR and U.S. trade agencies—including the Departments of Energy, State, Transportation, Commerce, Treasury, and the EPA—should consider incorporating trade negotiating objectives for emissions mitigation, climate resilience, or other climate objectives in the context of bilateral and regional FTAs under negotiation. Against the backdrop of broader U.S. trade policy, and similar to efforts by the previous administration to negotiate "digital trade" agreements, USTR could also seek to negotiate targeted climate-specific trade agreements or arrangements, rather than comprehensive FTAs, that focus on specific climate concerns, such as trade in climate-related goods, enforcement of relevant multilateral environmental agreement provisions, and border adjustments to level the playing field.

Within the context of the WTO, the new administration could consider plurilateral agreements related to climate goals, e.g., with respect to fossil fuel subsidies, environmental goods, and other achievable trade-related climate objectives, as well as including climate-related consultation provisions in ongoing negotiations on e-commerce or fisheries subsidies. USTR can also work with Congress and within the administration on domestic WTO-consistent measures to ensure a level playing field and prevent cross-border carbon leakage such as border tax adjustments.

USTR can also work internationally with like-minded countries, to develop a consistent and plurilateral approach to prevent carbon leakage.

## **Cross-functional offices**

In addition to the policy councils, staff should be designated within key cross-functional offices who understand they are part of the "climate team," and are empowered to advance the President's climate agenda. Notably:

- The transition team should develop a list of key sub-Cabinet political appointments with climate, energy, and environment responsibilities, so the Presidential Personnel Office can screen candidates appropriately, both at the beginning of the new administration and on an ongoing basis. Cabinet-level positions at relevant agencies (at a minimum including USDA, State, EPA, DOE, DOI, Commerce) should be required to answer both written and verbal questions about how they will use their agency's authorities and resources to advance the President's climate agenda.
- One Associate Counsel to the President / SAP position on the policy team in the White House Counsel's Office should have a portfolio including EPA, CEQ, DOE, and any climate-focused policies at other agencies, including international climate negotiations, and should have an environmental law background. That attorney should be fully integrated into the broader White House climate team to ensure that the White House Counsel's Office and DOJ are fully deployed to support the President's climate agenda.
- The climate and environmental communities are diverse and active. It is essential that one senior advisor within the Office of Public Engagement be made responsible for the climate portfolio, and work cooperatively with public engagement staff at CEQ to communicate White House priorities to the environmental community and surface outside issues early within the EOP.
- A strong communications strategy is essential for ensuring climate agenda implementation leads to political wins for the President and the Administration. Therefore, positions within the Communications and Digital teams should be designated as 'climate' positions. Specifically, an Assistant Press Secretary and a Director-level appointee within the digital team should be assigned to the climate and environment beat, and work with the NCC team to craft compelling public narratives in support of the Administration's climate agenda.
- Staff should also be designated in Cabinet Affairs and Legislative Affairs with responsibility for climate issues. Although the NCC will be active in coordinating the activities of the Cabinet in support of the Climate Ambition Plan, it remains valuable for White House liaisons at the agencies to have a designated point of contact within Cabinet Affairs on climate issues; Legislative Affairs should be actively involved in managing Capitol Hill offices around climate as well.

# Appendix A: EOP Organization



