

STATEMENT OF
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WHITE HOUSE COUNCIL ON ENVIRONMENTAL QUALITY
FOR THE HEARING BEFORE THE
COMMITTEE ON COMMERCE, SCIENCE AND TRANSPORTATION
UNITED STATES SENATE
ON
UNITED STATES GLOBAL CLIMATE CHANGE STRATEGY
JULY 11, 2002

Mr. Chairman, Senator McCain and Members of the Committee:

I appreciate the opportunity to appear before the Committee today to discuss the Bush Administration's strategy to address the important, long-term, and highly complex challenge of global climate change. I am pleased to share this panel with my colleagues Dr. Hubbard, Dr. Marburger, and Dr. Mahoney.

President Bush has committed the nation to ambitious, focused and meaningful goals, programs and initiatives that provide a sensible and constructive path forward. The President's strategy is predicated on ensuring the strength and growth of the American economy, building on our nation's tremendous and demonstrated record of leadership in science and the promise of continued American technological innovation. As the President stated over a year ago: "We will act, learn, and act again, adjusting our approaches as science advances and technology evolves." He elaborated on this point this past February: "[G]lobal climate change presents a different set of challenges and requires a different strategy [from policies designed to reduce air pollution]."

The science is more complex, the answers are less certain, and the technology is less developed. So we need a flexible approach that can adjust to new information and new technology.” The flexible path toward long term progress that I will outline for you today sharply contrasts with the view of some that the only acceptable policy approach is near term, legislated restrictions that will needlessly hurt our economy and cost American jobs.

The President committed the nation to an immediate goal of reducing America’s greenhouse gas emissions relative to the size of our economy by 18% in the next ten years. This will set America on a path to slow the growth of our greenhouse gas emissions and, if science justifies, to stop and then reverse the growth of emissions. Dr. Hubbard will speak in detail about the compelling advantages of this national goal and how it will be measured. I would emphasize that achieving this ambitious, yet realistic, national goal will require a sustained commitment and significant investment and effort from our nation’s farmers, small businesses, workers, industries, and citizens that rivals the hard gains in efficiency and productivity we have earned over the last several decades.

To achieve this goal, the Administration is actively engaged and moving forward on many fronts, looking at every sector of our economy, with the recognition that meaningful progress depends on the development and deployment of new technology. With the continued support of Congress, we are advancing climate science, developing and promoting energy efficiency, conservation, and sequestration technologies and practices, pursuing near term greenhouse gas mitigation programs and expanding international cooperation.

The President has reaffirmed America’s commitment to the goal of stabilizing atmospheric greenhouse gas concentrations at a level that will prevent dangerous interference with the climate. At the same time, the President noted that given current scientific

uncertainties, no one knows what that level is. This underscores the importance of the President's focus on science and technology.

The President has called for nearly \$700 million in additional funding for the federal government's commitment to climate change in Fiscal Year '03 – a 17 percent increase from last year -- to support a \$4.5 billion program of research on climate science and energy technology, mitigation incentives and programs, and international technology transfer and outreach. This commitment is unmatched in the world. The President's recent Report to Congress on Federal Climate Change Expenditures details the numerous programs that this funding will support. Dr. Marburger and Dr. Mahoney will describe for you our Cabinet-level effort to bring more effective, high level management and focus to this significant investment of public resources.

Importantly, the President's request includes \$555 million in clean energy tax incentives, the first part of a \$4.6 billion commitment over the next five years, reaching \$7.1 billion over the next 10 years. These incentives will spur investments in and purchases of renewable energy -- including solar, wind, and biomass – as well as advanced hybrid and fuel cell vehicles, cogeneration, and landfill gas conversion. We also are promoting clean coal technology, as well as nuclear power – which produces no greenhouse gas emissions – and are working to safely improve fuel economy for our cars and trucks. And we are advancing the prospect of breakthrough technologies, such as the promise of zero-emission fuel cell vehicles through the Department of Energy's Freedom Car Initiative.

Under the recently-enacted Farm bill and existing authorizations, we will invest up to \$47 billion in the next decade for conservation on our farms and forest lands. Not only will this partnership with farmers and small land owners help protect the water and air, and secure and

enhance habitat for wildlife, it will also provide opportunities to store significant quantities of carbon in trees and the soil, and promote other activities to mitigate greenhouse gas emissions.

We also are making substantial progress on the effort to create world-class standards for measuring and registering greenhouse gas emissions reductions, with organizations receiving transferable credits for the reductions in emissions they secure. At the same time, we are making progress on the President's challenge to businesses to further reduce their emissions. EPA's Climate Leaders Program is well underway. We look forward to seeing new commitments and even greater reductions.

These are simply a few significant examples of more than 60 federal programs – some mandatory, some incentive-based, some voluntary – that will help to slow the growth in U.S. greenhouse gas emissions over the next decade and beyond.

The President's strategy has also created a new framework for expanding international cooperation. We are investing \$25 million in climate observation systems in developing countries, increasing funding for tropical forest conservation to \$50 million, and providing \$178 million for the Global Environmental Facility next year, which includes a substantial \$70 million payment for arrears incurred during the prior administration. The President's FY'03 budget also requests \$156 million in funding for USAID climate change programs. And in the past year alone, the Administration has entered into bilateral agreements with Japan, Australia, Canada, Italy, the European Union, CONCAUSA, China and India on climate change science, energy and sequestration technology, and policy approaches.

The President's climate change strategy is the product of an ongoing, combined working group of the National Security Council, the Domestic Policy Council and the National Economic

Council. Our actions have been and will continue to be guided by the six principles that the President outlined last June:

1. *Consistency with the long-term goal of stabilizing concentrations* of greenhouse gases in the atmosphere at a level that will prevent dangerous interference with the climate system, recognizing that we currently do not know what that level is;
2. *Measured* actions, as we learn more from science and build on it;
3. *Flexibility* to adjust to new information and take advantage of new technology;
4. *Ensuring continued economic growth and prosperity* for the United States and the world;
5. *Pursuing market-based incentives* and spurring technological innovation; and
6. *Global participation*, including developing countries.

The Bush Administration's strategy for action and progress -- a solid policy framework, a meaningful national emissions reduction goal, and a suite of policies to achieve that goal -- is calibrated to the actual state of scientific knowledge and guards against costly and misdirected policy errors. Commentary that continues to equate action on climate change with acceptance of the Kyoto Protocol ignores the bipartisan record of opposition to its approach. The Kyoto Protocol would have cost our economy up to \$400 billion and caused the loss of up to 4.9 million jobs, risking the welfare of the American people and American workers. And without the participation of the world's developing countries, many of which will experience rapid growth in coming decades, it represented an ineffective policy response to this global challenge.

President Bush's philosophy -- which ties our benchmark for progress with economic growth -- represents a careful balancing that promises significant emissions reductions over the course of the next decade, while preserving the strength of the American economy. Only

sustained economic growth, both here and abroad, will allow for the significant new investments in energy and sequestration technologies that will be needed to address this long term challenge.

Again, thank you for inviting me today. I would be pleased to answer any questions that you may have and ask that the written material accompanying my testimony be entered into the record.

Appendices:

1. Statement of President George Bush (June 11, 2001)
2. Policy Book Accompanying Presidential Statement (June 11, 2001)
3. Statement of President George Bush (February 14, 2002)
4. Policy Book Accompanying Presidential Statement (February 14, 2002)
5. Report of Federal Climate Change Expenditures (July 9, 2002)
6. Review of Bilateral Agreements and Initiatives