



**Testimony of
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The “Bali Roadmap” is a major achievement adopted by all Parties who attended the 13th Conference of Parties to the United Nations Framework Convention on Climate Change (UNFCCC) that will guide negotiation of a new post-2012 climate change arrangement by 2009. The United States is committed to working with other nations to agree on a global outcome that is environmentally effective and economically sustainable. Only an arrangement meeting both of these objectives can win public support.

To be environmentally effective, a new approach must be truly global and involve measurable, reportable, and verifiable actions by the world's largest producers of greenhouse gas emissions—developed and developing countries alike. Without substantial participation by developing economies, global greenhouse gas emissions will continue to rise over the next 50 years, even if the United States and other developed economies were to cut emissions to zero.

To be economically sustainable, our actions must uphold the hopes of people everywhere for economic growth, energy security, and improved quality of life. Lowering the cost of

emissions reductions requires speeding up the development and deployment of technologies that will fundamentally improve the way we produce and consume energy—such as the capture and storage of carbon dioxide emitted from coal-fired power plants; more affordable nuclear and gigawatt-scale renewable power; biofuels, electric, natural gas, hydrogen, and other clean alternatives to petroleum; and greater energy efficiency. In the absence of technology and cost advances in these areas, reducing global emissions on the scale necessary will be impossible without significantly sacrificing economic growth globally.

In May, President Bush announced the United States would work closely with other major economies to develop a detailed contribution to a new global arrangement under the UNFCCC. This “Major Economies” initiative has received broad international support, including from G8 and Asia-Pacific Economic Cooperation (APEC) leaders and UN Secretary General Ban Ki-moon. The United States hosted the first meeting in late September, bringing together 17 major economies accounting for more than 80 percent of the world’s economic output, energy use, and greenhouse gas emissions.

Guided by the consensus in Bali, the Major Economies plan to meet again next week to discuss a work program that can contribute to key elements of the Bali Roadmap. In our view, such a work program would include discussion of: (1) a long-term, global emissions reduction goal; (2) national plans that include mid-term goals, backed by a nationally-appropriate mix of regulations, incentives, and public-private partnerships; (3) cooperative technology strategies and other actions in key sectors, especially fossil power generation, personal transportation, and sustainable forest management; (4) innovative financing mechanisms and the elimination of

tariff and non-tariff barriers for clean energy goods and services; (5) improved emissions accounting systems to verify progress; and (6) ways to help countries adapt to climate change and gain access to technology, especially for developing countries. In addition, we think it would be useful to discuss ways of structuring a post-2012 arrangement that would encourage, rather than deter, actions by major developing and developed countries, and incorporate positive, not punitive, ways to ensure accountability. We hope these discussions can produce tangible outcomes that can be endorsed at a Major Economies leaders meeting later this year. This would fulfill the G8 pledge of last year for the Major Economies to make a “detailed contribution” to the UN negotiations.

For our part, the United States is already working on significant new global and national actions to combat emissions. Last year, the United States and key developing countries helped forge a global, legally-binding agreement to accelerate the phase-out of hydrochlorofluorocarbons under the Montreal Protocol, which governs ozone-depleting substances. In this instance, the agreement will also produce a major climate change benefit by reducing greenhouse gases by at least 3 billion metric tons, probably meeting or exceeding what the Kyoto Protocol might achieve by 2012. The Asia-Pacific Partnership on Clean Development and Climate is also working with seven partners, the United States, China, India, Australia, South Korea, Canada, and Japan, in this fast-growing region to accelerate the adoption of clean technologies through over 100 projects and activities in major sectors such as power generation, cement, steel, aluminum, and buildings. For example, a majority of the world’s major aluminum producers have committed to goals tailored to their capabilities. These include: an 80 percent reduction by 2010 in Perfluorocarbon (PFC) emissions (a very potent greenhouse gas) per ton of

aluminum produced for the industry as a whole; at least a 33 percent reduction of fluoride emissions per ton of aluminum produced by 2010; and a 10 percent reduction in average smelting energy usage per ton of aluminum produced by 2010.

Here at home, President Bush recently signed energy legislation that mandates substantial, mid-term requirements for vehicle fuel efficiency (40 percent improvement), renewable fuels (36 billion gallons annually), and efficiency of appliances, lighting systems, and government operations. This law—which is mandatory and binding—will produce some of the largest emission cuts in our Nation’s history. Our very preliminary estimate suggests the law will cumulatively reduce about 6 billion metric tons through 2030. Last week, the Chairman of the House Energy and Commerce Committee stated the number could be as high as 10 billion.

The United States is working with other countries on a new multilateral financing mechanism to help accelerate use of cleaner, lower-carbon technologies and infrastructure. And the United States and EU have jointly proposed in the World Trade Organization to rapidly eliminate the tariff and non-tariff trade barriers that impede investment in clean technologies and services. The World Bank has estimated that removing such barriers from about 40 lower emissions technologies would lower the cost of cutting emissions and increase clean technology trade by up to 14 percent a year. Along with Japan, the United States will continue its massive investment in cleaner, more efficient technologies and find ways to share this technology with other nations. Since 2001, the United States has invested nearly \$18 billion in research and development of these clean, lower carbon technologies and is providing more than \$38 billion in

loan guarantees, as well as other measures, to help accelerate their deployment. We encourage other countries to step up their efforts.

Deforestation accounts for roughly 20 percent of global greenhouse gas emissions, so the United States is enhancing its efforts to conserve and expand the world's forests in ways that sustain their renewable bounty. The United States is also working on monitoring and adaptation tools, such as the Global Earth Observation System of Systems (GEOSS), a 72-nation collaboration that can help communities plan and prepare for the effects of climate variability and change.

Working through the UNFCCC and in concert with the Major Economies process, the United States is striving for a successful climate change arrangement that will attract broad international support. As President Bush put it: "We've identified a problem, let's go solve it together."