



U.S. TREASURY DEPARTMENT OFFICE OF PUBLIC AFFAIRS

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JOINT U.S. – CHINA FACT SHEET

U.S.-CHINA TEN YEAR ENERGY AND ENVIRONMENT COOPERATION FRAMEWORK

At the fourth meeting of the U.S.-China Strategic Economic Dialogue in Annapolis, Maryland, the United States and China signed a Ten Year Energy and Environment Cooperation Framework that sets goals and lays out concrete next steps. The two countries announced the following four steps in this cooperation:

1. Creation of the Ten Year Energy and Environment Cooperation Framework and signing of the Agreement.
2. Announced five initial goals to be addressed under the Framework.
3. Announced the establishment of five task forces to develop action plans focused on concrete cooperation for each goal, with the aim of completing all of these action plans by the next SED meeting.
4. Initiated discussions on exploring the concept of EcoPartnerships by the next SED meeting.

The Cooperation Framework has been structured to foster extensive collaboration over a ten year period to address the challenges of environmental sustainability, climate change, and energy security.

A joint steering committee to guide cooperation has been established, with Secretary of the Treasury Henry M. Paulson, Jr. serving as a co-chair for the United States, and Vice Premier Wang Qishan serving as a co-chair for China.

There are five participating cabinet agencies for the United States – the Departments of the Treasury, State, Commerce, and Energy and the Environmental Protection Agency. There are seven participating agencies for China – the National Development and Reform Commission, State Forestry Administration, National Energy Administration, and the Ministries of Finance, Environmental Protection, Science and Technology, and Foreign Affairs. Additional agencies will be added by the United States and China as necessary.

Initial Goals, Task Forces, and Additional Steps

The five initial goals that have been established are:

1. Clean, Efficient, and Secure Electricity Production and Transmission
2. Clean Water
3. Clean Air
4. Clean and Efficient Transportation
5. Conservation of Forest and Wetland Ecosystems

Task forces have been identified for each of the five initial goals. Core areas that each task force may address include: basic research and joint technological research and development; technology commercialization (including demonstration and dissemination); policy development and incentives; information sharing; and capacity building.

Highlights from the initial task force discussions are as follows:

- *Clean, Efficient, and Secure Electricity Production and Transmission:* Preliminary discussions have focused on steps both countries can take together to address electricity supply and demand challenges; and in the power generation sector, an efficient diversification of energy resources. Potential areas of collaboration include Renewable and Alternative Sources of Clean Energy, Clean Fossil Fuel, Power Grid and the Electricity Market, and Nuclear Power.
- *Clean and Efficient Transportation:* Preliminary discussions have focused on four broad areas: 1. Clean and efficient vehicle technologies; 2. Design and modality of transportation systems; 3. Clean and alternative fuels, including next generation (cellulosic) biofuels; and 4. Improvement and utilization of existing transportation infrastructure.
- *Clean Water:* Targeted initial areas of cooperation for the Clean Water action plan include water quality management; provision of safe drinking water; and prevention and control of pollution from agriculture and rural areas. Cooperative work in these areas will include design of an overall framework of U.S.-China cooperation on clean water; an evaluation and analysis of clean water policies, and assessment and promotion of transfer of clean water technologies; study programs; and performance evaluation of the study programs.
- *Clean Air:* Both countries will build upon the agreement reached at SED III to implement an SO₂ emissions trading program for China's power sector, through integration of this program into China's regulatory system.
- *Conservation of Forest and Wetland Ecosystems:* The United States and China will focus on two major areas: 1. Enhanced cooperation on wetlands conservation and management; and 2. Enhanced cooperation on the establishment and management of protected areas, including wildlife conservation.

The U.S. and China agree to explore by the next SED meeting the concept of EcoPartnerships as a potential vehicle for implementing and demonstrating cooperative initiatives of the U.S.-China Ten Year Energy and Environment Cooperation Framework, whereby both countries would work together to facilitate voluntary, cooperative partnerships in the United States and China.

The task forces will continue to meet over the coming months and provide additional details of their work to both the United States and Chinese governments by the next SED meeting.