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Subject: Domestic Media Coverage: Asia Pacific Partnership on Clean
Development and Climate
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Attachments: Asia Pacific Partnership (domestic coverage).doc

Below and attached is a summary of domestic coverage of the Asia Pacific Partnership on Clean Development and Climate from July 27, 2005 to present. I will continue to add mentions of the partnership in the U.S. media to this document. Thanks!

***Asia Pacific Partnership on Clean Development
and Climate
media coverage (domestic)***

Monday, September 12, 2005



media coverage (domestic)

September 2005

- Canada doesn't see breakthrough at post-Kyoto meet (*Reuters, 9/12/05*)
- China/US: Beijing goes on charm offensive (*Energy Compass, 9/2/05*)

August 2005

- Could New US-led Climate Pact Scuttle Kyoto Protocol? (*World Gas Intelligence*, 8/24/05)
- Editorial: Voice of the Times; Anti-ANWR legislators offer no solution (*Anchorage Daily News*, 8/22/05)
- Certainty on global warming takes a hit (*Orlando Sentinel*, 8/21/05)
- David Mulford Delivers Remarks to ICC/IACC Luncheon (*CQ Transcript*, 8/18/05)
- US-Led Pact Spells Trouble For Kyoto (*Petroleum Intelligence Weekly*, 8/15/05)
- Environment: Moving beyond Kyoto (*Energy Compass*, 8/12/05)
- Editorial: Climate deal just smoke, mirrors (*Atlanta Journal-Constitution*, 8/9/05)
- Editorial: Kyoto alternative a rational step (*Valley Morning Star – Harlingen TX*, 8/9/05)
- US comes clean (*The Engineer*, 8/8/05)
- A Real Fix or Just Hot Air? (*Time International*, 8/8/05)
- Heating Up (*National Journal*, 8/6/05)
- Letters: A better environmental treaty (*Washington Times*, 8/5/05)
- U.S. Trade Officials Sign Pact with Asian Countries for Clean Technologies (*Chemical Week*, 8/3/05)
- Congress Falls Back In Line With Bush On Curbing GHG Emissions (*Energy Week Washington*, 8/3/05)
- Climate Change: ASEAN members can join new pact -- Australian officials (*Greenwire*, 8/1/05)

July 2005

- An alternative to Kyoto; ASEAN (*The Economist*, 7/30/05)
- New Climate Pact Gets Mixed Reviews (*International Oil Daily*, 7/29/05)
- US, five Asia-Pacific nations unveil new climate pact (*Agence France Presse*, 7/28/05)
- Climate Change: Six-nation pact draws enviros' fire, as E.U. offers cautious praise (*Greenwire*, 7/28/05)
- U.S. unveils Kyoto alternative plan (*UPI*, 7/28/05)
- U.S. completes 6-nation deal on emissions (*Washington Times*,

7/28/05)

- Bush Administration Unveils Alternative Climate Pact (*NYT/Reuters, 7/28/05*)
- US Moves To Sideline Kyoto (*Financial Times, 7/28/05*)
- U.S. In 'Beyond Kyoto' Pact with Asian Nations (*Reuters, 7/28/05*)
- U.S. Partnership to Address Climate Change (*Associated Press, 7/28/05*)
- US announces Asia-Pacific climate agreement (*Agence France Presse, 7/27/05*)
- Asia-Pacific nations unveil U.S.-led plan to control greenhouse gases (*Associated Press, 7/27/05*)
- 'Beyond Kyoto' greenhouse pact being formed (*Reuters- Canberra, 7/27/05*)

Media Coverage (Domestic):

September 2005

Canada doesn't see breakthrough at post-Kyoto meet

Reuters

By David Ljunggren

September 12, 2005

A major Montreal meeting charged with starting to draft a successor to the Kyoto climate change accord is unlikely to produce a breakthrough, a senior Canadian official said on Monday.

The conference, which runs from November 28 to December 9, will try to find common ground between those countries that signed on to Kyoto and those that did not, including the United States, China, India and Australia.

"We don't expect outcomes on this at Montreal because this is the first discussion of the post-Kyoto regime," the official told a briefing.

"But what we want to do is build bridges between developing countries and industrial countries -- including the industrial countries that are not members of Kyoto -- as to the kind of regime which might exist in the future."

Kyoto, designed to curb emissions of greenhouse gases blamed for global warming, formally expires in 2012 and the task of forging a new treaty will be immense. Many of the 152 signatories have had trouble meeting their targets.

The United States, the world's biggest polluter, walked away from Kyoto in 2001, saying it would harm economic growth. It also complained the accord does not cover developing countries such as China and India.

"We want this to be something which is remembered as the start of serious negotiations with the countries that are not part of Kyoto," said the Canadian official.

"I don't think we're going to have another Kyoto in which not all industrial countries and no developing countries establish targets for themselves ... If you were to negotiate Kyoto today you would want China in it."

Canadian Prime Minister Paul Martin will be at the United Nations this week, the official said, where he will raise the subject of the Montreal conference with leaders such as Prime Minister John Howard of Australia, who also walked away from Kyoto.

The official said Martin's message to Howard would be: "It's very important that you take these discussions seriously ... it's up to you to come up with something in Montreal as to how to bridge the gap."

Australia agreed in July to work with the United States, China, India, Japan and South Korea to curb global warming but the six countries did not set targets for emissions cuts.

Another challenge at Montreal will be dealing with developing countries, which are likely to demand help to meet emissions targets, the official said.

"The Indian (approach) ... is 'You give us the technology with no royalties to pay and we'll start doing something'... It'll be a very complicated process," he said.

China/US: Beijing goes on charm offensive

Energy Compass

September 2, 2005

Hu Jintao makes his first trip to the US as Chinese president next week. He aims to show that Beijing presents no threat to the US, economically or militarily. That will be a tough sell. Relations between the world's two biggest energy consumers have come under strain this summer, pressured by arguments over textiles, China's currency policy and Chinese counterfeiting. CNOOC Ltd.'s abortive bid to buy Unocal didn't help -- the state-controlled firm was forced to bow out last month after US lawmakers went ballistic (EC Aug.12,p11).

Hu arrives in Seattle on Sep. 5 and is scheduled to meet with his US counterpart, George W. Bush, two days later. The 13-day visit will include meetings with senior US officials and business leaders, and courtesy calls to Canada and Mexico. Asian analysts expect the Chinese president to treat it like a public relations campaign. Beijing is already trying to cultivate its image in the US, sprucing up and expanding its embassy, and making its presence felt in Congress by hiring some of Washington's top lobbyists. The Chinese embassy, for example, has contracted with Patton Boggs, the No. 1 lobby shop.

Hu will "deliver the important message to the US leadership and the US public that China is a force for peace," according to He Yafei, director of the Chinese foreign ministry's North American department. "A lot of people in the US see China as the cause of job losses and higher oil prices. President Hu will go in the hopes of positioning China as a friendly power rather than a competitor," one analyst says. In return, he will likely seek reassurances that Washington will stop selling weapons to Taiwan, which Beijing claims as part of its territory.

A key part of the discussions will be repairing the damage done to the relationship by energy competition. US critics complain that government backing gives China's state firms a distinct advantage over their Western publicly traded counterparts when it comes to securing energy assets overseas. Washington is also concerned by Chinese investment in countries the US deems rogue states such as Iran, Sudan and Myanmar (Burma). Christopher Hill, assistant Secretary of State for East Asia and the Pacific, says the administration is concerned that Beijing's need for energy and other resources "could make China an obstacle to US and

international efforts to enforce norms of acceptable behavior." A number of US analysts believe China would thwart any potential US attempts to get the UN to impose sanctions on Iran over its nuclear program.

Li Nan, a US-China relations expert at the Institute of Defence and Strategic Studies in Singapore, says the Chinese will likely want to focus on areas ripe for energy cooperation. "China wants to reassure the US that it will not compete for resources and both should cooperate on looking at methods of energy efficiency and technological advancement." China has much to learn from America in terms of policy formulation, energy conservation and the development of renewable energy, a Beijing analyst says. Li believes the US may also discuss the sale of nuclear power plants.

For all the strains, the importance US policymakers attach to the relationship can be gauged from the number of working groups being set up to address critical issues, says Travis Tanner, the Northeast Asia director at the National Bureau of Asian Research, a US think tank. The inaugural meeting of the US-China energy policy dialogue was held in June, where it was announced that the US Energy Department would set up an office in Beijing. Both countries are founding members of the Asia-Pacific Partnership on Clean Development, established in July to use new technologies to curb greenhouse gas emissions. Critics say the group was created to undermine the Kyoto climate change treaty, which the US has refused to ratify (EC Aug. 12, p5).

By Song Yen Ling, Singapore, and Manimoli Dinesh, Washington

August 2005

Could New US-led Climate Pact Scuttle Kyoto Protocol?

World Gas Intelligence

August 24, 2005

A new "clean development" pact supported by arch Kyoto Protocol-opponents the US and Australia attracted only modest attention when it was signed by those two countries plus China, India, Japan and South Korea in late July, just weeks after the G8 Summit meeting in Gleneagles, Scotland that UK Prime Minister Tony Blair had hoped to use as a forum for promoting intensified action against global

warming (WGI Jun.22, p2).

However, many environmentalists now see that "Asia-Pacific Partnership on Clean Development and Climate" as a serious threat to the Kyoto treaty that anchors Blair's and other European leaders' approaches to global warming, even though the US and its partners insist the intention is to supplement rather than supplant Kyoto. Blair and the other European leaders only found out about the US-led initiative after it was signed, although it had been in the works for around a year.

All may become clearer in November, when backers of the US-sponsored pact -- which aims to address climate change and energy security by the development, deployment and transfer of low-carbon technology rather than setting Kyoto-style targets to cut carbon dioxide (CO₂) emissions -- are to hold their first ministerial planning meeting just ahead of scheduled talks in Montreal, Canada on emission cuts under the Kyoto Protocol in the post-2012 period. For the Kyoto process to effectively combat climate change, agreement on more substantial cuts after 2012 involving developing as well as industrialized nations is crucial.

Only six nations have so far signed the Asia-Pacific Partnership pact, compared to 140 Kyoto signatories. But these six alone account for around half of global GDP, population, energy use and emissions. The six also include the world's four largest coal producers and consumers -- the US, China, Australia and India. So perhaps not surprisingly, the "voluntary, practical measures ... to create new investment opportunities, build local capacity and remove barriers to the introduction of clean, more efficient technologies" that the group aims to support prominently feature clean coal and integrated gas combined-cycle power plants (IGCC) (WGI Aug.17,p7).

Other technical areas pinpointed in an initial "vision statement" include LNG, energy efficiency, carbon capture and storage, combined heat and power, methane use, civilian nuclear power, geothermal power, rural and village energy systems, advanced transportation, home construction, biofuels, agriculture and forestry, as well as hydro, wind, solar and other renewable power sources. In addition, the partners have agreed to cooperate on longer-term advanced technologies, such as next generation nuclear fission and fusion, and hydrogen.

This technology-led approach to climate change differs starkly from the Kyoto

Protocol's mandatory emission reduction targets and emphasis on carbon trading and offset schemes, as well as on clean development. Kyoto establishes legally binding targets to achieve reductions in its first commitment period from 2008-12 of 5.2% below 1990 levels (WGI Sep.8, p7).

The US-sponsored pact was cautiously welcomed by the European Union -- particularly the acknowledgment by Washington that human activity is contributing to climate change and something needs to be done. But Brussels said that clean technologies cannot work alone and should not be seen as an alternative to commitments to cut emissions.

Critics charge that the new pact is insubstantial, substituting the promise of technology tomorrow for cuts today. Neither do climate change activists believe that the initiative is designed to compliment Kyoto, but see it instead as another attempt to undermine the treaty, citing comments by Australian Prime Minister John Howard that it is "better than Kyoto." Says Catherine Pearce from Friends of the Earth: "The role and detail behind this pact are unclear, but it looks suspiciously as though this will be business-as-usual for the US... This is yet another attempt by the Sand Australian administrations to undermine the efforts of the 140 countries who have signed the Kyoto Protocol."

A central element of the EU's climate change strategy is to persuade all the world's major polluters to sign up for emissions cuts after 2012. This includes developing countries, such as India and China, that were exempted from first-round cuts. This would have been tricky enough without the existence of an alternative such as the new Asia-Pacific pact. The EU will have to tread even more carefully at the upcoming Montreal talks if it's to persuade those and other developing countries to accept emissions reduction targets.

Should the US and Australia attract a coalition of countries including China and India that are reluctant to risk having the brakes put on their economic growth by emissions cuts and block a deal in Montreal, it could leave Kyoto dead in the water. And the US offer of the carrot of technology transfers rather than the stick of binding targets backed up by sanctions could prove attractive to many developing countries. "We cannot afford [to have] such a partnership intervene in the next crucial stage of Kyoto negotiations and kill off attempts for tougher action post 2012," says Friends of the Earth's Pearce.

Even in the EU, the appetite for substantial emissions cuts may be waning. Although Brussels recently adopted a target of 15%-30% cuts by 2020, it quietly dropped a much tougher target of 60%-80% cuts by 2050. And with some EU member states struggling even to meet 2012 targets, while power prices rise on the back of carbon emissions trading, European politicians may find it difficult to sell more stringent emissions cuts to an electorate that's increasingly more concerned about the economy than the environment (WGI Jul.6,p8).

Editorial: Voice of the Times; Anti-ANWR legislators offer no solution

Anchorage Daily News

August 22, 2005

DID YOU NOTICE the media coverage the other day of a letter opposing drilling in the Arctic National Wildlife Refuge that was signed by two dozen Republican members of the U.S. House?

It was addressed to House Resources Committee Chairman Richard W. Pombo, R-Calif., Speaker J. Dennis Hastert, R-Ill., and Budget Committee Chairman Jim Nussle, R-Iowa.

Many media pundits spun the letter as a sign that Republican support for exploring for oil on the coastal plain of ANWR is crumbling. But Alaska's own Rep. Don Young says it was nothing new. He reports that the 24 are Republicans but they are committed to green groups and have long opposed ANWR drilling. Young told the Anchorage-based Petroleum News that the 24 are "acting as puppets for the Sierra Club and that's unfortunate."

"This is nothing new," Young said. "Very few of these people have been to ANWR (despite being invited), and they speak from ignorance."

Pombo's reaction to the letter was less than warm. "Saying no to everything does not make an energy policy," he said. "And Americans are getting fed up with politicians who complain about high energy prices but then stand in the way of practical solutions."

"If Americans want to know who to blame for their gasoline prices, they were just provided a list."

So much for media hype about Republican desertions.

Makes sense

"The U.S., China and India share one huge energy interest -- they all have enormous reserves of coal. It's simply not realistic to expect them to abate their emissions by switching over to gas, which in any case would send the gas price into orbit for everyone else.

"The solution really does have to be technological. America is leading the way, investing \$2 billion in clean coal technology and research. And this is just the sort of knowledge that could be passed on to China and India through the new pact."

Dan Lewis, director of environmental affairs for the Stockholm Network, from a column in the Wall Street Journal.

More reason to believe that the agreement on greenhouse gas emissions reached recently by the Asia Pacific Partnership on Development is a more sensible way to deal with emissions than the Kyoto protocol.

The agreement was worked out quietly over the last year by the United States, Australia, China, India, Japan and South Korea. It calls for sharing technology on things like low-emission fuels and engines to reduce production of greenhouse gases. Kyoto calls for emissions trading and mandatory reductions that would be impossible to achieve but would require economy-damaging changes in auto manufacturing and other goods production.

Certainty on global warming takes a hit

Before the recent G-8 summit, a British panel released a report at odds with the prevailing dogma.

By: James Schlesinger Special to the Wall Street Journal

Orlando Sentinel

August 21, 2005

Almost unnoticed, the theology of global warming has in recent weeks suffered a number of setbacks.

In referring to the theology of global warming, one is not focusing on evidence of the Earth's warming in recent decades, particularly in the arctic, but rather on the widespread insistence that such warming is primarily a consequence of man's activities -- and that, if only we collectively had the will, we could alter our behavior and stop the warming of the planet.

It was Michael Crichton who pointed out in his Commonwealth Club lecture some years ago that environmentalism had become the religion of Western elites.

Indeed it has. Most notably, the burning of fossil fuels -- a concomitant of economic growth and rising living standards -- is the secular counterpart of man's original sin. If only we would repent and sin no more, mankind's actions could end the threat of further global warming.

By implication, the cost, which is never fully examined, is bearable. So far the evidence is not convincing. It is notable that 13 of the 15 older members of the European Union have failed to achieve their quotas under the Kyoto accord -- despite the relatively slow growth of the European economies.

The drumbeat on global warming was intended to reach a crescendo during the run-up to the Group of Eight summit at Gleneagles. British Prime Minister Tony Blair has been a leader in the global-warming crusade. Whether his stance reflects simple conviction or the need to propitiate his party's Left after Iraq is unknown. In any event, for believers, Gleneagles turned out to be a major disappointment.

On the eve of the summit, the Economic Committee of the House of Lords released a report sharply at variance with the prevailing European orthodoxy. Some key points were reported in the Guardian, a London newspaper not hostile to that orthodoxy:

The science of climate change leaves "considerable uncertainty" about the future.

There are concerns about the objectivity of the international panel of scientists that has led research into climate change.

The Kyoto agreement to limit carbon emissions will make little difference and is likely to fail.

The United Kingdom's energy and climate policy contains "dubious assumptions" about renewable energy and energy efficiency.

Most notably, the committee itself concluded that there are concerns about the objectivity of the Intergovernmental Panel on Climate Change process and about the IPCC's crucial emissions-scenario exercise.

Unwelcome news

Their lordships' conclusions were probably not welcomed at No. 10 Downing Street.

Also, on the eve of the summit, the Royal Society issued a news release, supposedly on behalf of the National Academy of Sciences -- these eve-of-the-summit announcements are not entirely coincidental.

It was headlined, "Clear science demands prompt action on climate change" and included this statement: "The current U.S. policy on climate change is misguided. The Bush Administration has consistently refused to accept the advice of the U.S. National Academy of Sciences."

A sharp riposte from the president of the National Academy of Sciences followed. Space does not permit full discussion of the rebuke. But a few key phrases are revealing: "Your statement is quite misleading. . . . By appending your own phrase, 'by reducing emissions of greenhouse gases' to an actual quote from our report, you have considerably changed our report's meaning and intent. . . . As you must appreciate, having your own misinterpretation of U.S. Academy work widely quoted in our press has caused considerable confusion both at my academy and in our government."

Though the issue of global warming and, indeed, the summit itself were overshadowed by the acts of terrorism in London, the final communique from Gleneagles was closer to the position of the House of Lords -- and the position of the Bush administration -- than it was to the Royal Society's.

French President Jacques Chirac had the gall -- no pun -- to suggest that the Europeans had brought President Bush around to their point of view.

Closer to the truth was the comment of Philip Clapp of the National Environmental Trust, who called the agreement "utterly meaningless -- the weakest statement on climate change ever made by the G8."

An additional setback occurred three weeks after the Gleneagles summit, when the United States entered into the "Asia-Pacific Partnership on Clean Development and Climate" with Australia, China, India, Japan and South Korea.

The focus will be on technology to cope with concerns about global climate as well as pollution. It responds to President Bush's earlier call for a "post-Kyoto era." Greenpeace immediately denounced the agreement, stating, "The pact sounds like a dirty coal deal."

The issue of climate change urgently needs to be brought down from the level of theology to what we actually know. It is, of course, quite likely that the greenhouse effect has to some extent contributed to global warming -- but we simply do not know to what extent. The insistence that global warming is primarily the consequence of human activity leaves scant room for variation in solar intensity or cyclical phenomena generally.

Through the ages, climate has varied. Generally speaking, the Northern Hemisphere has been warming since the end of the Little Ice Age in the 19th century. Most global warming observed in the 20th century occurred from 1900 to 1940, when the release of greenhouse gases was far less than later in the century.

From 1940 to 1975, temperatures fell -- and scientists feared a lengthy period of global cooling. The reported rise in temperatures in recent decades has come rather suddenly -- probably too suddenly, given the relatively slow rise of greenhouse gases in the atmosphere.

We must always bear in mind that Earth's atmosphere remains a highly complex thermodynamic machine. Given its complexities, we need to be modest in asserting what we know. Knowledge is more than speculation.

'Settled' science?

Much has been made of the assertion, repeated regularly in the media, that "the

science is settled," based upon a supposed "scientific consensus." Yet, some years ago in the "Oregon Petition," 17,000 to 18,000 signatories, almost all scientists, made manifest that the science was not settled, declaring:

"There is no convincing scientific evidence that human release of carbon dioxide, methane or other greenhouse gases is causing or will, in the foreseeable future, cause catastrophic heating of the Earth's atmosphere and disruption of the Earth's climate."

Several additional observations are in order. First, the "consensus" is ostensibly based upon the several Assessment Reports of the IPCC.

One must bear in mind that the summary reports are political documents put together by government policymakers, who, to put it mildly, treat rather cavalierly the expressed uncertainties and caveats in the underlying scientific reports.

Moreover, the IPCC was created to support a specific political goal. It is directed to support the U.N. Framework Convention on Climate Change.

In turn, the convention calls for an effective international response to deal with "the common concern of all mankind" -- in short, to reduce the emissions of greenhouse gases. Statements by leaders of the IPCC have been uninhibitedly political.

Second, science is not a matter of consensus, as the histories of Galileo, Copernicus, Pasteur, Einstein and others will attest.

Science depends not on speculation but on conclusions verified through experiment. Verification is more than computer simulations -- whose conclusions mirror the assumptions built in the model.

Irrespective of the repeated assertions regarding a "scientific consensus," there is neither a consensus, nor is consensus science.

DAVID MULFORD DELIVERS REMARKS TO ICC/IACC LUNCHEON
CQ Transcript
AS PREPARED FOR DELIVERY, AS RELEASED BY THE STATE
DEPARTMENT

AUGUST 18, 2005

SPEAKER: DAVID C. MULFORD, U.S. AMBASSADOR TO INDIA
LOCATION: CALCUTTA, INDIA

MULFORD: Ladies and gentlemen, thank you for coming today and hosting me in your wonderful city. I am especially grateful to have the opportunity to speak to your two distinguished Chambers, and I would like to thank President Umang Kanoria of the Indian Chamber of Commerce (ICC) and Ashok Aikat of the Indo-American Chamber of Commerce (IACC) for organizing this joint meeting.

Also before I begin, I would like to congratulate the ICC for being selected as one of the best chambers in the world by the World Chambers Federation of the International Chamber of Commerce. The ICC's outstanding initiatives in improving the environment have certainly garnered them worldwide recognition.

This is second time that I am addressing an Indian business audience since returning to India a few days ago. The first was this morning at a forum where I spoke of HIV/AIDS, an issue of the greatest importance to our two nations, and the role of the corporate sector in workplace interventions.

Now, I would like to address U.S.-India relations more broadly, and in particular the economic dimensions of our growing strategic partnership. I want to use this opportunity to say resolutely that U.S.-India relations are at an all-time high after the visit of Prime Minister Manmohan Singh to the U.S. in July. Our two great pluralistic democracies are now positioned for a partnership that will be crucial in shaping the international landscape of the 21st century.

During your Prime Minister's visit to Washington, he invited the people of America to complete the "unfinished" voyage of Christopher Columbus, who, setting sail to India, discovered America. We in the U.S. have enthusiastically accepted this invitation. President Bush is serious about his vision for a U.S.-India relationship and he clearly welcomes India's ambition to become a world power.

As the President said when he greeted the Prime Minister at the White House on July 18, "The United States and India have built a relationship of great potential as we face this century's challenges. We look forward to building on our strong bilateral relationship to expand our economic ties and to lay the foundation of

peace and prosperity for our children and our grandchildren."

The wheels are now in motion for us to expand the U.S.-India strategic partnership in four important areas:

* Putting in place economic policies that will unleash private investment and create new jobs all across India - including here in West Bengal; * Assuring that India's energy requirements are met through the use of new and renewable technologies, including civil nuclear; and * Building regional stability through strategic and military cooperation.

As two great democracies, working together to advance the cause of freedom and democracy in the world, our respective private sectors will play a key role in all these areas.

It is my firm belief that India can be a development model for the world by demonstrating the ability of a multi-ethnic democracy to deliver sustained growth and prosperity to its people. Our governments have agreed at the highest levels that, as the world's oldest and largest democracies, we must work together to create a world in which all democracies can flourish and a world in which terrorists find no fertile ground to plant their seed.

The U.S. commitment to develop deep economic and commercial ties with India has never been stronger. U.S. exports to India are up by 50%, and India's exports to the U.S. are up by 15% for the first quarter of 2005. We have put behind us a number of troublesome commercial disputes and are working cooperatively to boost trade and investment. The recent Open Skies Agreement with India is already increasing air traffic and creating new jobs, and India is finalizing a large order for Boeing aircraft. Our revitalized Economic Dialogue focuses on finance, trade, commerce, energy and the environment.

This renewed commitment on both sides to building the economic relationship has been noticed in the U.S. business community. Our engagement has strengthened business confidence. We are welcoming more U.S. business delegations in India than, including many sponsored by individual U.S. states. To make sure that they come not just with their notebook open, but also their checkbooks, we have helped facilitate a new business grouping called the CEO Forum. For those of you who may not have heard of this, the Forum consists of twenty of the most prominent

CEO business leaders in the U.S. and India, ten on each side. They have been asked by President Bush and Prime Minister Singh to identify ways for our two governments to further build business confidence and remove barriers to trade and investment to propel growth, job creation, and delivery of social benefits to our people. I want to point out that this Forum is entirely independent of our two governments and collectively represents trillions of dollars of investment capital.

Private enterprise and free markets are key to long-term progress. If we get our policies right, investment will flow and our economies will flourish. Effective public-private cooperation will address economic growth and development challenges far more effectively than micromanagement by governments. Governments are not the creators of wealth, the makers of markets, the wellspring of human energy and ingenuity. These are the productive forces of individuals, which governments must make special efforts to promote. Business activity and people-to-people engagement will be critical to the transformation of U.S.-India relations. In fact, at this very moment the Indian Chamber is leading a delegation of senior legal professionals from Calcutta to the U.S. invited by the U.S. Council of State Governments and under the sponsorship of our Department of State.

Nevertheless, governments play an important role in setting the ground rules for much business activity. Prime Minister Singh and your leadership in West Bengal have put economic reform at the top of their agenda. They have displayed a remarkable sensitivity to the changing times and aspirations. The leadership in West Bengal especially has been able to introduce a new dynamism in the business and economic environment that has been drawing great attention from the business community in the United States.

As I am sure this audience is well aware, there are already several U.S. companies present in West Bengal. In addition to the West Bengal government's welcome of foreign investment, we have seen its recent efforts to promote growth, and its willingness to adapt labor laws to the special circumstances of the IT industry, and to close loss-making public enterprises. I recognize that these reforms must be politically viable to survive; yet there are a number of mutually beneficial strategic reforms that could contribute significantly to India's progress and encourage American business to invest in India's future.

The most prominent challenge is world-class infrastructure, which India must provide as a platform for sustained higher growth and rural development,

especially in agriculture. Bringing together federal and state authorities and public and private players is essential.

Opening up sectors of the economy where private investment is now restricted, such as retailing, real estate, food processing, small-scale industry, and telecommunications will improve rural connectivity and help generate the growth and revenue streams necessary to provide positive returns to infrastructure investment. We need to find ways to extend the success of information technology and innovative technologies to the broader economy.

With proper roads, water delivery systems, and cold storage chains, the recently liberalized food-processing industry, as well as other forms of agribusiness, could become important sources of consumer benefit and rural employment. This is one area we wish to pursue under the newly inaugurated U.S.-India Agribusiness Initiative aimed at building partnerships among U.S. and Indian agricultural institutions. My impression is that agricultural processing, storage, refrigeration, and marketing have received too little private investment in large part because of government disincentives and inefficient infrastructure and marketing networks that reduces returns to such investment.

These areas have the potential to generate a virtuous economic circle, where rising productivity and certainty raise farm incomes and give rise to demand for manufactured products and services -- thereby benefiting all segments of the society. The experience of India and its Asian neighbors shows that continuing rural poverty stems not from too much economic reform but from too little.

Prime Minister Singh has identified energy security as a priority that must be addressed if India is to achieve its ambitious growth agenda over the coming decades. Adequate and reliable supplies of energy at reasonable cost are essential to fuel India's rapidly growing economy. With this in mind, our two nations launched the U.S.- India Energy Dialogue last May. The Energy Dialogue's goal is to increase energy security for both our countries by diversifying how we get our energy by expanding cooperation in areas such as clean coal, civil nuclear energy, and new technologies that open opportunities in renewable energy. This is an ambitious agenda to which the President has given his personal support.

The membership of the U.S. and India in The Asia-Pacific Partnership on Clean Development, Energy Security and Climate Change manifests our desire for a

balanced and sustainable energy economy that helps preserve a clean environment. This new results-oriented partnership will allow our nations to develop and accelerate deployment of cleaner, more efficient energy technologies to meet national pollution reduction, energy security, and climate change concerns in ways that reduce poverty and promote economic development. Building upon the broad range of existing cooperation, it is hoped that this effort will help mobilize secure, clean reliable and affordable sources of energy.

Two other areas that will require concerted action if India is to attract the huge investment it requires are the creation of true national markets and full protection of intellectual property rights. India's ability to implement a national VAT and remove fiscal and regulatory barriers to interstate trade -- a sort of free trade agreement among the states -- will create true national markets or a size and scale necessary to clinch business commitments. Continued progress in intellectual property rights, or IPR, is also necessary for India to attract more U.S. investment in biotechnology, pharmaceuticals, and clinical research. We share a major interest in science and technology, and India is proving to be a world-class player in these fields. As IPR protection improves, U.S. companies will become major investors, contributing capital, top quality science and technology, global management expertise, and new jobs.

It is increasingly understood that India has much to gain from bold initiatives that liberalize its economy and, in turn, generate broader political support through greater economic prosperity. Such reforms improve living standards in ways the average citizen can feel and understand. Political credit will accrue to those in government with the vision to effect such change. Impressive results in the IT and telecom sectors already demonstrate the dynamic of less regulation, free foreign direct investment, freer trade in services, and consumer benefit. Broadening our investment in both directions is firmly in the interests of both our countries.

The United States and India are also strengthening an increasingly dynamic strategic relationship. Cooperation on political issues -- from promotion of democracy abroad to global peacekeeping operations, to combating terrorism and WMD threats -- are at the core of the bilateral relationship. Defense cooperation has reached new levels and military cooperation in the tsunami disaster was unprecedented. Defense Minister Pranab Mukherjee and Secretary of Defense Donald Rumsfeld signed a New Defense Framework for the U.S.- India Defense Relationship on June 28th. This agreement will guide our defense relations for the

next decade in a wide variety of areas, including the enlargement of defense trade, improved cooperation between our armed forces, co-production of military hardware, and greater technology transfer. The successful cooperation of our two militaries during the response to the tsunami disaster last December was a remarkable testament to how far we have come, and the great potential we have for the future.

And may I also add - in a personal sense - that these developments in no way compromise India's sovereignty or independence, as sometimes one reads in the media. These are agreements between two equal, important partners, who look to the future and understand what some of their shared values and objectives must be.

Finally, as two great democracies, the United States and India have committed to work together to advance the cause of freedom and democracy in the world. At the White House, President Bush and Prime Minister Singh agreed on a Global Democracy Initiative that outlines our two nations shared commitment to democracy and belief that we have an obligation to the global community to strengthen values, ideals and practices of freedom, pluralism, and rule of law. With our solid democratic traditions and institutions, our two nations have agreed to assist other societies in transition seeking to become more open and democratic. We both recognize that democracy is central to economic prosperity and development and to building peaceful societies.

Concluding, let me say that Prime Minister Singh's visit to the U.S. has marked the next stage as the world's two largest multicultural democracies reach for new heights in their relationship. The challenge is now upon us to move forward in areas I have outlined above to make sure we do not miss a single opportunity to deliver quick results and demonstrate to the world that our two great democracies can act proactively and courageously to deliver economic benefits to all of our people, as a beacon to other aspiring democracies around the world.

Thank you.

US-Led Pact Spells Trouble For Kyoto
Petroleum Intelligence Weekly
August 15, 2005

The recently inked six-nation Asia-Pacific pact on clean energy development,

which focuses on technology to reduce greenhouse gas emissions, offers a substantially different approach to combating climate change from the Kyoto Protocol's emphasis on emission reduction targets. Its instigators tout the pact as a complement rather than an alternative to Kyoto but others think it sounds the death knell. The Asia-Pacific Partnership on Clean Development, which was initiated by the US and Australia -- the only two industrialized nations not to sign up to Kyoto -- has also been joined by China, India, Japan and South Korea, a combination that together accounts for around half of global gross domestic product, population, energy use and emissions.

The partners have agreed to collaborate in the development, deployment and transfer of existing and emerging cost-effective cleaner technologies to not only curb pollution and emissions, but also enhance energy security -- an area not covered by Kyoto. They have also agreed to cooperate on longer-term advanced technologies, such as next generation nuclear fission and fusion power and hydrogen, among others. According to a "vision statement" issued by the US Department of State, the collaboration can include such areas as energy efficiency, clean coal and integrated-gas combined-cycle power plants, liquefied natural gas, carbon capture and storage, combined heat and power, methane capture and use, civilian nuclear power, geothermal power, rural/village energy systems, advanced transportation, building and home construction, biofuels, agriculture and forestry, as well as hydro, wind, solar and other renewable power sources.

The European Union cautiously welcomed the pact -- particularly the US acknowledgment that human activity is contributing to climate change and its commitment to act -- but it does not believe that clean technologies can work alone or are an alternative to commitments to cut emissions, such as under Kyoto. Skeptics in the environmental lobby were less guarded, dismissing the pact as insubstantial and a move to deflect attention from rising US and Australian emissions with the promise of technology tomorrow rather than cuts today. Climate change activists don't believe it is designed to complement Kyoto but is another attempt to undermine the treaty, citing comments by Australian Prime Minister John Howard that it's "better than Kyoto." The deal is also seen as weakening efforts by the UK to reach a climate change deal during its presidency of the G8 group of industrialized nations (PIW Jul.18,p6).

By offering an alternative focus, the Asia-Pacific agreement could complicate further the negotiations -- scheduled for Montreal in November -- on what

happens next to Kyoto, which currently only commits industrialized nations to binding cuts of 5.2% by 2012. If Kyoto is to have any effect in combating climate change, agreement beyond 2012 is crucial and would have to bring in developing nations as well -- and achieve more substantive emissions cuts than Kyoto's first phase, which was essentially just an example-setting practice run (PIW Feb.21, p8). The EU had hoped to persuade the so-called "Group of 77" developing nations to accept binding targets post-2012, but will now likely face opposition to mandatory emission cuts by China and India, which could side with the US and Australia and block a deal. And with the US offering the carrot of technology transfers rather than the stick of binding targets backed up by sanctions, others may abandon Kyoto. Even in the EU, the appetite for substantial and expensive emissions cuts may be waning -- Brussels recently adopted a target of 15%-30% cuts by 2020, but shelved a much tougher target of 60%-80% cuts by 2050.

Environment: Moving beyond Kyoto

Energy Compass

August 12, 2005

Is the world slowly rallying around US President George W. Bush's vision of using technology to fight climate change rather than imposing emissions control? Yes, say his supporters, pointing out that Bush's "common sense approach" to the problem will be more acceptable than the inflexible and hard-to-attain goals of the Kyoto treaty.

The US last month forged a partnership with five Asian and Pacific countries to use new technologies to curb greenhouse gas emissions blamed for climate change. Critics say the US created the group to undermine the Kyoto climate change treaty that sets clear targets and timetables for developed countries to reduce greenhouse gas emissions caused by burning oil and coal. Bush pulled the US, the largest polluter, accounting for a quarter of the world's greenhouse gas emissions, out of the Kyoto treaty in 2001 and has since been pushing technology as the means to overcome climate change.

US officials are insisting that the partnership formed with Australia, Japan, South Korea, China and India will complement rather than replace the Kyoto treaty, but they are also happy to suggest that Bush's voluntary approach will be less harmful to the global economy than Kyoto's command-and-control approach.

Bush is also scoring points for roping in China and India, two developing countries whose emissions could surpass those of several developed countries. The exemption of developing countries from Kyoto emissions targets has been a sore point for many of the treaty's critics, and prompted a US Senate resolution that such a dispensation was "inconsistent with the need for global action on climate change and is environmentally flawed."

US officials say the partnership will promote development and deployment of technologies in areas such as energy efficiency, methane capture and use, liquefied natural gas and clean coal. A comprehensive energy bill that Bush signed into law this week facilitates technology transfer to these countries. Industry insiders say the partnership provides a good opportunity for investments, especially so for oil companies that have refining and cogeneration technologies that would greatly help these countries operate more efficiently and reduce emissions.

"This new approach to managing greenhouse gas emissions by some of the world's largest energy-consuming nations clearly rejects Kyoto's inflexible, economically destructive approach," said Myron Ebell, director of global warming policy in the pro-business Competitive Enterprise Institute. Ebell notes that the Bush administration's position on global warming received a strong endorsement at last month's G8 summit, despite UK Prime Minister Tony Blair's efforts to bring Bush closer to the European position of mandatory controls.

Kyoto treaty skeptics admit that despite the difficulty OECD countries face in meeting their Kyoto obligations, they would not find it politically feasible to get out of the treaty as it could offend their environmental constituency. But they also believe that the G8 statement on climate change, which focused on technological solutions rather than emissions reduction targets, indicates that many countries are coming around to Bush's point of view. Kyoto could in any case cease to exist from 2012, when the treaty's budget period ends, if several of the signatories, citing the US' nonparticipation and other reasons, allow it to expire.

For environmental groups, the Asia-Pacific partnership is little more than a screen to avoid taking tough action on climate change. They see it as a means for the Bush administration to be seen to be doing something at a time when interest to address the issue is on the rise in the international arena and in the US, where many senators determined to set mandatory controls.

The National Environmental Trust's Philip Clapp says there may be a more sinister side to Bush's effort in forging the partnership: "It is possible the Bush administration is organizing a group of nations to block a new set of emissions reduction of targets, which will begin to be negotiated in Montreal in November."

Others dismiss this view. Many countries have invested in Kyoto implementation, they argue, while several states in the US are also taking strong actions to curb greenhouse gas pollution. Right from the day he rejected the Kyoto treaty, Bush has been trying to undermine it, says Brendan Bell, assistant Washington representative with the Sierra Club, an environmental lobby group. "He hasn't succeeded yet," Bell says. "And he will not succeed in the future."

By Manimoli Dinesh, Washington

Editorial: Climate deal just smoke, mirrors

Atlanta Journal-Constitution

August 9, 2005

Smokers who want to quit fall into three categories: Those who go cold turkey; those who join a support group with others committed to kicking the habit; and those who make empty promises and keep lighting up until it's too late.

In many ways, the same can be said for mankind and our heedless addiction to fossil fuels. The overwhelming scientific consensus holds that burning fossil fuels produces carbon dioxide and other gases that are accelerating the alarming changes in the Earth's climate. And even though the Bush administration reluctantly acknowledges that's a real problem, it's behaving like a smoker who has heard the warnings but still doesn't get it.

Late last month, the White House quietly revealed that the United States had joined the Asia-Pacific Partnership on Clean Development and Climate. The voluntary pact counts five other members --- Australia, China, India, Japan and South Korea --- that collectively account for more than 40 percent of industrial emissions that contribute to global warming.

Under different circumstances this might be good news. With the exception of Japan, the nations in the group have refused to join the Kyoto Protocol, a 141-

member treaty ratified this year that sets specific and mandatory limits on each nation's greenhouse gas emissions.

But the new partnership does nothing of the kind. It has no clear-cut programs, deadlines, emission limits and, worst of all, money. In essence, the signatories to the partnership have merely agreed to trade technologies that could eventually curb greenhouse gas emissions if and when they became available.

As one environmental group accurately pointed out, "A deal on climate change that doesn't limit pollution is the same as a peace plan that allows guns to be fired."

It won't be easy to develop alternatives to oil and gas capable of sustaining the world's growing economies and consumption-driven lifestyles. But until the United States takes concrete steps to achieve that goal, we're all just blowing smoke.

EDITORIAL: Kyoto alternative a rational step

Valley Morning Star (Harlingen, TX)/Colorado Springs Gazette (AP Sampler)
August 9, 2005

We're sure it won't do much to placate Bush administration critics in the Environmental Anxiety Industry, who won't be satisfied until the United States binds itself to economy-killing emissions caps included in the unratified Kyoto Treaty. But we like the change of approach signaled by the Asia-Pacific Partnership on Clean Development and Climate, an alternative to Kyoto signed recently by the United States, Australia, China, India and South Korea.

The United States and Australia signed, but did not ratify, Kyoto; China, India and South Korea are exempt from Kyoto's provisions because of their status as "developing" countries; Japan has signed on to both pacts.

Instead of placing an emphasis on hard caps -- unrealistically stringent "greenhouse gas" limits that few Kyoto participants have been able to meet -- members have agreed to work cooperatively to develop and share technologies that will reduce emissions while still maintaining an economic edge.

"This new results-oriented partnership will allow our nations to develop and

accelerate deployment of cleaner, more efficient energy technologies to meet national pollution reduction, energy security and climate change concerns in ways that reduce poverty and promote economic development," President Bush said in a statement. The goal is to build a framework through which pact members can work together to stimulate investment and research into methane capture, "clean coal" technologies, nuclear power, hydrogen transportation and other innovations.

One gaping flaw in Kyoto is that it does nothing to curb greenhouse gas emissions in the emerging economic giants, China and India. The new partnership at least involves them in a constructive effort to deal with climate change.

Australian Prime Minister John Howard said the new pact would help his country maintain a vibrant economy while responding to climate change. "The fairness and effectiveness of this proposal will be superior to the Kyoto Protocol," Howard predicted.

This is likely to fall short of the radical steps advocated by the Chicken Little Lobby, which has adopted the motto, "Don't just stand there, panic!" But Bush and the U.S. Senate were wise to refuse to ratify the Kyoto treaty, recognizing the hardships and costs that compliance with its mandates would impose, based on computer models of climate changes predicted for 100 years from now.

The rational response to climate change, whether manmade or not, isn't in wrecking the U.S. economy, but in developing the technologies and policies that will help deal with climate change while also sustaining the American standard of living.

US comes clean

The Engineer

August 8, 2005

Asia-Pacific countries agree deal to 'complement' Kyoto

Some of the world's biggest producers of greenhouse gases have unveiled plans to cut emissions by exporting new technology rather than setting limits on their own industries.

The US, Japan, Australia, India, China and South Korea announced the plans,

which have been worked on secretly over the past year, at an event in Laos.

They clear the way for the US and Australia in particular to export a variety of renewable energy and pollution-reducing technologies to developing countries, instead of cutting emissions themselves. Areas of special focus will include nanotechnologies, advanced biotechnologies and next-generation nuclear fission and fusion, the six partner countries said.

They claimed it would allow the world to take action on climate change in a way that does not interfere with any individual country's economic growth.

Non-binding partnership

According to a White House bulletin, the deal will aim to build on existing co-operation between the six countries by promoting clean coal use, expanding nuclear power programs, promoting energy efficiency and increasing the reliance on sources of energy other than fossil fuel.

Partners in the project will also be expected to make progress in areas such as methane capture, advanced transportation and liquefied natural gas, as well as carbon capture and sequestration.

The aim is to focus particularly on developing countries and encourage them to use new energy technologies. This means the deal will also encompass rural and village energy systems for developing countries as well as geothermal building and home construction and the use of renewable energy sources.

The Asia-Pacific Partnership on Clean Development and Climate is a non-binding pact between the participating countries, which have described it as complementing the Kyoto Treaty - which the US would not ratify - rather than detracting from it. China described the treaty as a 'win-win' situation.

However, the deal has been criticized by environmental pressure groups as being nothing more than a way for the US to safeguard its own trade in new technologies. They claimed that its voluntary nature will mean that it has little long-term effect on climate change.

A Real Fix or Just Hot Air?

The U.S. and others unveil a global-warming pact, but some are worried that it will derail Kyoto

Time International

August 8, 2005

BYLINE: Anthony Spaeth, Maryann Bird/London; Elizabeth Keenan/Sydney; Chan Yong Kim/Seoul; Nathan Thornburgh/New York

When delegates from 161 nations hammered out an agreement in December 1997 to save the planet from global warming, they picked an appropriate venue: Kyoto, the well-preserved cultural capital of ultra-industrialized Japan, a city where high-rises aren't allowed to ruin vistas of venerable temples in maple groves. The toughly negotiated pact became known as the Kyoto Protocol, although it's actually a treaty: 141 countries have ratified it, legally binding themselves to reduce their emissions of six greenhouse gases by 2012. From the start, there were doubts about the effectiveness of the plan. Developing countries that signed on, such as China and India, were let off the hook so economic progress wouldn't be impeded. Australia and the U.S. signed the protocol in 1997, but ultimately chose not to ratify the treaty, saying their economies would suffer too.

Last week, those two nations surprised the world with an alternative planet-saving scheme at a location seemingly chosen at random. On the sidelines of an Association of Southeast Asian Nations meeting in Vientiane, the capital of Laos, U.S. Deputy Secretary of State Robert Zoellick and Australian Foreign Minister Alexander Downer unveiled the Asia-Pacific Partnership on Clean Development and Climate, a six-nation initiative that was pulled together in behind-the-scenes diplomatic talks over the past six months. The other countries taking part--China, India, Japan and South Korea--are responsible for 48% of the world's greenhouse-gas emissions. Diplomatically, they're bedfellows that rarely get together on anything. That's the virtue of the deal, according to Zoellick. "We're going to be more effective in dealing with these combined challenges on energy, the environment, [and] climate change," he said, "if we do so in a way that takes account of mutual interests and incentives." Zoellick emphasized that the partnership isn't a substitute for the Kyoto pact but should be seen as a "complement" to it.

Environmentalists see less complement than insult--and some fear that this rival plan may deliver a fatal blow to the Kyoto Protocol. "The new pact will attempt to

lure in other nations from the Asia-Pacific region and expand its influence," says Choi Seung Kook, deputy chief of the Green Korea environmental group, "until it is big enough to ignore the Kyoto treaty." Environmentalists point out that the agreement announced in Vientiane spells out no concrete goals to reduce global warming, sets no emissions targets for countries, and can't even be called a pact--the six countries merely endorsed a vision statement. The next apparent step is for the six nations to meet in November in Adelaide to start work on a "nonbinding compact" that emphasizes consensus, cooperation and advanced technologies as the means to reduce greenhouse-gas emissions.

The Australians have been particularly aggressive in making the case for a Kyoto alternative. In a press conference last week, Prime Minister John Howard called the treaty "a failure." Ian Campbell, Minister for the Environment, hammered away at the fact that the protocol hasn't got universal support, relies too much on restrictions, and inhibits "absolutely vital" economic development. Another theme is that the world needs a plan that extends beyond 2012, when emissions limits set in Kyoto end. Even the 2012 goals are in jeopardy. "I don't think Europe can achieve its goals. I don't think Japan can," says Warwick McKibbin, an economist specializing in energy issues at the Australian National University. "Kyoto is a toothless tiger, a very political agreement."

Environmental groups defend Kyoto and see nothing but backpedaling in the new arrangement--if not something worse, like a protection of coal industries in Australia, the U.S., China and India. Paul Epstein, associate director of the Center for Health and the Global Environment at Harvard Medical School, says he sees a single advantage to the new approach: that the Bush Administration is finally acknowledging that global warming is real and that fossil fuels play a role. "But this dual pact approach is not helpful," he says. "The entire world community needs to come together on this issue. The pattern of climate instability we're seeing now is what we predicted for the end of this decade. Look at what's happening in Bombay." According to environmentalists, the torrential rain in the city of 16 million is an augur that the world must get its act--or acts--together or face the perils of an increasingly unstable environment. --Reported by Maryann Bird/London, Elizabeth Keenan/Sydney, Chan Yong Kim/Seoul and Nathan Thornburgh/New York

Heating Up
National Journal

August 6, 2005

BYLINE: Margaret Kriz

HIGHLIGHT:

Global warming moves to a front burner, as demands grow for aggressive action to limit greenhouse-gas emissions.

BODY:

This summer, the American political climate on global warming changed dramatically. Many of the key players who once dismissed as unproven the idea that the burning of fossil fuels is causing a harmful rise in Earth's temperature have now concluded that global warming is real -- and very dangerous.

"I have come to accept that something is happening with the Earth's climate," Sen. Pete Domenici, R-N.M., chairman of the Senate Energy and Natural Resources Committee, declared at a July 21 hearing on global warming. "I am looking for a solution, but I am not going to join the crowd that thinks it will be simple, [or] that thinks Kyoto was the solution... So, we've got to talk about something else."

On Capitol Hill, in corporate America, and in cities and state capitols across the country, a growing chorus of leaders is calling for aggressive action to limit U.S. emissions of carbon dioxide and other "greenhouse gases," which are blamed for global warming. Some members of this chorus are hopeful that the dual threats of global climate change and rising energy prices could spark an energy-technology revolution comparable to the information-technology boom of the 1980s and 1990s.

President Bush insists that the United States can adequately address global warming through voluntary, technology-driven solutions. He has rejected the United Nations' Kyoto Protocol on climate change, which calls on industrialized nations to make specific cuts in their greenhouse-gas emissions.

Late last month, the White House announced an information-sharing pact with Australia, China, India, Japan, and South Korea aimed at developing cleaner, more-efficient energy technologies. The accord, which essentially repackages and expands the administration's existing technology-sharing agreements, is intended to encourage private investment in the new technologies.

The multinational agreement drew cautious praise from leaders of other industrialized nations who have unsuccessfully pushed Bush to crack down on U. S. polluters. But some critics predicted that the White House will use the new pact to try to dampen Senate enthusiasm for global-warming legislation and to undercut international efforts to enact tougher limits for greenhouse-gas emissions.

Advocates of muscular governmental efforts to slow or reverse global warming predict that the United States will eventually take strong action -- but they doubt that such action will come on Bush's watch.

Already, growing numbers of senators are signaling dissatisfaction with the president's all-volunteer approach to curbing greenhouse gases. In late June, the Senate adopted a resolution calling for "mandatory, market-based limits and incentives on emissions of greenhouse gases." Carbon dioxide, which the federal government does not regulate, accounts for 83 percent of the United States' greenhouse-gas emissions.

The new resolution was part of the Senate's version of the energy bill, but it was dropped in conference at the insistence of the White House and House Republicans. Nonetheless, the resolution marked a turning point because it superseded a 1997 resolution opposing U.S. ratification of the Kyoto Protocol. The 1997 measure, sponsored by Sens. Robert Byrd, D-W.Va., and Chuck Hagel, R-Neb., passed 95-0. And for years, it was cited as supposed proof that the Senate would reject any new controls on U.S. emissions of greenhouse gases. But this year's resolution passed the Senate 53-44, with the support of 12 Republicans, including Domenici.

Corporate Catalysts

Early this summer, a giant of American business joined the push for serious action to address global warming. General Electric, one of the world's largest corporations, unveiled an ambitious, corporation-wide program to develop cleaner energy sources. In a speech at George Washington University, GE Chairman and CEO Jeffrey Immelt pledged to sharply ratchet up his company's spending on research and development of energy-efficient and environmentally friendly

products. He promised that by 2010, GE would invest \$1.5 billion in such R&D. And he urged the rest of the private sector to join GE and become a "major catalyst for environmental change."

Immelt did not specifically endorse mandatory controls on greenhouse gases, but he praised the federal acid-rain-control program that has successfully cut power-plant emissions of sulfur dioxide through a cap-and-trade program. That program sets limits on national SO₂ emissions and allows companies to buy and sell emission credits.

"We think that real targets, whether voluntary or regulatory, are helpful because they drive innovation," Immelt said. "We believe in the power of market mechanisms to address the needs of the environment."

And General Electric is not alone. Much of the American business community is now taking global warming more seriously than ever before. "There are still companies that would like to put off the day of reckoning as far as possible," said Eileen Claussen, president of the Pew Center on Global Climate Change. "But a surprisingly large number of companies and experts in the field are saying, 'We really are going to have to deal with this problem.'"

Some businesses are pushing for federal action because they see potential profits in selling technologies designed to curb greenhouse-gas emissions. Others want Washington to impose uniform controls that would replace the emerging patchwork of state and local climate-change regulations and would minimize conflicts that arise when U.S. companies do business with countries now complying with the Kyoto Protocol.

U.S. energy companies are already trying to prepare for the possibility of federal controls on greenhouse gases. "People are saying, 'OK, what insurance policy should we adopt to do something positive on climate change?'" said Tom Kuhn, president of the Edison Electric Institute, which represents investor-owned electric companies. Kuhn's group opposes federal global-warming mandates, but three electricity giants that belong to the institute --

Cinergy, Duke Energy, and Exelon -- are actively supporting proposed restrictions on carbon dioxide emissions. Other utility-industry executives say that their company business plans anticipate a day when the government will restrict greenhouse-gas emissions.

General Electric, which has a large stake in energy sectors including nuclear, natural gas, "clean coal," and wind power, is one of more than three dozen major companies that have pledged to the Pew Center's business council that they will lower their greenhouse-gas emissions. More than 200 companies have agreed to voluntarily report their annual greenhouse-gas emissions as part of the Energy Department's climate-change tracking program.

Bucking this flurry of change, several politically powerful companies -- most notably Exxon Mobil -- continue to challenge the research that links fossil fuels to global warming.

The American Petroleum Institute, the National Association of Manufacturers, and the U.S. Chamber of Commerce are also fiercely opposed to any global-warming mandates. William Kovacs, a vice president of the chamber, said his group is "agnostic" on whether human activity is causing the Earth to warm. He supports government encouragement of technological innovations, but argues that federal limits on carbon dioxide emissions would cause U.S. energy prices to skyrocket. "Whatever happens with climate change and new energy resources, it's going to happen on the technology side," Kovacs said.

Despite such resistance, almost half of the states have already adopted measures aimed at limiting greenhouse-gas emissions. Twenty-one states and the District of Columbia require their electricity providers to get part of their power from renewable or other low-pollution sources of energy. In June, California Gov. Arnold Schwarzenegger issued an executive order calling on state officials to slash greenhouse-gas emissions to 80 percent below 1990 levels by 2050; the California Legislature favors a less ambitious goal. Arizona, New Mexico, and North Carolina have proposed or are studying ways to reduce emissions of greenhouse gases within their borders.

This fall, nine Northeastern states are expected to unveil a groundbreaking

regional cap-and-trade program for greenhouse-gas emissions. The group, known as the Regional Greenhouse Gas Initiative, is made up of regulators from Connecticut, Delaware, Maine, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, and Vermont. Negotiations on the gas-emissions plan began in 2003, and regulators had hoped to release their final blueprint this spring. Now they hope it will be ready in September.

The U.S. Conference of Mayors, meanwhile, recently adopted a resolution calling on cities to cut their greenhouse-gas emissions by 2012 to 7 percent below their 1990 levels – the standard that the United States would have had to meet if it had ratified the Kyoto Protocol. The mayors' group also backs federal legislation to reduce carbon dioxide emissions nationwide.

Although state and local officials increasingly favor more-aggressive action on global warming, Bush has consistently argued that mandatory greenhouse-gas controls are not needed. On his way to the recent G-8 meeting in Scotland, Bush conceded "that the surface of the Earth is warmer, and that an increase in greenhouse gases caused by humans is contributing to the problem." But at the summit, he brushed aside appeals from G-8 allies for U.S. restrictions on emissions of greenhouse gases.

As a result of Bush's resistance, the joint communique from the G-8 meeting didn't go as far as some foreign leaders had hoped. The world leaders have scheduled global-warming talks, to take place in November in London, between the G-8 nations and the fast-growing nations of Brazil, China, India, Mexico, and South Africa. Some advocates of stronger environmental action are fearful, however, that the White House will use the recently announced Asia-Pacific partnership to block international efforts to develop a new set of emissions-reduction targets.

Changed Dynamics

In June, Senate staff members were invited to a briefing on a new proposal to control U.S. emissions of greenhouse gases. Even though the session was scheduled for late afternoon on a summer Friday, the Senate hearing room was packed. The briefing focused on a global-warming proposal developed by Sen. Jeff Bingaman of New Mexico, ranking Democrat on the Energy and

Natural Resources Committee. Significantly, Domenici had announced that he was considering backing the measure.

Domenici's emergence as a leader on the issue of global warming has changed the political dynamic in the Senate. In reversing his longtime stance, he has thrown his conservative weight behind the contention that global warming is an urgent international problem.

Domenici ultimately decided not to sign on to Bingaman's proposal, and the measure was never formally offered on the Senate floor during consideration of the energy bill. Insiders say that Domenici bowed to warnings from the White House and from other key Senate Republicans that inserting a global-warming provision into the energy package could have doomed it. Domenici is now working with Bingaman to develop a new climate-change proposal that the two might introduce as a stand-alone bill later in this Congress. The chairman has also held the first of what he said will be a series of hearings on global warming.

Other Senate committees are also claiming jurisdiction over the issue. When Ted Stevens, R-Alaska, took over the Commerce, Science, and Transportation Committee early this year, he created a global-warming subcommittee. Meanwhile, Sen. James Inhofe, R-Okla., who chairs the Environment and Public Works Committee, argues that global-warming science is fraudulent. He is expected to try to advance that view at hearings this fall.

Bingaman based his proposal on the recommendations of the National Commission on Energy Policy, a privately funded group of energy experts from industry, government, academia, labor, and consumer and environmental groups. The complex plan would tie reductions in emissions directly to national economic growth. The plan would set an emissions cap based on the growth of the gross domestic product and allow companies to trade pollution credits as a way to curb overall national greenhouse-gas emissions. Companies that could not meet their emission-reduction targets could buy additional permits from the government for \$7 per ton of carbon dioxide.

According to the Energy Department's Energy Information Administration, the

commission's global-warming proposal, if enacted, would have little impact on the American economy.

Many environmentalists are cool to the proposal, charging that it would hardly make a dent in U.S. emissions of greenhouse gases. But commission members insist that the proposed legislation, though modest, would push energy companies to build cleaner power plants. "At a time when the electricity sector is recognizing the need to build new power plants, they have to start planning for what kind of capacity they'll need in 2010," said commission member Linda Stuntz, who was deputy Energy secretary under President George H.W. Bush. "This proposal would affect decisions immediately."

The measure has attracted interest in the business community. In an ironic twist, some utility-industry lobbyists are suggesting that the Bingaman global-warming measure could be used as a vehicle to pass the president's "Clear Skies Initiative," which would set up a cap-and-trade program to cut power-plant emissions of mercury and nitrogen oxides and to further restrict sulfur dioxide emissions. Clear Skies is stalled in the Senate Environment and Public Works Committee, where Democrats and moderate Republicans insist that restrictions on carbon dioxide must be added.

Bingaman's proposal is far less ambitious than the global-warming legislation championed by Sens. John McCain, R-Ariz., and Joe Lieberman, D-Conn., which proposes a mandatory emissions-trading program to cut carbon dioxide output back to 2000 levels by 2010. Until this year, the environmental community enthusiastically backed the McCain-Lieberman bill. But the authors recently revised their package to include incentives for building advanced nuclear reactors. That move drew howls from environmental groups and led four Senate Democrats to withdraw their support. An attempt by McCain and Lieberman to attach their revised plan to the Senate energy package failed, 38-60. That was a worse showing than in 2003, when their original bill lost 43-55 on the Senate floor.

The only global-warming language included in the final energy bill is a technology-development plan introduced by Hagel. That measure, which closely follows the Bush administration's technology-based policies, expands tax credits

and provides incentives for companies that invest in advanced climate research and products.

Although Congress is not expected to pass mandatory climate-control legislation before the 2006 elections, a growing number of lawmakers see global warming as a problem that they need to address. "If you look at Capitol Hill, particularly among Republican senators, the change is enormous," said Phil Clapp, president of the Washington-based National Environmental Trust. "When Kyoto was negotiated in 1997, we could count only 20 members of the Senate who would vote for anything on global warming. Today, there's far more interest."

A New Kind of Green?

In late July, House Energy and Commerce Committee Chairman Joe Barton, R-Texas, made a run at changing the way Congress defines "clean energy." Barton, who headed the House-Senate energy conference committee, argued that the "renewable-resource" electricity mandate included in the Senate energy bill should be rewritten to include nuclear power, clean-coal technology, and hydroelectric energy. The original Senate proposal, championed by Bingaman, would have required electric utilities to buy 10 percent of their energy from "renewable sources" -- defined as wind, solar, and geothermal power -- by 2030.

House Republican leaders, along with utility companies, have traditionally opposed such "renewable-portfolio" standards. But Barton said he would accept the Senate provision if it were expanded to include more-conventional technologies. Domenici unsuccessfully pushed a similar amendment during the Senate's energy debate.

In the end, both Bingaman's electricity standards and Barton's revision proved too contentious and were dropped from the final energy package. But the issue of how to define "green energy" continues to ripple across Capitol Hill. Barton is promising to hold hearings.

The environmental community is divided over the clean-energy debate. For years, environmental groups argued that America could meet its growing electricity needs by building more wind- and solar-energy plants and by adopting new energy-efficient technologies.

Now a growing number of environmentalists, led by David Hawkins of the Natural Resources Defense Council, support development of advanced-technology coal-fired power plants that can capture their carbon dioxide emissions and sequester them by, for example, pumping them underground. Hawkins opposed adding clean-coal technology to the Senate renewable-energy mandate, but he says that the nation needs to develop cleaner ways of using domestic coal.

Other environmentalists also expect coal-rich countries to keep relying on coal to meet much of their growing power needs. "I think it's very unlikely that either the United States or China is going to leave all that coal in the ground," said Clapp of the National Environmental Trust.

But many activists are suspicious of government promises that future coal plants will be environmentally benign. "Coal plants are increasingly clean, but they're only better if you stipulate that you're going to capture the carbon dioxide emissions and store them," said David Hamilton, director of the Sierra Club's global-warming and energy program. "That's expensive, and we have reservations that industry will install the new equipment." Hamilton noted that American utility companies are proposing to build more than 100 additional coal-fired power plants, most of which would use existing incineration methods that only slightly reduce greenhouse-gas emissions.

While some environmentalists are flirting with cutting-edge coal technologies, all of the green groups continue to oppose nuclear power. When McCain and Lieberman added nuclear power incentives to their global-warming bill, the Sierra Club and U.S. PIRG were among the groups that withdrew their support. Others, like Environmental Defense and the National Wildlife Federation, held their noses and continued to back the legislation.

Jeremy Symons of the National Wildlife Federation defended his group's support of the revised bill. "It was the only plan offered and voted on in Congress that had a concrete plan of action and concrete timetable to reduce U.S. global-warming

pollution," he said. "That's why we supported it. But nuclear power does not need to be part of the package to reduce global-warming pollution."

In announcing the revision, McCain argued that nuclear power does need to be part of solution because it produces no carbon dioxide emissions. "The idea that nuclear power should play no role in our energy mix is an unsustainable position, particularly given the urgency and magnitude of the threat posed by global warming," he said.

Environmentalists counter that nuclear power continues to pose unacceptable risks associated with radiation, weapons proliferation, waste disposal, and terrorism. But a growing number of energy policy experts say that nuclear power must be part of the global-warming discussion. "You're undermining your credibility when you say that climate change is a terrible problem, but you're not even willing to consider whether nuclear can make a contribution," said John Holdren, an environmental policy professor at Harvard University. Holdren, who co-chaired the National Commission on Energy Policy, noted that the commission backed the use of all carbon-free energy sources, including nuclear power.

"There is a lot of interest, certainly more than there was a few years ago, in both clean coal and the possibility that nuclear energy could make a comeback," he said. "But it's not an unqualified embrace."

Mating Policy to Technology

Although more policy makers now say that global warming is a serious problem caused by human activity, they have yet to agree over just what to do. Lawmakers and analysts who favor only voluntary programs tend to see global warming as a long-term challenge that is already being adequately addressed. "When people say that Congress recognizes that something has to be done, they've created this fallacy that nothing is being done," said William O'Keefe, chief executive of the conservative George C. Marshall Institute and a former lobbyist for the American Petroleum Institute. O'Keefe argues that the United States is "leading the world on cutting emissions" through the Bush administration's voluntary programs to reduce greenhouse gases.

O'Keefe added that scientists disagree about just how global warming will affect the Earth. "It could be a minor risk, or it could be that we're talking about [significant] increases in temperature of 7 to 8 degrees," he said. "But those events are not going happen for decades to come. There is nothing that we need to do in the next 10 or 15 years on mandatory limits on emissions."

Harvard's Holdren, however, insists that immediate action is essential. "Technology has to be mated with policies that will cause the technologies to be implemented at an accelerated rate," he said. He argues that global warming is likely, in the near future, to cause "abrupt and drastic" changes that will devastate the world economy. "That's what we're heading for, if we don't take evasive action," he argued.

The energy package signed into law this summer includes a laundry list of incentives and tax breaks for industry. Among those incentives are bonuses for new nuclear power technology, for more-advanced coal plants, for the use of renewable energy, and for development of energy-efficient products, all of which might eventually help slow the growth of U.S. emissions of greenhouse gases.

But energy commission member Stuntz said that Capitol Hill is more and more interested in mandating restrictions on carbon dioxide emissions. "There are more Republicans who really are feeling the need to do something on climate change," she said. "They don't want to undermine the president. But they're finding it increasingly difficult to say, 'Let's just do technology incentives.' "

This year's energy package, argues Pew's Claussen, is merely the prologue to more-comprehensive legislation to control global warming. She adds, "We're in a period of preparing for something that will be significant in a couple of years."

Still Rising

Overall, U.S. releases of carbon dioxide continue to go up. The federal

government does not regulate CO2, which accounts for 83 percent of greenhouse-gas emissions. Emissions from commercial sources have leveled off. American vehicles, meanwhile, are spitting out a record amount of carbon dioxide.

Commercial Industrial

Residential Transportation

1990	780	951	1690	1570
1991	781	966	1644	1549
1992	781	968	1723	1571
1993	806	1027	1705	1600
1994	820	1020	1734	1632
1995	837	1026	1731	1661
1996	868	1086	1785	1705
1997	912	1077	1800	1723
1998	930	1083	1784	1758
1999	943	1106	1772	1806
2000	1008	1174	1778	1844
2001	1025	1167	1694	1836
2002	1021	1193	1667	1865
2003	1018	1215	1687	1877
2004*	1022	1213	1716	1944

U.S. Energy-Related Carbon Dioxide Emissions, By Sector (in millions of metric tons of CO2)

* Projected

Source: Energy Information Administration

Letters: A better environmental treaty

The Washington Times

August 5, 2005

Please allow me to add to James Glassman's excellent analysis of how the Asia-Pacific Partnership on Clean Development and Climate, which the United States recently announced, has shown the Kyoto Protocol to be yesterday's answer to yesterday's assessment of tomorrow's problem ("Way beyond Kyoto,"

Commentary, Wednesday).

In short, various factors should leave us all wary of any interventionist meddling in markets, and, specifically, government attempts to pick technological winners. Yet the potential that this new agreement holds to reform the Kyoto debate and supplant such a regime as the operative post-2012 framework leaves me a strong cheerleader.

Yes, this pact is an alternative, as its critics bemoan, but not to Kyoto itself, a five-year agreement that nothing could drag Europe into abandoning, although it isn't even complying. Also, contrary to green propaganda, having both Kyoto signatories and nonparticipants sign a new agreement is a symptom, not a determinant, of Kyoto's failure.

This is an alternative to something that does not yet exist: a post-2012 agreement. (The current European Union negotiating posture, demanding even deeper rationing despite failure on the first go-round, ensures that such an agreement never will exist.)

The Asia-Pacific treaty occupies that field until something more attractive comes along for the 155 nations that have rejected Kyoto's cuts. Finally, it is Kyoto's death knell to all but the most intransigent because it accomplishes what Kyoto failed to do: It brings together the top emitters, prominently including the two major advanced economies (Australia and the United States) that refused to ratify and the two major developing economies that did ratify, but on the condition that they be exempt from any rationing (China and India).

Also important is the remarkably symbolic involvement of the host of the Kyoto talks, Japan, as a founding member.

To borrow the alarmists' claim that is ritually, if absurdly, made about the science: "We have a consensus against greenhouse gas (energy) rationing, and the consensus is growing."

Ultimately, President Bush has cleverly managed this issue to leave the sole outstanding question to be whether the increasingly isolated - dare I say unilateral? - European Union can accept a political loss and return to the table seeking practical responses to the challenge of potential anthropogenic climate change that

are grounded in science and can be accepted widely.

CHRISTOPHER C. HORNER
Senior fellow
Competitive Enterprise Institute
Washington

U.S. Trade Officials Sign Pact with Asian Countries for Clean Technologies

Chemical Week

By: KARA SISSELL

August 3, 2005

U.S. Trade Representative Robert Zoellick has signed a pact between the U.S. and five Asia/Pacific countries to enact measures that would foster development of greenhouse gas-reducing technologies. The agreement -- the New Asia-Pacific Partnership on Clean Development and Climate -- would set up incentives for clean technologies, particularly for clean coal, but sets no specific timetable or emissions reduction target, some critics say.

The agreement between the U.S., Australia, China, India, Japan, and South Korea was a tightly guarded secret in the works for the past year, according to local reports. Zoellick made the announcement at an Asia/Pacific trade meeting in Laos.

Zoellick and European Union (EU) officials say that the agreement should be viewed as a complement, not an alternative, to the Kyoto Protocol, which the U.S. and Australia have not signed. Kyoto requires nations to achieve at least a 5% reduction in greenhouse gas emissions by 2012.

Some EU officials have expressed concern that the agreement would have no impact on reducing global warming, but could undermine Kyoto because the nations participating in the U.S.-Asia/Pacific pact, which emit about 40% of the world's greenhouse gas emission, may be less likely to enact other climate-change reduction measures.

Environmental groups are also critical. The agreement is "nothing more than a trade agreement in energy technologies. It is entirely voluntary and does not even mention greenhouse gas emissions," says Greenpeace International (Amsterdam) campaigner Stephanie Tunmore. "It appears Bush and [Australian Prime Minister

John] Howard are seeking to protect the interests of their domestic fossil fuel industries, and to deflect criticism for their total failure to address climate change," Tunmore says.

Congress Falls Back In Line With Bush On Curbing GHG Emissions

Energy Week Washington

August 3, 2005

Congress ended up towing the Bush administration line by only including provisions in the sprawling energy bill favoring technological approaches to curbing greenhouse gas (GHG) emissions instead of imposing a mandatory cap. The move comes as the administration recently entered into a technological cooperation pact with six countries to combat climate change.

The energy bill approved by both chambers included language drafted by Sen. Chuck Hagel (R-NE) that relies on voluntary efforts to encourage development and the use of clean-energy technologies, a provision strongly supported by the White House. More stringent, mandatory measures such as a greenhouse gas cap-and-trade scheme pushed by Sens. John McCain (R-AZ) and Joseph Lieberman (D-CT) were rejected by the full Senate. A non-binding "sense of the Senate" resolution on climate change approved by the Senate -- and opposed by Vice President Dick Cheney during the Senate floor debate -- did not make it into the final conference agreement.

The energy bill also includes billions of dollars in funding for clean coal programs, including a loan guarantee program that would encourage both industrial and power plant use of clean-coal technologies, such as a gasification technology referred to as integrated gasification combined cycle (IGCC). Much of the innovative technology funding -- with the exception of some of the loan guarantees -- is dependent on annual appropriations by Congress, which could vary from year to year based on political winds.

The energy bill is now headed to the president's desk after it passed the Senate July 29 by a vote of 74-26. The House passed it a day earlier by a vote of 275-156.

The congressional action is in line with the administration position of promoting advanced clean energy technologies instead of participating in any mandatory program such as the Kyoto Protocol. The U.S is the only major industrial country

that has not ratified the Kyoto Protocol, arguing that global greenhouse gas controls would impose a disproportionate burden on the U.S. economy without the participation of developing countries.

Instead, the U.S. continues to present technological initiatives in response to international efforts to address climate change. It highlights bilateral partnerships with countries, including Canada, China and Mexico among others, to address climate change. In keeping with this bilateral approach, the U.S. July 28 signed a pact with Australia, China, India, Japan and South Korea to create the Asia-Pacific Partnership on Clean Development and Climate that will focus on energy security and climate change without any mandatory commitments to reducing GHG emissions.

The administration once again sought to tie poverty and economic development to the environment. "The rapid, sustained economic progress of poor nations will lead to dramatic environmental improvements. And the best way to help nations develop, while limiting pollution and improving public health, is to promote technologies for generating energy that is clean, affordable and secure," states a White House fact sheet released July 27.

While the new plan is scant on specifics, the U.S. touted the new pact as a "complement [and] not an alternative to the Kyoto Treaty." "The key is the flexibility that this vision outlines because our goal here is to try to complement other agreements and activities with practical solutions to problems," said Deputy Secretary of State Robert Zoellick in announcing the partnership.

But the plan was blasted by environmentalists and drew only cautious approval from the United Nations. "This so called global warming partnership is a lot of sound and fury, signifying nothing. There are no agreements, actions or timetables for accomplishing anything . . .," said Philip Clapp, president of National Environmental Trust in a statement.

Hagel's amendment as included in the energy legislation calls for \$4 billion in corporate loans and tax credits to deploy climate change technology domestically and abroad without capping emissions. Two provisions would provide economic boosters for clean-technology development in the U.S., while the other focuses on an international technology exchange. Hagel, a possible presidential contender in 2008, cosponsored a resolution in 1997 calling on then-President Clinton to reject

the Kyoto Protocol. The Senate overwhelmingly rejected ratification of the treaty.

The Bush administration and the House have been steadfast in their opposition to Kyoto or any mandatory carbon dioxide reductions. A Statement of Administration Policy (SAP) on the Senate energy bill came out strongly against adding any climate change measure. "The Administration is not convinced of the need for additional legislation with respect to global climate change, and will oppose any climate change amendments that are not consistent with the President's climate change strategy," the SAP stated.

Sen. Jeff Bingaman (D-NM) had initially planned to attach an amendment during the full Senate consideration of the energy bill that would have capped greenhouse gas emissions but later withdrew his amendment amid fierce push back from the White House.

The Bingaman proposal drew heavily from recommendations last year by the bipartisan National Commission on Energy Policy (NCEP). The amendment sought to mandate greenhouse gas emission reductions by 2.4 percent per unit of economic growth beginning in 2010 and called for a \$7 per ton permit program for carbon dioxide, which could provide a revenue source for clean coal research.

Bingaman instead offered a "sense of the Senate" resolution that not only called on Congress to enact legislation for mandatory action to reduce global warming, but also agrees that there is growing scientific consensus that human activity is causing climate change. Though the resolution itself was non-binding, it sent the strongest signal to date that Congress should mandate greenhouse gas reduction. But the resolution was dropped during the House-Senate reconciliation of the energy bill. -- Gomati Jagadeesan

Climate Change: ASEAN members can join new pact -- Australian officials
Greenwire
August 1, 2005

Association of Southeast Asian Nations members can join the new six-country climate change pact once details of the agreement are worked out, Australian officials said yesterday.

The Asia-Pacific Partnership on Clean Development and Climate -- announced last week by the United States, Australia, China, India, Japan and South Korea -- emphasizes the use of new technology to reduce greenhouse gas emissions.

The new partnership rejects major portions of the Kyoto Protocol, which sets binding targets for emission reductions.

"In principle we'd be very happy for ASEAN countries to become involved because they're economies that are significant, though not on the scale of China, India and the U.S.," said Australian foreign minister Alexander Downer.

Yesterday, Australian resources minister Ian Macfarlane said that the pact would not include a carbon tax or carbon-trading component. "I think the adoption of new technologies to lower greenhouse emissions will come without any punitive measures," he said.

Earlier in the day, Downer had said it might be necessary to change "pricing signals" as a way to encourage businesses to implement new technology to cut emissions, comments that some interpreted as an endorsement of a carbon-trading scheme or tax. But Macfarlane said such proposal are "a very long way from our thinking at the moment" (Katharine Murphy, Australian , Aug. 1).

Environmentalists continued to criticize the new agreement. "The pact, rather than saving the climate, is nothing more than a trade agreement in energy technologies between the countries in question," said Greenpeace in a statement (Agence France-Presse, July 31). -- DRL

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July 2005

An alternative to Kyoto; ASEAN

The Economist

July 30, 2005

America unveils a new plan to combat global warming

SUMMITS of the Association of South-East Asian Nations (ASEAN) are not known for suspense or surprises. But the regional club's latest pow-wow, which is due to conclude in Vientiane, Laos, on July 29th, involved plenty of both.

First, Myanmar's military regime waited until the last minute to announce that it would forgo ASEAN's rotating chairmanship, and so spare the group an embarrassing boycott. Then, at the ASEAN Regional Forum meeting, where South-East Asian countries get together with other Asian and Pacific nations, Australia agreed to sign a non-aggression treaty with the group in exchange for an invitation to yet another summit, where ASEAN hopes to start work on an East Asian free-trade area. But the biggest bolt from the blue was the announcement, by America and five Asia-Pacific countries, that they had devised a new pact to combat global warming.

The details of this non-binding "Asia Pacific Partnership on Clean Development and Climate" are fuzzy. But it emphasizes technology transfers to reduce emissions of greenhouse gases, rather than the fixed targets and caps of the Kyoto protocol, the UN treaty on climate change. Rich countries might help poorer ones develop devices to cut carbon dioxide emissions from coal-fired power plants, for example.

Two of the signatories of the new pact, America and Australia, have already rejected the Kyoto agreement as too rigid. Two others, China and India, are not bound by the protocol as it applies only to developed nations. Indeed, of the six signatories to the new pact, only Japan and South Korea have formally ratified Kyoto. In theory, therefore, the "partnership" could enormously extend efforts to counter climate change. The countries concerned account for almost half the world's population, economic output and greenhouse emissions.

Environmentalists dismissed the deal as toothless. Many fear it will stymie efforts to persuade developing nations to sign up to Kyoto by the target date of 2012. The new pact's members insist that it will complement Kyoto, not supplant it. One Australian official claims that it is designed to reduce emissions faster than Kyoto would have. His country has devised a copper-bottomed plan to convince skeptics: another summit, to be held in Adelaide in November.

New Climate Pact Gets Mixed Reviews

International Oil Daily
July 29, 2005

A new climate pact initiated by Australia and the US-- both opponents of the Kyoto accord -- has drawn mixed reactions, after it was unveiled at an Association of Southeast Asian Nations (Asean) regional forum in Laos Thursday.

Known as the Asia Pacific Partnership on Clean Development and Climate, the pact seeks to combat global warming through new technology to cut greenhouse gas emissions. Japan, China, South Korea and India signed up to the agreement.

Supporters said the accord aims to complement the Kyoto Protocol through technology development and the involvement of developing nations, but critics said it lacked teeth and could undermine existing efforts to curb emissions.

"This new result-oriented partnership will allow our nations to develop and accelerate deployment of cleaner, more efficient technologies to meet national pollution reduction, energy security and climate change concerns in ways that reduce poverty and promote economic development," said US President George W. Bush in a statement issued in Washington.

Bush said he has directed US Secretary of State Condoleezza Rice and Energy Secretary Sam Bodman to meet with their counterparts this fall to advance the new partnership and provide direction for the joint work.

Unlike the Kyoto Protocol, the new partnership does not stipulate any specific caps on emissions. The Kyoto agreement was ratified by 140 countries and establishes legally binding terms for cuts in greenhouse emissions by 5.2% below 1990 levels by 2012.

The US and Australia were the only two OECD countries not to ratify the Kyoto Protocol, with both arguing that such emissions cuts would dampen economic growth. Both also argued that effective action should embrace developing countries such as India and China, which were not obliged to reduce emissions under Kyoto. And both have repeatedly said there are uncertainties about the science of climate change (IOD Jun.9,p6).

The White House on Thursday issued a fact sheet identifying areas where the Asia-

Pacific partnership would develop and deploy new technologies. These include liquefied natural gas, bioenergy, methane capture and use, geothermal power, advanced transportation and civilian nuclear power.

Im Jae Kyu, a senior research fellow at the state-funded Korea Energy Economics Institute (KEEI), told International Oil Daily: "We must remember that the reduction of emissions does not guarantee the economic development of developed countries. I believe [technology development] is the way forward for all of us in the long term. Current options like hydrogen generation are not enough; we need to find others."

"It is meant to complement Kyoto. It can be a major vehicle to improve climate change through technological cooperation," he added. "Any other country in the Asia-Pacific region is welcome; membership is not restricted."

Discussions to form the association were started by the US and Australia at an informal meeting in Hawaii in May this year. At the outset, Japan-- a participant in Kyoto-- was not asked to participate. But Tokyo said it was interested, on the grounds that the pact was not intended to replace or undermine Kyoto, observers said.

Benjamin Austria, vice president of the Philippines' Energy Development and Utilization Foundation, said: "Involving key players like China and India is significant. It means these countries are acknowledging the importance of climate change. And this agreement largely has the same objectives as the Kyoto Protocol -- to do something about climate change."

US Senator Joseph Lieberman, who along with several other senators backs an emissions control mandate, indicated that he views the pact as an effort to replace Kyoto with a weaker, voluntary method to control greenhouse emissions.

Similarly, Katie Mandes, spokeswoman for the Pew Center on Climate Change, a moderate group that works with companies to curb greenhouse gas emissions, said the partnership appeared to be a repackaging of existing bilateral and multilateral technology transfer efforts that the US has been engaged in for several years.

"There may be a more sinister side to the effort. It is possible that the Bush administration is organizing a group of nations to try to block a new set of

emissions reduction targets, which will begin to be negotiated in Montreal in November," said Philip Clapp, president of the National Environmental Trust, a US environmental group. Clapp added that support for Bush's "do-nothing" approach is eroding in the US Congress.

The pro business Competitive Enterprise Institute (CEI) also said it regards the new partnership as a rejection of Kyoto. "Despite some diplomatic language about the agreement not replacing the Kyoto Protocol, this new approach to managing greenhouse gas emissions by some of the world's largest energy-consuming nations clearly rejects Kyoto's inflexible, economically destructive approach," said Myron Ebell, the CEI's director of global warming policy.

The European Union said the new pact is unlikely to bring significant reductions in emissions and that it would continue to push for further legally binding cuts.

Critics like Greenpeace and Friends of the Earth (FOE) were quick to criticize the new grouping for failing to impose any emission caps on members. The six signatories currently account for more than 40% of global greenhouse gas emissions.

In a statement, FOE's international climate campaigner, Catherine Pearce, said: "A deal on technology ... will not address climate change. This is yet another attempt by the US and Australian administrations to undermine the efforts of the 140 countries who have signed the Kyoto Protocol."

Greenpeace Australia campaigner Catherine Fitzpatrick was quoted by The Australian newspaper as saying that the pact undermined Kyoto. "The suggested scheme is, unlike Kyoto, a voluntary scheme and all evidence shows that voluntary schemes do not work," she said.

"The pact would have fallen apart if we had mandatory targets," said the KEEI's Im. Initially, he said that China, India and even South Korea balked when the US suggested voluntary emission targets. "Therefore, we decided it would be best to look at technology development."

The scope, funding and direction of cooperation among member countries will be discussed and outlined in two months, Im said, possibly before the Montreal talks on future progress under Kyoto. He added that Korea's contribution would

probably come in the form of funding. It will also spearhead discussions on how to develop methods of technology transfer among members as well as with other countries.

Song Yen Ling, Singapore, and Manimoli Dinesh, Washington

US, five Asia-Pacific nations unveil new climate pact

Agence France Presse

July 28, 2005

The United States and five Asia-Pacific nations unveiled Thursday a pact they said would reduce global warming but environmental groups quickly dismissed the agreement.

In what they called a "vision statement," the United States, Australia, India, China, South Korea and Japan said the non-binding pact envisions the development of nuclear and solar power to reduce greenhouse gases.

The new initiative does not have enforcement standards or a specific time-frame for signatories to cut emissions, unlike the 1997 Kyoto Protocol which the United States and Australia have refused to ratify.

Environmental group WWF dismissed the plan after US President George W. Bush announced it in Washington Wednesday, saying it was no alternative to the clear targets and deadlines of Kyoto.

"A deal on climate change that doesn't limit pollution is the same as a peace plan that allows guns to be fired," said Jennifer Morgan, head of the WWF's climate change program.

Australian Foreign Minister Alexander Downer said details of the new Asia-Pacific Partnership on Clean Development and Climate would be discussed at a meeting of ministers from the six nations in Australia in November.

He said the new accord was not meant to supersede the Kyoto Protocol, which commits 39 industrial nations and territories to trim their output of six greenhouse

gases -- especially carbon dioxide -- by 2012.

"We are not trying to detract from Kyoto and the commitments that a number of countries have made under the Kyoto Protocol," Downer told a news conference here on the sidelines of an Asian regional forum.

"This partnership will complement and not replace the Kyoto Protocol," he said.

Deputy US Secretary of State Robert Zoellick said the agreement would "open up the possibilities for developing, deploying and transferring" new and more efficient technologies.

He said countries such as India and China needed a lot of energy for their development, which he said could affect their capacity to cut emissions.

"The key here is to maintain the flexibility that this vision statement outlines," Zoellick said.

The six nations account for about 50 percent of global emissions of greenhouse gases, which trap heat in the atmosphere and are blamed for global warming, seen as one of the planet's greatest environmental dangers.

The United States, China and India are among the world worst emitters of greenhouse gases.

One of the US arguments against the present Kyoto format is that it does not require big developing countries such as China and India to make targeted emissions cuts, which Bush says is unfair.

The Kyoto agreement has been ratified by South Korea and Japan, one of its biggest proponents.

Climate Change: Six-nation pact draws enviros' fire, as E.U. offers cautious praise

Greenwire

July 28, 2005

Darren Samuelsohn, Greenwire senior reporter

A new climate change pact between the United States and five Asian and Pacific nations aimed at sharing of low-carbon and carbon-free technologies has evoked cautious praise from Europe but sharp criticism from environmental groups.

The new Asia-Pacific Partnership on Clean Development and Climate -- signed by Australia, China, India, Japan, South Korea and the United States -- does not require commitments to reduce greenhouse gas emissions. And while Bush administration officials said yesterday they expect the plan to address the "long-term challenges of climate change," they also could not project specific emission reductions that would be achieved through the agreement.

Instead, U.S. officials said the coalition's goal is establishing a framework to allow the United States and its climate allies to coordinate on a host of voluntary programs to stimulate technology development and induce private investments. Many of the areas that the six-nation pact focuses on -- methane capture, "clean coal" power plants, civilian nuclear power and hydrogen transportation -- are already being pursued domestically by the Bush administration, as well as through individual U.S. accords with the participating countries.

President Bush's top environmental adviser, Jim Connaughton, told reporters yesterday that the agreement also will lead the participating countries to begin to measure their greenhouse gas emissions relative to economic growth, a controversial method used by the United States that environmentalists say undercounts the true effects of global warming.

In a prepared statement released yesterday, President Bush directed Secretary of State Condoleezza Rice and Energy Secretary Samuel Bodman to meet this fall with their Asian counterparts to implement the pact.

"This new results-oriented partnership will allow our nations to develop and accelerate deployment of cleaner, more efficient energy technologies to meet national pollution reduction, energy security and climate change concerns in ways that reduce poverty and promote economic development," Bush said.

Mixed reactions

A lead environmental counselor to the 25-member European Commission said that

while details of the partnership are still being revealed, his initial impression is that it is a welcome step forward because of its consistency with existing international treaties, including the United Nations Framework Convention on Climate Change. Further, Robert Donkers of the European Commission's delegation to the United States said that the pact's language explicitly states that it is not intended to replace the Kyoto Protocol.

"It underlines the growing awareness of the seriousness of climate change and the need to address it," Donkers said.

British Prime Minister Tony Blair had not released a statement on the pact as of press time, though a U.K. embassy official in Washington said that a comment would be forthcoming.

Both the United States and Australia have signed but not ratified the 1997 Kyoto accord, while China, India and South Korea signed and ratified the agreement but are not bound by its limits because of their status as developing nations. Only Japan among the countries in the new pact is bound to meet Kyoto's greenhouse gas reduction mandates.

Connaughton told reporters the agreement is not designed to undercut United Nations-sponsored climate change negotiations that are set to begin in late November in Montreal. Those talks will focus on Kyoto implementation and the prospects for a new treaty once Kyoto expires in 2012. "This occurs outside of that," he said.

But while the Bush administration insisted the agreement would not hamper future talks, environmentalists yesterday said they were concerned the new coalition might have been created to undermine upcoming international negotiations this November in London, as well as the U.N. meetings in Canada.

"There may be a more sinister side to the effort," said Phil Clapp, president of the National Environmental Trust. "It is possible that the Bush administration is organizing a group of nations to try to block a new set of emissions reduction targets."

Partner nations involved in the new pact combine to emit about half of the world's greenhouse gases, a point that environmentalists say shows that the six nations

should be signing up for a more severe regime to address what most scientists say is the planet's largest environmental threat.

"While the White House's interest in reaching out to other countries on climate change is welcome, it's unfortunate that what the White House is offering isn't a market-based program," said Annie Petsonk, international counsel at Environmental Defense. "The Kyoto Protocol will continue to offer incentives to innovators to come up with technology that will reduce emissions cheaper and faster."

One nonprofit group tracking the implementation of the Kyoto Protocol said that Europe Union's carbon dioxide trading system by March had already created a market worth up to \$37 billion for climate friendly technology. And Clapp noted that much of the agreement is based on technology-sharing efforts that have been ongoing over the last four years. "This so-called global warming partnership is a lot of sound and fury, signifying nothing," he said.

Still, some members of the new agreement said their efforts would do more than existing accords. John Howard, the Australian prime minister, said the agreement would reduce greenhouse gas emissions in his country without destroying its economy. "The fairness and effectiveness of this proposal will be superior to the Kyoto Protocol," he said.

And while six countries are engaged now in the partnership, Connaughton said the Bush administration is also open to drawing in others. "The goal is to jog before we run," he said. "If we start too large it would get bogged down in administration."

U.S. unveils Kyoto alternative plan

UPI

July 28, 2005

The United States Thursday announced agreement with several Asian nations to reduce greenhouse gas emissions.

U.S. Deputy Secretary of State Robert Zoellick made the announcement on the sidelines of the Association of South-East Asian Nations meeting in Vientiane,

Laos, the Financial Times reported.

Zoellick's announcement confirmed a Wednesday Australian report revealing the pact to replace the controversial Kyoto climate protocol that Australia and the United States refused to sign.

But Zoellick brushed aside that interpretation, declaring: "We are not detracting from Kyoto in any way at all. We are complementing it. Our goal is to complement other treaties with practical solutions to problems."

U.S. officials say the new agreement -- the Asia Pacific Partnership on Clean Development and Climate -- contrasts with Kyoto's "broad international commitments that lack a program of action."

The partnership involves India, South Korea, Japan, Australia and the United States -- which, together, generate 50 percent of the world's greenhouse gas emissions.

U.S. completes 6-nation deal on emissions

Washington Times

By Nicholas Kralev

July 28, 2005

The United States and five Asia-Pacific countries have concluded an agreement to deploy new technologies aimed at reducing greenhouse gas emissions as an alternative to the Kyoto Protocol on climate change, U.S. and Australian officials said yesterday.

The legally nonbinding deal, to be signed by China, India, Japan, Australia and South Korea as well as the United States, goes beyond the 1997 Kyoto accord by limiting emissions from Asia's two rapidly developing giants - China and India - as well as by developed countries.

"Our focus has been and remains on promoting cost-effective, technology-based approaches to addressing climate change," State Department spokesman Sean McCormack said.

"We are pursuing these voluntary approaches both at home and abroad, through

our bilateral climate-change partnerships and our multilateral science and technology partnerships," he said.

Australia will host the first meeting of the six nations in November, diplomatic sources said today at a regional Asian forum in Laos.

"We know that this is the answer," said Australian Environment Minister Ian Campbell. "We know that the Kyoto Protocol is a failure in terms of saving the climate. We have to do better."

He said the agreement, which was initiated by the United States, was a result of yearlong negotiations. President Bush discussed it with the prime ministers of Australia and India - John Howard and Manmohan Singh - during their visits to Washington last week, officials said.

"The main aim of effective action is to involve rapidly developing countries who have legitimate needs to increase their energy use, but we also need to find the answer to the global imperative of reducing emissions," Mr. Campbell said.

"That's going to need the development of new technologies and the deployment of them within developing countries," he told reporters in Canberra.

The new "partnership," as U.S. and Asian officials called it, will cover the fields of energy efficiency, clean coal, integrated gasification combined cycle, liquefied natural gas, carbon capture and storage, combined heat and power, methane capture and use, civilian nuclear power, bioenergy and other renewables.

The new agreement comes less than three weeks after comments by Mr. Bush at the Group of Eight summit in Scotland about an alternative to the Kyoto Protocol.

Calling the Asia-Pacific version a "new results-oriented partnership," Mr. Bush said yesterday that it will allow nations to "develop and accelerate deployment of cleaner, more efficient energy technologies to meet national pollution reduction, energy security and climate change concerns in ways that reduce poverty and promote economic development."

"The six Asia-Pacific partners will build on our strong history of common approaches and demonstrated cooperation on clean energy technologies," he said.

The United States and Australia are not among the 140 nations that have ratified the Kyoto Protocol, which imposes legally binding requirements on 35 industrialized countries to cut greenhouse gas emissions an average of 5 percent below 1990 levels.

Those targets, they say, would have a negative impact on the economy. But they insist that they are still committed to protecting the environment.

"Just because we have expressed our concerns about the Kyoto agreement does not mean that this president hasn't been at the forefront in pushing for technologies that would help - not only U.S. companies but companies around the world - deal with environmental issues, so that they are able to build more prosperous economies in a way that also has a positive effect for the environment," Mr. McCormack said.

Mr. Campbell said that Australia "only emits 1.4 percent of the world's greenhouse gases."

The United States, however, is the world's largest culprit, followed by China.

Deputy Secretary of State Robert B. Zoellick planned to announce the new pact, called the Asia-Pacific Partnership on Clean Development and Climate, at the annual meeting of the Association of Southeast Asian Nations in Vientiane, the capital of Laos today, but Australian officials leaked the news to the Australian newspaper.

The new arrangement was speedily condemned by environmental groups.

"Skulking around making secretive, selective deals will not accomplish this; signing up to the Kyoto Protocol will," said Greenpeace energy campaigner Catherine Fitzpatrick.

"A deal on climate change that doesn't limit pollution is the same as a peace plan that allows guns to be fired," said Jennifer Morgan, head of the climate-change program of the World Wildlife Fund, a conservation and environment advocacy group.

*This article is based in part on wire service reports

Bush Administration Unveils Alternative Climate Pact

NYT/Reuters/USA Today

The New York Times, July 28, 2005

WASHINGTON, July 27 (Reuters) - The Bush administration, which is pushing alternatives to the Kyoto accord on global warming, unveiled a six-nation pact on Wednesday that promotes the use of technology to cut greenhouse gas emissions.

The six nations, the United States, Japan, Australia, China, India and South Korea, will build on existing bilateral agreements on technology sharing to control emissions, but will not set mandatory targets.

President Bush said in a statement that the Asia-Pacific Partnership for Clean Development and Climate, which will be formally introduced in Vientiane, Laos, would address global warming while promoting economic development.

But environmentalists criticized it as an attempt by Washington to create a distraction ahead of United Nations talks in November in Montreal that will focus on how to widen the Kyoto accord to include developing nations after 2012.

The approach of looking to technology for solutions to global warming was emphasized by Mr. Bush at the Group of 8 summit meeting in Scotland when he called for a "post-Kyoto era." The United States, which creates the biggest share of greenhouse emissions, and Australia are the only developed nations that have not ratified the Kyoto accord. But Japan, China, India and South Korea have ratified Kyoto, which demands cuts in greenhouse emissions by 5.2 percent below 1990 levels by 2008 to 2012.

"As far as I can tell, there's really nothing new here," said Jeff Fielder, an analyst at the Natural Resources Defense Council in New York. He said that the bilateral agreements already served the purpose of technology sharing but that companies would not have an incentive to deploy it without a strong signal sent by mandatory limits.

"I think this is aimed at complicating the Montreal talks," he added.

Jim Connaughton, chairman of the White House Council on Environmental Quality, said there was no attempt to undermine the Kyoto pact.

US Moves To Sideline Kyoto

Financial Times

By Fiona Harvey, Caroline Daniel And Tim Johnston

July 28, 2005

The US on Wednesday night unveiled a climate change agreement with several Asian countries that would strengthen its attempts to sideline the United Nations-brokered Kyoto protocol.

Jim Connaughton, chairman of the White House Council on Environmental Quality, said the aim was to focus on "practical efforts to create new investment opportunities and remove barriers to help each country meet nationally designed strategies and address the long term challenge of climate change".

The Asia Pacific Partnership on Development will include China, India, South Korea, Japan, Australia and the US. The deal which the US says contrasts with "broad international commitments that lack a program of action" will be announced in Asia by Robert Zoellick, deputy secretary of state, and the foreign ministers of the other nations involved.

Together the countries generate 50 per cent of global greenhouse gas emissions. The US and Australia are the only developed countries to have rejected the Kyoto treaty, which requires developed countries to reduce greenhouse gas output by 2012.

The US has been seeking a way to move "beyond Kyoto" but Mr. Connaughton called the partnership "complementary" rather than a "replacement for the Kyoto protocol".

The partnership does not set any new targets for greenhouse gas emissions, or involve specific commitments on the transfer of technology from the US to developing countries. Instead Mr. Connaughton said it marked an effort to "consolidate existing efforts and manage current partnerships".

However, he said the group would work towards creating "common measurement systems".

Ian Campbell, Australian environment minister, speaking ahead of the launch, said: "The main aim of effective action to reduce greenhouse gases is to involve developing countries, who have legitimate needs to increase their energy use."

China, India and other developing nations account for a rapidly rising share of the world's emissions of greenhouse gases such as carbon dioxide but are not required to cut them under the Kyoto treaty, which the US has branded unfair.

The deal could intensify pressure on the European Union, Canada and Japan strongest proponents of Kyoto to gain stronger backing among poorer nations. Mr. Zoellick is expected to discuss the deal at the meeting in Laos on Thursday of the Association of Southeast Asian Nations.

Catherine Pearce, climate campaigner at Friends of the Earth, the environmental lobby group, said: "A deal on technology, supported by voluntary measures, to reduce emissions, will not address climate change. This is yet another attempt by the US and Australian administrations to undermine the efforts of the 140 countries who have signed the Kyoto protocol."

U.S. In 'Beyond Kyoto' Pact with Asian Nations

Reuters

July 28, 2005, Filed at 7:30 a.m. ET

VIENTIANE (Reuters) - Six nations led by the United States and Australia unveiled a pact on Thursday to fight global warming, but critics assailed the voluntary deal for offering no emissions targets and said it undermined existing treaties.

The Asia-Pacific Partnership on Clean Development and Climate -- grouping major polluters United States and China with India, Japan, South Korea and Australia -- seeks new technology to cut greenhouse gases without sacrificing economic development.

U.S. Deputy Secretary of State Robert Zoellick insisted it was not a threat to the Kyoto Protocol that Washington and Canberra have refused to ratify because they say it omits developing nations and may threaten jobs at home.

"We are not detracting from Kyoto in any way at all. We are complementing it," Zoellick told reporters on the sidelines of an Asia-Pacific security forum in the Lao capital, Vientiane.

"Our goal is to complement other treaties with practical solutions to problems," he said.

The six, which account for nearly half the world's greenhouse emissions, said the pact would "seek to address energy, climate change and air pollution issues within a paradigm of economic development."

Australian Prime Minister John Howard called it a "historic agreement" that was "superior to the Kyoto Protocol."

But environmentalists said the deal was a limited trade and technology accord and no challenger to the U.N. treaty, which came into force in February.

"It doesn't have anything to do with reducing emissions. There are no targets, no cuts, no monitoring of emissions, nothing binding," said Steve Sawyer of Greenpeace.

"It doesn't address the wider question that two of the richest countries in the world are doing nothing to reduce emissions."

The United States and Australia are the only developed nations outside Kyoto, which demands cuts in greenhouse emissions to 5.2 percent below 1990 levels by 2008-12.

China and India have ratified Kyoto, but as developing nations they do not have to meet its obligations in the protocol's first phase that ends in 2012. Both fear environmental curbs would restrict their surging economies.

China's ambassador to Laos, Liu Yongxing, called the new pact a "win-win solution" for developing and developed nations.

The world is consuming more energy and producing more greenhouse gas emissions, particularly carbon dioxide from burning fossil fuels such as coal in

power plants and petrol in cars. Other gases, such as methane from agriculture, are also adding to global warming, many scientists say.

``KNOCK KYOTO ON THE HEAD''

Some environmentalists accused Washington of seeking to distract U.N. talks in November in Montreal, which will focus on how to widen Kyoto to include developing nations after 2012.

Sawyer said the pact might be ``a benign technology agreement," but ``on the other hand, this could be the first foray by the Americans and Australians to knock Kyoto on the head."

Others were also suspicious.

``The main beneficiaries will be Australian coal companies, some of the world's biggest greenhouse polluters. It's a Machiavellian pact," said Clive Hamilton, director of The Australia Institute research center.

Japan, which said the pact would not affect its Kyoto commitments, saw a chance to develop clean energy in the region.

But Canadian Foreign Minister Pierre Pettigrew, whose government is a strong proponent of Kyoto, said the partnership was thin on details.

``This is progress, but I'm still waiting for the meat. I hope very much that there will be meat," he told reporters.

Ministers from the six nations will attend an inaugural meeting in November in the southern Australian city of Adelaide.

Phil Goff, New Zealand's foreign minister, defended Kyoto but agreed new technology was needed to solve age-old environmental challenges.

``How to deal with the problem of flatulent cows and sheep? That is a tougher problem because the science has to be found to enable us to do that," he told reporters.

Methane from livestock is the biggest source of greenhouse gases in New Zealand, where almost half comes from agriculture.

U.S. Partnership to Address Climate Change

Associated Press

By: H. JOSEF HEBERT

July 28, 2005

President Bush's answer to global warming is technology. In a move to counter the Kyoto Protocol that requires mandatory cuts in so-called greenhouse gas emissions, he is making the technology pitch as part of a partnership with five Asian and Pacific nations, including China and India. The idea is to get them to commit to cleaner energy production as a way to curtail air pollution that most scientists believe is causing the Earth to warm up.

The administration announced late Wednesday that it has reached an agreement with the five countries to create a new partnership to deploy cleaner technologies whenever possible to produce energy.

The agreement does not bind any of the countries to specific emission reductions, adhering to the Bush doctrine that dealing with climate change should be voluntary and not imposed by mandatory reduction targets and timetables. White House officials also dismissed suggestions that the diplomatic initiative was aimed at undercutting the Kyoto accord, noting that several of the participants also embrace Kyoto.

Neither China nor India were covered by the Kyoto agreement.

The new pact, which also includes as participants Japan, South Korea and Australia, was viewed by senior White House officials as a significant step toward establishing a framework in which rapidly emerging industrial countries will be encouraged and helped to produce cleaner energy as a way to keep climate-changing chemicals out of the atmosphere, especially carbon from fossil fuels.

Bush called it a "new results-oriented partnership" that he said "will allow our nations to develop and accelerate deployment of cleaner, more efficient energy technologies to meet national pollution reduction, energy security and climate change concerns in ways that reduce poverty and promote economic development."

Secretary of State Condoleezza Rice and Energy Secretary Samuel Bodman will seek to move the issue forward in meetings with their counterparts in the partnership this fall.

"We are hopeful this will create a complimentary framework (to Kyoto)," said James Connaughton, chairman of the president's Council on Environmental Quality. He said it was not meant to replace it.

The United States rejected the 1997 Kyoto pact, which requires reductions by industrial nations of greenhouse emissions. Bush said earlier this month he recognizes that human activity contributes to a warmer Earth, but he continues to oppose the Kyoto treaty that all other major industrialized nations signed because developing nations weren't included in it.

Bush prefers to address climate change through voluntary actions and by emphasizing development of new technologies that reduce emissions and capture carbon.

As the new partnership develops, it will "harness in significant and greater ways the investments necessary to ... reducing greenhouse gases" through technology transfers and exchange of ideas, Connaughton said.

The six countries pledged "enhanced cooperation" to address the climate change issue through development of less carbon intensive technologies, including clean coal and civilian nuclear power when outlining their energy needs.

Today the United States accounts for a quarter of the world's greenhouse gases going into the atmosphere, with emissions growing at the rate of 1.5 percent a year despite the administration's voluntary climate change policies.

However, emissions are expected to surge in countries such as India and China, whose industrial base is growing rapidly.

"Within the next decade or two, developing countries will overtake the industrial world in total greenhouse gas emissions, so that by 2025 more than half of global annual emissions will be coming from developing countries," economist W. David Montgomery, a critic of the Kyoto accord, told a recent Senate hearing.

Environmentalists, who have been sharply critical of Bush's voluntary approach to dealing with climate change, called Wednesday's initiative little more than what already is being pursued through various bilateral discussions.

"All they're doing now is wrapping together a few of these partnerships. There does not seem to be anything new," said Annie Petsonk of Environmental Defense.

Connaughton said the agreement with the five Asian countries culminated more than five months of talks. Bush personally discussed the issue with both Australian Prime Minister John Howard and Indian Prime Minister Manmohan Singh when they recently visited Washington.

Like Bush, Howard has been a sharp critic of the Kyoto climate accord, preferring other approaches to dealing with global warming. "We know that this is the answer," Howard told reporters in Canberra, referring to the technology development partnership. "We know the Kyoto Protocol is a failure in terms of saving the climate. We have to do better."

In recent weeks Bush has gained several victories for his climate policies.

Congress is preparing to enact broad energy legislation that essentially endorses the voluntary approach on climate and includes incentives for development and exporting clean energy technologies.

And earlier this month in Scotland, the Group of Eight industrialized countries bowed to U.S. pressure by approving a declaration on climate change that avoided taking any concrete steps to fight global warming, such as setting targets or timetables for reducing greenhouse gas emissions.

US announces Asia-Pacific climate agreement

Agence France Presse

July 27, 2005

The United States on Wednesday announced a largely symbolic agreement with Australia, China, India, Japan and South Korea that targets emissions of greenhouse gases that are blamed for global warming.

The initiative, dubbed the Asia-Pacific Partnership on Clean Development and Climate, will not replace the 1999 Kyoto Protocol that Washington has repudiated, said a senior aide to US President George W. Bush, Jim Connaughton.

"This new results-oriented partnership will allow our nations to develop and accelerate deployment of cleaner, more efficient energy technologies," Bush said in a statement released by the White House.

"I have directed Secretary of State Condoleezza Rice and Secretary of Energy Sam Bodman to meet with their counterparts this fall to carry forward our new partnership and provide direction for our joint work," Bush said.

The plan, which does not set precise new emissions targets or timetables, was to be unveiled formally by Deputy US Secretary of State Robert Zoellick at 0330 GMT Thursday at a regional summit in Laos, the White House said.

"It will not replace the Kyoto Protocol, the Kyoto Protocol remains in place," Connaughton, who chairs the White House Council on Environmental Quality, told reporters in a conference call.

The accord, the fruit of five months of high-level diplomacy, does not envision any enforcement mechanisms to ensure that the partners are doing all they can to cut pollution, he said.

The commitments under the deal "don't require enforcement, what they require is investment" from the private sector, as well as sharing technologies that increase energy efficiency and cut pollution, said Connaughton.

The agreement, unlike the Kyoto Protocol, does not set a specific goal for curbing greenhouse gas emissions by a certain date but aims to accelerate current goals set by the countries individually, he said.

"We're hopeful that it will reduce the rate of growth of greenhouse gases in each of our countries," said Connaughton. "What we're not looking at is a one-size-fits-all, top-down mandate."

He said the countries involved accounted for about 50 percent of global emissions of greenhouse gases, which trap heat in the atmosphere and are blamed for global

warming, seen as one of the world's greatest environmental dangers.

One goal is to battle pollution in a way that does not seriously hamper economic growth -- one of the objections Bush raised to the Kyoto Protocol when he announced he would not submit the treaty to the US Senate for ratification.

"Even climate skeptics can embrace this agenda, and even the most ardent climate proponents (can agree) that access to clean and affordable energy is a fundamental human need," said Connaughton.

Connaughton laid out a series of areas where the accord aims to build on existing cooperation: Reducing methane emissions; promoting "clean coal" use; expanding civilian nuclear power programs; promoting energy efficiency; and increased reliance on sources of energy other than fossil fuels.

Australian Environment Minister Ian Campbell said earlier that "Australia is, and I reassure the Australian people, working on something that is more effective post-Kyoto."

The UN's Kyoto Protocol requires industrialized countries to trim emissions of carbon dioxide, the byproduct of burning oil, gas and coal, by a deadline of 2010.

One of the US arguments against the present Kyoto format is that it does not require big developing countries such as China and India to make targeted emissions cuts -- an absence that Bush says is unfair and illogical.

But developing countries say historical responsibility for global warming lies with nations that industrialized first, and primarily with the United States, which by itself accounts for a quarter of all global greenhouse-gas pollution.

Australia-US-environment-climate-China-India-SKorea-WHouse

Asia-Pacific nations unveil U.S.-led plan to control greenhouse gases

Associated Press

By: VIJAY JOSHI

July 27, 2005

The world's top two air polluters - the U.S. and China - joined Australia, India,

Japan and South Korea on Thursday to unveil a new partnership to develop cleaner energy technologies in hopes of curtailing climate-changing pollution.

They described the initiative as a complement to the Kyoto Protocol that commits 140 countries to cutting emissions of the greenhouse gases blamed for global warming, but environmentalists said the new pact lacked firm obligations to cut pollution and that it might undermine the Kyoto accord.

The Asia-Pacific Partnership on Clean Development and Climate, also announced overnight in Washington, aims to create cleaner technologies for energy-hungry economies such as China and India, meeting long-term energy needs while reducing pollution and addressing climate concerns.

"We will work together ... to create a new partnership to develop, deploy and transfer cleaner, more efficient technologies," said a joint statement Thursday by the five countries at an annual Asia-Pacific security conference in the Laotian capital Vientiane.

Emissions of carbon dioxide and five other gases are believed to be behind rising global temperatures that many scientists say are disrupting weather patterns.

A landmark agreement negotiated in Japan's ancient capital of Kyoto in 1997 and ratified by 140 nations requires them to take steps to reduce the emissions. The Kyoto Protocol went into force Feb. 16 this year.

However, the United States, the world's largest emitter of such gases, and Australia refused to ratify the agreement, saying it would harm the economy by raising energy prices, and cost five million jobs. Their other objection is that China - second only to the U.S. in emissions - and India are not required to follow the Kyoto Protocol because they are considered developing economies.

Australian Environment Minister Ian Campbell said Wednesday that Canberra and Washington had negotiated the new agreement for the past 12 months among the countries accounting for 40 percent of the world's greenhouse gas emissions.

The pact was finalized during secret talks in Honolulu on June 20-21, a diplomat said, speaking on condition of anonymity.

It said the countries could collaborate on clean coal, liquefied natural gas, methane, civilian nuclear power, geothermal power, rural energy systems, solar power, wind power and bio-energy. In the long-term, they could develop hydrogen nanotechnologies, next-generation nuclear fission and fusion energy, it said.

Environmental group Friends of the Earth was skeptical about the pact because it contained no legally binding requirements to cut emissions. "It looks suspiciously as though this will be business as usual for the United States," said the U.K.-based group's member, Catherine Pearce.

"A deal on technology, supported by voluntary measures to reduce emissions, will not address climate change. This is yet another attempt by the U.S. and Australian administrations to undermine the efforts of the 140 countries who have signed the Kyoto Protocol," she said.

The Kyoto Protocol imposes legally binding requirements on 35 industrialized states to cut emissions of greenhouse gases an average of 5 percent below 1990 levels.

Average global temperatures rose about 1 degree in the 20th century, and scientists say that has contributed to the thawing of the permafrost, rising ocean levels and extreme weather. Experts say further increases could seriously disrupt ecosystems, agriculture and human lifestyles.

'Beyond Kyoto' greenhouse pact being formed

Reuters (Canberra)

Wednesday, July 27, 2005 12:58 a.m. ET

By Michelle Nichols

CANBERRA (Reuters) - The United States, Australia, China, India and South Korea are likely to unveil this week a regional pact to combat greenhouse gas emissions by developing environmentally friendly energy technology, Australia said on Wednesday.

Environment Minister Ian Campbell said the countries had been working on a regional pact to tackle climate change beyond the Kyoto protocol, which requires rich nations to cut greenhouse gas emissions by 5.2 percent below 1990 levels by 2008-12.

The United States and Australia have refused to sign Kyoto, which came into force in February, because they say the pact unfairly excludes developing nations such as India and China. South Korea has ratified Kyoto.

"It's quite clear the Kyoto protocol won't get the world to where it wants to go ... We have got to find something that works better -- Australia is working on that with partners around the world," Campbell told reporters on Wednesday.

A government official, who declined to be named, said the pact, which The Australian newspaper reported was to be called the Asia-Pacific Partnership for Clean Development and Climate, was likely to be announced later this week.

"We need to expand the energy the world consumes and reduce the emissions. That's going to need new technologies, it's going to need the development of new technologies and the deployment of them within developing countries," Campbell said.

"The development of that technology and the deployment of it as rapidly as possible, that is going to need something that is far more comprehensive, far more likely to produce results that the Kyoto protocol could even dream of."

PACT LONG IN THE MAKING

Campbell said greenhouse gases under Kyoto would actually rise by 40 percent, when scientists say emissions need to be cut by 50 percent to have any chance of limiting the impact of global warming.

The Australian newspaper said the five countries involved in the Asia-Pacific pact accounted for more than 40 percent of the world's greenhouse gas emissions, particularly carbon dioxide from burning fossil fuels such as coal in power stations and petrol in cars.

Australian Prime Minister John Howard and Indian Prime Minister Manmohan Singh separately discussed the pact with President Bush during recent trips to Washington, The Australian said.

"We have to engage internationally and we will announce the details of these

proposals in the very near future ... we have been working on bilateral and multi-lateral arrangements on 'beyond Kyoto' for the past 12 months," Campbell said.

A panel of scientists that advises the United Nations has said world temperatures are likely to rise between 1.4 and 5.8 degrees Celsius by 2100, triggering more frequent floods, droughts, melting of icecaps and glaciers and driving thousands of species to extinction.

On Tuesday, Australia released a climate change report that said the island continent could be up to two degrees Celsius warmer by 2030 and face more bushfires, heatwaves and storms despite efforts to reduce greenhouse gases.

Scientists say the planet's average surface temperature has increased by about 0.6 degrees Celsius over the past century and that the warmest decade of the past 100 years was the 1990s.

Researchers say further warming is inevitable because of the huge amount of extra carbon dioxide pumped into the atmosphere by man's activities but the degree of future warming hinges on how nations control their greenhouse gas emissions now.

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