

Senator Richard Lugar, Ranking Member of
the Senate Committee on Foreign Relations

Attached are select energy-related "Questions For the Record" submitted by Senator Dick Lugar to Secretary of State nominee Senator Hillary Clinton. Written answers were received from Senator Clinton on January 12, 2009.

Saudi Arabia and the Gulf

28. During the Presidential campaign, you stated that the United States "need[s] to be moving quickly toward a coming to terms with our oil companies and our oil producing country allies. We need to demonstrate our commitment to home-grown energy. We can't do that, I know, until the two oil men leave the White House but as soon as they do, we have to be ready aggressively."
- a. Is it the view of the Obama Administration that such a "coming to terms" is necessary with countries that produce oil?

The United States must free itself from dependence on foreign oil. Our addiction to foreign oil doesn't just undermine our national security and wreak havoc on our environment – it also cripples our economy and strains the budgets of working families. This is why President-Elect Obama has proposed an investment of \$15 billion a year over 10 years to develop alternative and renewable sources of energy. This plan will help to create millions of jobs, protect our environment, and move America in the direction of energy independence and away from foreign oil.

- b. If so, what specific changes will such an approach involve in U.S. policy toward oil producing states?

Our principal goal will be to reduce our reliance on oil-producing countries. The Obama-Biden comprehensive New Energy for America plan proposes strategically investing \$150 billion over the next ten years, which will help create millions of jobs and catalyze private efforts to build a clean energy future. The goal is to expand the use of American-made hybrid cars, ensure that ten percent of our electricity comes from renewable energy sources by 2012, and twenty-five percent comes from renewable sources by 2025. We will implement an economy-wide cap-and-trade program to reduce greenhouse gas emissions 80 percent by 2050, and strive to make America a global leader when it comes to energy efficiency and the environment.

China-Energy

In its 2008 report to Congress, the U.S. – China Economic and Security Review Commission observed that China's economy, energy use and environment "are inextricably linked" and that the linkages are not unique to China. "China and the United States face similar challenges in devising energy policy, securing sufficient energy supplies to support the national economy and the desired standard of living, and addressing such related issues as climate change." You also have repeatedly pointed to the importance of cooperation on energy and environmental issues with China.

81. What is your perspective on the current "U.S. – China Ten Year Energy and Environment Cooperation Framework?"

The "U.S.-China Ten Year Energy and Environment Cooperation Framework" demonstrates the shared recognition of the energy and environmental challenges facing the United States and China. The Framework is aimed at developing new ideas for energy security, economic sustainability, and environmental sustainability. It works to identify, develop, and implement energy and environmental innovations for the future. If confirmed, I look forward to the opportunity to work on these critical issues as part of this Framework as well as other diplomatic means that we might establish.

82. What role should the State Department have in energy cooperation with the government of China? Given the rapidity with which China's energy

consumption is expanding, how can U.S. efforts to promote clean energy and improved efficiency be expanded and pursued with more urgency?

Our economic policy towards China has to be closely coordinated with our foreign policy. They cannot be pursued in isolation to one another. We will press China to live up to its commitments in trade agreements and to meet its international responsibilities. We must vigorously defend U.S. trade interests with China by ensuring we operate on a level playing field.

Energy security and climate change is one of the most pressing challenges facing the United States and the global community. The United States will take a leadership role in combating the threat of global climate change from the beginning of the new Administration. The President-Elect has specifically pledged to set a goal of an 80 percent reduction in global emissions by 2050 – a policy goal I am committed to as well. In pursuit of that goal, we will ask the biggest carbon emitting nations to join a new Global Energy Forum to lay the foundation for the next generation of climate protocols.

It is also our shared belief that trade in low carbon energy technologies is a win-win for the United States: providing growth in innovative industries in the United States while helping our friends in Asia meet their growing energy needs in a manner consistent with our shared climate goals. Ensuring that the United States will be a technology leader in this innovative field is a priority of the Obama Administration.

83. Given your concern for volatility and vulnerability of global oil supplies, what actions would you recommend to work with China in reducing growth of its dependence on oil?

We need to work with China on agreeing to a global carbon cap. We also need to work closely with China and other countries on the development on low carbon energy technologies to reduce our shared reliance on carbon intensive energy.

89. In 2006, I delivered a speech at a conference prior to the start of the NATO Summit in Riga, Latvia. I urged leaders to identify the response to an energy cutoff as an Article V commitment and develop an action plan to respond to such attacks. I pointed out that my recommendation did not mean that I favored a military response to energy cutoffs. What steps will the Administration take to develop a strategy for the Alliance to prepare for and respond to the use of energy as a weapon or political tool against fellow members?

Russia's decision to use energy as leverage against Ukraine and other countries in Europe demonstrates the urgency of developing a more coherent transatlantic energy strategy. You have been a leader in the efforts to develop such a strategy. The question of how the Alliance guarantees security in the 21st century – not only against military threats but against a much broader array of threat, including to energy and cyber security – should be a major topic of discussion at the NATO Summit in April. The discussion of potentially updating NATO's Strategic Concept must address the question of the nonmilitary aspects of allies' security, including energy security.

Kazakhstan

90. What U.S. interests do you believe are most important in our relationship with Kazakhstan, and what do you believe the objectives of our policy toward Kazakhstan should be?

The United States has been working to develop an effective and cooperative relationship with Kazakhstan since its independence in 1991. Kazakhstan participates in the U.S.-led coalition against terrorism, shares information with the United States on mutual threats, and provides support for U.S. efforts in Afghanistan and Iraq. The United States has played an important role in building a more modern Kazakh military that can both meet Kazakhstan defense needs and help Kazakhstan fulfill its international responsibilities. Kazakhstan is also a key regional player in Central Asia and an important energy producer. The United States has an interest in helping Kazakhstan in its efforts to diversify its export routes and expand its energy trade with its neighbors.

In 2010, Kazakhstan will become the first former Soviet state to hold the chairmanship of the OSCE. To carry out that important role effectively, Kazakhstan must improve its human rights record and do more to support democratic norms. The country's leadership has pledged to implement political reforms before assuming the OSCE chairmanship and the United States should hold them to that pledge.

94. The collapse of oil prices and the growing effect of the recession in the United States have compounded Mexico's problems. Mexico's State-owned oil giant Pemex, the provider of 37 percent of the government's income, is expected to produce less oil and generate fewer pesos for the government in 2009. U.S. manufacturers in northern Mexico, especially those connected to the auto industry, are cutting their work forces and some are even asking employees to accept pay cuts. Rising unemployment in Mexico could create instability, expand illegal immigration, and drive desperate Mexicans into participating in the drug trade. Given the importance of Mexico's "oil income," please provide your views on working with the Mexican government on a closer energy partnership.

The inter-related challenges of inequality and insecurity pose significant challenges for Mexico and countries throughout the Americas. To help address these challenges and advance our interests and values, the United States has a strong interest in supporting bottom up development in Mexico and throughout the region. President-Elect Obama's proposed Energy Partnership for the Americas, in which we hope Mexico would play an important role, could serve as a vehicle for working together to forge a path toward sustainable growth and clean energy. I look forward to working with you, members of the

Committee, and other members of Congress as we flesh out how best to proceed in this and other areas of the bilateral U.S.-Mexico relationship.

Brazil

95. The Committee passed the "Western Hemisphere Energy Compact" in September 2008 and will be re-introducing this legislation during the next Congress. Building on the memorandum of understanding (MOU) on biofuels signed in March 2006, this bill would create the framework for greater cooperation between Brazil and the United States in the sharing, research, and development of renewable energy technologies. Please provide your views regarding the MOU and if you will be continuing this initiative. Please provide your views regarding the "Western Hemisphere Energy Compact."

The March 2007 Memorandum of Understanding to Advance Biofuels Cooperation and the work that has been done since then are an important feature of the U.S.-Brazil relationship. We look forward to ensuring that continued U.S.-Brazil energy cooperation is carried out in an environmentally sustainable manner and in a manner that spreads the benefits of alternative energy development throughout the region while expanding the market for U.S. green energy manufacturers and producers. It is also important that U.S. biofuel producers not be prejudiced by efforts to increase U.S.-Brazil cooperation. We must also ensure that all stakeholders, including those from the labor, environmental and business sectors, are adequately represented in the biofuels cooperation process.

I look forward to examining the specifics of the "Western Hemisphere Energy Compact" legislation in the coming weeks and months and working with you and other members of the Committee to ensure that we work together to advance U.S. interests and value in the Americas through enhanced energy cooperation.

Energy

129. At a Presidential campaign debate on April 16, 2008, you stated: "We are so much more dependent on foreign oil today than we were on 9/11, and that is a real indictment of our leadership." You have also repeatedly pointed to a concern that the Senate Committee on Foreign Relations has also warned of: the degree to which energy security issues – particularly dependence on foreign oil supplies – harm U.S. foreign policy and security. While growing attention has been given to the need to reform domestic energy policy to reduce oil usage, comparatively little attention has been given to the need for U.S. diplomatic engagement on energy.
- a. What priority would you assign to energy security in U.S. foreign policy? Is this an issue on which you would personally engage? How would you ensure that energy security is integrated into State Department activities?
 - b. As Secretary of State, what role will you play in explaining to Americans the national security, economic and humanitarian costs of our current domestic and global energy portfolio?

The President-Elect identifies energy security as one of his top national security priorities during the campaign. I have long believed that energy security – and the twin challenge of climate change – are among the most pressing challenges facing the United States and the global community and must be among the top national security priorities. These are issues on which I will personally engage, and they will consistently receive high-level attention at the Department. I will work with our friends and partners around the world, who are facing the same challenges. I also intend to ensure that the Department works vigorously through the interagency process on these issues. I am still reviewing whether to make any organizational changes in the Department on these issues – I will certainly consult with the Committee as we work to ensure that energy security plays a prominent role in State Department activities.

If confirmed as Secretary, I will be active in making the case that the United States must free itself from dependence on foreign oil. Our addiction to foreign oil does not just undermine our national security and wreak havoc on the environment – it also cripples our economy and

strains the budgets of working families. The United States and our friends and partners throughout the world are facing a protracted period of major energy challenges. Over-dependence on individual countries or fuels creates vulnerabilities by permitting market distortions and opportunities for political blackmail. Along with the President-Elect and my colleagues, I will urge a swift and effective response that focuses on improving energy efficiency, developing energy technologies that do not contribute to global warming, and for the near-term future, securing stable and diverse supplies of conventional energy.

130. Signed into law in December 2007, the Energy Independence and Security Act required the creation of a Department of State Coordinator for International Energy Affairs. This position, originally proposed in legislation offered on March 16, 2006, originated from my judgment that the myriad threats posed by global energy concerns require devoted attention by an individual with significant stature placed within the office of the Secretary of State, and with the political experience necessary to communicate and pursue our diplomatic energy priorities to a broad audience. The Senate Committee on Foreign Relations unanimously approved legislation mandating of the Coordinator position in a bill offered by myself with Senators Biden, Craig, Salazar, Landrieu, Coleman, Lieberman, Hagel and Thune.

Rather than appointing a full-time Coordinator as per Congressional expectation, the current Secretary of State chose to "dual-hat" the Under Secretary of State for Economic, Energy and Business Affairs – a position that has also required, among other issues, responsibility for leading State Department engagement on the global financial crisis. Thus, the highest ranking State Department official exclusively devoted to energy issues remains at the level of Office Director.

- a. Do you believe that energy security concerns warrant a high-level, full-time State Department official?
- b. What role will the Coordinator for International Energy Affairs play in State Department activities if you are confirmed as Secretary of State?

- c. What staff support will be made available to the Coordinator? What budgetary support will be available for the Coordinator?
- d. Do you intend to seek additional authorities or budgetary support for the Coordinator and other energy security activities within the 150 Account?

I very much appreciate and agree with your initiative to elevate energy diplomacy as a key function in the Department of State, and do believe that energy security warrants high-level attention in the Department. Energy security must be an important and integrated element of our foreign policy. I am still reviewing whether to make any organizational changes in the Department, but of course I will implement the statutory requirement to have a Coordinator. If confirmed, I will also soon be working with OMB on the President's budget request for FY 2010, so it is premature for me to comment on issues involving budgetary support. I will be happy to consult with you further about this issue, if confirmed.

131. On March 31, 2008, a Presidential Envoy for Eurasian Energy was appointed. This position is not unlike that established under President Clinton, which was crucial in establishing energy cooperation amongst Azerbaijan, Georgia and Turkey. The appointment of the current envoy position, made with the encouragement of Senators Lugar and Biden, came at a time when new opportunities for United States engagement in Central Asia are possible and while Russian authorities have made a strong effort to further their control of energy supplies in the greater Caspian region.

- a. What level of U.S. engagement do you believe is helpful to promote opening of trans-Caspian energy trade and investment?

Vigorous U.S. engagement to promote opening of trans-Caspian energy trade and investment is an important priority for U.S. interests. Russia's cutoff of gas shipments to Ukraine (and by extension to much of the rest of Europe) in early 2009 (following a similar move in 2006) served as a sharp reminder of how dependent Europe is on energy imports from Russia. That energy dependence can create a degree of political dependence that we should seek to help the Europeans avoid. Just as the Clinton Administration helped promote the Baku-

Ceyhan-Tbilisi pipeline in the 1990s, the United States today should be heavily engaged in helping to promote stable and transparent energy trade in Europe – including between Russia and Ukraine – and energy diversification for Europe, a goal that requires more energy trade with producers in the Caspian region.

- b. Do you intend to appoint, or encourage the President to appoint, a full-time envoy for Eurasian energy?

The complex issue of Eurasian energy requires high-level U.S. attention and engagement. If confirmed, I will consult with the President and with our energy and national security teams to determine the best way to devote that attention. The appointment of a strong, full-time envoy is one option worth serious consideration. No matter what staffing approach is employed, it will be essential to have a focused, well-elaborated strategy.

132. The proposed Nabucco natural gas pipeline project is intended to be the final link connecting Caspian region energy resources with European consumers that could substantially contribute to diversification of Europe's natural gas imports, but it is being challenged by the Russian-backed alternatives Nordstream and South Stream. The United States has been supportive of the Nabucco project, and numerous North Atlantic Treaty Organization and European Union member states have attempted to make the Nabucco pipeline a reality. Unfortunately, their efforts have been stymied by other influential European governments that have more actively pursued independent deals with Russia for gas supplies. Failure to complete the Nabucco pipeline would be significant blow to European security, and challenge unity in the trans-Atlantic community.

- a. If confirmed, what steps would you take to conclude necessary political agreements for Nabucco to be constructed?

The Nabucco pipeline could prove to be a critical element in the necessary efforts to diversify European energy supplies. Completing such an expensive, complicated, multi-national project, however, will require painstaking alignment between commercial and governmental actors. An essential element of

such a project will be the commercial fundamentals. A successful strategy to promote Nabucco or other pipelines along the Southern Corridor to European markets will require consistent, high-level political engagement, including by the United States. If confirmed, I and my team would strongly encourage our European allies to make the political agreements necessary to facilitate the construction of Nabucco or other pipeline capacity that can help Europe diversify its gas supply.

- b. The Republic of Turkey has indicated a desire to participate in the Nabucco project, but it has expressed concerns for first meeting its projected domestic energy needs. What is your perspective on steps the United States bilaterally with Turkey, and multilaterally, can take to accelerate progress on the necessary intergovernmental agreements?

The President-Elect has said that “a close relationship with a stable, democratic, Western-oriented Republic of Turkey is an important U.S. national interest.” I could not agree more. Turkey is a critical U.S. partner not only on energy issues but on a wide range of critical national security issues. Its cooperation is certainly critical to the success of gas diversification projects such as the Nabucco pipeline and the Turkey-Greece-Italy pipeline. If confirmed, I will seek to restore and develop the longstanding U.S. strategic partnership with Turkey – which has come under strain in recent years. Supporting Turkey's effort to develop and implement sound and sustainable energy policies is in the interest of Turkey, all of Europe, and the United States because it will help Turkey to be a reliable partner and transit country for gas flowing to other European markets.

133. The United States Senate, as part of its amendment to H.R.6 in 2007, approved legislation I authored promoting enhanced ties between the International Energy Agency (IEA) and the governments of the People's Republic of China and the Republic of India. One central component of such cooperation would be formal coordination of strategic petroleum reserves as those countries construct their domestic reserves. United States diplomats have encouraged such enhanced cooperation. You have

repeatedly recognized the importance of enhanced formal ties with China and India on energy, including with the IEA.

- a. What benefit and risks do you see to formal inclusion of China and India in membership in the IEA?

The IEA should be laying the groundwork now for eventual Chinese and Indian membership in order to achieve the benefits of: 1) increasing energy policy coordination with rapidly growing energy consumers like China and India; 2) maximizing the opportunity for agreeing on energy standards and principles like transparent energy markets; 3) ensuring the coordinated release of strategic petroleum reserves during a major oil market disruption; and 4) maintaining its position as the voice of the world's major energy consuming nations.

The center of energy demand growth is shifting away from the OECD countries to many of the world's developing countries. The IEA was created as an institution that represents the interest of the major energy consuming nations. If its membership does not change to reflect who those nations are today, its authority and effectiveness will erode.

- b. Would you promote more formal inclusion of China and India in the International Energy Agency, including in coordination of strategic petroleum reserve usage?

The great majority of increased global energy demand in coming years will come from emerging economies, in particular China and India. Both are also building strategic petroleum reserves. Given their growing weight in international energy markets it is in our interest to include them as members of the International Energy Agency and to coordinate closely with them on usage of strategic petroleum reserves in case of an oil supply emergency. Global energy security will benefit from the integration of their potentially large strategic reserves into the IEA system.

- c. If necessary, would you promote revisions to the IEA's underlying treaty if necessary to include China and India?

Full membership would likely require the modification of the original 1974 International Energy Program treaty agreement that created the International Energy Agency (IEA), but the range of options potentially available to integrate China and India into the IEA have not yet been explored. The IEA makes decisions by consensus among the member states, and consensus can and will be reached on how to prepare the IEA for eventual Chinese and Indian membership, even as China and India must also commit themselves to and prepare for IEA membership. The State Department will support these efforts, up to and including revision of the International Energy Program.

134. Access to reliable and affordable energy is vital to economic development, and the threat of global climate change underscores a common interest for developing countries to not build extensive infrastructure based around carbon-intensive power generation and usage. Likewise, production of renewable energy, particularly biofuels, offers a value-added product for rural areas in the developing world. In a Foreign Affairs article, you commented, "We must also help developing nations build efficient and environmentally sustainable domestic energy infrastructures. Two-thirds of the growth in energy demand over the next 25 years will come from countries with little existing infrastructure."

- a. What role do you see for United States foreign assistance in promotion of access to energy in developing countries?

As developing countries address energy poverty, the United States should do all it can to promote the adoption of clean energy technology and best practices. The full suite of energy sources – oil, gas, coal, nuclear, and all renewables, in tandem with conservation and efficiency improvements – will be necessary to meet projected global and domestic energy demand over the next 25 years.

U.S. foreign assistance that promotes energy access in the developing world should focus on clean energy technology – which includes renewable energy, energy efficiency, as well as

clean coal technology. The United States leads in research, development and deployment of renewable energy.

- b. What budgetary changes would be needed to increase U.S. assistance in promoting energy access?

Were the United States to give priority to the elimination of energy poverty, with a focus on enabling reliable, affordable, clean energy, we would need a very substantial increase in U.S. assistance.

Most of the required investment, however, must come from the private sector. In order to mobilize that investment, major policy and regulatory reforms are needed in many countries. Neither public nor private utilities and their investors can generate the capital required to expand access to clean, sustainable energy supply, for example, when regulatory regimes prevent them from recovering their direct and indirect operating costs.

Developing countries must bear primary responsibility for moving the reform process forward. When they do, U.S. assistance can support them in two major ways. First, our technical assistance can help to establish the overall regulatory and policy environment needed to stimulate large new public and private investments. And, second, our project-based financial guarantees and other support can help to reduce the perceived risks and costs of mobilizing the much larger flows of private sector financing required.

- c. What is your perspective on how the United States can promote global development of advanced biofuels from diverse feedstocks such as specialty energy crops, agricultural waste and municipal waste?

Sustainable biofuels is an area where the State Department can continue to foster global cooperation. The United States works both multilaterally and bilaterally to advance sustainable biofuels. If confirmed, I will review this ongoing work with an eye towards expanding this focus. Examples of work which

could be expanded included the G8-launched Global Bioenergy Partnership as well as the U.S.-Brazil Memorandum of Understanding on Biofuels Cooperation, which includes both research and development work on advanced biofuels, as well as broader efforts to establish common technical standards to foster a global market for these products.

135. As a United States Senator, you cosponsored S.879 "No Oil Producing and Exporting Cartels Act of 2007" and S.2976 "OPEC Accountability Act". What repercussions do you believe legal actions against OPEC nations would have on United States economic interests, trade and security relationships, and U.S. companies operating in affected countries? If confirmed as Secretary of State, how do you intend to balance U.S. and global market dependence on reliable supplies of oil from OPEC nations with encouraging them to undertake more open-market behavior?

Given ongoing U.S. court cases concerning these matters, as a potential Administration official I need to respect the judicial process and not comment on these matters specifically at this time.

If confirmed, I will support the President's efforts to promote U.S. energy security. This will include maintaining a strong dialogue with the major oil producing countries – both OPEC and non-OPEC members – to impress upon them the need to ensure adequate energy supplies to meet global energy demand.

Transparency in Extractive Industries and Related Issues

158. The Senate Foreign Relations Committee staff report entitled "The Petroleum and Poverty Paradox: Assessing U.S. and International Community Efforts to Fight the Resource Curse" recommended that "the Secretary of State should exercise more effort on transparency issues, and build on international momentum for extractive industry transparency at the United Nations, at the EITI (Extractive Industries Transparency Initiative) secretariat and through our embassies".

- a. Do you agree with this statement? If so, what steps do you expect to take to support extractive industry transparency?

I support a lead role for the State Department in advancing resource transparency at the United Nations, and through our leadership role in the EITI process. Our embassies continue to play an active part in promoting resource transparency and good governance in their host countries.

- b. Do you agree with those who say that one of the most effective ways for the U.S. to show its commitment to extractive industries transparency, and to encourage more transparency by developing countries, would be for the United States to sign on as an EITI implementing country and submit its oil and gas revenues to independent audit? If so, would you commit to taking this step early in the administration?

Domestic agencies, including many at the state and local levels of government, would have to examine this issue before the U.S. government could make such a commitment. U.S. markets and systems for reporting revenues from resource extraction are already among the most transparent in the world. Oil and gas and minerals revenues from domestic production are subject to oversight by national, state, and local levels of government as well as the scrutiny of financial markets and our free media.

159. How can the Administration better engage with China, India and other emerging markets on issues around extractive industry transparency?

The U.S. government has been engaging with China, India, and a number of other governments on the benefits of supporting the Extractive Industries Transparency Initiative (EITI). Increased transparency will lead to more reliable suppliers of energy and other raw materials. As the countries with the fastest-growing energy consumption, China and India have an interest in expanding global energy supplies and raw materials access from stable countries. If confirmed I will direct State Department staff to continue to engage with China, India, and other emerging economies on EITI bilaterally and multilaterally, including through the United Nations.

160. The Senate Foreign Relations Committee report, "The Petroleum and Poverty Paradox: Assessing U.S. and International Community Efforts to Fight the Resource Curse", asserts that "U.S. bilateral assistance in extractive countries should be focused on good governance, transparency and building civil society". How do you think U.S. bilateral assistance, through USAID, OPIC, MCC, the U.S. Export Import Bank, and other agencies, should be prioritized in extractive countries?

In economies dominated by extractive industries, good governance, transparency, and building civil society are critical to providing an environment conducive to sustained poverty reduction and democratic development. The United States and other donors should and do support those efforts with a range of assistance programs, including rule of law and governance reforms, public sector capacity building, and strengthening of independent media and civil society checks and balances. For these efforts to be successful, the countries themselves must bear primary responsibility for leading this process.

U.S. assistance programs rarely provide direct support to the development of extractive industries. When they do, it is important that we promote and support transparency and accountability in the public sector oversight, revenue collection, and other critical areas of good governance. I am committed to working with my colleagues at OPIC, MCC, the U.S. Export Import Bank, and other relevant agencies to ensure that the United States provides consistent, constructive policy leadership on this issue.

Climate Change

During the Presidential campaign, you said that you would “engage in high level meetings with leaders around the world every three months, if that’s what it takes to hammer out a new agreement” on climate change. You further indicated that “my goal will be to secure a new agreement by 2010.”

136. What role do you intend to play in the Obama Administration with respect to international negotiations on climate change? As Secretary, do you expect to meet with foreign leaders every three months to discuss climate change?

President-Elect Obama has made it clear that the United States must reassert leadership in international negotiations on climate change. If confirmed, I will play a leading role as Secretary of State in the Obama Administration’s efforts in that regard. Given the urgency of the problem and the timeframe set out in the UNFCCC process, this issue would be a key priority for me and for the Department.

137. Parties to the UN Framework Convention on Climate Change agreed on a work plan aimed at producing a new climate change agreement by the end of 2009. Do you support this goal, or do you believe more time will be necessary to reach such an agreement?

As President-Elect Obama has emphasized, few challenges facing America – and the world – are more urgent than climate change. The science is beyond dispute and the facts are clear. Sea levels are rising. Coastlines are shrinking. We have seen record drought, spreading famine, and storms that grow stronger year after year.

President-Elect Obama has made it clear that his Administration will mark a new chapter in U.S. leadership on climate change. Under President Obama, the U.S. will once again engage vigorously in the UN-sponsored climate negotiations. The U.S. will also pursue progress on climate change in sub-global, regional, and bilateral settings. The U.S. is fully prepared to agree to binding caps as part of the international climate negotiations. It is also apparent that, to solve this problem, all major emitting nations must join in the solution. Major developing nations such as China and India must not be far behind in making their

own commitments. The precise nature of commitments sought from these countries will be shaped in the course of negotiations.

We are committed to working with all nations to make the 2009 Copenhagen conference under the UN Framework Convention on Climate Change a success. The world must move forward without delay to address this urgent problem.

138. Committee staff following the climate change negotiations have recommended that in addition to showing leadership in the forthcoming climate talks, the U.S. should engage China, India and Brazil in high level bilateral discussions on a number of issues including climate change and energy security. Secretary Paulson has done that with China. Do you support holding similar discussions with Brazil and India?

President-Elect Obama has stated that he plans to pursue international agreements on climate change through a number of avenues in addition to the UNFCCC process, including multi-lateral discussions that include China, Brazil and India.