



U.S. DEPARTMENT of STATE

Addressing the Challenge of Global Climate Change

Paula J. Dobriansky, Under Secretary of State for Global Affairs

Remarks at the American Enterprise Institute

Washington, DC

November 19, 2003

Prior to the 20th Century, the City of London and other industrialized cities had a serious air pollution problem. The culprit was soot and smoke that came from the burning of coal. We know that as far back as 1257, the Queen of England visited Nottingham and found the smoke so bad that she left for fear of her life. Bronchitis, originally called the "British disease," was ever-present. Buildings began to turn gray as soon as they were cleaned and repainted, and London got 40% less sunshine than surrounding towns.

King Edward I established the world's first air pollution commission, and later made it illegal to burn coal – a prohibition that was ignored. As it turned out, the solution to the problem was not having the government limit people's ability to heat their homes and run their businesses. Rather, the solution came when science and technology came up with an alternative – petroleum and widespread electrification in this case – that was cleaner and more efficient. Not only did this breakthrough solve the immediate problem: it also led to a rapid increase in industrialization and related improvements in quality of life.

Today, we are concerned with the challenge of climate change. We take this challenge very seriously, and we are taking steps both to better understand the problem, and to put into place an approach that is measured, cost-effective and sustainable. Each year, the U.S. spends billions of dollars to support climate change-related programs and research. We participate in the United Nations Framework Convention on Climate Change and share its ultimate objective of stabilizing greenhouse gas concentrations in the atmosphere at a level that will prevent dangerous human interference with the climate. We also recognize though, that we have to deal with climate change in a way that balances a broad array of relevant policy imperatives, which include energy security, sustainable economic growth, economic competitiveness and the pursuit of other non-climate change-related environment goals. Significantly, the extent to which the man-made portion of greenhouse gases is causing temperatures to rise is still unknown, as are the long-term effects of this trend. Predicting what will happen fifty or one hundred years in the future is difficult.

Consequently, the U.S. has elected to take a more flexible and, in doing so, a more realistic and effective path. We intend to use science and technological innovation to achieve the ultimate goal of the Framework Convention. It is an approach that views economic growth as part of the solution, not part of the problem. It relies on the proven abilities of markets, innovation, increasing energy efficiency, public-private partnerships, and voluntary, incentive-based actions by the private sector. It will consider not only the benefits of possible solutions, but also the costs, and take the most efficient route to achieving the long-term objectives that are still not well-defined by science.

This approach is dramatically different than the Kyoto Protocol, which we view as fundamentally flawed. It is unrealistic, unfair and poses serious and unnecessary risks to our economic well-being.

Over time, the cost of complying with the Protocol exceeds the theoretical costs associated with global warming. Bjorn Lomborg, author of *The Skeptical Environmentalist*, noted, "The cost of such a Kyoto pact, just for the U.S., will be higher than the cost of providing the entire world with clean drinking water and sanitation. It is estimated that the latter would avoid two million deaths every year and prevent a half billion people becoming seriously ill each year."

Our science-based, flexible approach to the challenge of climate change includes numerous initiatives with specific and measurable goals. In February 2002, President Bush committed the U.S. to a comprehensive strategy to reduce greenhouse gas intensity – emissions per unit of economic output – 18% by 2012. This amounts to a cumulative reduction of more than 500 million metric tons of carbon-equivalent emissions from business-as-usual estimates – the same as taking 70 million cars off the road.

We intend to base our efforts on the best science, and we are willing to devote considerable resources to this. President Bush's budget for the coming fiscal year sought a 15% increase in funding for climate change-related programs, bringing total U.S. Government spending this year to \$4.3 billion. If enacted, it will be the highest level ever –

nearly 20% more than what was spent in the last year of the previous administration.

The President's Hydrogen Fuel Initiative and the FreedomCAR Partnership launched last year will provide \$1.7 billion over the next 5 years to develop hydrogen-powered fuel cells, a hydrogen infrastructure, and advanced automobile technologies, allowing for commercialization by 2020. Tomorrow, we are holding a ministerial meeting of the International Partnership for a Hydrogen Economy here in Washington that will include 13 other nations and the European Commission.

In February 2003, President Bush announced that the United States would sponsor, with international and private-sector partners, a \$1 billion, 10-year demonstration project to create the world's first coal-based, zero-emissions electricity and hydrogen power plant called FutureGen. This project is designed to reduce dramatically air pollution and capture and store greenhouse gas emissions.

This initiative is part of an international Carbon Sequestration Leadership Forum designed to work cooperatively with our global partners – including developing countries – on research, development, and deployment of carbon sequestration technologies in the next decade. In June 2003, the inaugural meeting was held in Virginia, and attended by representatives of Australia, Brazil, Britain, Canada, China, Colombia, India, Italy, Japan, Mexico, Norway, Russia, South Africa, and the European Commission. These global partners signed the first international charter setting the framework for international cooperation in research and development.

The United States is participating in the largest and most technologically sophisticated research project in the world to harness the promise of fusion energy, the same form of energy that powers the sun. If successful, this \$5 billion, internationally supported research project will produce clean and essentially limitless energy by the middle of the century. Other participating countries include Canada, China, the European Commission, Japan, Russia, and South Korea.

The first-ever Earth Observation Summit was held last July to generate international support for an initiative to link thousands of individual technological assets into a coordinated and comprehensive global Earth observation system. The purpose of the system is to provide the tools needed to substantially improve our ability to identify and address environmental concerns. More than 30 countries – both developed and developing – and 20 international organizations participated in the Summit.

The Federal government administers nearly 60 different voluntary programs on energy efficiency, agricultural practices, and greenhouse gas reductions. One major initiative is the "Climate VISION" Partnership. In February 2003, President Bush announced that twelve major industrial sectors and the membership of the Business Roundtable have committed to work with the government to reduce greenhouse gas emissions in the next decade. Participating industries include America's electric utilities; petroleum refiners and natural gas producers; automobile, iron and steel, chemical and magnesium manufacturers; forest and paper producers; railroads; and the cement, mining, aluminum, and semiconductor industries.

Climate Leaders is an EPA partnership encouraging individual companies to develop long-term, comprehensive climate change strategies. Under this program, partners set corporate-wide greenhouse gas reduction goals and inventory their emissions to measure progress. Over 40 major companies are now participating, including General Motors, Alcoa, BP, Pfizer, Staples, International Paper, Cenergy, IBM, Miller Brewing, Eastman Kodak, and Target.

The U.S. is engaged in extensive international efforts on climate, both through multilateral and bilateral activities. Multilaterally, the U.S. is by far the largest benefactor of the activities of the UN Framework Convention on Climate Change. As President Bush remarked, "The United States has spent \$18 billion on climate research since 1990 – three times as much as any other country..."

We also lead research and development projects through the Generation IV International Forum. This is an initiative to develop next-generation nuclear systems to produce electricity, as well as hydrogen for emission-free transportation.

Bilaterally, the U.S. has developed 13 agreements with major international partners to pursue research on global climate change and deploy climate observation systems, collaborate on energy and sequestration technologies, and explore methodologies for monitoring and measuring greenhouse gas emissions. To date, new bilateral agreements have been established with developed and developing countries, which together with the United States represent over 70% of global greenhouse gas emissions. The countries are Australia, Canada, China, India, Italy, Japan, Korea, Mexico, New Zealand, Russia, and South Africa, as well as the European Union and the seven Central American countries working in unison.

The common threads to this broad agenda are the focus on science and an approach that is flexible. We do not lock in arbitrary and rigid emission caps or other regulatory metrics. We are careful to 'know what we don't know' – we note that the scientific understanding of this matter has changed and will continue to change. As we progress, we will gain a better understanding of the challenge of climate change, and adapt our plan through a flexible, market-based approach. This is absolutely critical in any policy that relates to science and technology, which evolves so rapidly.

We are dealing with an issue that may affect the global climate 50 or 100 years into the future. Think of how much technology has changed in the last 50 years – or in the last 5 years for that matter. Who in 1953 – when most American homes didn't even have a television – could have predicted today's world of instant communication around the globe, medical breakthroughs, ever-improving computing power and ease of worldwide transportation? Clearly, any narrow economic or regulatory policy made back then, which allowed for no role to be played by new technology, would have been ill suited for the reality of 2003.

There is a misperception held by some that things will only get worse over time: more pollution, more climate change, more disease, more famine, and this list goes on. What this fails to appreciate is the ability of technological breakthroughs to solve our environmental problems or render them moot – as recent history amply demonstrates. The often-cited 1972 report *Limits to Growth* by the Club of Rome predicted that we would run out of gold by 1981, silver and mercury by 1985, and zinc by 1990. Now before you rush out and start hoarding zinc, you can rest easy knowing that we did not run out, nor will we in the next several hundred years. Technology consistently makes it easier to locate and extract resources or utilize substitutes – the solution was not rationing, but scientific breakthrough.

Therefore it is our intention to implement policies that will foster these technology-based solutions – that is the way we will address the challenge of global climate change. Significantly, we also believe that climate change, should not be pursued in isolation, but should be handled as an integral part of a broad strategic paradigm of sustainable development, which features a balanced mix of environmentally sound, pro-economic growth policies. At the 2002 World Summit on Sustainable Development in Johannesburg and at the COP-8 meeting last year in New Delhi, we found strong and growing support for this position among developing countries.

This is an approach that will work for the industrialized world as well as for developing nations, increasingly at the center of the global emissions challenge. Technology is not confined by borders; it does not require a complex inspection and compliance mechanism to implement, and it does not lead to economic harm. Furthermore, it is the only solution that is practical and that we can realistically expect to work.

In his June 2001 speech on climate change, President Bush remarked, "The issue of climate change respects no border. Its effects cannot be reined in by any army nor advanced by any ideology. Climate change, with its potential to impact every corner of the world, is an issue that must be addressed by the world." U.S. leadership will ensure that the challenge of climate change will be met in ways that promote economic growth, alleviate poverty and meet other environmental objectives.

[End]

Released on November 21, 2003