

Climate Change Questions

Kyoto Protocol

Target

- Why did U.S. agree to a target that is much tougher than the one President Clinton proposed in October?
- Since the Protocol can be amended by 3/4 of the parties, including developing countries, won't developing countries, perhaps with help from countries such as the EU, be able to amend our target and make it even more stringent?
- Did the Vice President's visit -- with his call for greater flexibility on the U.S. side -- diminish your negotiating leverage and help lead to the cave-in of our position of 1990 levels by 2008-2012?

Bubble

- If the EU Bubble gives them an advantage, as Undersecretary Eizenstat admitted to congressional observers, why did the U.S. agree to it?

Emissions trading

- You claim that getting emissions trading was a great achievement and you base much of your economic case -- that this agreement won't be too costly -- on trading. But the protocol includes only the most general concept of trading, without the principles in your January 1997 proposal. Haven't we lost our leverage by signing onto a binding target and timetable without achieving the specifics on emissions trading.
- In the absence of more detail, you can't really have any confidence in how a trading system will work. For example, you don't even know how much of our target will be able to be satisfied through trading, do you?
- You don't know how trading will be monitored, verified or administered, do you?
- Can you explain how the system will work if some countries have domestic trading, as is anticipated here, and others, such as the EU, do not? Will U.S. companies trade with foreign countries? Will our trades have to be made through the government?
- Doesn't our whole plan to reduce our costs through trading really amount to a plan to transfer billions of dollars to Russia in return for excess Russian emission rights?
- And isn't it true that those excess Russian emission rights result not from any positive

actions the Russians have taken to reduce greenhouse gas emissions or clean up their environment, but simply because their economy collapsed shortly after 1990, driving down their demand for energy?

- So, in effect, isn't this whole trading business a sham? We pay the Russians to satisfy a target that is too tough on us and not tough enough on them; our economy is hurt; and the environment doesn't get helped at all, because the Russians aren't actually taking any significant action to help the environment. Isn't that right?

Umbrella

- You've talked about setting up a potential trading block of countries outside the EU -- an umbrella to counter their bubble. How would the umbrella work? Would you intend to limit trading to countries within the umbrella? Is that legal? Do you think setting up such a block that excluded the EU makes good sense from a broader foreign policy perspective?

Clean Development Mechanism

- As in the case of emissions trading, you are claiming the Clean Development Mechanism as a big success and as a key element in keeping costs down for American business, but, once again, the Protocol only includes the general concept, with no clear outline of how it would work. Haven't we lost our leverage by signing onto a binding target and timetable without achieving the specifics on joint implementation?
- Can you describe in some detail how the CDM would work?
- The Protocol indicates that the part of a nation's target that can be met through the CDM will be determined by a later [Meeting of the Parties]. So it is possible that the ability of our companies to use the CDM to meet our target will be very restricted, isn't it?

If it is very restricted, will we walk away from the deal? Wouldn't it be foolhardy to sign the Protocol before we know how restricted our ability to use the CDM is going to be?

- How will the CDM be financed?
- How big a share of the proceeds will be devoted to assisting developing countries with adjustments to climate change -- 5%? 20%? 50%? Do we really have any idea? Who decides?
- The OPEC countries actually had the nerve to press for a compensation fund so that we would have to pay them to make up for the reduced use of oil that is likely to result from an effort to cut greenhouse gases. We opposed that demand, couldn't these proceeds end up being applied, at least in part, to pay off OPEC countries?

- Since projects under the CDM will be done in developing countries that do not have emissions budgets, who will monitor and verify that the reductions from a given project are real?

If credits were given for reductions that would have occurred anyway, then the CDM could turn into another environmental sham, couldn't it? That is, industrialized countries could be allowed to satisfy their reduction requirements by getting credit for reductions that were going to occur anyway in developing countries; and since the developing countries have no budget, there could be no offsetting reduction of their budgets. Isn't that right?

So who will decide that those reductions are more than would have occurred anyway, and how will they decide that?

- How will the CDM be administered? Are we going to create yet another international institution? Who will control it?
- You say that this idea is in effect the same as our idea for joint implementation, but JI would have operated on a company to company basis without new international bureaucracies, while the CDM will require a new bureaucracy, right?

Sovereignty/Enforcement

- Won't this Protocol inevitably come to impair U.S. sovereignty?
- Under the Protocol, won't we inevitably be turning over decisions about American energy usage, and therefore the American economy, to international bodies dominated by the developing countries, perhaps acting in concert with the EU?
- What verification procedures are there to ensure that other countries honor their obligations?
- How will the Protocol be enforced? Either it will be an honor system, without any real enforcement, in which case the United States will get taken advantage of as we honor our obligations while others ignore their own; or there will be a real enforcement system, in which case international bureaucracies will be able to sit in judgment on whether we are meeting our obligations. Which will it be? And aren't both these alternatives unacceptable?

National Security

- By agreeing to include all domestic military operations and training in our emissions budget, haven't we forced ourselves to limit these operations in order to meet our target?

- The Protocol only exempts U.S. military exercises that are multinational and humanitarian. Won't that will inevitably put pressure on us to limit unilateral military action, such as in Grenada, Panama or Libya?
- Why didn't you just insist on a clearcut exemption of military emissions, as the Pentagon clearly wanted, rather than the flawed formula you accepted?

Rogue nations

- Why doesn't the Protocol exclude rogue nations like Iran, Iraq or Libya? Do you think they should be able to benefit from this Protocol?

Entry into force

- Why did you agree to a provision that will allow this Protocol to go into effect all over the world *without* U.S. ratification? Didn't you in effect intentionally diminish the role of the Congress?

Developing countries

- Before Kyoto, the President and Vice President both said we would walk away from a bad deal, and emphasized that developing country participation was essential. You then went to Kyoto and got nothing from developing countries. Why didn't you keep your word and walk away?
- The Administration has admitted repeatedly that a deal omitting developing countries will fail because developing countries will soon overtake developed countries as the largest emitters. In light of that, isn't it foolish to enter into a deal that omits the developing countries?
- The fatal error in this negotiation was the Berlin Mandate, which completely let the developing countries off the hook. Shouldn't we have just let this Kyoto process fail and started over on a sounder footing? As you have said, this is a problem that must be resolved over decades, so why get going on the wrong foot?
- How can you expect to have any negotiating leverage on developing countries when the developed countries agree to stringent targets first, getting nothing in return from developing countries?

What real incentive do developing countries now have to agree to tough limits of their own?

- You went into the Kyoto conference with very low expectations regarding developing countries -- just seeking a provision that would have allowed individual developing

countries to opt in to the Protocol voluntarily. Even *that* modest provision was denounced and defeated. In light of that reception by the Chinese, Indians, Brazilians, and others, isn't it self-delusion to think that you will draw the key developing countries into the Protocol even in the next few years?

- What *is* your strategy for getting developing countries to participate in the Protocol?
- What constitutes "meaningful participation?"
- Given the lack of incentive for developing countries to participate and the lack of leverage over them, won't it be years before we can expect enough key developing countries to participate?

If so, won't it be years before the Protocol is ready to be submitted to the Senate, by your own standard?

And if years do pass, won't it in effect become impossible to achieve the target you have accepted in the 2008-2012 period?

- The purpose of the voluntary opt-in provision (Article 10) was to allow developing countries to join the Protocol if they wanted to? Since that provision was soundly defeated, isn't it the case that developing countries may *not* join the Protocol, even if they want to?

Signing/Ratification

- When do you expect the President to sign the Protocol?
- When do you expect the President to submit the Protocol to the Senate for its advice and consent?
- By refusing to submit the Protocol to the Senate promptly after signing it, isn't the President disregarding the Senate's appropriate constitutional role of advice and consent?

Domestic program

- Isn't the President's domestic program -- such as the \$6.3 billion budget package he recently announced -- just a way of implementing the Kyoto agreement without getting the advice and consent of the Senate?
- Is the Administration planning any steps designed, in effect, to implement the Kyoto agreement by Executive Order?

Economics

- In a business as usual scenario, energy use would be 34% higher in 2010 than 1990, and we've agreed to a target of 7% below 1990. So we have to be 41% lower than where we'd otherwise be. That is a wrenching change -- how can you seriously believe we could achieve that without rationing or huge price increases to depress demand?
- Have you done economic analysis to show what it would cost our economy to meet the target in the Kyoto Protocol? In price per ton of carbon? In jobs lost? In GDP lost? If not, why not? If so, what do your numbers show?
- Have you done an analysis of economic impacts on a sector by sector basis so we can see which sectors of the economy -- whether industrial, energy producing or agricultural -- will be hard hit?
- Does the President's plan make any provision for those industries that would be hardest hit?
- [Questions based on the Argonne Study showing very serious job impact on six energy intensive industries.]
- From an economic standpoint, isn't a stringent target like 7% below 1990 levels by 2008-2012 exactly the wrong way to go? Wouldn't it be much better for the economy to phase the changes in more slowly, so that capital stock could be turned over in a more natural way, rather than forcing such stock to be turned over too rapidly?

In fact, don't studies indicate that the *environmental* result would be more or less the same whether you started very quickly, or moved more gradually at first and accelerated the pace later; but that the *economic* result would be much better following the second approach?

- Isn't your approach just designed to sugar-coat things at first -- no taxes, etc. -- only to then slam on the brakes through a cap and trade emissions program starting in 2008? Given the fact that you aren't relying on any price signal *before* 2008, isn't the cap and trade system that starts in 2008 going to produce very high prices per ton of carbon in order to meet our Kyoto target?
- Isn't a domestic emissions trading system just another name for an energy tax? The bottom line will be exactly the same: consumers will pay higher energy prices than they otherwise would, right?
- [Questions about various studies that show 2 million jobs lost, 50 cent/gallon increase in gas prices, \$2000 increase in energy bills for a family of four, etc.]

- DOE's Five Labs study depends on an increase of \$50/ton of carbon in order to meet a goal *less stringent* than the one you've accepted -- and DOE's report is based on a lot of optimistic assumptions about technology development. So isn't a number of around \$50/ton of carbon -- which would mean about [12 cents/gallon of gas or \$x in increased energy prices for a family of four -- about as *low* a cost as we could rationally predict to meet our Kyoto target?
- [Other Orszag QS]

Science

- [Questions from Rosina on uncertainty of science.]