

U.S. CLIMATE ACTION NETWORK

THE GOOD, THE BAD, AND THE UGLY

A GUIDE TO U.S. CLIMATE POLICY

Report Summary

Full Report Available at: www.climatenetwork.org/uscanweb/gbu.htm

The results of the November 2nd U.S. elections left many in the United States and around the world wondering about the future of climate change policy, both in the U.S. and internationally. As the international community moves forward with the Kyoto Process, the question of what is being done to reduce U.S. emissions during President Bush's second term becomes increasingly urgent. There is no question that as the world's largest global warming polluter, the U.S. must make a significant shift in its global warming and energy policies, and soon if we hope to avert the most severe climate change predictions. Understanding the prospects for action on global warming in the United States, however, requires a holistic look at the policies and positions at all levels. While the world should not expect any change from President Bush in his second term, the complete picture of U.S. climate action includes many significant and promising developments. This report attempts to provide a comprehensive look at global warming policies and programs in the U.S., both highlighting the positive developments building momentum around the country, and providing an assessment of the barriers to action and the various business as usual, fossil-fuel heavy initiatives championed by the Bush Administration.

Another Four Years: Continuing and Upcoming Threats to Progress

During President Bush's first term, his climate policy had disastrous national and international implications. The Bush Administration steadfastly opposed any attempt to put mandatory controls on rising U.S. emissions, pulled the U.S. out of the Kyoto Protocol, and instead put forward an energy policy that would ensure rising U.S. emissions for decades to come. Unfortunately, **there is no indication nor any reason to believe there will be any significant policy shift from President Bush in his second term.**

Since the election, the Bush Administration has reconfirmed its opposition to mandatory controls on global warming

pollution and has sought to interpret the President's narrow victory as a "validation" of Bush's environmental policy and agenda – despite the fact that this issue was barely addressed during the presidential campaign. In addition, President Bush and the Republican leadership in Congress have included among their legislative priorities several bills that pose significant threats to controlling emissions, including the fossil-fuel heavy energy bill and the "Clear Skies" electricity sector regulation that would weaken the Clean Air Act and do nothing to address carbon dioxide emissions. Not content to just promote destructive policies at the federal level, the Administration and Congressional opponents of action to curb global warming may seek to undermine states' rights to act through an effort to block state adoption of progressive vehicle emissions policies.

Signs of Growing Momentum

Fortunately, though, actions on climate change around the country are building the momentum toward a significant shift in U.S. climate politics. Despite their recent electoral success, President Bush and the Republican leadership are increasingly isolated in their refusal to recognize the need for mandatory regulation of global warming pollution. While they may significantly slow action at the federal level for now, it is important to remember that building support for mandatory national climate controls was expected to be a difficult multi-year effort no matter who won the election and to look beyond the White House at the many encouraging signs of leadership from U.S. states, businesses, Congressional leaders, and the American public.

Leadership from U.S. States

As a result of increasing public concern and frustration with the failure of the federal government to take action, a number of U.S. states have begun to take steps to curb their emissions. States across the country are moving forward with both mandatory controls on greenhouse gas emissions and policies that support the development and deployment of

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clean energy technology, building the markets for climate solutions. This movement at the state level has received strong support from Republican and Democratic leaders alike, with several Republican Governors involved in the development of mandatory controls.

Perhaps most significantly, states both in the Northeast and along the West Coast are currently negotiating regional agreements to regulate CO₂ in several key sectors. While the details are still being worked out, these agreements show significant promise and would set important precedents for other states as well as the U.S. Congress to follow. The creation of regional carbon markets within the U.S., if sufficiently rigorous, could provide opportunities for linkages to international carbon markets, providing important incentives for other parts of the U.S. to engage as well.

The leadership efforts by states and others are often touted by the U.S. State Department as evidence of the U.S. taking action to reduce emissions. The reality is that states are acting out of frustration from the vacuum of leadership at the federal level, and many have gone forward with mandatory regulation of CO₂ over the strong objections of the Bush White House.

Committed Leaders in the U.S. Congress

The Climate Stewardship Act, which would set an economy-wide cap on U.S. emissions, reached a near majority in an October 2003 Senate vote and has growing bipartisan support in the both the House and Senate. Although it is unlikely to pass in 2005, Senators McCain and Lieberman have pledged to continue to bring it up for a vote until it does in an effort to raise the profile of the issue and force Senators to be held accountable for their positions. The Climate Stewardship Act remains the focus of federal policy discussions and has been gathering increasing attention on Capitol Hill, in the press, and among key constituencies.

A Shift Within U.S. Business

Significant actors in the U.S. business community are also recognizing the need for responsible action. Many have begun to implement reductions individually as a result of a desire to take advantage of new markets and efficiency cost savings, the need to prepare for future regulation, as well as growing pressure from shareholders and consumers. An increasing number of U.S. companies are committing to

report and analyze the climate impact and risk associated with their operations, to voluntarily reduce emissions, and have even begun to recognize the inevitability of and need for mandatory climate controls. The entry into force of the Kyoto Protocol and the implementation of the European Emission Trading System promise to significantly increase the pressure on the U.S. business community, as will the state and regional programs being developed domestically.

Rest of the World: Stay the Course

With this collection of positive movements, the tide is clearly rising around the administration. Until the President changes his position (or, more likely, until the next administration is elected), the rest of the country will continue to work around the White House to implement policies and programs to protect the climate and it is the unfortunate reality that the rest of the world must do the same.

The entry into force of the Kyoto Protocol is an historic victory for the global community following President Bush's withdrawal. Its implementation will also provide further evidence of the feasibility of and opportunities presented by solutions to climate change. As the international community begins to discuss the next steps, it is particularly important to maintain the Kyoto framework as a basis for a post-2012 regime and not to give in to or wait for the Bush Administration. With the President's consistent opposition to any approach that would specifically limit emissions or even put in place concrete deployment commitments for low-emissions technologies, the Bush Administration would be a destructive presence at the negotiating table, undermining the ultimate goal of the Convention and the framework for long-term progress.

Once the U.S. has developed the domestic political will to act, the Kyoto framework should be acceptable to the U.S., as it was largely U.S. designed and is compatible with the serious domestic policy proposals currently under consideration. Until then, the best way to ensure that the U.S. reengages constructively in the future, is to maintain the current path and make it clear to the administration that global warming is a premier foreign policy priority for the international community and inadequate solutions will not be accepted. It may require looking beyond a four-year horizon, but with political will clearly growing, real action on global warming at the federal level is within sight.

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TOP TEN SIGNS OF GROWING MOMENTUM ON U.S. CLIMATE POLICY

1) State Climate Legislation: Seven U.S. states have imposed mandatory limits on CO₂ emissions, including policies directed at electric sector emissions, mobile sources, and state-wide targets. Eighteen states have passed legislation mandating that a portion of their electricity be generated by renewable energy resources.

2) Regional Emissions Reduction Agreements: The New England States and Eastern Canadian Premiers agreed to return emissions in the region to 2000 levels by 2010 and to reduce by 10 percent by 2020. Nine Northeastern states and potentially Pennsylvania and Maryland will participate in a regional cap and trade program to reduce greenhouse gas emissions. The West Coast Governors are also developing a program to cooperatively reduce emissions and are considering a similar cap and trade program.

3) U.S. Congress: A vote on mandatory national carbon restrictions fell just short of a majority in the Senate in 2003 and the bill has a long list of cosponsors in the House. Other bills to cut carbon emissions and to mandate renewables deployment also have strong bipartisan support.

4) Lawsuits: A number of states and NGOs have filed suit against the Bush Administration challenging their refusal to regulate CO₂ as a pollutant and have also recently sued the five largest U.S. electric utility companies.

5) Investor Action: Shareholder resolutions relating to global warming are driving companies to take action. U.S. Shareholders in 2004 filed 30 global warming resolutions, with record levels of support and several agreements by companies to publicly report on their actions in response to growing regulatory pressures. The scope of filers has also broadened to include multi-billion dollar portfolio managers.

6) Local Elected Officials: Mayors from more than 150 cities, representing 46 million Americans, signed a statement calling for the federal government to act on global warming, urging action now as municipalities are already feeling climate impacts. 153 cities and counties have also made specific emissions reduction commitments with Cities for Climate Protection.

7) Public Opinion: Polls of the American public have consistently found that three quarters favor a reduction in greenhouse gases and a majority think the U.S. government was wrong not to accept Kyoto.

8) Grassroots Mobilization: Members of the religious, Environmental Justice, and student communities are calling on the Bush Administration and Congress to take action. Citing disproportionate impacts and the moral obligation to act, these communities are calling for federal action, organizing affected groups, and implementing campaigns to achieve reductions.

9) Scientists Speak Out: Scientists wrote to Senators to confirm the gravity of the problem and also joined with faith leaders in a call for a vote on mandatory carbon limits in the Senate. More than 46,000 scientists, including 48 Nobel Laureates, have signed a statement criticizing the Bush Administration for its politicization of science on climate change and other issues.

10) U.S. Businesses Make Commitments: Despite lack of regulator clarity, many U.S. companies are acting now to prepare for future emissions restraints. Several major multinational companies have committed to emissions reductions now, some higher than those required by the Kyoto Protocol, citing the inevitability of regulation of carbon in the United States.

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TOP TEN THINGS TO REMEMBER WHEN THE BUSH ADMINISTRATION SAYS THEY “TAKE GLOBAL WARMING SERIOUSLY”

1) Withdraws From the Kyoto Protocol: The Bush administration has never provided any credible analysis to substantiate its claim that the Kyoto Protocol would seriously harm the U.S. economy, even though this was one of their main reasons for withdrawing.

2) Opposes Mandatory National Emissions Cap. In strongly opposing the Climate Stewardship Act in the 2003 vote in the U.S. Senate (to cap U.S. emission at 2000 levels in 2012), the White House exaggerated cost impacts and said it was unfair that some other countries don't have mandatory emission targets.

3) Opposes Mandatory Power Plant Emissions Cap. Shortly after coming into office, President Bush reversed his campaign promise to limit CO₂ emissions from power plants, instead proposing legislation that ignores global warming and weakens existing clean air law.

4) Energy Policy Subsidizes Fossil Fuel Expansion: The Bush Administration has promoted national energy legislation that provides dirty energy sources with six times more subsidies than renewable energy and energy efficiency. Meanwhile, they opposed requirements approved by the U.S. Senate to increase renewable electricity production over the next two decades.

5) Voluntary Emissions Intensity Plan Rapidly Increases Emissions: Under the Bush “plan,” U.S. emissions will rise 32 percent above 1990 levels by 2012. The administration's voluntary 18 percent improvement in emissions intensity is the projected trend in the absence of any new policies in this sector.

6) Cut Support for Energy Efficiency and Renewables. Research on clean coal, carbon sequestration, and hydrogen will not yield results for decades and diverts funding away from renewable energy sources and efficiency solutions that are available now.

7) Undermining the Science: The Bush Administration claims to support sound science, but clouds the issue by exaggerating uncertainties, censoring or rejecting new information, and selecting studies based on their policy implications.

8) Voluntary “Climate VISION” Allows More Rapid Increase. The U.S. electricity generation companies' voluntary goal allows emissions to increase 13 to 16 percent in 10 years, faster than U.S. government forecasts of emissions growth.

9) Opposes Mandatory Emissions Reporting. The White House even opposes mandatory greenhouse gas emissions reporting for U.S. companies.

10) International Cooperation on Research, Not Emission Reductions: Science and technology research cooperation with other countries should complement, not replace, binding U.S. emission reduction commitments.
