The Kyoto-Marrakech System: a Strategic Assessment
Module 3:

US Engagement on Climate Change Issues: Determinants and Prospects

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Executive Summary

Political and economic context

1. US government perspectives and policies on climate change for the next several years will be low priority compared with issues of terrorism, conflict in the Middle East and nuclear weapons proliferation.

2. Economic problems that may ensue from engagement in these international security issues, as well as more familiar business cycle fluctuations, will reinforce the current administration’s emphasis on short-term economic costs of climate change mitigation efforts, rather than long-term economic benefits.

3. The current administration is unlikely to change significantly its position on substantive climate change issues. Those issues will receive generally superficial and dismissive attention at nearly all levels of the administration. High-profile events, such as large conferences, R&D budget increases, White House announcements and presidential speeches, are designed to obscure a business-as-usual approach, as are semantic inventions such as ‘energy intensity’. In addition, the administration has been suggesting to developing countries that they should not undertake emission reduction commitments because they would be harmful to those countries’ economies, in the view of the administration.

4. At the same time, the evolution of opinions in congress, the public and some sectors of industry will lead to increasing domestic political pressures on the national administration to take more serious action, including mandatory limits on greenhouse gas emissions. The bi-partisan McCain-Lieberman bill introduced in January 2003 has changed the domestic political dynamics.

5. There is already much governmental activity at the state and local levels, particularly in the northeastern and west coast states, but in other areas of the country as well. This activity will continue to increase for the next several years, and it will contribute to the growing political pressure for more national governmental action.

6. There will be re-evaluations of climate policy, energy policy and other related policies following the 2004 election, no matter which party wins the presidency or control of congress. The report of the private National Commission on Energy Policy is likely to be a focus of attention in this reconsideration.

Principles and actions for engagement

7. As an issue of domestic politics, during the next several years, climate change will be increasingly reframed as an issue in the US along three dimensions as there is more widespread understanding of its consequences. In terms of both problems and solutions, it will become more …

Localized – i.e. viewed as a local economic problem because of droughts, floods and storms and thus as a problem for which local action is appropriate
Particularized – i.e. viewed as a business strategy problem for individual firms and industries, which will respond with variable solutions adapted to their own particular interests

Linked – i.e. viewed as an issue that is inescapably linked to other issues such as energy efficiency, where there are at least some win-win policy possibilities

8. As an issue of diplomacy, climate change will be increasingly seen as an international economic issue that involves international energy, technology, trade, and investment issues. International climate change mitigation efforts can therefore be most effectively framed by focusing on:
   - Emissions trading as a market-based economic solution
   - Technology development and international technology transfer
   - Competitiveness and liberalization issues in international trade and investment
   - Energy security issues in an unstable world

9. There are numerous specific, tangible initiatives that could advance the climate change mitigation agenda within the context of existing international forums. Some such initiatives are already in progress, but could be intensified. Others would be new. They include actions at the multilateral, regional and bi-lateral levels in the WTO, OECD/IEA, UNEP, North American Commission on the Environmental Cooperation, as well as the bi-lateral EU-US discussions on climate issues.

10. Tariffs in other countries on imports of US goods as border measures to offset relatively low cost energy inputs in US manufacturing because of US non-participation is one way to deal with the US Kyoto Protocol free-rider problem. However, this would be a politically and legally sensitive undertaking. Further, the complexities of international economic relations between the US and EU countries and the domestic politics of trade policy on both sides of the Atlantic make this an intriguing but uncertain path to take.

11. In the pluralistic US political system, there are many potential opportunities for engaging interested and influential actors. Consensus-building and coalition-building efforts could focus on groups other than the current national administration. These efforts would require unconventional transnational diplomacy that would focus on diverse groups and organizations in many areas of the US.

12. American audiences can be responsive to both practical and ethical aspects of climate change issues. A ‘practical’ theme can focus more attention on the tangible economic benefits of technological innovation and the need to adapt to 21st century realities. An ‘ethical’ theme can focus more attention on the responsibility to future generations of Americans – an issue with widespread resonance and appeal in the US. Americans are more likely to be responsive to this ethical issue, than issues about responsibilities for past behavior and its consequences for people in other countries.

13. Decisions about the future engagement of the US should take into account the following scenarios, which are not mutually exclusive:
• Increasing concern and activity in congress, state and local governments, industry and the public will periodically make climate change issues salient items on the national agenda for the indefinite future.

• The national administration will do nothing substantive through the end of 2004, but it will periodically announce incremental measures intended to defuse domestic political pressures.

• Beginning in 2005, US engagement on climate change issues at the national level will be much greater and attentive to a wide array of policy options, particularly in relation to other issues (as noted in items 7-10 above).
1. Context

Events since 11 September 2001 have of course dramatically transformed the domestic and international political context in which US perspectives and policies on climate change issues are formed. As of early 2003, this context consisted of four evolving sets of issues; they are to some extent related, and at the same time somewhat independent of one another, as follows: the international war on terrorism (including in Afghanistan and other countries), war in the Middle East (Israel-Palestine; Iraq), nuclear weapons proliferation (North Korea) and domestic violence in the US (whether part of international terrorist activities or from unrelated domestic US individuals or groups). Collectively, these issues have already transformed the US national government and – to a lesser extent – US public perspectives on a broad range of issues. Regardless of future specific events and the long-term evolution of these issues, for the next several years the national government – and increasingly other levels of government and segments of the public – will be preoccupied with these issues.

For the next several years, therefore, climate change issues at the level of the national government will generally be much less salient than they were during the period 2000-2001. Furthermore, environmental issues, including climate change, will be increasingly viewed as economic issues, as the economic consequences of the security issues become more evident – for instance, national government budget deficits, stock market volatility, oil price volatility. Energy security will become an increasingly salient issue in this context.

Despite the increasing preoccupation with security issues and attendant economic issues at the national level, however, there will still be groups and organizations that will be active on climate change issues. There will also continue to be political and policy activity at the local and state government levels in many regions, especially the northeast and the west coast. On climate change issues, then, the gap between the national governmental administration and significant sections of the country and their representatives will continue – and probably widen.

2. President Bush’s decisions

A combination of personal and political factors have led President Bush to be strongly opposed to serious efforts to mitigate climate change, and these factors are likely to persist for as long as he is President.

Personalized political issue
First, as an issue in domestic politics in the US, climate change became unusually personalized in the sense that it was for many years strongly associated in many people’s minds with one politician, namely Mr. Gore. Because of his activities as Senator and then as Vice President on climate change issues, when it was not an otherwise salient issue, the issue was quite distinctively ‘his’ issue in the Presidential election in 2000. This has made it particularly difficult for Mr. Bush – especially in
light of his tendency towards a ‘personalistic’ approach to both domestic politics and diplomatic policy – to adopt anything except a temporizing and incremental position on climate change issues. Of course, his long personal experience in the oil industry as an executive and his political experience as governor of Texas contribute to a determination not to undertake policies that would impose major changes in that sector of the US energy industry.

Political beliefs
In addition, two central political beliefs of the President are directly relevant: He is generally opposed to government intervention in the economy, and he is skeptical – or even outright hostile to – multilateral diplomacy. His experience with UN Security Council on Iraq is not likely to change this tendency and may reinforce it. In both respects he represents the latest and strongest expression of tendencies that have become more common since the early 1980s. Such beliefs are also held by his close advisors in the White House.

Advisors
The most directly influential advisors in the current administration are Vice President Richard Cheney, Chief of Staff Andrew Card, and Domestic Political Advisor Karl Rove. It is reasonable to assume that all three of them will be opposed to any serious climate change mitigation policy for the remainder of their time in the administration. Mr. Cheney was of course an energy executive before becoming Vice President, and Mr. Card was an auto industry lobbyist. Mr. Rove is a key ideologically-oriented political advisor on a wide range of issues and is not likely to encourage the President to change his climate change policy, except in dire domestic political circumstances.

The next circle of Presidential advisors is much larger and includes a mixture of mostly opponents of climate change mitigation, including the Office of Management and Budget Director and the Secretary of Energy, both of whom are in relatively strong positions within the administration. On the other hand, supporters of more serious attention to climate change issues, namely the Director of the Environmental Protection Agency and the Chairman of the Council on Environmental Quality, are not in a particularly influential relationship with the President. The roles of Secretary of State Powell and National Security Advisor Rice are limited to international aspects of climate policy; although both might be personally sympathetic to more cooperation on international measures, they are not likely to exercise much influence with the President on climate change issues generally. The removal of Secretary of the Treasury O’Neil eliminated the only previously outspoken advocate of action on climate change.

The policy preferences and role in policymaking on climate change issue of the Secretary of Commerce, Mr. Evans, are less clear. There is no readily available hard evidence of his views. In any case, since he was Mr. Bush’s campaign manager in the 2000 election, he is a potentially influential person on many issues. Further, as Secretary of Commerce, he has a legitimate institutional interest in the issue.

Party politics
The Bush administration position on climate issues can also be partly explained in terms of intra-party regional factions. Because Mr. Bush comes from the conservative wing of the Republican Party, his natural constituents are in the southern, mid-western
and mountain regions of the country – which also tend to be rich in fossil fuel reserves. He must maintain the active support of these groups. On the other hand, he has much less support among the liberal faction of the party, which is particularly strong in the far west and the northeast – where support for environmental protection has been relatively strong among Republicans as well as Democrats. These basic facts of intra-party factions and regional alignments are not likely to change for many years.

The relatively isolated position of Republican Party activists on environmental issues in relation to the public is also a factor in the party politics of climate change policy. In particular, Republican Party activists are substantially less supportive of environmental protection than are Republican voters. See Exhibit 1 for survey data providing evidence on these differences.

There are two party-related factors that could create pressures for a change in the administration’s policy. One is the opinions and voting intentions of relatively prosperous ‘independent Republicans’, many of whom live in the suburbs of major urban areas and who tend to favor environmental protection policies. Support from these potential ‘swing’ voters may be essential in the 2004 election. The second factor is people in agricultural areas, who traditionally vote Republican but who may become sufficiently concerned about the economic impact of drought that they will put pressure on congress and pose a political problem for the president. (Public and congressional opinions are discussed in section 3 below.

Other political pressures
There are already domestic political pressures on the president to take stronger action to mitigate climate change, and these pressures are likely to become stronger in the future. Further, there are also international pressures that periodically emerge from institutionalized processes such as the US FCCC reporting schedule, which requires the US government to give climate change at least some official attention. (Other venues where climate issues can be raised are discussed in section 4.)

Recent and prospective actions
Several actions by the administration in early 2003 suggest that the president is giving climate change issues attention from time to time, but they also indicate that the policy is still mostly to make symbolic gestures and to put off significant action for many years. The actions include an announcement during the State of the Union speech in January 2003 of a proposal for increased government financial support for fuel cell technology R&D for motor vehicles automobile in the long-term, a White House announcement in early February of increased business participation in the government’s voluntary emission reduction programmes.

3. Domestic perspectives and politics

Since the president is more responsive to domestic than international political pressures, this section discusses key elements of current and prospective political dynamics in the US. It begins with public opinion and then considers congress, state and local governments, business, and finally the National Commission on Energy Policy, which could play an important role in the future of US climate policy.
Public opinion
About two-fifths of the US public are seriously-concerned about global warming; they consider it a very serious problem and believe that it is already having an effect. One-third thinks it will seriously affect their lives, and they worry about it a great deal. At the opposite end of the continuum, there is an unconcerned one-fifth – people who do not consider global warming much of a problem, do not worry about it very much or not at all, and do not believe that carbon dioxide emissions are a cause of it.

Between these two groups, there is a moderately-concerned group consisting of about two-fifths of the population. The future of government policies will depend partly on whether, when and how much the opinions of this moderately-concerned group in the middle shift over time.

About two-thirds of the US public would like the United States to participate in the Kyoto Protocol, while only about one-fourth is opposed. However, the former proportion is about one-half if the question is posed in terms of opposition or support for the current administration’s rejection of the Protocol. The proportion supporting participation in the Protocol was greater in every poll than the proportion opposing it – no matter how asked – with the difference averaging 32 percentage points.

A Harris Poll in August 2001 found that education levels were related to awareness and policy positions. Among those with high school or less education, half had “seen, heard or read of recent international agreements in Kyoto and Bonn to limit emissions of carbon dioxide and other greenhouse gases to reduce global warming”; a higher proportion of those with college degrees than those with less education reported that they had been aware of these reports. There were also differences across parties; among those who said they were aware of the agreements, 54 percent of the self-identified Republicans approved of them, compared with 74 percent of the Independents, and 86 percent of the Democrats (Harris, 2001).

In a July 2002 poll, 76 percent of the respondents preferred that the ‘government set standards that require industries to reduce’ greenhouse gas emissions, while 16 percent preferred a ‘voluntary approach to global warming’. Similarly, 21 percent agreed with the statement that ‘President Bush’s voluntary report approach to reducing global warming pollution is enough, and that Americans will simply adapt to the inevitable changes.’

When asked whether they would be ‘willing to support tough government actions to help reduce global warming even if each of the following happened as a result,’ the percentages of US respondents saying ‘yes’ in the spring of 2001 were as follows: 47 percent, if ‘your utility bill went up;’ 38 percent, if ‘unemployment increased;’ 54 percent if ‘a mild increase in inflation’ resulted.

Similar sentiments have been expressed about gasoline prices, though there seems to have been some decline in support for emission controls over the past decade (perhaps in association with the increased popularity of relatively fuel-inefficient SUVs). In 1990, 59 percent said ‘yes’ they would be ‘willing to pay an extra 25 [cents] per gallon of gas to reduce pollution and global warming;’ in 2001, 48 percent said they would be willing to do so. These results bracket a similar finding of another question
that was not specifically about global warming, ‘Should the government require improvements in fuel efficiency for cars and trucks even if this means higher prices and smaller vehicles?’ – to which 55 percent of the respondents replied ‘yes’. More generally, when given a choice of alternatives ‘to meet America’s energy needs,’ 19 percent favored ‘tax breaks to energy companies and utilities to build more coal-fired and nuclear power plants and increase drilling for oil and natural gas,’ and 73 percent favored ‘expand the use of renewable energy sources like wind and solar power, strengthen energy efficiency standards for air conditioners, and build cars, minivans and SUVs that get better gas mileage’.

A poll by the University of Maryland’s Program on International Policy Attitudes in 1995 found that 90 percent said ‘yes’ to the question, ‘If the less-developed countries are willing to limit their [greenhouse gas] emissions, do you think the developed countries should provide the technology and training necessary to help them make their industries less polluting?’ In 1998, the same organization found that 79 percent supported ‘environmental aid to poor countries to help them preserve their environment and to reduce pollution, especially pollution that may contribute to global warming;’ 38 percent wanted to increase it, and 41 percent wanted to maintain it at the same level.

Another survey, in 2001, found that fully three-fourths of those polled ‘generally favored’ both specific regulations as well as government subsidies for alternative energy sources – 75 percent favoring ‘setting higher emissions standards for automobiles’ and 79 percent favoring ‘spending more government money on developing solar and wind power’.

At present, the public is split on what US government policy should be on many specific alternatives. Approximately half say they would approve of government actions to mitigate global warming, even if such measures meant higher electricity or gasoline or other prices; and about half disapprove of the rejection of the Kyoto Protocol. But roughly similar proportions take the opposite view on some specific policies; depending on the precise issue, the relative sizes of the two groups are sometimes reversed. However, there has been a substantial majority in favor of US economic assistance to fund mitigation projects in developing countries.

There has been only slight variability over time, with no clear long-term trend during the period 1989-2002, in the levels of US public concern about global warming. According to a standard Gallup Poll question concerning people’s worries, about one-third of the public has been worried about global warming ‘a great deal,’ and slightly less than a third have been worried about it ‘a fair amount’. The level of worry was lowest in 1997 – perhaps reflecting a belief that the Kyoto Protocol, which was receiving much attention at the time, would ameliorate the problem. Worry peaked in 2000, when 72 percent of the public reported that they worried ‘a great deal’ or a ‘fair amount,’ perhaps in response to the IPPC’s Third Assessment and associated news reports. Since then, there has been a slight decline in concern, with two-fifths in March 2002 reporting that they were worried ‘only a little’ or ‘not at all.’

See Exhibit 2 for more detailed data on trends in public concern about climate change.
According to a Harris/Yankelovich poll in March 2001, 43 percent said global warming was a ‘very serious problem’ – 10 percent more than the 33 percent who reported worrying ‘a great deal’ in a Gallup survey two weeks earlier. In a Zogby survey of likely voters in July 2002, 41 percent responded that global warming is a ‘serious problem now’ when asked ‘Do you believe that global warming is a serious problem today, is not yet a serious problem but will be in the future, or is not a problem at all?’.

In 2001 and 2002, 54 and 53 percent, respectively, reported that they thought the ‘effects’ of global warming had ‘already begun’ – up slightly from 48 percent in 1997. Similarly, in response to the question, ‘Do you think global warming will pose a serious threat to you or your way of life in your lifetime?’, 31 percent said ‘yes’ in 2001 and 33 percent in 2002 – an increase from 25 percent in 1997. Nearly two-thirds of the public agreed in 2001 when asked ‘Are the emissions of gases like CO2 causing global temperature increases?’ A review of the results of eight surveys taken between 1997 and 2001, sponsored by seven different organizations, concluded that ‘only a very small minority – less than a quarter of the public – doubts the reality of global warming’.

See Exhibit 3 for data on opinions concerning the Kyoto Protocol.

Congress

Institutional Process. Each year there are 13 separate appropriations bills that pass through 13 different subcommittees of the appropriations committee in the House of Representative and a like number in the Senate. Similarly, new programs must be approved separately by different legislative or authorizing committees, and there are approximately fifteen of these in each of the two houses. Thus, for instance, a program proposed by the Agriculture Department to subsidize farmers for preserving forested land to serve as carbon sinks would pass through agricultural authorizing committees and agricultural appropriations sub-committees; subsidies proposed by the Energy Department subsidizing new technology to reduce carbon dioxide emissions from coal-fired power plants would pass through energy committees and appropriations sub-committees. Proposals to change emissions standards in motor vehicles are considered by transportation committees. Any tax proposals to increase taxes on carbon emissions or to reduce taxes through credits for purchases of certain types of vehicles or home appliances must be considered by the House Ways and Means Committee and the Senate Finance Committee.

So climate change issues are highly disaggregated and dispersed institutionally. There are therefore many power centers and potential veto points. At the same time, key committee chairs can take the initiative and hold hearings and otherwise increase the salience of climate change issues. Senator Jeffords was able to do this once he became chair of the Senate Environment Committee in the 107th Congress, and more recently Senator McCain has done so as chair of the Senate Commerce Committee in the 108th Congress.

Activity during 107th Congress (2001-2002). In the 107th congress, there were numerous climate change bills introduced, but none became law. The most salient proposals concerned the establishment of a national climate change strategy and associated White House office (by Senators Byrd and Young), mandatory tracking
activity during 108th Congress (2003-2004). With Republican control of the Senate in the 108th Congress as a result of the 2002 elections, it is Senator McCain who has become a key leader on climate legislation. As chair of the Commerce Committee, he held hearings on a bill introduced by Senator Lieberman and himself (significantly, the first hearing in the first week of the new session). As of this writing, unresolved parliamentary procedure issues about committee jurisdiction will affect the bill’s fate in the legislative process. This is because the current chair of the environment committee, which would traditionally have a claim to jurisdiction over a climate bill, is generally hostile to environmental protection measures, including climate change mitigation measures in particular). Regardless of the outcome of the procedural issue, Senator McCain’s action assumes greater significance because the bill is co-sponsored by Senator Lieberman. Because they are both high-profile leaders in their own parties and because they will both figure prominently in the presidential campaign, which has already begun, their introduction of the legislation fundamentally alters the political dynamics of climate change issues for at least the next two years.

See Exhibit 4 for details of the McCain-Lieberman bill.

However, because of the outcome of the 2002 congressional elections, few if any climate-related initiatives will pass during the 108th Congress (2003-2004), and they would be vulnerable to presidential veto in any case. Mandatory limits on GHG emissions at the national level in the US are therefore unlikely to be adopted before 2005, at the earliest. Yet, increasing congressional interest, particularly in the Senate, is likely to make climate change a major item on the national agenda from time to time during the next several years.

The changing coalitions. Even though it is highly unlikely the McCain-Lieberman bill will pass the Senate (let alone the House, and may not even get out of committee), this is a politically significant development because it establishes high-profile bi-partisan leadership for the climate coalition in congress. This is an essential element for progress in congress on climate issues.

There is another factor that may be in flux – i.e. the opposing coalition. One way to observe this is to note the positions of individual members of congress. For instance, two conservative Republicans from different regions and different interests at stake in climate issues are illustrative: Senator Stevens of Alaska has voiced concern about climate change – and co-sponsored legislation with Senator Byrd – because of the impact of sea level rise and melting snow cap in his state. During the McCain hearings in early January, Senator Burns of Montana observed that nobody needs to convince his constituents from the largely agricultural state of Montana that global warming is real, for they know from five years of drought and its effects on farming. Although Senator Byrnes nevertheless remains opposed to the Kyoto Protocol, at the same time he thinks it is a mistake for the administration not to be more interested in participating in international negotiations to solve the problem. Another way to track
the flux in the opposition coalition is to observe both Democrats and Republicans in the Senate and the House from a group of states in the traditional industrial ‘heartland’ – that is, the states of Michigan, Ohio, Pennsylvania, Illinois, and Indiana – and the adjacent states of Kentucky and West Virginia. Economically, these six contiguous states are highly dependent on a mixture of automobile factories, coal mines and coal-fired power plants. As an interest group or coalition of interest groups, these industries and states thus represent an important part of the core opposition to the Kyoto Protocol and other climate change mitigation measures. However, there have been at least two signs of division and change. First, Senator Byrd of West Virginia introduced legislation in the 107th Congress, as noted above. Second, splits within the coal mining industry and the utility industry of the region have appeared in their positions on legislation pending in congress.

State and local governments
At the state and local levels, many initiatives have been passed or are under active consideration. One is an arrangement involving five northeastern states in the US and four Atlantic provinces in Canada. Their goal is to reduce GHG emissions to 1990 levels by 2010, followed by an additional 10% reduction by 2020. The plan is not legally binding, but its bi-partisan and transnational features have made it otherwise noteworthy.

Other US state and local initiatives include California legislation to establish state regulation of GHG emissions by motor vehicles has become law. This is the first state-level effort to restrict vehicle GHG – and a potentially significant one since Californians buy about 10% of the new autos sold in the US each year. Governor Pataki of New York has suggested that his state also adopt CO2 emissions standards for motor vehicles. It is politically significant that the two largest states, on opposite coasts, and with governors of opposite parties, have both begun to move toward such limits.

Thirteen states have established renewable portfolio standards (RPSs), according to which the electric utilities in their states must produce or purchase a minimum percentage of their energy from renewable sources. California has established a 20 percent minimum by 2017; New York has established a 25 percent minimum by 2013; and Texas has a 2.2 percent minimum by 2009.

At the local level, 67 cities have joined the Cities for Climate Protection Campaign, and have thus committed to undertake various mitigation efforts such as increasing building energy efficiency standards.

Two cities -- Oakland, California, and Boulder, Colorado – have recently joined with environmental NGOs in a lawsuit against two federal government agencies for supporting fossil fuel projects without adequately assessing their contributions to global warming. The agencies would be required to undertake such assessments in the future according to the requirements of the National Environmental Policy Acts. The agencies being sued are the Export-Import Bank and the Overseas Private Investment Corporation. The local damages being cited to justify the suit are: potential salt water contamination of aquifers and flooding of the airport and sewer system as a result of
sea level rise, in the case of Oakland; and water supply and forest fire problems as a result of reduced snow, in the case of Boulder.

Business
There are on-going shifts and splits in the attitudes and actions of individual firms and industry organizations in the US. In sum, they reflect increasing business support for more action to mitigate climate change and more conflicts among firms across and within industries in what to do. (These trends are discussed in more detail in the companion report on engaging US business.)

National Commission on Energy Policy
There is a potentially important new privately-organized ‘blue-ribbon’ group that is working on a report to form the basis for a new energy policy after the 2004 elections. Named the ‘National Commission on Energy Policy’, it is funded by four private foundations (Hewlett, Pew, MacArthur, Packard). It includes 18 members of diverse professional backgrounds and political persuasions, and is supported by a staff of 10 and a budget of $10 million. It is expected to address both energy and environmental issues, including climate change, in the context of new international security conditions. Partly because it is modeled on a similar effort in 1976 that prompted changes in US policy in the aftermath of the first ‘oil shock’. 
See Exhibit 5 for a list of the members of the commission.

4. Prospects for engagement: principles and actions

It is not likely that the current national administration can be engaged in a meaningful dialogue on climate change issues through direct conventional diplomatic processes in international environmental venues. One possible exception is a discussion in the bilateral EU-US channel of cooperative ventures in international technology transfer to developing countries.

International technology transfer. In light of the administration’s avowed belief in technological solutions, it would be useful to propose a massive joint international technology transfer program to developing countries. (An analogy with the Marshall Plan after World War II should not be used as long as there is a Republican administration, because the analogy has been used by Democrats.)

Alternative international venues and actions. There are other venues and other approaches that could prompt more official engagement by the US government on climate issues. There are numerous specific, tangible initiatives that could advance the climate change mitigation agenda within the context of existing international forums. Some such initiatives are already in progress, but could be intensified. Others would be new. They include actions at the multilateral, regional and bi-lateral levels, as follows:

- In the WTO, liberalization of barriers to trade and investment in environmental goods and services, especially of course those concerned with climate change mitigation such as emissions monitoring equipment and services.
• In the OECD/IEA, consideration of the role of alternative energy sources for diversifying the energy portfolios of countries.
• In the UNEP, expansion of the insurance industry initiative and using it as a model for other industries.
• In the North American Commission on the Environmental Cooperation, continuation of the expansion of the agenda to include climate change issues associated with the North American regional energy market.

Border measures. The possibility of adopting border measures in the form of tariffs on US imported goods to offset the relatively inexpensive energy inputs in US production processes because of its non-participation in the Kyoto Protocol has been discussed, particularly among members of the European Parliament. This is of course a highly sensitive issue that could generate much conflict between trade and environmental officials within the EU and/or national governments. Such a measure could lead to dispute cases and/or other problems in the WTO; its legal implications, including its compatibility with WTO agreements therefore need to be clarified. In any case, such an action would surely get the attention of US government officials, especially trade negotiators. A cross-regime linkage like this might be an effective way to address the free-rider problem in an international environmental agreement.

Framing issues. There are many ways to frame climate change issues and to highlight linkages with other issues that can facilitate a shift in US perspectives and policies. In particular, focusing on the traditional and well established US belief in market-based and technological solutions can appeal to those economic and political sectors in the US that accept need for more action to mitigate climate change. The challenge is not to convince most Americans that there is a problem; rather, the challenge is to convince them that there are feasible, cost-effective solutions and that those solutions are the familiar ones of the market and technology.

At the same time, it may be possible to make more explicit the linkages of climate change to both local and international issues. At the local level, catastrophes that result from climate change are easily understood, and their consequences are tangible. At the international level, the identification of international emissions trading, including CDM and JI projects under the Kyoto Protocol, as trade and investment issues could bring new perspectives and participants into the policy process in the US. To the extent that international trade and investment activities envisioned in the Kyoto Protocol are viewed as solutions to a problem, they appeal to a natural clientele in the US, namely the coalition of trade liberalization groups.
References and suggestions for further reading


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**Exhibits**

**Exhibit 1: Comparison of Party Leaders’ and Voters’ Opinions**

Percent who agree with the following statement: “We must protect the environment even if it means jobs in your community are lost because of it.”

<table>
<thead>
<tr>
<th></th>
<th>Voters</th>
<th>Convention Delegates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Democrats</td>
<td>72%</td>
<td>63%</td>
</tr>
<tr>
<td>Republicans</td>
<td>57%</td>
<td>32%</td>
</tr>
</tbody>
</table>

*N.B.:* The wording of the question establishes a ‘tradeoff’ between environmental and economic goals that may or may not prevail in reality. In that respect, the question is not necessarily a valid indicator of opinions on a variety of issues concerning the relationship between environmental protection and economics. However, it is a useful indicator of differences in the groups’ relative levels of support for environmental protection.

Margin of error +/- 2% at 95% confidence level

Exhibit 2: Levels of Concern about Global Warming

Question: ‘How much do you personally worry about … the greenhouse effect or global warming?’

<table>
<thead>
<tr>
<th>Year/Month</th>
<th>89/5</th>
<th>90/4</th>
<th>91/4</th>
<th>Year/Month</th>
<th>97/10</th>
<th>98/3</th>
<th>99/4</th>
<th>00/4</th>
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</thead>
<tbody>
<tr>
<td>‘Great deal’</td>
<td>35%</td>
<td>30%</td>
<td>35%</td>
<td>‘Great deal’</td>
<td>24%</td>
<td>28%</td>
<td>34%</td>
<td>40%</td>
<td>33%</td>
</tr>
<tr>
<td>‘Fair amount’</td>
<td>28%</td>
<td>27%</td>
<td>27%</td>
<td>‘Fair amount’</td>
<td>26%</td>
<td>31%</td>
<td>34%</td>
<td>32%</td>
<td>30%</td>
</tr>
<tr>
<td>‘Only a little’</td>
<td>18%</td>
<td>20%</td>
<td>22%</td>
<td>‘Only a little’</td>
<td>29%</td>
<td>23%</td>
<td>18%</td>
<td>15%</td>
<td>22%</td>
</tr>
<tr>
<td>‘Not at all’</td>
<td>12%</td>
<td>16%</td>
<td>12%</td>
<td>‘Not at all’</td>
<td>17%</td>
<td>16%</td>
<td>12%</td>
<td>12%</td>
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Source: Gallup polls, reported in Gallup [www.gallup.com](http://www.gallup.com) 19 April 2002
Exhibit 3: Opinions concerning the Kyoto Protocol

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Wording of Question (see below)

A. ‘Based on what you know, do you think the U.S. should or should not participate in the following treaties and agreements? … The Kyoto Protocol to reduce global warming….’

B. ‘An international treaty calls on the U.S. and other industrialized nations to cut back on their emissions from power plants and cars in order to reduce global warming, also known as the greenhouse effect. Some people say this would hurt the U.S. economy and is based on uncertain science. Others say this is needed to protect the environment and could create new business opportunities. What’s your view – do you think the United States should or should not join this treaty requiring less emissions from U.S. power plants and cars?’

C. ‘As you may know, George W. Bush has decided that the U.S. should withdraw its support from the global warming agreement adopted in Kyoto, Japan in 1997. Do you approve or disapprove of this decision?’

Differences between support-oppose and disapprove-approve results were computed by the author.

Exhibit 4: Recently Introduced Legislation in the Senate: Highlights of the McCain-Lieberman Bill

Reduction of CO2 emissions to 2000 levels by 2010, and to 1990 levels by 2016

Establishment of cap and trade system for six GHGs

Exemption of agricultural or residential sectors from emission limits

Integration Corporate Average Fuel Economy (CAFÉ) programme for motor vehicles into cap and trade system

Provision for penalties per ton of emissions of three times market price

Establishment of loan potential whereby firms with emission reduction plans can borrow against own future reductions to meet current emission targets

**Exhibit 5: Members of the National Commission on Energy Policy**

William K Reilly (Co-Chair), former administrator of EPA in first Bush administration

John N. Rowe (Co-Chair), CEO of Excelon (operator of nuclear power plants)

Marilyn Brown, director of Energy Efficiency and Renewable Energy Program at Oak Ridge National Laboratory

Ralph Cavanaugh, attorney for Natural Resources Defense Council

Archie W. Dunham, CEO, Conoco

Rodney Ellis, member of Texas state legislature

S. David Freeman, energy advisor to the Governor of California and author of 1976 study of energy policy sponsored by the Ford Foundation

Leo W. Gerard, president, United Steelworkers union

F. Henry Habicht, CEO, Global Environment and Technology Foundation

John P. Holdren, Harvard professor, participant in Clinton administration climate policymaking

Paul L. Joskow, MIT professor

Andrew Lundquist, former Bush White House advisor on energy policy

Mario J. Molina, MIT professor

Philip R. Sharp, Democratic, former member of the House of Representatives from Indiana

Linda Stuntz, attorney, Deputy Secretary of the Department of Energy in the first Bush administration

Susan Tierney, vice president of Lexecon

James Woolsey, former director of CIA in the Clinton administration

Martin Zimmerman, vice president, Ford Motor Company