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The Bush Administration’s Climate Proposal: Rhetoric and Reality?

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In February 2002, nearly a year after rejecting the Kyoto Protocol, President Bush unveiled his long-awaited “Global Climate Change Initiatives”. A year further on, the proposal has acquired enough content and clarity to sort through the context, rhetoric and reality, which is precisely what this paper attempts to do. This paper examines the Bush Administration’s proposal and subsequent actions in terms of the United Nations Framework Convention on Climate Change (UNFCCC), which the United States has signed and ratified, and in terms of the “fatal flaws” the Bush Administration attributed to the Kyoto Protocol.

This paper has four sections. Section 1 describes the main features of the Bush Administration’s climate proposal. It underscores key principles that have been voiced repeatedly. Section 2 identifies the main underlying factors that shape the Bush Administration’s climate proposal. Section 3 rebuts the Administration’s critique in deciding to reject the Kyoto Protocol. Section 4 explores the prospects of U.S. climate mitigation actions over the next few years.

1. The Bush Administration’s wait-and-see climate proposal

The Bush Administration’s climate policy can be looked at in a few ways: a timeline that chronicles the climate-related public statements of Candidate-turned-President G.W. Bush and his officials (sub-section 1.2) and an analysis of key principles (sub-section 1.3). Sub-section 1.1 sets the stage with a brief review from Rio through 1999.

1.1 A Decade Prelude—An Internationally Engaged United States

Domestically U.S. climate policy has been fairly timid for a decade. The issue of binding targets to reduce greenhouse gas emissions has constantly been sensitive. The UNFCCC, adopted at the Earth Summit in 1992, lacked binding targets because the United States, under the first Bush Administration (1989-92), conditioned its treaty signature on it. After taking office in 1993, the Clinton Administration implemented the Climate Change Action Plan (CCAP) voluntary measures to curb the country’s greenhouse gas emissions. At the time of the first Conference of the Parties to the UNFCCC, in 1995, the United States accepted the “Berlin Mandate” aimed to negotiate binding targets and timetables for industrialized Parties (so called “Annex I” Parties).
In 1997-98, momentum toward binding targets was halting. With a 95-0 vote in July 1997, the Senate passed the infamous “Byrd-Hagel” Resolution, which held a few main messages: the United States should not accept any new emission limitation commitment unless developing countries also accept “specific scheduled commitments” nor should it accept any commitment that would harm the U.S. economy. Despite this resolution and without any developing country commitments, the United States agreed to take on a binding target in the Kyoto Protocol, in December 1997, after the Clinton Administration had obtained so-called international, market-based ‘flexibility’ instruments that could help countries meet the targets more cost-effectively. Although the United States signed the Protocol in November, 1998, the Clinton Administration knew better than to send to the Senate for ratification what would not pass: the Byrd-Hagel Resolution cast a foreboding shadow.

1.2 The slow build-up of the Bush Administration’s climate proposal

The early announcement of candidate George Bush to reduce CO₂ emissions shifted to the rejection of the Kyoto Protocol in March 2001, shortly after his Presidential election. During spring and fall 2001, the Bush Administration clarified the principles of its orientation in the climate field on the basis of various reports. Finally the alternative solutions advocated to address climate change were announced in February 2002, as the “Global Climate Change Policy”. Since then, no major declaration nor decision regarding climate change has profoundly changed the course of action of the Bush Administration.

Luring announcements:

September, 2000: running for the U.S. Presidency, candidate G.W. Bush announces his intention to set mandatory reduction targets for CO₂ emissions from power plants (Bush, 2000).

February 27, March 4, 2001: Environmental Protection Agency Administrator Christie Todd Whitman states that the Bush Administration recognizes the climate change challenge and supports the Kyoto Protocol (Whitman, 2001a and b)

Stepping back: rejecting the Kyoto Protocol

March 13, 2001: President Bush rejects the Kyoto Protocol in a letter to four senators (Bush, 2001a). About six weeks after inauguration, P George Bush (junior) repudiated the Kyoto Protocol. In a letter of 13 March, 2001, President Bush made climate policy crystal clear, flipped on a campaign pledge to regulate power plant carbon emissions, contradicted many previous official statements of his Environmental Protection

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3 The Senate Resolution SR-98 is often referred to as the “Byrd-Hagel” Resolution from the names of the co-sponsors Democrat Robert Byrd and Republican Chuck Hagel.
4 The Kyoto Protocol target agreed by the United States at the third Conference of the Parties is to reduce the country’s GHG emissions by 7 % relatively to 1990 levels by the five-year period 2008-2012.
5 The flexibility mechanisms of the Kyoto Protocol include international emissions trading, the Clean Development Mechanism, Joint Implementation, and carbon sinks.
Agency Administrator, Christine Todd Whitman, and declared U.S. opposition to the Kyoto Protocol. He wrote that the Kyoto Protocol “exempts 80 percent of the world, (…), from compliance” and that it “would cause serious harm to the U.S. economy”; especially given the current scientific and technical uncertainties (Bush, 2001a). From that date, the Bush Administration position on climate change policy has been slowly refined.

March 13-31, 2001: the Bush Administration confirms in various meetings that the Kyoto Protocol is dead, and that priority is the strength of the American economy (White House, 2001a and b; WWF, 2001).


June 6, 2001: upon the Bush Administration request, the National Academy of Sciences issues a review of the state of the climate change science (NAS, 2001) to counterbalance the results brought by the Intergovernmental Panel on Climate Change (IPCC, 2001). The NAS report backfires on the Bush Administration as its conclusions are overall consistent with those of IPCC.

June 11, 2001: The Environmental Protection Agency releases a Cabinet-level review of the U.S. climate policy (EPA, 2001). The report reviews the current voluntary initiatives, which were launched under former President Clinton.

Setting the guiding principles:

June 11, 2001: President Bush draws on the released NAS report and the Cabinet-level review to discuss climate change (Bush, 2001b). He justifies the rejection of the Kyoto Protocol, “which was fatally flawed in fundamental ways”: it exempts developing countries from emission reduction requirements; it bears the risk of harming the United States and global economies; and meeting the target depends on other countries, should the United States adopt the Kyoto Protocol. He reaffirms the U.S. commitment to the UNFCCC. He announces three initiatives to advance climate change science, encourage technological progress and enhance international cooperation in the climate change field. He calls for an approach that should be flexible, economy-friendly, market-based and global.

July 13, 2001: President Bush reports the first set of actions taken by his Administration to implement the three initiatives previously announced (Bush, 2001c).

July 16-27, 2001: at the Conference of the Parties to the UNFCCC -6.5, the United States acts as a Party to the UNFCCC, and as observer for the negotiations related to the Kyoto Protocol. The Under Secretary of State for Global Affairs Paula J. Dobriansky leads the U.S. delegation. She reiterates why the United States will not ratify the Kyoto Protocol, refers to the UNFCCC to pledge for international cooperation on climate change issues, and reviews the Bush Administration’s new set of initiatives (Dobriansky, 2001a and b).
Fall 2001: Harlon L. Watson -Senior Climate Negotiator and Special Representative, from the U.S. Department of State- reiterates in various arenas the principles previously set by President Bush (Watson, 2001a and b). At COP 7 in Marrakech, Paula J. Dobriansky again recalls the U.S. commitment to the UNFCCC along with the rejection of the Kyoto Protocol. She insists that the United States will not block other countries from moving towards the Kyoto Protocol. She underscores the need for economic development and poverty alleviation to address environmental protection.

Glenn Hubbard, Chairman of the Council of Economic Advisers, develops the Bush Administration’s policy, mainly from an economic perspective. Starting from the existing uncertainties of climate science, he rejects the Kyoto Protocol for its lack of long-term goal, scientifically unsound and binding targets, likely costly reductions, and lack of participation of developing countries. He criticizes the Bonn Accords which sound to him better in theory than in practice. Instead, in addition to advancing science and technology research and coupled to developing international partnerships, he advocates a gradualist, flexible approach, like linking greenhouse gas emission growth to a percentage of economic growth, as well as voluntary commitments to reporting emissions and trading.

February 5, 2002: the Annual Report of the Council of Economic Advisers is released. The portion dealing with the U.S. climate policy contains the same elements as those previously developed by Glenn Hubbard. In addition, flexibility acquires multiple dimensions: emissions must be reduced over time, according to short- and long-term opportunities; all greenhouse gases (including black soot and tropospheric ozone), all sources, all sinks, all countries must be taken into account. The report advocates modesty and time in the design of a climate policy. It stresses that an international emission permit market currently constitutes an impractical solution due to the lack of appropriate institutions (CAE, 2002).

Proposing an ‘Intensity’ solution:

February 14, 2002: President Bush presents his Administration’s climate policy (Bush, 2002; White House, 2002), which calls for a reduction of 18 percent of the greenhouse gas (GHG) intensity over the next ten years. Unlike a fixed target that limits absolute emissions, this intensity target limits GHG emissions as a ratio of the gross domestic product (GDP). The proposal allows for a review by 2012 in order to determine whether the target has been met. Voluntarism is proposed as the way to achieve the target. It is called for the improvement of the current standards for reporting emissions reductions and for transferable credits for companies that undertake real reductions. Still, if the goal is not met by 2012, additional measures including market-based programs are suggested. Budget credits are announced for climate technology initiatives and climate science research. In the international field,

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6 Source: [http://www.state.gov/g/rls/rm/2001/5969.htm](http://www.state.gov/g/rls/rm/2001/5969.htm)
7 Sources: Seventh Session of the Conference of the Parties, November 7, 2001 [http://www.state.gov/g/rls/rm/2001/5969.htm](http://www.state.gov/g/rls/rm/2001/5969.htm); Closing statement of the Seventh Session of the Conference of the Parties, November 9, 2001 [http://www.state.gov/g/oes/rls/rm/6050.htm](http://www.state.gov/g/oes/rls/rm/6050.htm).
8 Sources: Glenn Hubbard’s speeches at the Pew Center Conference on the Timing of Climate Change Policies, October 11-12, 2001 and at the Global Change Forum of the Massachusetts Institute of Technology, October 17-19, 2001.
President Bush reaffirms the U.S. commitment to the UNFCCC, and the non-interference of the United States towards other states that may choose to ratify the Kyoto Protocol. He praises the greenhouse gas intensity approach for developing countries, and announces (minor) budget allocation proposals for assisting them in various climate-related areas.

**February 20, 2002:** the Environmental Protection Agency (EPA) launches the Climate Leaders program. Each U.S. based company that voluntarily joins the program commits to fulfilling a corporate-wide greenhouse gas inventory and to working with EPA to set a corporate emission reduction target.\(^9\)

**Spring 2002:** President Bush’s Administration pursues or engages talks with some countries. Australia, which supports the Bush Administration’s climate proposal, signs a bilateral Climate Action Partnership with the United States.\(^10\) High-level consultations are organized with Japan, Canada, the European Union.\(^11\) Regarding developing countries, Harlon Watson has various high-level talks with India and China.\(^12\)

**April, 2002:** the removal of one IPCC Chairman and the elevation of a successor occurs at the junction where climate policy meets climate politics. On April 19, 2002, Dr. Rajendra Pachauri, head of the Indian environmental policy group Tata Energy Research Institute (TERI), is elected to the post of IPCC Chairman. He replaces former World Bank and White House scientific advisor for the Environment Dr. Robert Watson, who held the IPCC chairman position since 1996. The United States pushed hard for both Robert Watson’s ouster and Pachauri’s election. The United States supported the latter most likely because it perceived that Robert Watson advocated ‘early action’ on climate change a bit too forcefully.\(^13\)

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**Reaffirming the policy advocated**

**June, 2002:** the EPA sends the U.S. Climate Action Report 2002 to the Secretariat of the Climate Convention. This Third National Communication to the UNFCCC is the first official document, under the Bush Administration, that recognizes that global warming over the last decades is likely mostly due to human activities. The report does not recommend reducing greenhouse gas emissions. Rather, it recommends adapting to climate changes. Still President Bush tunes down the report conclusions, qualifying the report as “put out by the bureaucracy”. Similarly, EPA Administrator Christie Todd Whitman distances herself from the report, stating that she was not briefed before the report was published.

**October, 2002:** at the eighth Conference of the Parties in Delhi, Harlan Watson - Senior Climate Negotiator and Special Representative- reiterates that the United

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\(^9\) Visit web site: http://www.epa.gov/climateleaders/index.html


\(^12\) Source: [http://www.state.gov/g/oes/rls/prsrl/press/jan/9964.htm](http://www.state.gov/g/oes/rls/prsrl/press/jan/9964.htm)

States will not ratify the Kyoto Protocol, and that economic growth, research and technology developments are the keys to climate change issues. He invites developing countries to share the U.S. approach giving priority to economic growth.

December, 2002: over one thousand climate experts meet in Washington DC at the Climate Change Science Program Planning Workshop, sponsored by thirteen U.S. government agencies. The workshop aims to jump-start the public review of a draft version of the Strategic Plan for climate change and climate change studies. The Strategic plan represents the research strategy of the Bush Administration to reduce the scientific uncertainties surrounding climate change.

**Implementing the proposal**

Legislatively, the Bush Administration’s proposal has only very partially been turned into bills introduced to Congress. But none of the bills reached the President’s desk for signature. As the 107th Congress was almost evenly divided between the Republican-led House of Representatives and the Democrat-led Senate, bills from either Party did not get enough support to be enacted. The core measure of the proposal, namely the emissions intensity target, has not been included in any bill: as it is a voluntary target, it does not need to be enacted.

**1.3. Key principles underlying the proposal**

While rejecting the Kyoto Protocol at least for the years of the Bush presidency, the Administration has yet regularly reaffirmed the United States’ commitment to the UNFCCC. Key principles shaping the U.S. climate proposal, coupled to this commitment, include the need for addressing the climate change challenge globally, considering scientific uncertainties, allowing for time, gradualism, economic growth primacy, flexibility, and voluntarism.

Because climate change is a global problem, solutions must be global regarding greenhouse gas sources, sinks, and the countries involved. International cooperation is essential. The U.S. climate policy must be based on sound science, which in the Administration’s sense means ‘not like the arbitrarily defined Kyoto Protocol targets’. For that matter, the need for more research is emphasized to reduce scientific uncertainties related to global warming magnitude and impacts. Time is called for, both to improve climate change science knowledge and to implement technologies that will be more cost effective. Therefore the solution advocated must be gradual.

In addition, the climate policy should not harm the U.S. economy, that is, it should not jeopardize economic growth and jobs. The target set by the Bush Administration to reduce the GHG emission intensity (the ratio of GHG emissions to the GDP) by 18 percent over the ten-year period 2002-2012 is meant to meet these goals. As President Bush puts it, the reduction target in the GHG emission intensity constitutes a ‘path to

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15 Source: [http://www.state.gov/g/oes/rls/rm/2002/14758.htm](http://www.state.gov/g/oes/rls/rm/2002/14758.htm)

16 Inter alia, the Climate Change Risk Management Act (S.1294), the International Carbon Conservation Act (S.769), and the Carbon Sequestration Investment Tax Credit Act (S.765), introduced by Republican senators, include provisions close to some of the Bush Administration’s proposal.
slow the growth of [the] greenhouse gas emissions and, as science justifies, to stop and then reverse the growth of [U.S.] emissions” (Bush, 2002).

As for the heralded flexibility and cost-effectiveness that market mechanisms provide, the Bush Administration’s position seems a bit curious. It advocates the ‘power of markets’ generally as well as the Clear Skies Initiative, in which electric utilities would have fixed targets or caps on three pollutants (i.e., sulphur dioxide, nitrogen oxides and mercury) and could trade the rights to emit amongst themselves, but not greenhouse gas emissions trading specifically. President Bush’s February 2002 speech is clear in this respect. Two different environmental issues are considered: domestic air pollution stemming from U.S. power plants and global climate change. For the former, President Bush calls for, and praises the merits of, a market-based cap and trade approach to reach the mandatory goals. By contrast, the approach selected for climate change is voluntary and does not refer to permit trading. He merely announces that transferable credits will be issued to companies that can show real reductions. The 2002 CEA annual report holds the key to understanding the paradoxical treatment on market mechanisms: the worldwide feature of the greenhouse gas permit system entails “enormous institutional and logistical obstacles”. As a result, it “would be dangerous to make any serious U.S. policy or commitment dependent on newly designed and untried international institutions”.

Internationally, the Bush Administration’s position has shifted regarding developing countries’ commitment to reduce GHG emissions. In March 2001, President Bush announced that the United States will not ratify the Kyoto Protocol because, among other things, the Protocol exempts eighty percent of the world from emission limitation commitments. In February 2002, the Administration no more calls for any commitment from developing countries as a trade-off to its own action. Instead it praises the emissions intensity approach for developing countries. Flipping on his previous requirement, President Bush states that “it would be unfair –indeed counterproductive- to condemn developing nations to slow growth or no growth by insisting that they take on impractical and unrealistic greenhouse gas targets”.

All the above mentioned key features of the proposal reflect a wait-and-see approach. The only somewhat pro-active measures may be in the technological field. Cutting-edge actions to reduce greenhouse gas emissions are not on the current Administration’s agenda. According to the Administration, serious actions, that still need to be defined, could be taken on after 2012, if necessary. But by that time, the incumbent President will no more be in office.

2. The driving forces behind the climate proposal

A few driving forces explain the main features of the Bush Administration’s climate proposal. Some are mainly related to short-term events (sub-section 2.1), while others are more profoundly rooted (sub-section 2.2).

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17 See for example his June 11, 2001 address and his 13 July, 2001 statement, for general advocacy of market mechanisms ; see (Bush, 2002) for the Clear Skies Initiative.
18 Source: chapter 6 of the Annual report of the CEA
19 Source : (Bush, 2002).
2.1. Short term factors

Regarding short term factors, the main concerns of the Bush Administration in the first half of 2001 are the slowdown of the U.S. economy and energy security: the vigorous economic expansion of the four previous years sounds over for 2001; in the energy field, the United States faces the electricity crisis in California, overall increasing demand, and an increasing dependence of foreign energy supply. Needless to say that these concerns have been strongly reinforced in the aftermath of the September 11 attacks.

The reduction of the greenhouse gas emissions intensity announced in February, 2002 is the Bush Administration’s way to address the concern for economic growth, as opposed to the Kyoto Protocol, which, according to the Administration, “would have cost [the] economy up to $400 billion and [lead to the loss of] 4.9 million jobs”. A Kyoto-type ‘fixed target’ caps the allowable emission level, regardless of economic growth. Such a fixed target is obviously more stringent and costly in absolute terms when the GDP growth is high, compared to a low-economic growth scenario. Instead, a “dynamic” emissions intensity target, like the one proposed by the Bush Administration, adjusts the allowable emission level to the GDP changes. A dynamic target therefore reduces the cost uncertainty. Furthermore, the target adopted by the Bush Administration is quantitatively more lenient than the preceding Administration agreed to at Kyoto. Whereas the Kyoto Protocol would have required a seven percent emissions reduction by 2008-2012 relative to a 1990 baseline, the newly proposed target will most likely induce emissions to grow substantially from 2002 to 2012 (see sub-section 3.2).

The National Energy Plan released in May 2001 is the domestic response to what the Bush Administration calls the “energy crisis”. It encourages expanding domestic coal supply, domestic oil drilling and nuclear power to secure domestic supply. Although the National Energy Plan also calls for the promotion of energy efficiency and conservation, and proposes a few tax credits for alternative, renewable, and cleaner forms of energy, the whole package of suggested actions obviously does not aim to reduce greenhouse gas emissions, nor will it in fact. But the Plan has also to do with other factors more deeply rooted, than merely the “energy crisis”.

2.2. The governance pattern of the U.S. economy

23 This is particularly true when the greenhouse gas emissions are closely correlated to the GDP.
25 For an in-depth analysis of the National Energy Policy, see (Energy Economist, 2001) and (NRDC, 2001a).
In fact, the Bush Administration’s climate proposal and its current status may be further explained by the governance pattern of the U.S. economy, namely the constitutional framework, the weight of interest groups in policy-making, the historical reticence for government intervention, the U.S. unilateralism, and the overall trust in technology (Lee, 2001).

Thus far, the Bush Administration’s proposal has not been enacted, even in partial Acts, for institutional purposes. To become an Act, any domestic climate policy requires close cooperation, first between several executive agencies that may have conflicting views (the Environmental Protection Agency (EPA) as well as the Departments of Energy, State, Agriculture, and Commerce), and secondly within Congress. Any bill introduced in either house of Congress (the Senate and the House of Representatives) has to go through several committees and amendments before being sequentially adopted by both branches, and signed into an Act by the President (unless over-ridden by super-majorities). During the 107th Congress, the Republicans held the majority in the House of Representatives, whereas the Democrats controlled the Senate. Consequently, political posturing and ideological contrasts thwarted agreement.

Among interest groups, the energy industry is the most powerful to influence the design of the Bush Administration’s energy policy, and in the background climate policy. Reports from various environmental non-governmental organizations (NGOs) point to the strong link between the energy industry and the White House energy task force. Furthermore, the official support of the United States for Dr Pachauri in the run-up to IPCC chairman election may have been induced by the recommendations of some energy lobbyists, including ExxonMobil.

The energy lobby can take well-earned credit for the voluntary (instead of mandatory) measures advocated by President Bush and his Administration to address the climate issue. Still, such a policy is also the evidence of the historical reluctance of the U.S. corporations and citizens to governmental intervention. In the oil and car manufacturing sectors, the ever-postponed tightening of Corporate Average Fuel

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26 Conflicting views between executive agencies may be illustrated in the field of greenhouse gas inventory and reporting. The EPA currently proposes to use the “GHG Protocol” (Rangathan et al., 2001) for companies to register their greenhouse gases corporate wide, whereas the Department of Energy has launched a long-lasting consultation to revise existing section 1605 (b) of the 1992 Energy Policy Act. See sub-section 3.2.

27 The “Energy bill” is an illustration of the deadlock that occurred in the 107th Congress. The H.R.4 Energy bill passed the House of Representatives in August 2001. After intense debates and amendments, the Senate passed its own Energy bill S. 517 in April 2002. But both bills differed so widely that they could not be reconciled before Congress recessed for the elections in fall 2002. See (NRDC, 2002).

28 See for example World Watch, vol 14, # 4, July/August 2001 (The article highlights that 50 out of the 63 members of the advisory team for the National Energy Plan come from the energy industry) ; see also : NRDC “Heavily Censored Energy Department Papers Show Industry is the Real Author of Administration’s Energy Task Force Report”, available at : http://www.nrdc.org/media/pressreleases/020327.asp

29 A year ago, Exxon Mobil suggested to the Bush Administration that IPCC chairman Robert Watson be replaced (Dr R. Watson is an advocate of immediate actions against climate change.). See: NRDC “Confidential Papers Show Exxon Hand in White House Move to Oust Top Scientist from International Global Warming Panel”, available at: http://www.nrdc.org/media/pressreleases/020403.asp.
Economy (CAFE) standards of road vehicles as well as the low gasoline prices (due to relatively low petrol taxes) illustrate both strong interest-group pressure and minimal governmental interference. In this latter case, the interest groups do not only involve the oil industry and the car manufacturers but also all the U.S. citizens, for which the car is a cultural symbol of freedom.

“What goes on inside the state is critical in understanding foreign policy” (Harris, 1998, p.40). Decisions at the federal level on climate change issues are made according to what best serves the United States’ interests, or even the interests of who are in power. Powerful business and individual interests influencing the Bush Administration differ from the pluralist interests (including environmental NGOs) that were shaping the Clinton Administration’s climate policymakers. The former may be considered close to those of the G. H. W. Bush Administration in the early nineties. Still the overall context has changed. The United States clearly held leadership in the climate negotiations for several years during the nineties, because climate change was perceived at that time as an important environmental threat to national interests (Harris, 2001). The rejection of the Kyoto Protocol and the current Administration’s go-it-alone climate proposal mainly reflect the primacy of U.S. economic and energy security.

The last driving force of the Bush climate proposal is technological optimism. The United States has favored research and technology innovation for decades. On balance, this strategy has paid handsome dividends. The steadfast confidence that technology can tackle any problem may be reflected in the Bush Administration’s calling for time in order to drive market-based innovations and science-based actions. The underlying assumption may be that, should climate change prove to be a serious threat (for which the Bush Administration still requires further evidence), the new technologies will probably ‘solve’ the problem more cheaply and more quickly than the current technologies. Thus, the Bush climate plan announces funds for research and development programs, such as the Freedom Cooperative Automotive Research (CAR) for fuel cell-powered cars, as well as for investments in renewable energies and carbon sequestration. The National Hydrogen Energy Roadmap released by the Department of Energy in November 2002 is also part of this research effort to reduce dependence on foreign oil and to meet the future need for carbon-free energy.

3. The Bush Administration’s rhetoric

The main purported flaws attributed by the Bush Administration to the Kyoto Protocol are qualified in sub-section 3.1, while the own flaws of the Bush Administration’s proposal are examined in sub-section 3.2.

3.1. Examining the flaws of the Kyoto Protocol

30 For example, the Climate Convention did not commit Annex I countries to binding targets due to the U.S. refusal to accept any. Similarly, various flexibility mechanisms were embedded in the Kyoto Protocol on U.S. proposal.
31 See: http://www.energy.gov/HQPress/releases02/janpr/pr02001.htm.
32 The Freedom CAR actually replaces the eight-year old Partnership for a New Generation of Vehicles (PNGV), which aimed at producing affordable high-mileage gas-burning cars by 2004.
Soon after the January 2001 inauguration, President Bush rejected the Kyoto Protocol, citing three main reasons: the agreement did not commit the developing countries to emissions reduction; the commitment could harm the U.S. economy; and the United States would depend on other countries to meet its assigned target. These arguments merit closer examination.

Regarding developing countries’ lack of participation in the global effort, various authors (Reid et al.; Biagini 2000; Baumert et al, 2001; Muller, 2001; Chandler et al., 2002) show that many developing countries are already limiting their greenhouse gas emissions, even without binding commitments to do so. In taking actions to meet their development needs, secure energy supply, improve local air quality, these countries simultaneously get ancillary benefits in the form of mitigation of their greenhouse gas emissions.

The risk of harming the U.S. economy is estimated by the Bush Administration at a cost of (1996 $ constant price) 400 billion and a loss of 4.9 million jobs by 2010. These figures stem from a synthesis report completed by the now deactivated Global Climate Coalition (GCC, 2000), an industry-lobby group. These statistics occupy the upper ranges found in the report and crucially depend on the assumption that the United States achieves its Kyoto target domestically. When international emission trading is considered, the report’s estimated costs to the U.S. economy and employment fall by a factor of two to four. Moreover, other studies do not corroborate the same results. In the Energy Modelling Forum (EMF) studies, the range of GDP costs for the United States is between 0.42 and 1.78 percent of the GDP in 2010 (Weyant & al, 1999), compared to the 3.2 percent-equivalent loss of $ 400 billion assessed by the GCC. Evaluating the EMF and other models, Barker et al conclude that “the macroeconomic costs of greenhouse gas mitigation [under the Kyoto Protocol] is likely to be insignificant in the United States […], provided that the policies are expected, long-term and well-designed” (Barker & al, 2001, p.13).

Still, no concrete action to achieve the U.S. target inscribed in the Kyoto Protocol was implemented by 2001, more than three years after the release of the Protocol. The cost of reaching the target over the commitment period (2008-2012) was increasing as mitigation actions were put off. Had the United States ratified the Kyoto Protocol at that time, using the flexibility mechanisms of the treaty, particularly emissions trading, would have become essential to reduce those costs. The dependence on other countries to comply with the target would have been real. Ironically, this dependence is considered as a major obstacle to ratify the Kyoto Protocol by the current Administration, whereas the previous (Clinton) Administration had envisioned it as a major means to meet the Protocol target.

3.2. Flaws in the Bush Administration’s proposal

The climate proposal of the Bush Administration bears its own flaws: it can hardly be considered as complying with the spirit of the UNFCCC; the proposal follows a different path in which the economic and energy security takes the leading roles. Climate mitigation and GHG emission reductions are hardly written into the script, given bit parts in largely voluntary performances. Yet they may play the starring roles in the next sequels. In short, there is some difficulty in reconciling the rhetoric with reality.
The Bush Administration has reiterated the U.S. commitment to the UNFCCC. But it seems hard to assert that the Bush Administration’s proposal meets the principle that “the developed country Parties should take the lead in combating climate change and the adverse effects thereof”, which is part of Article 3.1 of the UNFCCC. Neither is it clear that the proposal addresses the ultimate goal of the Convention, which is to stabilize “greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system” (Article 2, UNFCCC 1992).

In fact, the Administration’s goal to cut the U.S. greenhouse gas intensity by 18 percent over the next ten years is little more than rhetoric—or, as noted economist Paul Krugman wryly, an “ersatz climate policy”.33 The emission intensity goal set by the Bush Administration is amazingly similar to the trend observed in the 1990s when, other than ineffective voluntary programs, no climate mitigation actions were implemented. After declining by 23 percent in the 1980s, the U.S. greenhouse gas emission intensity decreased by 17 percent over the last decade, mainly as a result of combined effects of energy efficiency improvements and structural changes of the economy, such as transitioning from energy-intensive industries towards information and service activities. The Bush Administration’s goal is thus merely the continuation of the past trend. Not coincidentally, it strongly resembles the business-as-usual (“reference”) projection built up by the Administration for 2002-2012 (figure 1).

Figure 1: U.S. GHG intensity changes: is past prologue?

In addition, the Bush Administration’s call for an -apparent- effort to decrease the emissions intensity obliterates a substantial growth of U.S. greenhouse gas emissions over the next coming decade, at a pace comparable to that of the last decade. The rhetoric relies on the fact that the greenhouse gas intensity is a ratio: it may therefore decrease even though both its numerator and denominator increase. The Administration expects the denominator of the greenhouse gas intensity ratio, namely

the U.S. GDP, to increase by 38 percent between 2002 and 2012 on a business-as-usual trend. Reaching the target of an 18 percent decrease of the greenhouse gas intensity over the same period entails that the numerator of the ratio, namely greenhouse gas emissions, is expected to grow at a slower pace than the denominator, namely by 14 percent.

This 14 percent expected growth rate of greenhouse gas emissions to meet the emission intensity target is actually the emission increase that occurred over the last decade. It stands only five percentage points below the projected 19 percent increase of the business-as-usual (“reference”) case (figure 2). As has been extensively noted, it is in no way what can be called an “ambitious” initiative to slow global climate change. If the United States were to comply by 2012 with the 7 percent emission reduction target of the Kyoto Protocol relative to 1990, the emissions intensity would have to decrease by 41 percent between 2002 and 2012.

**Figure 2: the past and future upward-trend of U.S. absolute emissions**

To meet the target, the Bush Administration calls for voluntary actions from companies to inventory, report and reduce their emissions. Indeed, voluntary measures have not yielded substantial results in the past, in terms of overall emission reductions. Furthermore the reporting registration program proposed by the Bush Administration relies on the Department of Energy’s “Voluntary Greenhouse Gas Emissions Reporting” Program mandated by Section 1605(b) of the 1992 Energy Policy Act. The current program under Section 1605 (b) is known to contain various pitfalls that hinder its use to report real emission reductions (NRDC, 2001b).

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35 In addition to numerous NGOs press releases, see for example (Viguier, 2002) ; (de Moor & al, 2002) for in-depth analyses.

36 Assuming the GDP growth of the “reference case” (+38 %) and domestic emission reductions (no permit trading).

37 See for example (Gardiner, 2002)

38 For example, emission reductions may be reported on a project-by-project basis, or from one set of activities, not at the corporate level. Therefore emission reductions of a company reported under current section 1605 (b) may be offset by emission increases that were not reported because they were undertaken by the company in other projects or activities.
Various executive agencies jointly proposed improvements to this program in July 2002, based on previously solicited public comments. Public workshops were recently convened to discuss the proposed improvements. Further public comments on revised versions of the program will be solicited during 2003. The final version should be released in January 2004. This long administrative procedure may well illustrate the tendency of the Bush Administration to delay any real mitigation effort. EPA’s Climate Leaders Charter sounds more promising: to conduct greenhouse gas inventories, it proposes to use the high quality Greenhouse Gas Protocol (Ranganathan & al, 2001) developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Developments (WBCSD). But the Climate Leaders program has attracted only around thirty partners to date.39

Likewise, the actions announced in the climate science research field sound like delaying climate change mitigation actions still further. Substantial research has already been carried out in the United States and internationally for a decade, and has clearly come to the conclusion that mitigation actions are urgently needed.40 Still the Bush Administration launched a Strategic Plan for climate change and climate change studies, in December 2002 (see sub-section 1.1). The public review of a draft version of this Plan is due in April 2003. The Strategic plan represents the research strategy of the Bush Administration for the next two to five years, to better understand the climate system and the role of human activities on climate change. It aims to provide more scientific information to define a “clearly articulated regulatory policy that’s practical, affordable and doesn’t put the economy at risk”.41 In effect, this means that the Bush Administration will probably not propose, barring a public groundswell or a summer drought, any substantive mitigation measures before the research results are released.

The Administration’s strategy on how developing countries need to become partners in the global efforts to prevent climate change has shifted: the call that developing countries should take on binding emission limitation commitments has been silenced. In so doing, the Bush Administration implicitly recognizes the common but differentiated responsibilities and capabilities of the Parties, called for in a paragraph of Article 3.1 of the Climate Convention. But this ad hoc compliance merely reflects the unilateralist approach of the United States. Harlan Watson, Senior Climate Negotiator and Special Representative from the U.S. Department of State, has reaffirmed that the United States will not return to international negotiations for the next review of greenhouse gas reductions (due in 2005).42

The emission intensity approach, adopted domestically and advocated by the Administration for the developing countries, may be appealing for the latter because it reduces economic uncertainties embedded in fixed emission reduction targets (Baumert & al, 1999). It is an option often mentioned when tackling the question of

39 For more information on EPA’s Climate Leaders Partnership, visit: http://www.epa.gov/climateleaders/
40 See for example (National Assessment Synthesis Team, 2000), (National Academy of Science, 2001), and (IPCC, 2001).
41 Citation : John Marburger, the White House science and technology adviser, cited in the Washington Post, December 4, 2002, p. A08.
the developing countries’ participation in the second commitment period within the Kyoto Protocol framework (Baumert et al, 2002). However, for now, developing countries refuse to consider any future emission limitation agreement, arguing—correctly, as witnessed in the 1995 Berlin Mandate—that the industrialized nations, especially the United States, should first take the lead in reducing their emissions. The Bush Administration’s unilateralist approach may induce a stalemate in upcoming negotiations.

4. Near-term prospects for climate mitigation actions in the United States

Climate change is a global environmental threat that requires global actions. With the possible exception of future technologies, the Bush Administration’s climate proposal would hardly constitute the meaningful U.S. participation, however reasonably defined, in the climate mitigation challenge that Democratic and Republican politicians have called from the developing world. No ambitious emission reduction target may be expected to be taken on at the Federal level by the present Administration, although the United States presently emits almost 25 percent of the world greenhouse gases with four percent of the world population. How can the potential deadlock due to U.S. passive attitude towards climate mitigation actions be overcome? Encouraging signs are on the horizon.

Congressional activity around climate change issues has considerably increased over the last Congress sessions. The bipartisan bill S.139 introduced in January 2003 in the Senate by Democrat Lieberman and Republican McCain aims to provide tradeable greenhouse gas allowances economy wide to limit greenhouse gas emissions. This bill and others reflect the growing domestic concern to address climate change more aggressively than through the approach adopted by the Bush Administration. All these domestic changes may contribute in the near future to claim for a more stringent federal policy, although the Bush Administration is led by anti-climate forces from the energy sector.

Despite the absence of any ambitious climate policy at the federal level, numerous emission limitation actions are carried out at the subnational level—individual states and municipalities. Consider states with legislation to reduce their greenhouse gas emissions in effect or in the regulatory pipeline. For instance, New Jersey has set a reduction target of 3.5 percent below 1990 level by 2005; Oregon has established a drastic standard for CO₂ emissions from new power plants; fifteen states have imposed their Renewable Portfolio Standard to boost the electricity produced from renewable resources; California passed a law to set by 2005 maximum but economically feasible emission standards for passenger vehicles sold in the state.

Consider too efforts by civil society and corporate America. Universities, religious groups, and non governmental organizations are leading the charge from the bottom

43 The number of climate change-related bills, resolutions, and amendments introduced into Congress increased from seven in the 105th Congress, to twenty-five in the 106th Congress and eighty-five in the 107th Congress. See (Pew Center, 2002).
44 See for example (Rabe, 2002).
up.\textsuperscript{45} In addition, corporations are increasingly taking steps to limit their greenhouse emissions as well as publicly pledging to do so.\textsuperscript{46} The latest initiative in this respect is the cap-and-trade program coordinated through the Chicago Climate Exchange, which was officially launched on January 16, 2003.\textsuperscript{39} Under this program, major companies in various sectors have made a binding promise—a private contract (in common law) but voluntary in that there is no public law mandate—to reduce their greenhouse gas emissions by four percent by 2006, relative to their 1998-2001 baseline.\textsuperscript{48} Depending on their reduction costs, the companies participating in the climate exchange will be able to trade emission quotas and credits to reach their emission reduction target.

On the international stage, contrary to many experts’ expectations, the Kyoto Protocol is not dead despite its rejection by the United States. Only a few nations (e.g., Australia and Saudi Arabia) have overtly welcomed the U.S. approach and rejected the Kyoto Protocol.\textsuperscript{49} Sixty-six additional ratifications were registered by the UNFCCC Secretariat between March, 2001 and December, 2002, including those of China, New Zealand and Canada. The total number of ratifications has reached over one hundred. With the United States out of the agreement, the entry into force of the Kyoto Protocol is presently pending upon Russia.\textsuperscript{50} Still at the international level, the European Union’s Council of Environment Ministers adopted in December 2002 an emissions trading Directive. Some countries are obviously moving ahead toward climate protection. U.S. based companies operating in foreign countries that have ratified the Kyoto Protocol may push hard the U.S. government to take on domestic measures for competitive purposes.

To be sure, the United States probably will not rally around the Kyoto Protocol for the foreseeable, if ever. Whatever the alternative framework the United States may implement, substantive mitigation actions are urgently needed, for several reasons. The United States is the largest greenhouse gas emitter in the world, and it is among the richest countries, per capita, too. So proportionate responsibility for emissions and capacity to respond are both present. Developing countries will not move forward into further mitigation actions, as long as the United States does not do so. Should the United States move forward into enhanced climate mitigation actions, it would most likely be when the federal government builds on the ongoing efforts of states and municipalities as well as civil society and corporate America. Soon, the world may well end up with two climate protection regimes—the Kyoto Protocol and a U.S.-dominated plurilateral affiliation, which some countries like Australia may rally—. Various experts have explored how both systems could simultaneously operate for some time (Bodansky (2002), Baron et al. (2002)).

\textsuperscript{45} See for example (Grist Magazine, 2002)
\textsuperscript{46} See for example (Pew Center, 2002).
\textsuperscript{47} For further information, visit: http://www.chicagoclimatex.com/html/about.html
\textsuperscript{48} Exchange participants include the city of Chicago, DuPont, Ford Motor, Motorola, Manitoba Hydro, STMicroelectronics, and Stora Enso North America, a division of a Finnish paper maker.
\textsuperscript{50} The entry into force of the Kyoto Protocol depends on two conditions: 55% of the Parties to the agreement must have ratified it ; the 1990 emissions of the Annex B Parties (industrialized countries) that have ratified must represent 55 % of the 1990 total Annex B emissions. The first condition is currently met, whereas the second one depends on the ratification by Russia.
Conclusion

A year after rejecting the Kyoto Protocol, President Bush advanced a climate proposal that failed to entail credible climate change mitigation: the 18 percent emission intensity reduction target amounts to a substantial increase in actual emissions over the next decade and hardly veers from the business-as-usual path. The actions proposed to meet the target are voluntary and are not to be reviewed before 2012. The proposal, on balance, contains more rhetoric than reality. It delays substantive mitigation programs, at least, beyond Bush Administration’s current mandate.

This wait-and-see policy reflects some fundamental aspects of the U.S. governance of its economy, such as the pressure of specific interest groups (especially the energy and extractive-resource lobbies), the unilateralism of the country, the reluctance to governmental intervention, and the trust in technology to drive U.S. economic growth. Moreover the Republican Party, generally not keen on climate actions, presently controls the White House and both branches of the new 108th Congress. The chairs of the Senate Environment and Public Works Committee and the Energy and Natural Resources Committee have recently shifted to two senators known to support the energy sector much more than environmental issues.

While much of the world perceives the threat of global climate change, much of the Bush Administration and Congress disagree over the threat’s severity. So the question is if and when federal politicians feel the heat, so to speak, to implement substantive GHG emission mitigation policies. Considering the current unilateralist approach adopted by the United States, international pressure may not contribute much to driving them to decide on mitigation actions. If the emerging domestic pressure from states, corporations and civil society becomes a groundswell, the federal government may take the reins. Political entrepreneurs in Congress and maybe even within the Administration may seize the opportunity of steering the powerful current where the grassroots and the corporate cooperate.

When threat is not seen as immanent, this force may be painfully slow to build, but it is sustainable when it matures—not a whimsical fad but a secular trend. When the threat is confronted—from public outrage or a summer drought causing catastrophic crop losses—, the U.S. may be nimble. In the words of historian Stephen Ambrose, “[The United States] is a country that can change faster and quicker in the right direction than anybody else in the world.” French politician and writer Françoise Giroud did not agree more when she pointed that "there is a strength in the United States that we in Europe constantly tend to underestimate.”

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52 Quoted in the obituary released by The Economist, January 25th, 2003.


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