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Statement to the Senate Foreign Relations Committee

April 22nd, 2009

Mr. Chairman, thank you very much for inviting me to testify today.

I want to commend you and Senator Lugar for the outstanding leadership you have shown on the issues of climate change and clean energy, and I look forward to working closely with you and the other members of this committee in the days and months to come.

That we must meet this challenge is clear. The basic science of climate change is no longer in doubt. Greenhouse gas concentrations in the atmosphere now stand at approximately 387 parts per million of CO2 as compared to about 280 ppm in pre-industrial times. The global average temperature has increased by 1.4 ºF above pre-industrial levels.

This amount of warming has already been associated with significant global impacts, including: the acceleration of glacier melt, putting the water security of hundreds of millions of people at risk; the rapid death of coral reefs due to heat and acidity; an increase in the frequency of forest fires; and the dramatic reduction – some 39% – in Arctic sea ice levels from just a decade or two ago.

What is perhaps most disturbing is that the more that we learn, the more urgent the situation becomes. Emissions are rising far more quickly than expected, sea level projections are being revised upward, and predictions of the disappearance of summer ice cover in the Arctic have been moved forward by many decades.

As a result, the effects that climate change will have on our economy, our security, and our environment will become increasingly severe. We are at risk of creating a world where climate change related disasters will drive millions of people across borders, deadly droughts and wildfire will threaten our homes as well as local ecosystems, increasingly frequent extreme weather events will wreak havoc on communities, and more frequent conflicts over scarce natural resources will have major geopolitical ramifications.

In addition, the diplomatic costs of inaction are increasingly severe. When President Obama and Secretary Clinton travel abroad, they are invariably asked whether America will be part of the solution after eight years of inaction. It is no exaggeration to say that America has paid dearly in the diplomatic arena for our approach, and that our ability to pursue a range of foreign policy and national security objectives has been fundamentally compromised by our refusal to meet the energy and climate change crisis head on.

The United States thus has an interest as well as a responsibility in leading on this issue. We are the world's largest historic carbon polluter and our current emissions on a per capita basis are

very high, four times that of China, nearly 14 times that of India, and more than double both the EU and Japan. But, just as importantly, we are unique in our capacity to meet this challenge. Our scientists, our engineers, and our entrepreneurs can and must develop the innovative solutions and technologies that will lead America and the world toward a clean energy path.

It is a path that will generate millions of clean energy job for Americans, break our dependence on foreign oil, and enable us to meet the challenge of climate change.

The Obama administration and Congress have already taken a number of critical steps in this direction. Most notably, the American Recovery and Reinvestment Act provided many billions of dollars of clean energy investment. With targeted investments in key areas ranging from our transmission capacity to our transportation sector, from weatherization to research, this truly was an historic down payment on our clean energy transformation.

However, this is not enough. We must also pass legislation that caps carbon pollution and allows market forces to drive innovation and entrepreneurship in the clean energy sector.

Let me be clear about this: unless we all stand and deliver by enacting a strong, mandatory, nationwide climate and energy plan, the effort to negotiate a new international agreement will come up short. There will be no new global deal if the United States is not part of it, and we won't be part of it unless we are at least on track to enact our own robust domestic plan.

Of course, it is also essential that others do their part as well. Eighty percent of greenhouse gas emissions are produced outside of the United States, and a rapidly growing percentage is produced in emerging market countries. According to the International Energy Agency, 97 percent of the projected increase in emissions between now and 2030 will come from developing countries – with three quarters of those from the emerging economies of Asia and the Middle East.

This is why it is imperative to negotiate a strong new international agreement that will include significant commitments from all countries. I am heartened by the fact that the thinking of our country and the world has evolved since the time of the Kyoto negotiations. Today, many more countries recognize that the path to long term, sustainable economic growth and prosperity is a low-carbon one. Developing countries such as Mexico and South Africa have charted low-carbon development pathways for themselves, and it is now much more widely understood that clean energy can be an economic catalyst rather than an economic burden.

And yet there is no question that the challenges we confront in seeking to negotiate a viable new international accord are very real. If you spent much time in Bonn at the recent negotiating session – and I know the Chairman and Ranking Member both had staff there for the meeting – you would have been treated to a lot of old style, north-south rhetoric of the kind that isn't much designed to find common ground. And the differences on issues are often large. The toughest issues involve what reductions the major developing countries will commit to, as well as the closely related questions of the financial and technology support they are seeking. We must also focus on the important issue of adaptation, which requires providing support to the most

vulnerable and often poorest countries to help them cope with the impacts of climate change that they will face even if we all do everything right from here on out.

Broadly speaking, we are pursuing our strategy on three related fronts. First, we are fully engaged now in the Framework Convention negotiating process itself. I traveled to Bonn last month to make the initial statement on behalf of the United States at the opening plenary session, and the reception was warm and enthusiastic. Countries are genuinely pleased – indeed relieved – that the United States is back in the game, committed to making rapid progress, and, as I said in Bonn, seized by the urgency of the task at hand. Our re-engagement and the President's clear commitment cannot conjure away substantive differences, but they do dramatically change the negotiating environment.

Second, we are intensifying the dialogue among 17 of the largest economies – including China, India, Brazil, Mexico, South Africa and Indonesia – through our Major Economies Forum on Energy and Climate, which will meet in July in Italy immediately after the G8 meeting there. In fact, I called for the creation of such a forum in an article in the *American Interest* in early 2007. I thought it essential then, as I do now, that the core countries have an opportunity to get together at the leader level once a year – outside of the very large, noisy environs of the Framework Convention process – both to build the political consensus among key developed and developing countries that will be necessary to a successful outcome in Copenhagen and to build a strong commitment among these countries for concrete cooperation on technologies and policies that will allow us to move collectively onto a low-carbon path.

So I was delighted when the Bush Administration launched this process a couple of years ago and we are keen to invigorate the process and infuse it with real content and a real mission. The Forum is not a substitute for the Framework Convention process; it is -- in part – a means to facilitate success in that process.

We plan to convene three preparatory sessions during the next three months, the first to be held at the State Department next week, to be followed by a leaders meeting in Italy shortly after the G-8.

Third, we are focusing on key bilateral relationships. In the past two months, I have personally had discussions with representatives from more than 30 countries, and members of my team have consulted many more. Relationships with major developing countries are going to be crucial for us, and, of course, none is more important than China, now the largest emitter of CO2 in the world and on track to increase that lead significantly in the years to come.

As you may know, I accompanied Secretary Clinton on her inaugural trip to Asia, and I can assure you that energy and climate issues were discussed at every stop. She has elevated energy and climate to a top tier issue in our overall bilateral relations with China, and we are working vigorously to make it a strong and stable pillar of our relationship.

Notably, China has demonstrated a growing commitment to clean energy in the past several years. China's current five year plan includes the goal of reducing the energy intensity of the

economy by 20% by 2010, and the aim of increasing the share of renewable energy in the primary energy supply to 15% by 2020.

China has implemented increasingly stringent auto emissions standards, stronger than our own, and its domestic stimulus package contained substantial clean energy investments. And there are many other initiatives underway.

However, China must do significantly more if we are to have a chance to solve the problem and to arrive at an international agreement that achieves what science tells us we must. We will be engaged in very active discussions with the Chinese on the related issues of climate change and clean energy in order to make that happen. I expect to be going to China to pursue these discussions quite soon – I hope next month.

Before concluding, let me say a few words about some of the principles that guide our thinking and will inform our further refinement of policy positions:

First, as noted, the United States must lead with a strong commitment to reduce our own emissions, as embodied in a nationwide program to cap greenhouse gas pollution. EPA has taken a bold first step by proposing that carbon pollution is a danger to our health and welfare. It is time to face facts squarely and take action.

Second, we will need to ensure that the agreement is truly global and includes significant actions by all major economies. The simple math of accumulating emissions shows that there is no other way to make the kinds of reductions that science indicates are necessary. We will need to ensure that these actions are robust, quantifiable, and verifiable, and that they are measured against a broad scientific understanding of what needs to be done to stabilize greenhouse gas concentrations.

Third, we must work to promote research, development, and wide-scale deployment of clean energy technologies. We will need to ensure that we are leveraging the capacities of the international community in this process, and that intellectual property rights are respected.

Fourth, the science dictates that we cannot meet ambitious reduction goals without efforts to conserve the world's tropical forests. Deforestation currently accounts for approximately 20% of emissions. Therefore, a viable international agreement must include incentives to promote more climate-friendly land-use practices and reduce deforestation in a manner that protect the interests of local communities.

Fifth, Americans must understand that, as challenging as addressing climate change will be for us, it will be a greater challenge for countries that are still developing. Let me give you one illustrative number: more than 100 million Bangladeshis, approximately two-thirds of the country's population, live without access to the electrical grid. This is the scope of the challenge. Developed countries will have to work together to provide financial assistance and technology to developing countries as part of our ultimate international agreement. To that end, we are working on how to establish a financing structure that is well balanced and guarantees the necessary resources, transparency, sound governance, and incentives to establish enabling

environments that can promote private investment and unleash innovation both in developing countries and around the world. Related work will need to be done on technology and adaptation as well.

It is our moral responsibility to help the most vulnerable people to adapt to the effects of climate change and it is necessary from a global emissions standpoint that these developing countries have the capacity to leap over the fossil fuel stage of development straight to the clean energy stage. Such jumps are not unprecedented. As recently as 2002, India, with a billion people, had only 55 million telephones. But rather than insisting on getting the same kind of wired service that developed countries had, they simply leapfrogged straight to cell phones. Now, 350 million Indians have phones, and universal wired service is unnecessary. This is the same kind of dynamic approach that needs to be brought to the world of energy.

I believe these principles can guide us toward a pragmatic international climate agreement that will put the world on the path that the science tells us we must be on. It will not be easy, but if the administration, Congress, and the American people are committed to this, we can generate millions of clean energy jobs, break our dependence on foreign oil, and meet the climate change crisis.

Thank you, Mr. Chairman. I look forward to answering any questions that you and the members of the committee might have.