

**TESTIMONY BY
THE HONORABLE JAMES L. CONNAUGHTON
CHAIRMAN
WHITE HOUSE COUNCIL ON ENVIRONMENTAL QUALITY**

**BEFORE A HEARING OF THE
SENATE FOREIGN RELATIONS SUBCOMMITTEE
ON
INTERNATIONAL ECONOMIC POLICY, EXPORT AND
TRADE PROMOTION**

**“U.S.-INTERNATIONAL CLIMATE CHANGE APPROACH:
A CLEAN TECHNOLOGY SOLUTION”**

NOVEMBER 14, 2005

Mr. Chairman, I want to thank you and the Members of this Committee for your leadership on clean development and climate change issues. And I thank you for inviting me to testify today on the Bush Administration’s vision for addressing the interconnected challenges of economic growth and development, poverty eradication, energy security, pollution reduction, and climate change.

I also want to congratulate you, Mr. Chairman, Senator Pryor, and your bipartisan cosponsors, for your successful amendment to the Energy Policy Act of 2005. The authority it provides will help us advance a broad common ground for action domestically and internationally by both industrialized and developing countries.

Shortly before the G8 meeting this year in Gleneagles, Scotland, President Bush said:

“The best way to help nations develop while limiting pollution and improving public health is to promote technologies for generating energy that are clean, affordable and secure. Some have suggested the best solution to environmental challenges and climate change is to oppose development and put the world on an energy diet. But at this moment, about two billion people have no access to any form of modern energy. Blocking that access would condemn them to permanent poverty, disease, high infant mortality, polluted water and polluted air.”

“We're taking a better approach. In the last three years, the United States has launched a series of initiatives to help developing countries adopt new energy sources, from cleaner use of coal to hydrogen vehicles, to solar and wind power, to the production of clean-burning methane, to less-polluting power plants. And we continue to look for more opportunities to deepen our partnerships with developing nations. The whole world benefits when developing nations have the best and latest energy technologies.”

Over the past four years, the Bush Administration has been building the structure of a more constructive, practical and realistic approach to international action on clean development and climate change . In February 2002, the President announced a comprehensive domestic and international strategy for addressing the serious, long-term challenge of global climate change. This strategy is producing real results.

The President set a national goal of reducing the greenhouse gas intensity of the U.S. economy 18 percent by 2012. We established strong partnerships for action with the private sector, including DOE's Climate VISION program and EPA's Climate Leaders program. We have taken the lead on transformational technology development initiatives such as the Hydrogen Fuel Initiative to accelerate the future of an emissions-free hydrogen transportation system, and FutureGen, which will demonstrate the world's first coal-fueled power plant that will produce almost no harmful air pollution or greenhouse gases.

And nearly every major provision of the broader Energy Bill enacted this summer will help advance and deploy many of the President's priorities for cleaner, more efficient, and less greenhouse gas intensive energy systems, including over 11 billion dollars in incentives for production of wind, geothermal and solar power, consumer tax credits for highly fuel efficient hybrid and clean diesel vehicles, clean coal technology, emissions-free nuclear power, and renewable bio-fuels.

These new authorities will help us maintain the steady progress we have made in recent years toward the President's greenhouse intensity goal. [*CHART 1*], Between 2000 and 2003, the United States managed to hold its net greenhouse gas emissions nearly constant, while growing our economy by nearly 1.5 trillion dollars – almost the size of the entire economy of China – and increasing our population by more than 9.5 million people – about the size of Sweden. This emission trend is the fifth best among major countries during these four years. These reductions come from desirable improvements in efficiency and deployment of advanced energy technologies and practices, and continued structural shifts in our economy to lower emitting industries, and an undesirable shift of higher-emitting energy intensive industries to other countries with significantly lower energy costs.

Preliminary estimates CO₂ for 2004 indicate a possible increase of 1.7%, though the final data for 2004 will likely show offsetting emissions reductions in the more potent greenhouse gases such as methane. The total should therefore be well below the 4.3% GDP

growth we experienced last year, putting us well on track to meeting the President's emission intensity goal.

As we seek to reduce our own emissions intensity, other fast growing economies of the world have significant opportunities to substantially reduce their emissions intensity. *[CHART 2]* The international cooperation and investment that Title 16 of the Energy Bill authorizes are essential to ongoing progress globally.

Undersecretary Garman will discuss the Administration's leadership in launching and revitalizing a series of international technology development initiatives on issues ranging from hydrogen, to nuclear power, to carbon capture and storage.

Undersecretary Dobriansky will highlight the bilateral clean energy and climate agreements with 15 countries and regional organizations accounting for nearly 80 percent of the world's greenhouse gas emissions. And last year we created the multilateral

Methane to Markets Partnership, which focuses on the profitable deployment of existing technologies and practices for the capture and use of this clean burning fuel – the main component of natural gas – from landfills, coal mines, animal waste management systems, and leaky gas production and distribution systems. This innovative partnership seeks to reduce the carbon equivalent of 50 million metric tons by 2015.

Data collected by the Energy Information Administration reinforces the importance of continued partnership among mature and emerging economies on energy technology development and deployment. *[CHART 3]* By 2010 carbon dioxide emissions from emerging economies, such as China and India, will surpass those from mature market economies like the United States.

That is why, this summer, we introduced our most recent, and even more consequential, multilateral initiative, the Asia Pacific Partnership for Clean Development and Climate. The six major nations in this partnership – Australia, China, India, Japan, Korea, and the United

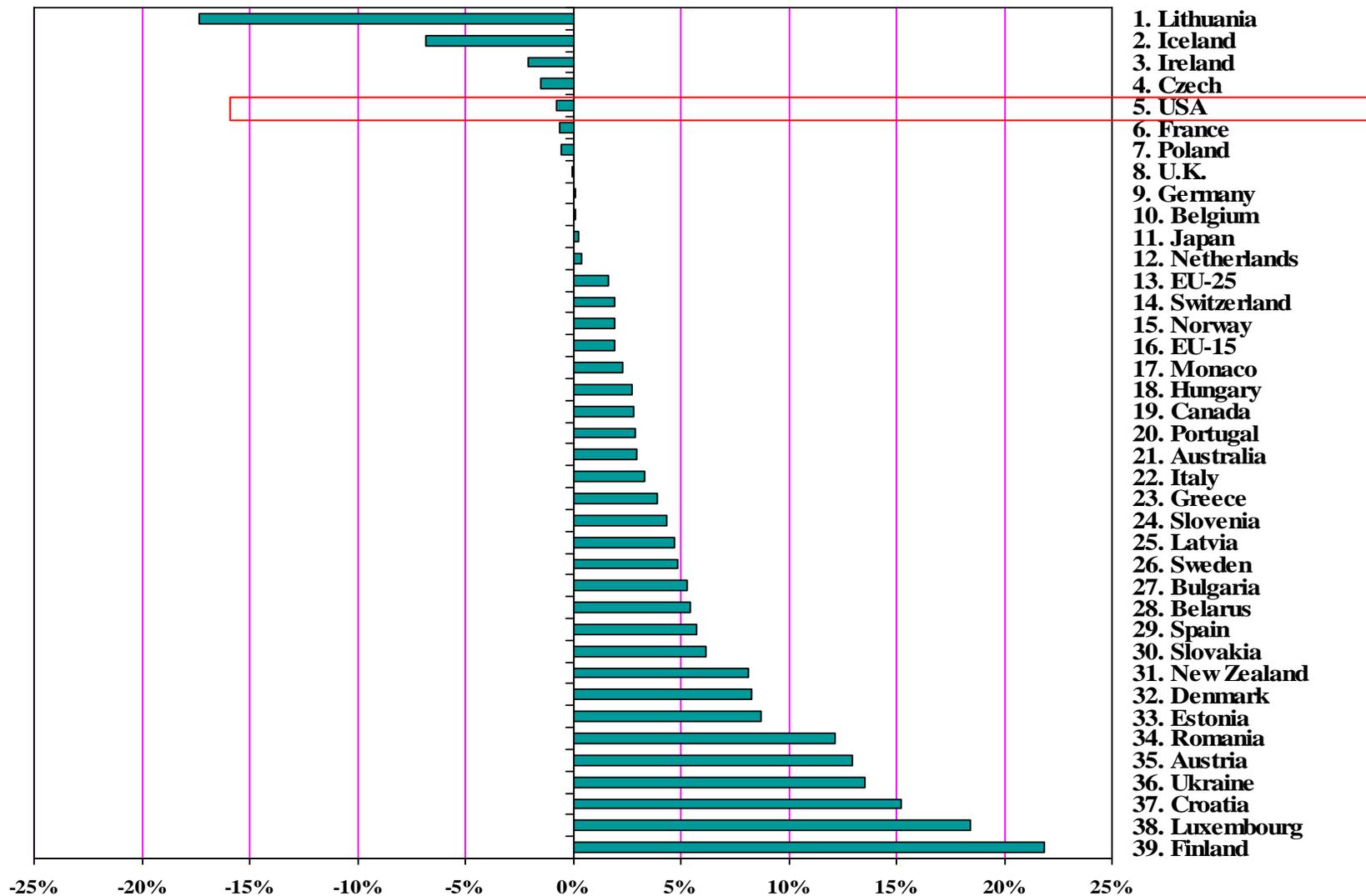
States – account for half of the world’s economy, energy use, and greenhouse gas emissions. In announcing the Asia Pacific Partnership on July 27, 2005, President Bush said that:

“This new results-oriented partnership will allow our nations to develop and accelerate deployment of cleaner, more efficient energy technologies to meet national pollution reduction, energy security, and climate change concerns in ways that reduce poverty and promote economic development.”

When he signed the Energy Policy Act of 2005, the President praised the legislative authority it provides for the Asia Pacific Partnership. As we approach the formal launch of the Partnership in Australia after the New Year, we hope to work with you, Mr. Chairman, to ensure that your legislation is effectively implemented and appropriately funded.

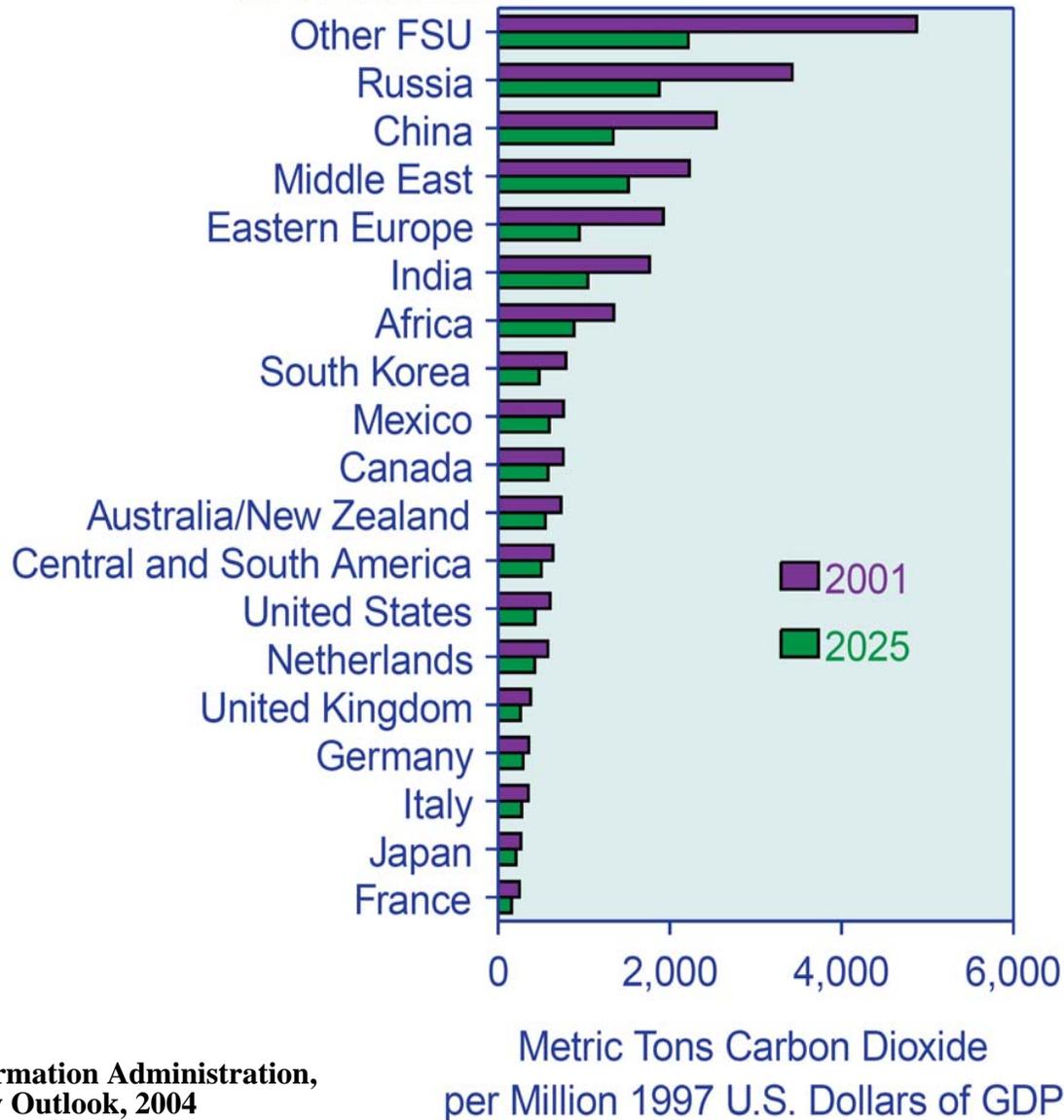
I thank you for the opportunity to testify. I look forward to responding to any questions you may have.

Trends in GHG Emissions, 2000-2003



Source: UNFCCC, 2005 National Inventory Reports and Common Reporting Formats; http://unfccc.int/national_reports/annex_i_ghg_inventories/national_inventories_submissions/items/2761.php

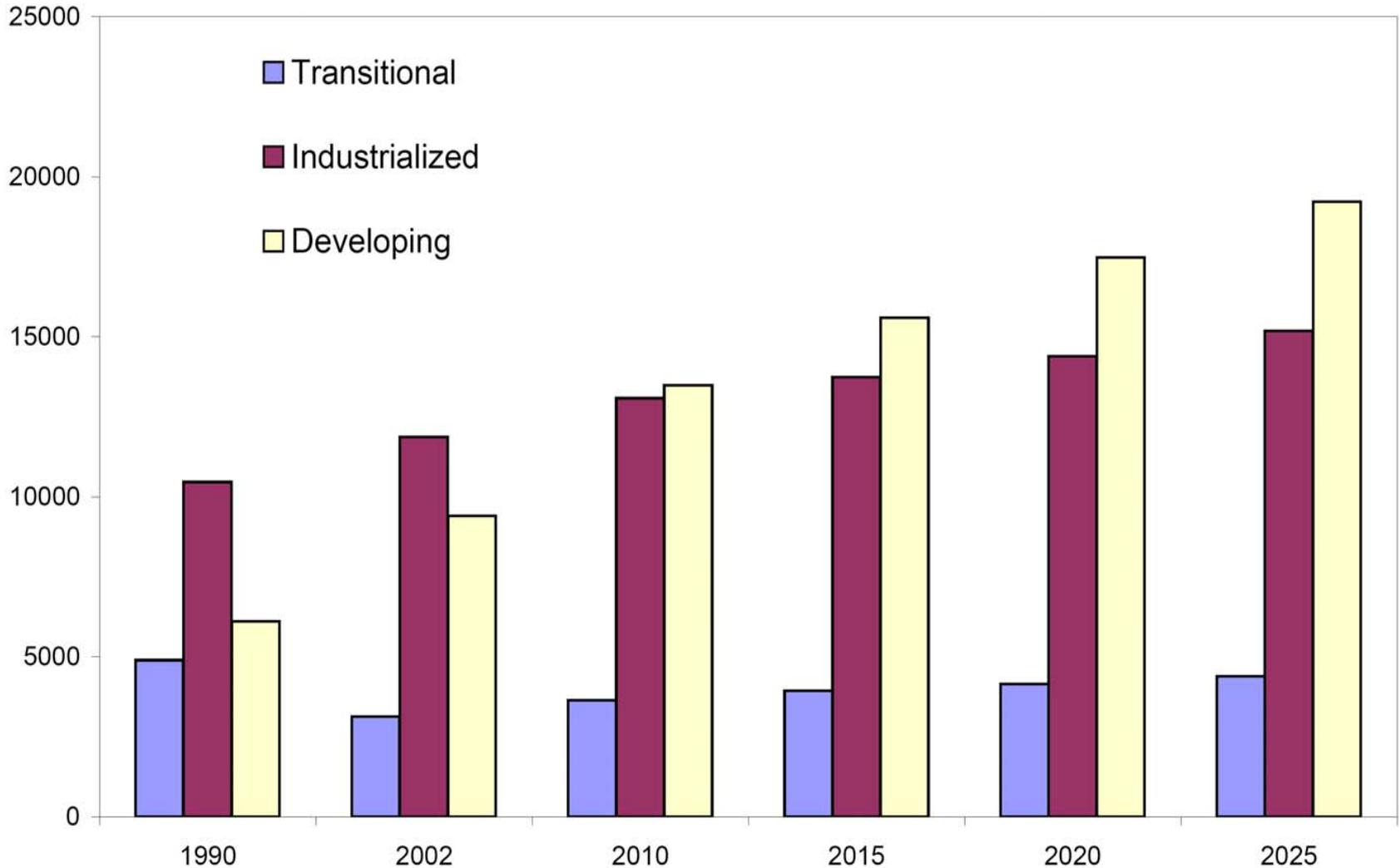
World Carbon Dioxide Intensity by Selected Countries and Regions, 2001 and 2025



Source: Energy Information Administration, International Energy Outlook, 2004

World Carbon Dioxide Emissions by Region

million metric tons



Source: Energy Information Administration, International Energy Outlook, 2005