

Taking Additional Action To Confront Climate Change

In Advance Of Major Economies Meeting, President Bush Announces New Greenhouse Gas Emissions Reduction Goals And Unveils Technology Incentive Reforms

Today, President Bush announced a new national goal to stop the growth in U.S. greenhouse gas emissions by 2025. This new goal marks a major step forward in America's ongoing efforts to address climate change. If we fully implement our strong new laws, adhere to the principles the President outlined, and adopt appropriate incentives, we will put the United States on an ambitious new track for greenhouse gas reductions. The growth in emissions will slow over the next decade, stop by 2025, and begin to reverse thereafter, so long as technology continues to advance. Taken together, these landmark actions will prevent billions of metric tons of greenhouse gas emissions from entering the atmosphere. The President's announcement:

- Comes as this week's Major Economies Meeting in Paris begins to lay the groundwork for the world leaders' climate meeting to be held in conjunction with the G-8 summit in July.
- Informs the debate Congress will soon be having on legislation to reduce greenhouse gas emissions.
- Urges decisions on regulating greenhouse gases to be debated openly and made by the elected representatives of the people they affect, rather than unelected regulators and judges.

We Cannot Make Progress Confronting Climate Change Without Concerted Action By All Major Economies

The Administration is urging each country to develop its own national goals and plans to reduce greenhouse gas emissions. Like many other countries, America's national plan will be a comprehensive blend of market incentives and regulations to reduce emissions by encouraging clean and efficient energy technologies. The Administration is willing to include this plan in an international agreement, so long as all major economies are prepared to include their plans in such an agreement. We recognize that different nations will design different strategies, with goals and policies that reflect their unique energy resources and economic circumstances.

There Is A Right Way And A Wrong Way To Approach Reducing Greenhouse Gas Emissions

The American people deserve an honest assessment of the costs, benefits and feasibility of any proposed solution. Decisions with such far-reaching impact should not be left to unelected regulators and judges, but should be debated openly and made by the elected representatives of the people they affect.

- Some courts are taking laws written more than 30 years ago to primarily address local and regional environmental effects and applying them to global climate change. The Clean Air Act, the Endangered Species Act, and the National Environmental Policy Act were never meant to regulate global climate change. If these laws are stretched beyond their original intent, they could override the programs Congress has recently adopted, and force the government to regulate increasingly smaller users and producers of energy – from schools and stores to hospitals and apartment buildings.

Congressional debate should be guided by certain core principles and a clear appreciation that there is a wrong way and a right way to approach reducing greenhouse gas emissions. Bad legislation would impose tremendous costs on our economy and American families without accomplishing the important climate change goals we share.

- The wrong way is to raise taxes, duplicate mandates, or demand sudden and drastic emissions cuts that have no chance of being realized and every chance of hurting our economy. The right way is to set realistic goals for reducing emissions consistent with advances in technology, while increasing our energy security and ensuring that our economy can continue to prosper and grow.
- The wrong way is to adopt policies that would sharply increase gasoline prices, home heating bills for American families, and the cost of energy for American businesses. The right way is to adopt policies that spur

investment in the new technologies needed to reduce greenhouse gas emissions more cost-effectively in the long term without placing unreasonable burdens on American consumers and workers in the short term.

- **The wrong way is to jeopardize our energy and economic security by abandoning nuclear power and our Nation's huge reserves of coal.** The right way is to promote more emission-free nuclear power and encourage the investments necessary to produce electricity from coal without releasing carbon into the air.
- **The wrong way is to unilaterally impose regulatory costs that put American businesses at a disadvantage with their competitors abroad – which would simply drive American jobs overseas and increase emissions there.** The right way is to ensure that all major economies are bound to take action and to work cooperatively with our partners for a fair and effective international climate agreement.
- **The wrong way is to threaten punitive tariffs and protectionist barriers, start a carbon-based global trade war, and stifle the diffusion of new technologies.** The right way is to work to make advanced technology affordable and available in the developing world, by lowering trade barriers, creating a global free market for clean energy technologies, and enhancing international cooperation and technology investment.

The Administration Calls On All Nations To Help Spark A Global Clean Energy Revolution

At the Major Economies leaders' meeting in July, we will seek agreement on a long term global goal for emissions reductions, as well as agreement on how national plans will be part of the post-2012 approach. The next step in the Major Economies Process is a meeting this week in Paris, where representatives of all participating nations will lay the groundwork for a leaders' meeting in conjunction with the G-8 summit in July.

- **This approach must be environmentally effective and economically sustainable.** To be effective, this approach will require commitments by all major economies to slow, stop, and eventually reverse the growth of greenhouse gas emissions. To be economically sustainable, this approach must foster the economic growth necessary to pay for investments in new technology and to raise living standards. The U.S. must help countries in the developing world gain access to the technologies and financing that will enable them to take a lower carbon path to economic growth.

In The Long-Run, New Technologies Are The Key To Addressing Climate Change

Part of any solution means reforming today's complicated mix of incentives to make the development commercialization and use of new, lower emission technologies more competitive. Today, we have a different incentive for different technologies – from nuclear power, to clean coal, to wind, and solar energy. What we need to do is consolidate them into a single, expanded program with the following features:

1. The incentive should be carbon-weighted to make lower emission power sources less expensive relative to higher emissions sources, and it should take into account our Nation's energy security needs.
2. The incentive should be technology-neutral because the government should not be picking winners and losers in this emerging market.
3. The incentive should be long-lasting – it should provide a positive and reliable market signal not only for the investment in a technology, but also for the investments in domestic manufacturing capacity and infrastructure that will help lower costs and increase availability.

Today's Announcement Adds To The Solid Foundation And Mandates We Already Have In Place

Taken together, the landmark actions taken by the Administration will prevent billions of metric tons of greenhouse gas emissions from entering the atmosphere. The Administration:

- Worked with Congress to pass energy legislation that specifies a new fuel economy standard of 35 miles per gallon by 2020, and requires fuel producers to supply at least 36 billion gallons of renewable fuel by 2022.
- Mandated new objectives for the coming decade to increase the efficiency of lighting and appliances.
- Is helping States achieve their goals for increasing renewable power and building code efficiency by sharing new technologies and providing tax incentives.
- Is working to implement a new international agreement that will accelerate cuts in potent hydrochlorofluorocarbons (H-C-F-Cs) emissions.

The Administration has provided billions of dollars in next generation nuclear energy technologies. Along with the private sector, the U.S. has invested billions of dollars more to research, develop, and help commercially deploy renewable fuels, hydrogen fuel cells, and advanced batteries, and other technologies to enable a new generation of vehicles and more reliable renewable power systems. In 2009 alone, the Government and private sector plan to dedicate nearly \$1 billion to clean coal research and development. Incentives for power production from wind and solar energy have helped to more than quadruple its use.

- **The Administration has worked with Congress to make available more than \$40 billion in loan guarantees to support investments that will avoid, reduce, or sequester greenhouse gas emissions or air pollutants.**