

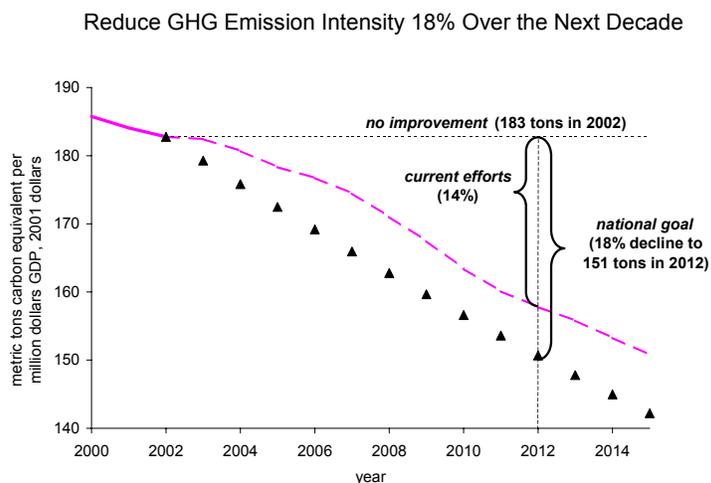
# U.S. Global Climate Change Policy

## A New Approach

The President announced today a new approach for meeting the long-term challenge of climate change. Specifically, the President's plan will:

**Reduce the Greenhouse Gas Intensity of the U.S. Economy by 18 Percent in the Next Ten Years.** Greenhouse gas intensity measures the ratio of greenhouse gas (GHG) emissions to economic output. This new approach focuses on reducing the growth of GHG emissions, while sustaining the economic growth needed to finance investment in new, clean energy technologies. It sets America on a path to slow the growth of greenhouse gas emissions, and – as the science justifies – to stop and then reverse that growth.

The United States will lower its rate of emissions from an estimated 183 metric tons per million dollars of GDP in 2002, to 151 metric tons per million dollars of GDP in 2012. We will achieve these reductions through a combination of current and new efforts. Meeting this commitment will prevent over 500 million metric tons of greenhouse gases from entering the atmosphere over the next ten years – the equivalent of taking 70 million cars off the road. This goal is comparable to the average progress that nations participating in the Kyoto Protocol are required to achieve.



**Substantially Improve the Emission Reduction Registry.** The President directed the Secretary of Energy, in consultation with the Secretary of Commerce, Secretary of Agriculture, and the Administrator of the Environmental Protection Agency, to propose improvements to the current voluntary emission reduction registration program under section 1605(b) of the 1992 Energy Policy Act within 120 days. These improvements will enhance measurement accuracy, reliability and verifiability, working with and taking into account emerging domestic and international approaches.

**Protect and Provide Transferable Credits for Emissions Reduction.** The President directed the Secretary of Energy to recommend reforms to ensure that businesses and individuals that register reductions are not penalized under a future climate policy, and to give transferable credits to companies that can show real emissions reductions.

**Review Progress Toward Goal and Take Additional Action if Necessary.** If, in 2012, we find that we are not on track toward meeting our goal, and sound science justifies further policy action, the United States will respond with additional measures that may include a broad, market-based program as well as additional incentives and voluntary measures designed to accelerate technology development and deployment.

**Increased Support for America's Commitment to Climate Science and Technology.** The President's budget includes \$4.5 billion for climate change programs in 2003, a \$700 million increase over FY'02 – notable given America's focus on security issues in the President's new budget proposal. Key elements of this effort include:

- ✓ **The Climate Change Research Initiative.** The U.S. will spend \$1.7 billion in FY'03 for basic research on climate change, \$40 million of which is dedicated to leverage other funding to address major gaps in understanding the carbon cycle and the role of black soot.
- ✓ **The National Climate Change Technology Initiative.** The U.S. will spend \$1.3 billion on climate change technologies, of which \$40 million will be spent on development and deployment of advanced energy and sequestration technologies critical to long-term emission reduction.

**Implement a Comprehensive Range of New and Expanded Policies,** including:

- ✓ **Business Challenges:** The President challenged American business and industry to develop new agreements with the Administration to reduce greenhouse gas emissions, building upon successful aluminum and semiconductor agreements.
- ✓ **Enhanced Activities in the Transport, Manufacturing and Agricultural Sectors:** The plan includes \$4.6 billion in tax incentives over five years to spur investments in renewable energy, hybrid and fuel cell vehicles, co-generation and landfill gas. The President also supports including expanded sequestration elements in the Farm Bill.

**New and Expanded International Policies Designed to Complement Our Domestic Programs:**

- ✓ **Triple Funding for "Debt-for-Nature" Tropical Forest Conservation Programs to \$40 million.** Under the Tropical Forest Conservation Act, developing countries agree to protect their tropical forests from logging, protecting biodiversity, avoiding emissions, and preserving the substantial carbon sequestration services they provide. Under the Bush Administration "debt-for-nature" swaps have been negotiated with Belize, El Salvador, and Thailand.
- ✓ **Fully Fund the Global Environment Facility (GEF).** The President's plan calls for \$178 million in FY03 for the GEF, the chief multilateral climate change assistance funding mechanism – an increase of more than \$77 million.
- ✓ **Bilateral Assistance.** The President's climate plan calls for \$155 million for the United States Agency for International Development, which will continue to be a major source of climate technology assistance to developing countries.
- ✓ **Investing \$25 Million in Climate Observation Systems in Developing Countries.** In response to the National Academy of Sciences' recommendation for better observation systems, the President has allocated \$25 million and challenged other developed nations to match the U.S. commitment.