



## Thinking About Transatlantic Climate Policy

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Transatlantic climate policy is in a rut. During the days of the Bush administration, very little has been done in terms of climate protection—one can even say that the opposite has happened. The latest declaration by the American president, that no carbon dioxide reductions are planned until 2025, diminishes any hope of a European-American cooperation in the near future even further. Neither the Stern nor the IPCC reports, nor the conferences in Nairobi and Bali seem to influence the U.S. White House in its awareness of climate change. Thus, the decisions and agreements made in Heiligendamm in 2007, which were also supported by George W. Bush, are just empty words.

Now that climate change is recognized in its entirety and its imminence, pressure on some parts of the political elite in the United States seems to have increased. At the state level, partnerships are being formed that are closely watched by the German political sphere. In particular, the name of California governor Arnold Schwarzenegger is frequently mentioned in this context; indeed, there is the impression that Germany's relationship with California is stronger than that with Washington. The International Carbon Action Partnership (ICAP) is strongly backed by Germany, as well as by Schwarzenegger. Should there develop, based on the ICAP, a medium- or long-term reliable carbon market, it would be a big success for American energy and climate policy. However, this success would occur without any assistance from the current government in Washington.

In order to increase the European Union's pressure on the international community, Germany is seeking to increase pressure within the EU. We want to set precedents. The European Union wants to cut its carbon dioxide emissions by 2020 by 20 percent of its 1990 emissions. In the case of an international treaty, Germany would commit itself to an even more ambitious goal and increase its carbon dioxide cuts to 40 percent. This can be understood as an incentive for the United States to also decisively counter the imminence of climate change. Plus, jobs will be created in the U.S.—by efficiency measures, such as refurbishment of buildings and the production of renewable energies.

Basically, we Germans are pursuing a triad strategy: Firstly, we try to set a good example. This is not entirely disinterested, of course. We hope for the ‘first-mover’ share in markets which promise to become more important than the automobile industry ever was. Secondly, we don’t want to waste too much of our personal energy on those that still ignore, or even fight, the urgently needed energy transformation. We are looking for a coalition of the willing, be it at the state or national level. Thirdly, we are pursuing the international process as well, although we’re moving at a snail’s pace. The Kyoto process makes world governments fight about carbon dioxide reductions of about 5 percent, although all parties concerned know very well that we would need a 50 to 80 percent reduction if we really want to avert the worst consequences of climate change. Still, we stick to the process and press ahead as much as we can.

The declarations that we have heard during the presidential primary races in the United States give us hope that there might be a change in U.S. climate policy after the presidential elections. We are counting on our American friends to surprise us: Maybe the United States will never sign the Kyoto Protocol because they have more ambitious ideas for how to address climate change. All three presidential candidates are being watched closely in Europe in terms of their positions regarding international climate policy. Even the chief advisor to the Republican candidate, Senator John McCain, suggested that the biggest policy change after a McCain win would be in the issue area of climate policy. Since both Democratic candidates have embraced progressive solutions to the issue as well, we Europeans hope to forge ahead with the Bali Road Map with the help of the Americans after the elections in November 2008, regardless of who is in the White House.

Furthermore, the bills drafted by the Democrats in Congress regarding the introduction of a Cap and Trade System foreshadow an honest climate policy that might come true should the White House turn ‘blue’ again. A real transatlantic climate policy could tie in there. Several U.S. local authorities have set a good example already. All these tendencies still can produce a real transatlantic dialogue which truly deserves the name of international climate policy. There is hope that soon there will be an all-encompassing transatlantic climate policy—a transatlantic cooperation between our companies, our scientists, and our consumers. We, the politicians, are just the catalytic converter and try to pave the way.

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