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President Bush Sets New National Climate Change Goal to Halt Growth of Emissions By 2025 *Also Identifies Principles to Guide the U.S. in International Negotiations and Domestic Legislation*

In a Rose Garden speech April 16, President George W. Bush for the first time called for stopping the growth of U.S. greenhouse gas (GHG) emissions no later than 2025. The new 2025 goal continues the Administration's long-term strategy of slowing, stopping, then reversing the U.S. emission of GHGs, and represents the next step from the President's 2002 announced goal to reduce America's GHG "intensity" by 18 percent through 2012.

To reach the new goal, the President will pursue an economy-wide strategy that builds on existing programs such as CAFE standards, renewable fuel mandates, incentives for renewable power generation, and lighting and appliance efficiency standards. For example, he urged that the current U.S. incentive program be reformed to make lower-emission electric power sources less expensive. The incentive program should not involve the government picking winners and losers, and should be long-lasting to provide a strong signal for investment in technology and infrastructure.

The President stated that any approach to GHG emissions reductions also needs to strengthen energy security and grow the U.S. economy, and not stifle progress

in the developing world. He indicated that the only real way to achieve each of these objectives is through acceleration of technological advances. The 2025 goal is intended to help incentivize a shift to a new generation of fuels like cellulosic ethanol, and to bring about a more rapid slowing of power sector GHG emissions over the next 10 to 15 years, with such emissions declining thereafter. It is worth noting that the program specifics outlined in the President's speech seem consistent with previous, broader Administration statements on addressing the challenge of climate change.

The President also mentioned Senate Majority Leader Harry Reid's intent to bring the Lieberman-Warner legislation to the Senate floor in early June. He stated that there is a right and a wrong way to go about passing national legislation, and that the major bills under discussion represent the wrong way because they increase the price of gasoline, home heating fuel, and energy, as well as raise taxes, duplicate mandates and demand sudden and drastic emissions cuts that are unachievable. He believes that the unilateral imposition of such costs will drive American jobs

overseas and increase global emissions of GHGs.

In his view, the “right way” is to ensure that all major economies take action, but not in a way that starts trade wars or protectionist barriers. America should work to make advanced technology affordable and available in the developing world.

What This Means for Climate Legislation

Given the President's veto power, his statements regarding the current Lieberman-Warner legislation put a sharp focus on the topics that must be resolved. It is clear that much progress remains to be made on issues such as cost-containment mechanisms, technology incentives, the role of nuclear power, potentially duplicative state/federal authority, full international participation, and other matters. To get the bill off of the Senate floor, these issues must be resolved in the limited time remaining for the 110th Congress. Companies should carefully monitor the Senate's ongoing negotiations, especially for individual issues that might be

resolved this year, even if an overall agreement remains out of reach.

What This Means for International Negotiations

The next session of the “Major Economies Meeting” (MEM) begins this week in Paris. The President noted that the MEM discussions are an attempt to get beyond the impasse created by the Kyoto Protocol's distinction of “developing” versus “developed” nations. The MEM process makes no distinction regarding development status; rather it seeks binding commitments from the 17 largest GHG emitters to an emissions reduction plan. The new GHG reduction goal and key program elements discussed by the President will no doubt be a hot topic at the Paris MEM conference. It will be a difficult task, but if the MEM framework is agreed to by its members, it could gain traction within the United Nations process and be put into play as a successor to the existing Kyoto Protocol.

CO₂ Regulation Under the Clean Air Act and Other Existing Laws

The President also noted that recent court decisions have taken laws written

more than 30 years ago to address local and regional environmental effects and applied them to global climate change. Examples include the Clean Air Act, the Endangered Species Act and the National Environmental Policy Act. Unless these laws are changed, companies will be regulated for GHG emissions under a strained application of the existing framework, with the federal government forced to act as a local planning and zoning board regulating a huge number of entities, ranging from schools and stores to hospitals and apartment buildings.

About Our Practice

Hunton & Williams' global climate change law and policy practice consists of more than 30 attorneys who closely track emerging regulatory, legislative and litigation-related issues in the climate change arena and who advise on investment and trading already occurring in mandatory and voluntary carbon markets. If you have any questions about these and other issues, please contact us, or visit our [Climate Change Law and Policy](#) page at www.hunton.com.