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**CLIMATE CHANGE POLICY: NEXT STEPS**

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Remarks: SENATOR CHUCK HAGEL (R-NE)  
SENATOR JOHN F. KERRY (D-MA)

Speakers: WILLIAM K. REILLY  
STUART E. EIZENSTAT  
FRANK E. LOY  
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Moderator: NIGEL PURVIS

***\*\*THE FOLLOWING TRANSCRIPT DOES NOT INCLUDE  
THE PANEL DISCUSSION.\*\****

[TRANSCRIPT PRODUCED FROM A TAPE RECORDING]

## PROCEEDINGS

MR. PURVIS: Good morning. I'm Nigel Purvis together with my colleague David Sandalow. I direct the Environment and Energy Project here at the Brookings Institution. Welcome. We are delighted to have you join us today. Senator Hagel has arrived and will be taking a seat in a moment.

This event is part of a series of global warming policy discussions at Brookings involving leading U.S. and international decision makers. Today's discussion is made possible with support from the Rockefeller Brothers Fund and the Virginia Wellington Cabot Foundation. Over the past year alone, Brookings has hosted climate change dialogues with senators McCain and Lieberman, former Energy Secretary Abraham, World Bank president Wolfensohn, energy and environment ministers from the United Kingdom and Germany, senior climate change negotiators from around the world, and many other distinguished guests.

Brookings has backed its public events with serious, original research. Available in the bookstore in the lobby are several remarkable manuscripts, including "Climate Policy After Kyoto," by Peter Wilcoxon and Warwick McKibbin; "Statehouse and Greenhouse," by Barry Rabe. You will also find climate change opinion pieces that are more recent from a number of Brookings scholars on tables outside of this auditorium. Strobe Talbott, the president of Brookings, and James Steinberg, the director of the Foreign Policy Studies Program, are out of the country today. On their behalf, I reaffirm Brookings' commitment to deepening its energy and environment research in the years ahead.

Let me turn now to the policy context that brings us here today. "The report of my death was an exaggeration," Samuel Clemens's famously wrote. So was the Bush administration's 2001 obituary for the Kyoto Protocol on Global Warming, which, after seven years in critical condition, enters into force on February 16th, albeit without the United States. Kyoto will be a reality, but its legacy will be uncertain. Our aim today is to avoid past debates about whether Kyoto is fatally flawed in fundamental ways. Instead, we intend to look forward, examining lessons from the Kyoto process for the future, reflecting on Kyoto's implications for the United States and its foreign policy, exploring new ideas on American leadership on global warming.

Perhaps Kyoto's entry into force demonstrates that other nations are proceeding over America's objections, defining international aspects of the agenda without us. The Bush administration's refusal to reduce emissions at home or offer an alternative international blueprint may have contributed to a false caricature of the United States as a nation that rejects international cooperation and ignores global challenges. For several years, the Senate has called on the Bush administration to re-engage in international climate talks. While Kyoto remains controversial, perhaps the need for new ideas in the United States is less so.

At the same time, Kyoto's entry into force obscures temporarily the poor health of the Kyoto negotiating process. Few nations are prepared to extend Kyoto's system of legally binding greenhouse gas emission targets beyond 2012, when they expire. Moreover, neither Japan nor, to a lesser extent, Europe are on track to meet their Kyoto commitments and many other nations seem reluctant to act in the Kyoto mode.

Like Washington's cicadas, Kyoto's took years to hatch, received enormous attention, and may, as things stand today, be short-lived. Answers are needed now about what will follow Kyoto. A new international arrangement could take years to finalize, and advance planning would greatly reduce the cost of action. In Buenos Aires two months ago, diplomats agreed for the first time to begin later this year discussing post-2012 options. Other nations stand ready to give any new American ideas a fair hearing. Regrettably, so far the Bush administration has no concrete objectives for those talks. But fault lies also with the progressive community that seems unwilling to consider alternative approaches outside of the Kyoto framework, approaches that might stand a better chance of bringing China and India on board. Fortunately, there is a growing agreement in the United States that our nation can and should forge a bipartisan approach on climate change.

No consensus exists yet, but that's why our talks today hold such promise. We will hear from two of the Senate's most knowledgeable leaders on global warming as well as from four former climate change negotiators. A more distinguished group of speakers on this topic is difficult to imagine. Samuel Clemens also said, "A great, great deal has been said about the weather but very little has ever been done about it." That's true of global warming as well. We have an opportunity today to consider how the United States can help break that pattern.

It is now my pleasure to turn to my good friend and colleague, David Sandalow, who will provide a brief introduction for Senator Chuck Hagel.

[Applause.]

MR. SANDALOW: Ladies and gentlemen.

Chuck Hagel, Nebraska's senior U.S. senator, was reelected in November 2002 with 83 percent of the vote. Senator Hagel sits on four Senate committees—Foreign Relations, Banking, Intelligence, and Rules. Prior to his election, Senator Hagel was president of McCarthy & Company, an investment banking firm in Omaha. His previous government service includes stints as deputy director of the 1990 G-7 Summit and deputy administrator of the Veterans Administration. Chuck Hagel served our nation and all of us in Vietnam as a member of the Army's 9th Infantry Division, earning many decorations and honors, including two Purple Hearts.

Senator Hagel has long been a powerful voice on the topic of today's conference, global warming. The Byrd-Hagel resolution, which passed the U.S. Senate 95-0 four months before the Kyoto conference in August 1997, has played a large role in shaping U.S. climate change policy ever since. Senator Hagel attended the Kyoto conference and subsequent conferences in The Hague and elsewhere around the world.

My own introduction to Senator Hagel was an experience of—how shall I say this?—pure terror. I had never met Senator Hagel when I learned that he would chair my confirmation hearing, a prospect that caused my heart to beat quickly, knowing the different views he and I had on the topic of global warming. I've always been grateful, though, for the enormous decency with which Senator Hagel conducted that hearing—giving me a hard time on the substance, but treating me as well as my family with the greatest respect.

Senator Hagel has graciously agreed to take 10 minutes of questions after his speech. Senator Chuck Hagel has earned his reputation for keen intelligence, for plain speaking, for decency, and for the highest dedication of public service.

Ladies and gentlemen, Chuck Hagel.

[Applause.]

SENATOR HAGEL: David, thank you. Nigel, I appreciate your introduction of the topic this morning as well. Thank you very much.

David got off easy with that confirmation hearing because of his charming family and children.

[Laughter.]

SENATOR HAGEL: Children do make a difference. Many of you have been confirmed. Bill Reilly is here, and Frank Loy and others, who had to run that gauntlet. So if you have young children, for those of you who are anticipating confirmation, bring them along and put them in the front row. Even Jesse Helms is held harmless with those children.

[Laughter.]

SENATOR HAGEL: But David, thank you. You did a spectacular job in the Clinton administration and I always admired your efforts and your focus, as well as Frank Loy who you will hear from this morning, as he will be part of a panel, and I think Stu Eizenstat, if he parachutes in from somewhere. Oh, there's Stu. Stu, good morning. Nice to see you again.

I recall many early-morning conversations I would have getting calls from Europe and Asia from Frank Loy and Stu Eizenstat. No matter where I was, they found me. I miss those times when we were able to engage in some pretty thoughtful dialogue. I recall vividly, as David and Frank and Stuart were all in Kyoto when they brought Eizenstat in from where?—Switzerland, I believe. And I think you went 72 hours without an hour of sleep, which has always been a remarkable achievement, and stayed on your feet and negotiated and actually pulled some things together. So our country is grateful to you, Stuart for what you've done in so many capacities. So good to see you again.

And I want to thank the Brookings Institution for hosting this day of important exchange. I know that it is in the tradition of this excellent institution to do this kind of work. But I do believe the topic that you will engage today is not only particularly timely, as was noted, with the Kyoto Protocol coming into effect in a week, but I think it is timely and important for our country and for the world. So we are—those of us who do think that we need to do something about this issue and put the United States into a leadership position on climate change are particularly grateful for this day and your efforts because it does help our efforts as we work our way along in the Congress. I will note some of the things that I'm going to do in particular here in my written comments.

I want to acknowledge some of my colleagues in the Congress, in particular John Kerry, who will be here this afternoon, John McCain, Joe Lieberman, and others, who will be presenting legislation as well. Their efforts are important. We have some disagreements

sometimes on how we get to where we think we need to go, but nonetheless, unless we engage the issue and we are focused and willing to have an honest dialogue and give-and-take, we will, unfortunately, fall back, as we have the last four years, and do nothing. And I don't think we can afford to do that.

So I will present some specific thoughts today on what I think we could do, should do. This does not represent in any way, at least in my opinion, the most concise effort nor best approach that we could take to climate change. It is an offering. It is a beginning, at least a beginning where I think we should start in the Congress. We need to get deeply into hearings on this issue. I've had some assurances from senior members of our Congress, in particular chairmen, that we will engage this issue.

So, thank you for allowing me an opportunity to be here and exchange some of my thoughts with you.

Global climate policy affects the world's economic, energy, and environmental policies. Climate change does not recognize national borders. It is a shared responsibility for all nations. Dealing with global climate policy requires a level of diplomatic intensity and coordination worthy of the magnitude of the challenge.

The scientific community is not uniform in its assessments of the causes or solutions for dealing with climate change. There is no doubt that human society is having an impact on our environment. There have been numerous studies looking at how man's actions may be affecting the climate. That impact is subject to different interpretations, but human society has contributed to pollution and strong evidence suggests a global warming trend. We also know that global warming trends have occurred in cycles throughout earth's history.

There will always be uncertainties and incomplete information in any climate policy. But that should not inhibit our commitment to developing climate policies based on sound science.

The climate change debate is not a debate about who is for or against the environment. No one wants dirty air, dirty water, prolonged drought or declining standards of living for their children or grandchildren. We all agree on the need for a clean environment and a stable climate. The debate is about solutions. The question we face is not whether we should take action, but what kind of action we should take. Climate change initiatives should include commitments to research and development, technology, and a more efficient and productive use of energy and resources.

In the next few days, I will introduce comprehensive climate change legislation that authorizes new programs, policies, and incentives to address the reduction of greenhouse gas emissions. It will focus on the role of technology, private and public partnerships, and developing countries.

Any climate policy initiative must include clear metrics that recognize the links between energy, the economy, and the environment. It is a global issue. Too often these policies are considered in vacuums. Bringing in the private sector, and creating incentives for technological innovation, will be critical to real progress on global climate policy.

I believe that greenhouse gas intensity, or the amount of carbon emitted relative to economic output, is the best measurement for dealing with climate change. Greenhouse gas emission intensity is the measurement of how efficiently a nation uses carbon-emitting fuels and technology in producing goods and services. It captures the links between energy efficiency, economic development, and the environment.

My plan includes three pieces of legislation that I will introduce. The first, the Climate Change Technology Deployment in Developing Countries Act; the second, the Climate Change Technology Deployment Act; and the third bill will be the Climate Change Technology Tax Incentives Act.

The Climate Change Technology Deployment in Developing Countries Act provides the secretary of state with new authority for assistance to developing countries for projects and technologies that reduce greenhouse gas intensity. It supports the development of a U.S. global climate strategy to expand the role of the private sector, develop public-private partnerships, and encourage the deployment of greenhouse gas reducing technologies in developing countries. This bill directs the secretary of state to engage global climate change as a foreign policy issue. It directs the U.S. trade representative to negotiate the removal of trade-related barriers to the export of greenhouse gas intensity reducing technologies, and it establishes an inter-agency working group to promote the export of greenhouse gas intensity reducing technologies and practices from the United States. The legislation authorizes fellowship and exchange programs for foreign officials to visit the United States and acquire the expertise and knowledge to reduce greenhouse gas intensity in their countries.

Current international approaches to global climate change overlook the role of developing countries as part of either the problem or the solution. One week from today, as has been noted, the U.N. Global Climate Treaty signed in Kyoto, Japan, in 1997 will enter into force, mandating emission reductions in the developed nations that ratified it. In July 1997, months before the protocol was signed—as also has been noticed—the Senate unanimously passed Senate Resolution 98, the Byrd-Hagel Resolution, which called on the president not to sign any treaty or agreement in Kyoto or elsewhere unless two conditions were met. First, the United States should not be party to any legally binding obligations on greenhouse gas emission reductions unless developing country parties are required to meet the same standards. Second, the president should not sign any treaty that would result in serious harm to the economy of the United States.

Kyoto does not meet either of these conditions. As it stands, developing countries are exempt from the Kyoto obligations, leaving 31 developed countries to address greenhouse gas emissions. Developing nations are becoming the major emitters of greenhouse gases, but they are exempted from the Kyoto Protocol. A recent Congressional Budget Office report explains that developing countries are projected within the next 20 years to account for over two-thirds of the growth in carbon dioxide emissions as their populations and economies expand.

There are reasons for this. Developing nations cannot achieve greenhouse gas reductions until they achieve higher standards of living. They lack clean energy technology and they cannot absorb the economic impact of the changes necessary for emissions reductions. New policies

will require recognition of the limitations of developing nations to meet these standards and the necessity of including them in any successful future initiative.

Because Kyoto does not include developing countries, I believe, its approach is unrealistic. Any reduction in greenhouse gas emissions by the United States and other developed nations will soon be eclipsed by emissions from developing nations, such as China, which will soon be the world's largest emitter of manmade greenhouse gases.

It is in the shared interests of the United States and industrialized nations to help developing countries—help them—by sharing cleaner technology. Developing countries can then leapfrog over the highly polluting stages of development that countries like the U.S. have already been through. My legislation includes tax incentives for American businesses to work with foreign countries to help develop clean energy projects and fuel-efficient technologies.

The second bill, the Climate Change Technology Deployment Act, supports establishing domestic public-private partnerships for demonstration projects that employ greenhouse gas intensity reduction technologies. My bill provides credit-based financial assistance and investment protection for American businesses and projects that deploy advanced climate technologies and systems. Federal financial assistance includes direct loans, loan guarantees, standby interest coverage, and power production incentive payments.

We are most successful in confronting the most difficult issues when we draw on the strength of the private sector. Public-private partnerships meld together the institutional leverage of the government with the innovation of industry.

This bill directs the secretary of energy to lead an inter-agency process to develop and implement a national climate strategy provided by the Office of Science and Technology Policy. It establishes a Climate Coordinating Committee and Climate Credit Board to assess, approve, and fund these projects.

The third bill, the Climate Change Technology Tax Incentives Act, amends the tax code to provide incentives for investment in climate change technology. It makes permanent the current research and development tax credit, which otherwise expires on December 31st of this year.

And by the way, these tax incentives would be sunsetted. We are, to some extent, in the predicament we are today in the United States, running \$400 billion deficits, because we never sunset anything. These would have 5- and 7-year sunset provisions written in the law so that they would not go forever. There would be an initial effort of a burst of initiative and activity to try to move these technologies forward quickly, apply them now in areas that need this kind of technology.

An article in last Friday's Wall Street Journal reported on the potential for geologic storage of carbon dioxide as a means to dramatically reduce carbon dioxide emissions. Many of you read the story. Geologic storage involves pumping carbon dioxide into the ground rather than dumping it into the atmosphere. BP has been using geologic storage in Algeria's Sahara Desert and Statoil has been working on this in Norway's North Sea. Chevron Texaco is planning a project off the coast of Australia. And there are other initiatives like this now in process. The

article reports that, "the concept is drawing growing interest because it could curb global warming more quickly than switching to alternative energy sources or cutting energy use." However, there is still much work to be done. But this is the kind of technology that must be employed around the world to achieve results in reducing greenhouse gas emissions. My legislation supports this type of activity.

The American people and all global citizens need to better understand global climate change, its connections to our economic and energy policies, and what the realistic options are for addressing this challenge. Any recommendations regarding climate policy must meet the demand sort of economic growth and development, especially in the developing world. This will require a market-driven, technology-based approach that complements the world's environmental interests and connects the public and private sectors.

Last December, I discussed climate change with Prime Minister Blair in London. I cannot speak for Prime Minister Blair, but I do believe that he understands, completely understands, the limitations of Kyoto, the essential role of technology in addressing climate change, and the need for collective action. He is receptive to a new U.S. initiative that bridges the differences between developed and developing countries. As he pointed out last month at the World Economic Forum at Davos, "It is through the fresh injection of political will, by the G-8 and the emerging economies alike, that these differences can be broken down and a new global consensus reached."

And I might add that I have spoken recently, within the month, twice, at some depth, with our new secretary of state in my office about not only my initiative, but the importance of a U.S.-led initiative to get back on a climate change policy track. And I think Prime Minister Blair's leadership will be critical, as he will put this issue at the top of the G-8 agenda, as he has noted, as he assumes its presidency later this year.

Achieving reductions in greenhouse gas emissions is one of the most important challenges of our time. America has an opportunity and a responsibility for global climate policy leadership. But it is a responsibility to be shared by all nations. I look forward to working with the Congress, the Bush administration, the private sector, public interest groups, and America's allies on achievable climate change policy. By harnessing our many strengths, we can help shape a worthy future for all people, and build a better world.

Thank you very much. I'll be very pleased to respond to questions. Thank you.

[Applause.]

MR. PURVIS: We have microphones. If the speakers could please identify themselves.

SENATOR HAGEL: If you've got some real tough questions that you think I need to take, then eliminate them, but—

[Laughter.]

SENATOR HAGEL: This will be probably fair because I don't know many of you, so I'll just start right here.



QUESTION: While the approach that you're suggesting will increase energy efficiency and economic growth as well, or at least allows for that, critics will point out that total emissions can go up under that approach. How do you respond to that?

SENATOR HAGEL: Well, I suspect critics will respond to my approach here in many ways. Which is all right. That's fair. I think what's important here is achieving a wider-lens angle approach to getting control of this emissions issue, greenhouse gas emissions issue. And it seems to me if we are going to be serious about this and really make a difference, then this metric that I have noted, that I think is probably the most realistic metric to use—because you can't, at least in my mind, as I pointed out in my speech, disconnect all the other interests that are vital for a people, a society, and a nation by just concentrating on one interest, as important as that interest is, greenhouse gas emission reduction.

I mean, these nations of the world, six and a half billion people, most of those are in developing countries. Does that connect to radicalism? Does that connect probably in some way to terrorism? I think there is an inter-connect in all of these. And when you penalize developing countries by not allowing them to develop—or at least in their minds that's what you may be doing, and that's what I addressed in my speech, that they are incapable, most nations at this point, of dealing with this—then how realistically are you going to make a difference? I think intensity metrics and measurement is the smartest way because it does connect to economic policy, to energy use, to a better, more efficient use of energy.

Can we do more? Yes. As I said at the outset of my speech, I don't say or believe that what I have come up with here and what will be in my legislation is the only answer. Maybe it's not the answer. But I'm willing to at least put that forward. And if I would have more colleagues put things forward and we would try to drive to a point here where we can actually achieve something— And this is not to minimize Kyoto in the sense that it is a noble purpose, a noble effort, a noble focus. But I don't think you're going to get anywhere near where you need to be for the good of mankind unless you engage technology and private-sector interests to get it done. I don't think there's any other way to do it. And I would use, again, an example I used in the Wall Street Journal and what's happening with some of these projects now. These are tangible efforts that are going to make a difference.

QUESTION: Brian Stempeck with Environment & Energy Daily.

Senator, how do you envision these bills moving through Congress? Would they go independently, or are you also thinking about putting them through as part of Clear Skies legislation or perhaps the energy bill?

SENATOR HAGEL: Well, as I noted, there are three different bills that I'll introduce at the same time. Each of the bills probably goes to a different committee of jurisdiction. Obviously, the tax bill will go to the Finance Committee. The other two, I'm not sure. Maybe one would go to Energy, maybe another would go to Environment and Public Works. Maybe even a possibility of Foreign Relations would get some jurisdiction. I don't know, but I understand that they will go to three different committees. I've already worked with many of my colleagues on this. I'll have a number of co-sponsors. I'm working with two significant Democrats now to see if I could get at least one of them to co-sponsor this with me. As you all

know, this town, if it's not bipartisan legislation, the likelihood of this going very far is probably not very good. But I will introduce these bills no matter what.

How I envision these unfolding, obviously I would have to engage and persuade the chairmen of the committees that these are worthy of the time from the committee. I will do my best to do that. That's why you, obviously, want a lot of support going in, a lot of co-sponsors going in, especially from the appropriate committees. And we've worked very hard on that. When we introduce the legislation, I'll have the names. I would hope that we could get some action on these bills this year in committees as we move toward some, hopefully, resolution. I would hope that the Bush administration would get engaged. I know, as I noted, my friends John McCain and Joe Lieberman at least are scheduled to introduce legislation next week. That helps. I think the more effort, the more legislation, the more focus is good.

So I'll make this a priority. I will continue to push on this. I think, as I noted at the beginning of my remarks, we have been out of the game for four years. That's dangerous, it's irresponsible. And we need to address it.

Mac?

QUESTION: You don't make any mention of nuclear energy, and it seems to me that nuclear energy in the long run is going to be the answer to these problems. What is your thought about the use of nuclear energy [inaudible]?

SENATOR HAGEL: I support nuclear energy. I think nuclear energy is in the long run part of the answer, for the obvious reasons—it's clean. And I didn't mention it not because I'm opposed to it. There are a lot of things I didn't mention, obviously, but in the interest of not boring you all to the point where you get up and walk out, I tried to keep it as concise as I could. But that is, in my opinion, Mac, a part of the answer. And it's an arc of answers that it seems to me what you employ—tools, policies, technologies, current energy sources that we have. Obviously, alternative fuels are going to be part of the answer—not just because of my parochial narrow interest here in ethanol and biodiesel. But anything that moves us away from carbon-based fuels is part of the answer. And I don't think there is one answer. I think there are, as I said, an arc of answers that get us there.

QUESTION: Transportation use of fuels in the United States is the largest source of greenhouse gas emissions.

SENATOR HAGEL: Yes.

QUESTION: What are your thoughts about how to improve the greenhouse gas intensity of the transportation sector of the United States?

SENATOR HAGEL: I spent a couple of days in Michigan in August visiting the car companies, looking at what they have now on the production line, what they're working on, what their future models are to address this issue. And as you know, a couple of car companies have already made announcements here in the last few weeks that they're going to have products on the market, and hybrid motors being probably the most feasible, acceptable by the consumer market at this point, as they develop those. I actually think the automobile industry is a long way down the road on finding alternatives to deal with this issue. And you're absolutely correct, as

we all know, that that is the big emission source. We're going to have to focus on that. And I think we are doing a fairly good job with that.

But again, I go back to what Mac's question was about nuclear. It's going to take the entire arc of alternatives here to deal with this issue. And certainly, the transportation industry, in that universe, is, just by the numbers, the most important, and we're going to have to deal with that. And again, from what I've seen, we can do more; they will do more. But we're well down the road here on this.

I made a comment in the speech. Some of you may have thought it was a strange comment to make—you may have thought the whole speech was strange. But the point about education. I mentioned that it's important for Americans and citizens of the world to understand this issue. The reason I said that is because the acceptance of the consumer market for alternative sources of fuel, alternatives in modes of transportation—certainly at buying a hybrid versus a 300 hp Cadillac. Big difference there. And the acceptance of the marketplace, the consumer acceptance, is going to be critical here.

Now, I think we all believe the more education and information that's out there helps us be more informed consumers, whether it's coffee or whatever you're buying. And that's going to have to play a big role in this. I think that's a role that we have missed in this country for the last four years. We've done nothing, virtually, this administration or this Congress, to help educate Americans about this issue and how the average American can in fact have an impact and must have an impact on dealing with it. And the automobile industry is a very good example.

QUESTION: Rev. Jim Ball with the Evangelical Environmental Network and the What Would Jesus Drive campaign. You might have seen the story in the Post, "The Greening of Evangelicals," about the fact that more and more folks in our community are becoming aware of mercury's impact on the unborn and global warming's impact on the poor. And for us, we look at climate change as a profound justice issue, a relief and development issue. We pour lots of money into caring for the poor in poor countries, and we're very concerned about the profound impacts that global warming is going to have on the poor.

So my question to you is how do you look at this as a moral or ethical issue?

SENATOR HAGEL: I look at it the same way I would look at any policy. There is a moral and ethic dynamic to everything. I don't see how you disconnect that from this policy or any policy, whether it's tax policy, entitlement policy, war, foreign policy. Certainly ethics and morals should drive everything we do. And I go to church on most every Sunday, but I try to keep a broad mind on that.

I wanted to also—it kind of connects a little back to your first part of the question that Mac asked that I didn't answer, Clear Skies. This legislation I'm introducing does not have anything to do with Clear Skies. As you know, that addresses something else. Clear Skies legislation does not address carbon. They have three other interests that they're after. So this would be separate from. It doesn't mean it couldn't be melded in in some way.

QUESTION: You talked about consumer education and using the market. Why not a cap and trade system that allows for the market to find the most efficient solution to the problem

and, as under Kyoto now, allows developing countries to participate on a voluntary basis and allows the market to act?

SENATOR HAGEL: Are you talking about a voluntary cap and trade?

QUESTION: A mandatory one — true price signals, which educates the consumer through prices.

SENATOR HAGEL: I don't think that's a wise course of action and I'm opposed to it. I think there are better alternatives, which I've laid some out. You can agree, disagree; it may work, may not work. But I think we're always better off not to try the punitive first. I think we ought to try the incentive first.

QUESTION: Bill Bradley from the World Resources Institute. I'm going to abuse this microphone by asking two questions.

One very quickly, you referred to greenhouse gas intensity target. You didn't refer to making it, for instance, mandatory. So does it differ from that already laid out by the president? And if so, how?

Secondly—

SENATOR HAGEL: Hold on to that and let me answer that question. I'm not sure what the president's laid out. You said does it differ from what the president's laid out—what has he laid out?

QUESTION: He had a voluntary target for reducing greenhouse gas intensity of the U.S. economy by 18 percent by 2012.

SENATOR HAGEL: Well, that's an interesting concept and an interesting purpose and point, but I'm not aware of any specifics that he ever laid out in a program or a plan or legislation, like I have.

So, second question.

QUESTION: Second, just with reference to the engagement of developing countries. As you may be aware, China is now outstripping the U.S. in a number of areas of climate policy, including higher vehicle efficiency standards and higher building efficiency standards. Is the U.S. going to try and match developing countries in their implementation of climate policy?

[Laughter.]

SENATOR HAGEL: I'll ask Secretary Rice.

I don't think that's the point. China has immense problems in this area, as you know. Bill Reilly and I were just talking about it. I mean, they've got a great abundance of coal, and they're going to use that coal. And that's developing a big, big mess in China. So I can't speak for China, I can't speak for Secretary Rice, can't speak for the Bush administration, can't speak for the Congress. I have a hard time speaking for myself. But I don't think that's the point.

Congratulations on good work, and have a great day. Thank you very much.

[Applause.]

MR. SANDALOW: Ladies and gentlemen.

Senator John Kerry brings to this room more than the recognition he gained last year as his party's nominee for president of the United States. He brings more than a distinguished record of 20 years in the United States Senate. He brings more than a record of service to his nation that includes valor in combat, three Purple Hearts, and one Silver Star. And he brings more to this room than his wife, the remarkable environmental leader, Teresa.

John Kerry brings to this room as well enormous expertise on the topic of today's conference, global warming. John Kerry has been on the front lines of this issue for many years. He attended the Rio Earth Summit in 1992, the Kyoto conference in 1997, and other global warming conferences in Buenos Aires, The Hague, and around the globe. He has been a steady, strong, and powerful voice, urging his country and the world to pay attention to this issue and to find workable solutions.

And John Kerry has been not just a powerful voice, but also a serious student of this complex topic. As many past members of U.S. government climate change delegations know, when John Kerry asks you a question, he expects a thorough answer. I remember one working dinner at his home that fully earned that name "working dinner," as Senator Kerry grilled each of us the assumptions underlying our negotiating strategy. Senator Kerry's substantive knowledge on this topic is deep and his commitment is clear.

Ladies and gentlemen, John Kerry.

[Applause.]

SENATOR KERRY: David, thank you very much. Thank you, all, for a generous welcome here. I apologize for keeping you waiting for a few moments. I want you all to know that, according to the exit polls, there are several hundred thousand of you here in this room right now.

[Laughter.]

SENATOR KERRY: I can't tell you how wonderful it was to have been the 44th president for about five hours.

But I'm glad to be here and very, very grateful to you for the time to talk about a subject of enormous importance. David, thank you. Thank you to the Brookings Institution for putting the panel together this morning. I'm in great company here. I don't see Stu here at this moment, but with Bill and Frank Loy here, you've certainly had expertise that understands the ins and outs of this topic as well as anybody in the world. And I'm always proud, happy to be anywhere with my first lady, Teresa Heinz Kerry, who does a great job.

[Applause.]

SENATOR KERRY: I've had the privilege of working with many of the folks that you heard from here this morning and others on an international basis on this subject. So it's important, it's timely that we're here. The challenge of global warming is urgent, and it receives far too little attention on Capitol Hill notwithstanding its importance to us in terms of our security and our economy and the potential impacts, both positive and negative, that it can have

with respect to economic growth and the long-term security of our country. As you know, I tried to make a lot of these environmental issues, and particularly this one, the central issues of the campaign. But with only one environmental question in three presidential debates, we obviously have a lot of work to do.

So here we are 13 years later—13 years after the Rio Earth Summit of 1992, which we were at, Teresa, Bill, myself, others; 13 years after the world's first effort to craft a global response to the threat of climate change, which is the only response that ultimately will be effective. It was at those talks that the American delegation, led by then-Administrator Reilly under the tight control and guidance of the White House, that it ultimately embraced the U.N. framework of global climate change. And as we know in that agreement, and you just talked about it this morning, 100 nations not inconsequentially, 100 nations—finance ministers, environment ministers, prime ministers, presidents, governments—all made the decision—not lightly, not based on whim and fancy or some feeling of the political moment but based on science, based on urgency—13 years ago those 100 nations decided to accept the scientific evidence of pollution altering the composition of the atmosphere. And they set a voluntary goal back then to "prevent dangerous anthropogenic interference with the climate system."

In other words, 13 years ago we recognized globally that this was a global problem in need of a global solution. We set a path for future negotiations. It was a small step, but boy was it ever an important step, a real step forward. It was progress in the best bipartisan definition of the word.

And it was then only a few years later that President Clinton started to build on that with the foundation that was laid there. In Japan, Argentina, and the Netherlands, I both watched and also participated and negotiated and worked with the delegations as we hammered out the framework for the Kyoto agreement. And thanks to the leadership of then-President Clinton and Al Gore and, I thought, the brilliant stewardship of Stu Eizenstat who showed up, coming from Switzerland, where he'd been in one set of negotiations, and immersed himself with expertise rapidly into these issues, we came up with the protocol that set the first-ever binding targets to reduce pollution. And we did it, interestingly enough, in a distinctly American way, which was to embrace the market, with its potential for pollution credits that could drive efficiency and savings and innovation. It wasn't radical, it was quite mainstream.

Let me emphasize what we knew at the time. You probably heard this earlier today, but it bears repeating. We all understood that the Kyoto Protocol was a work in progress. I remember counseling President Clinton when we returned, You can't send this to the Senate in its current form for ratification, but there are clear things that we can do to earn that ratification. We knew, all of us who were trying to be thoughtful, that there was work yet to be done.

And when President Bush took office in 2001, he had any number of options before him in order to try to move the ball forward. He might have used the bully pulpit of the presidency to push for greater participation from the largest emitters in the developing countries themselves. He might have used the bully pulpit of the presidency and conducted some teach-ins and efforts around the country to discuss the science in a thoughtful leadership way. He might have focused on targets beyond 2012. He might have pushed for a more robust trading program or great technology transfer and technical assistance to the developing world in order to get them to be

less suspicious that this was a Western conspiracy to prevent them from growing while we went merrily along our way—which is what they believed.

But President Bush took a decidedly different road. He just plain flatly rejected the active and mandatory approach of the Clinton administration. In many ways he even rejected the incremental and the voluntary approach of his father's administration. Instead, in the months after taking office, the president questioned the underlying science, broke a campaign promise to cap carbon emissions from power plants, rebuked his EPA chief publicly for positive comments about Kyoto, proposed an energy plan that would increase pollution, and withdrew from the Kyoto Protocol and the international process altogether. In sum, our nation—I underline "our nation"—has been forced into a great step backwards in our work to protect the global environment and to earn our respect around the world.

This is not a political assessment, ladies and gentlemen. These are the facts. The Bush administration made clear to all those who cared to listen that America would not lead nor would it follow. The global effort to avert climate change was going to proceed without us if it would proceed at all. It is a matter of policy in this administration. And it remains disengaged to this day despite the fact that the United States of America is the world's largest emitter of greenhouse gases.

As you discussed this morning, after seven years in critical state in intensive care—or not even; didn't quite make it there, actually—the Kyoto Protocol now, in one week, will enter into force without the United States of America. And while the pact was left to sort of dangle out there over these last seven years, while many of its flaws remain unfixed, and while its future is uncertain, its true importance may rest in what it says about America's changing relationship with the world and the future of climate change diplomacy. Kyoto shows that our allies are prepared to set the global agenda without the United States.

Now, that is good climate policy for them and in those patches which are affected by it, but it is not, we all know, the optimal nor even potentially the most successful approach. And it is not good for the United States, either from an environmental point of view nor even in terms of our role of leadership, as a leader of universal principles of one kind or another. Sadly, around the world people are questioning our leadership and those universal principles. People are questioning our commitment to universal values such as environmental protection or sustainable development. And our absence proves that while America dithers, other people are going to act in our absence.

This is not without a price, ladies and gentlemen. Just last month, Prime Minister Tony Blair cautioned us, and I quote him: "If America wants the rest of the world to be part of the agenda it has set, it must be part of their agenda, too." It's against this backdrop of retrenchment and isolation that the Bush administration really has to sit down and decide its next move. And it will come as no surprise to you that I have no privileged insight into the president's plans.

[Laughter.]

SENATOR KERRY: In fact, I'm not sure I have any insight at all. But the president's dismissal of the science, his aversion to innovation embraced through government support and recognized in the budget, his skepticism of international cooperation and the potential there for

present us with an even greater challenge than just the challenge of dealing with global warming itself—and that is challenging. Despite the scientific evidence that the threat is real, danger lurks, and the possibilities of irreversible damage being done even as we sit here and stand here today—despite that, the political evidence is that ideology is going to trump reason in the White House and there will be no affirmative or real next step for America until we have either a change of heart and mind or a change of leadership at the top.

So it's up to those of us who believe that this threat is real to take action. It's up to those of us who believe that this threat is real to argue the case more effectively, more adamantly—"militantly" maybe even is a word to use—and to make the case for action across our nation for taking steps counter to the president's do-nothing policy. I believe there are clear principles that can drive this discussion and even motivate people and serve as a focus.

First, the science is compelling, it demands action, and we need to put that science more clearly in front of the American people.

Two, the challenge is going to become more difficult the longer that we wait, and the evidence for that is clear.

Three, the problem and the solution are global. There is no way to deal with this. That was part of the problem with Kyoto, and we recognize it.

Four, markets will drive down costs, they will drive up innovation, they will produce a potential for cure that we don't even envision today if we believe the road we've traveled, beginning with the Clean Air Act all the way through to this moment.

Five, sound domestic policies will contribute to the strength of our economy, the creation of jobs, the growth of our economy, and for the provision of the security of Americans as well as for our universal obligation to protect the environment.

And finally, at least for now a principle we have to accept: Washington is far behind the American people when it comes to understanding and meeting this challenge.

Now, if you accept these principles, there's only one course of action—we have to engage. We have to engage in changing the domestic political landscape and in advancing the international effort simultaneously, all for the sake of our long-term economic and national security interests. The diplomatic issue is no longer Kyoto yes-or-no. The world understands that we actually need to move beyond Kyoto. Kyoto is limited in time and participation, and it may well be limited in its success. But we should see it as the foundation for what can be achieved—those 100 nations plus, the effort of the acceptance of the science and all that came with it—and we should see it as a laying down of a foundation of global principles for cooperation, with principles of binding targets and emissions trading that can serve as a blueprint.

Now, other nations are ready to start a dialogue about the future. Prime Minister Blair is capitalizing on his chairmanship at the G-8 to press for broad cooperative action. But the United States still stands alone and silent, and that has to stop. We can't wait for Kyoto to expire to explore the next steps. We need to evaluate the options now. We need to signal to the world that we're prepared to share our burden—and we citizens can send that signal even if our government



will not. We need to put action behind our words, accepting the principle of binding pollution limits and engaging the developing world in the many ways that nongovernmental institutions and even the Congress and private corporate entities can engage the developing world.

A number of proposals have been put on the international table, from a G-8 program to promote renewable energy and technology funding to development aid to the Framework Convention. I mean, there are all kinds of things out there. We don't suffer from a lack of ideas as to what we might be able to do.

Just to say this parenthetically, I remember when I was negotiating the transformation on Vietnam, I became aware that they were about to develop a power plant in the north of the country using high-sulfur coal from China. And the result was going to be that they would be like Shanghai or Bangkok, where you have to wear a mask and you can't breathe, if they proceeded down the road they were going. So with Jim Wolfensohn at the World Bank and with the support of the United Nations and others, we put together the first-ever sustainable development conference in Asia, held in Hanoi. And we brought experts from around the world. And the consequence of that was that they became more aware of state-of-the-art technology, which we could be the transferor of as the less-developed world develops, and we all get the benefits—the jobs that are created, the reduction in pollution, and the mutual trust and relationships that are built in the process.

So there are many things that we could do. But what we need now is leadership that engages the developing world. No climate change program can work without the less-developed nations being part of it. That was obviously the great difficulty with Kyoto. Their emissions may be a fraction—it wasn't a problem with what the folks negotiating in Kyoto came up with; it was a problem that they inherited as a consequence of prior decisions made in Berlin and at the prior meetings, where it was agreed to leave them out, and we began in the wrong place. And the reason is obviously very simple: their emissions may today be a fraction of the developing world. But at the rate of growth they are all experiencing, without action, those emissions are going to skyrocket and soon they're going to exceed the largest nations in the world. And so you have to have this mutuality.

Now, all of us are aware of America's tremendous leverage globally. And with the financial assistance and technology transfer that we could engage in, whether it's direct aid, export credit agencies, multilateral development banks, we could spur the growth of clean air technologies, of clean energy technologies, all of which inure to our benefit here at home as well. With a future agreement that rewards developing nations for sound investments in the developing world, we could actually show these nations, as well as our own population, that clean energy investments are going to stimulate, not stifle, economic growth in the United States.

I believe that developing countries can become partners in addressing climate change, providing we engage and make it not just a matter of the environment, but make it an argument of good economics, an argument of good social policy, an argument of good security policy, which it is, and all of us sharing those same interests. And frankly, the same is not just true with respect to developing countries, it's true right here at home in the United States of America.

One place to start is with an economy-wide cap and trade system that sets a national limit on greenhouse gas emissions and allows companies the flexibility to trade pollution credits to capture the least-cost reductions. Now, this is an approach that we developed back in the 1980s. And we developed it when dealing with acid rain years ago. It's been embraced in a bill that I have co-sponsored together with senators McCain and Lieberman, a bill that keeps being stymied notwithstanding its fundamental economic common sense. We know that trading drastically cut the cost of reducing acid rain emissions. And now, inspired by Kyoto, the European Union is on the verge of launching the broadest-ever pollution trading system. And I know from the negotiations in Rio and The Hague and Buenos Aires and Kyoto that this is imminently marketable on a global basis today.

So as we approach our national energy policy, obviously supply, price, economic security, all of those are considerations. But I've got to tell you this: We also should not be fearful, and we shouldn't back off from making certain that the environment itself, freestanding, on its own, is a legitimate priority, and we need to argue on that basis as well. And that's why supporting the national markets for domestic, reliable, efficient clean energy technologies is, frankly, so important. It's why we have to specifically target investments in our industrial base here at home. And it's a win-win, because you deal with the outsourcing issues, you deal with the economies of Ohio and other states that have been so badly hit.

During the past year, I put forward two proposals specifically to do that. The first invested in the future of clean coal technology. Now, you've been hearing about it. It's not a new word. The administration supposedly embraced it several years ago, but guess what? Like so many other things embraced, not funded, not pushed, not adequately a priority, way behind where we ought to be. And we could be doing so much more if we put the money up and actually focused on the potential of what we could do with respect to clean coal technology.

Secondly, we should be investing in the transformation of American automobile manufacturing. We need to retool our auto plants to build more efficient, advanced-technology vehicles, the vehicles of the future. And I want, I think every American wants, the cars of the future built in the United States. But if you look at what's happened with marketing up until now, you can see who's cornering the market with respect to that efficiency and you can see the movement of American automobile purchasers, just as we did in the 1960s with the Volkswagen Bug that was supposed to be only a niche item, if you recall.

So I want us to move in that direction. I intend to push for these proposals in the upcoming session. But as anyone who's followed this debate—and you all have—knows, there is fierce resistance here in this city to even the most incremental kinds of changes. Fierce resistance, and to wait for Washington to act by itself is absolutely to be waiting in vain.

So instead, we have no choice. I mean, if you sit around and say, okay, so what are we going to do—which is what everybody is saying to themselves—you really don't have a lot of choices. You have to be realistic about it. Number one, we have to embrace and encourage local, state, and private action. As I traveled the nation over the last two years, I learned first-hand that Washington is way behind the American people when it comes to understanding and meeting this challenge. It's not just that Americans have come to understand the threat of climate

change through press reports, it's more powerful than that. They've come to understand it because people are starting to experience changes in their hometowns and in their lives.

In Arizona and Nevada, I met with officials who were trying to find solutions to the dwindling water supply after the West went through its fifth straight year of drought. In Ohio, I spoke with hunters who have watched as the birds are completely changing their migratory patterns with warming temperatures. And I heard countless other stories, too numerous to mention here. It's not just that Americans want answers from Washington, it's that they're starting to see the answers in their own communities around the country. In Missouri I spent time on a family farm tapping into the growing market for biofuels, which I also saw in Iowa and Minnesota and Wisconsin. In New Mexico, I learned about the state's push for wind energy and its benefits to the economy and the environment, likewise seen in Minnesota and Iowa and South Dakota and elsewhere.

So while our capital city, the place of supposed leadership, is gripped by special interests, invested in the status quo, states have become the front line of policy incubation and innovation. And so have private companies. State leaders see economic opportunities in producing and selling alternative fuels, exporting renewable energy, attracting high-tech businesses or even selling carbon-reduction credits, and we ought to be helping them. Because, you know, lookit, Governor Schwarzenegger, a Republican governor, has endorsed a 30 percent reduction in carbon dioxide emissions from motor vehicles in California by the year 2015. In the Northeast, nine governors, led by New York's governor, George Pataki, have come together to develop a multi-state regional cap and trade initiative aimed at reducing carbon dioxide emissions from power plants. Eighteen states have created markets for renewable electric energy. States are paving the way. And for many of them, the environmental potential is significant.

But all of this, regrettably, is just a patchwork of different regional efforts, none of which will get the job done by itself. Imagine. Imagine what can happen if the federal government were to embrace and encourage with incentives, and enforce, and provide the kind of impetus that could take this country to a new economic frontier. We are at a moment in this debate that reminds me of my own home state's efforts to reduce acid rain some 20 years ago, which is when I first got involved in it. As lieutenant governor I found nothing but resistance in Washington. The White House criticized the science, the technology, and the cost, and then they threatened people's jobs and said, oh, we can't do this, everybody's going to lose their job. Well, with all the doors closed in Washington, we just forged ahead with a state-based initiative for a regional plan to cut emissions through a tradable credit program. That's where we developed it. And in the end, it provided the political momentum and informed the creation of the federal sulfur trading program in the 1990 Clean Air Act regulations.

It's not only governments that are acting. I mentioned that a moment ago. Many companies are adopting voluntary limits. You have Dupont, a \$27 billion corporation operating in more than 70 countries, and it set a target to sharply cut its emissions by the year 2010. Guess what? Just like we did with the Clean Air Act, just like we did with acid raid, they exceeded their goal and did so by 2002, eight years early, and saved money. All in all, there are some 40 American companies that have voluntarily established targets to reduce pollution. Now, why? Because executives understand the global marketplace, and they understand that they want to be

on the right side of those technologies, of the clean and efficient technologies, they want their company to be on the right side, they want their products to be on the right side of it. They manage global operations and they recognize they can be living under Kyoto in certain places.

So there's a benefit. And while they may now be reluctant to support stronger policy here in the United States, these companies understand the science. They see that the regulation is inevitable and in many cases they view the drive for climate change solutions as good business opportunities.

So the lesson here is clear: The American people see the irrationality of our current energy policy in this country. They understand that we can't pollute the environment without consequence. They understand that our dependence on unreliable foreign fuels is dangerous. They believe in our capacity to confront a challenge through cooperation and innovation. They believe in a better future forged by American leadership. We need that leadership, and we can provide it, all of us.

So for those of you who ask what's next for climate change policy, the answer is not to wait on Washington. The answer is to make Washington follow what we do. We can do our best to inform the elected here, and I ask you to do that. But they may refuse to change course. And if so, then we have to inform the electorate and call on them to change the elected. We have to educate and organize.

Some of us in this room are old enough to remember how we got the Clean Air Act, how we got the EPA, the Clean Water Act, the Safe Drinking Water Act, the Rivers Act—all of those acts that came. We didn't have any of them when I went to college in 1962. By 1972, we had an EPA and each of those laws. Twenty million people came out and started to march. Twenty million people made a difference. And this became what we call a voting issue. People who run for office have their minds quickened at election time. And I assure you that if there's an electorate out there that is beginning to generate energy around this, you will see a transition. Too many of our colleagues have been able to vote badly and wrongly, without accountability, and they can go back to their communities and fudge it. We've got to make it clear the fudging time is over, the time for action is now. We have to—you have to validate. We can't be the validators. But we need validation of the science. We need people to go out in a serious way, bring our Nobel laureates to the table, bring our scientists to the table, go out to work with the editorial boards, organize on a grassroots level. And, you know, you can just look around the world and see examples of people doing more than we are to make these kinds of things happen.

So, you know, that may sound simplistic to some of you here, but I'll tell you, coming off two years of running around this country, it is not simplistic to me. It's a beautiful thing, and it's real. It's exactly how you make things happen. We extol the virtues of our own democracy all around the world, but we don't practice it enough right here at home. We brought a million more people to the table over the course of the last months in this campaign. We had more people vote than at any time in American history. That's good, on both sides. We need to pick up off of this, take this energy out, and guarantee that we change the political landscape of this country, change the dialogue, and make something happen, just the way we did in response to Rachel Carson. And if we all will do that, I guarantee you we're going to put climate change where it properly

belongs and we're going to do what America ought to do, which is lead the world to a better place.

Thank you all very, very much.

[Applause.]

SENATOR KERRY: Thank you very much. I'm told that I have time to avoid a few questions. So I'll do that.

[Laughter.]

QUESTION: Rev. Jim Ball with the Evangelical Environmental Network and the What Would Jesus Drive campaign. You might have seen a story in the Post about the greening of my community, the evangelical community. And we're starting to take awareness of mercury's impact on the unborn and climate change's impact on the poor. We give a lot of money to organizations to help the poor around the world. And we're understanding that the most significant impacts are going to be on the poor in terms of climate change. So we consider this a relief and development issue, a justice issue—not so much an environmental issue. And I'm just wondering, how does your own faith inform how you look at this issue?

SENATOR KERRY: Very significantly. And I talked about it during the campaign, though, according to some people, perhaps not enough. But I did talk about it during the campaign as much as we could. And I think—look, I'm a Catholic, and Catholicism that I was raised with, from altar boy days onwards, has always taught me to think of the whole fabric of life, the totality of the social structure, if you will. And if you were to look hard at Catholic teaching and most Christian-Judeo teaching, et cetera, and increasingly I've been reading more about Islam and other religions to try to understand as well as I can the cross-sections of them, there's a universality within them all with respect to our responsibility to Planet Earth. And we haven't talked about it enough.

In addition to that, within Catholicism specifically there has always been a teaching that has taught us to talk about community, solidarity with our fellow human beings. And that means thinking about all aspects of life, obviously from the beginning, but through the questions of poverty, just war, justice, as you've said, social justice and other kinds of justice. These are the total fabric that I think most people would talk about. It's only in recent years that there's been this very narrowing of focus which I think doesn't do justice to the larger fabric, both of Catholic and Christian life and, broadly, religious. I think all faiths have a huge place at the table in this discussion. And it is important for us to reach out and put everybody at the table in this discussion.

With respect to the social justice issue, you are 100 percent correct. I talked about this all over the country. You know, a quarter of the kids in New York City, African Americans in Harlem, have asthma today. One of the reasons is that the alternate truck routes go through that part of town, as well as the problems that you have with the general sort of siting of toxic waste dumps in Roxbury, Massachusetts. We have six waste dumps over in Roxbury, but you're not going to find them on Beacon Hill or in Concord and Lincoln and other parts of our state. So there is a social justice issue here and a question of power and who is heard. And I think the

more that you will join in that battle and the more we can find a commonality in that, the stronger this movement will be and the more we'll awaken people to our common responsibility.

QUESTION: Senator, Eugene Linden [sp].

In an earlier session, the question was raised as to why isn't the public engage in climate change. In past presidential elections going back in '88, '92, and '96, environment was a big issue, 2000 less so. In 2004, it wasn't an issue at all. So a two-part question. One, how do you account for that as a presidential candidate? And secondly, how can we expect the public to engage in an issue like climate change as one of the most urgent issues of the day if it is almost invisible in a presidential campaign?

SENATOR KERRY: Well, Gene, it wasn't invisible. It may have been—it's part of the problem of our current communications structure in America, which is a serious problem. But I will tell you that every day that I was on the trail, I talked about the environment—every day. Every day. There is not one day that went by in that campaign I didn't talk about the environment. Now, it may have been in one context or another. As you recall, one of the principal platforms that I was proposing was energy independence for America. And I was trying to market energy independence environment as a security issue as well as an environmental issue and an economic issue. Wherever I went, people understood it. They got it. They tapped into it. One of the strongest responses I got at rallies and at town halls and meetings across the country was on the environment.

But here's the problem. You go back and take your cross-tabs of the polls and the data on election day. People agreed with me on the environment, they agreed with me on jobs, they agreed with me on trade, they agreed with me on schools, you know, most of those issues. But what did they talk about the whole time in this election, to the tune of hundreds of millions of dollars? They talked about Iraq. And the war on terror, the war on terror, the war on terror. Go look at MSNBC, go look at Fox. What's Fox's tag line on everything? It's war on terror. And who appeared five days before election day? Osama bin Laden, as we were mounting in the polls. And on that day we froze, flat-lined, and on Monday we went down a point.

So all I can tell you is, in the end, trying to get these issues to break through the cacophony of talk shows and of our communications system in America today, where conflict is what people are looking for, and you have this constant barrage with respect to war on terror and so forth, it's very difficult to break through. Very difficult to break through. You don't think we weren't agonizing about it? We were frustrated. And we tried our hardest to do that. But I can guarantee you that, you know, all through Iowa, all through Minnesota, Wisconsin, places, I was talking about the Conservation Security Act. I was talking about how the Bush administration had un-funded it. Talking about what we could do to move to organic and other kinds of farming practices that would reduce the subsidies in farming and change the whole shift of the emphasis.

I mean, we did. I'm just telling you. You didn't hear it. And that has something profound to say about what's heard and what isn't and how we communicate in America today in the midst of a campaign. And it's something—Gene, you spent a long time at this. We ought to take a look at that. Because, you know, for several weeks, as you will recall, talk shows were just playing the conflict of accusations rather than getting into the substance. That's very hard.

We even advertised on it, if I may. We had advertisements, spent advertisements on energy independence, on the environment. So I beg to differ with you. We sure did make it an issue.

And that's why I'm saying to you we've got to go back to the grassroots and build off what we did here in the course of this last campaign. And I think with the Internet and bloggers and the whole new medium of communication, we have a chance of really fighting back and doing that more effectively.

QUESTION: Senator, thank you for being here and thank you for your great job in the campaign. I thought it was a fabulous job and I really appreciate your effort on that.

SENATOR KERRY: Thank you.

QUESTION: I'm Tom Collina with 20/20 Vision. We're a public education organization trying to do exactly what you suggest, which is educate the public on issues like climate change.

Specifically, given your experience on the campaign trail, what advice would you have for an organization like mine that is trying to educate the public on this very complex issue? What, in your experience, is the most effective way to do it?

SENATOR KERRY: Pick realistic targets as to what you can achieve. I mean—and here's another reason. Somebody asked, I think it may be Gene's question, why didn't climate change break through. Climate change is scary to a lot of people. A lot of people think it's just so big, they can't get their hands around it. And so, as you go out and sell it, you don't want to sell doomsday, you want to sell the things we can do that are tangible, that you can reach within a community that individuals can do. And I think for many years people were just going around, you know, the sky's going to fall in and climate change is here and, you know, nobody at home knows what they can possibly do to grab their arms around it. And if the bully pulpit of the presidency is doubting the science in a country where on election day 77 percent of the people who voted for George Bush believed that they had found weapons of mass destruction in Iraq, and 77 percent of the people who voted for George Bush believed Saddam Hussein was behind 9/11, if that's true, you have a real problem breaking through on something like climate change. So pick goals and targets of communication that are achievable.

Secondly, grow the sort of focus points of communication and how we're going to do it. Something like the Million Mom March was very effective, when people have come in numbers to it. I mean, I don't think we should give up on those notions that numbers speak and that you sort of have to engage, maybe, in a little more militancy to confront people with certain kinds of things. Pick a target at home. Get a company at home that needs to be greened and go sit down with them and work them and, you know, work a local [inaudible]. I mean there are all kinds of things that can be done at the grassroots level.

I'm hoping that once we get the new chair of the Democratic Party, I want to see us in the party really become much more involved in that kind of grassroots, grass-level organization. I think we have the ability to do it now in ways that we didn't before, and that's what we have to try to do—be real, realistic, and target realistically.

QUESTION: Senator, Brian Stempeck with Environment & Energy Daily.

You seem pretty pessimistic about the potential for a climate change bill coming out of the Senator, or coming out of Washington this year, and you're kind of pointing to state action. Do you see any chance for compromise, maybe something like Senator Hagel introduced this morning, these not mandatory cap approaches but kind of voluntary approaches? Do you think that's—is that not worthwhile?

SENATOR KERRY: I think it's—I'm sorry that Senator Hagel, whom I respect and like, has been reduced to having to introduce something as minimalist as that. And it is. It's better than nothing, but it doesn't begin to get close to what we need. And I don't think it would be very effective, no. But it's better than nothing. Would I vote for it? Absolutely. Would I love to see it pass? Sure. Do I think it will? Probably not.

QUESTION: Senator, I'm Barbara Tiron [sp] with the Electric Power Research Institute, known as EPRI.

We've had a number of commenters here today talking about the need to use all of our energy sources as efficiently as possible to address the concern about our lack of energy independence. My question for you is what do you see as the potential role for nuclear power in a future carbon-constrained world?

SENATOR KERRY: I think we have to research, and I've said this for years. There's no economy, there's no economics in it today. The economics aren't there. So it's not a realistic proposition, particularly also when measured against safety issues and measured against the much more rapid gains in other sectors that we could make. But does that mean that we could fill the gap and meet the demand curve over the long haul just with wind power and with the others? The answer is no. And I've been very realistic about that. Some people in the environmental community get a little upset, but I'm realistic about it. We're going to be drilling oil and using it for probably 40 or 50 years into the future. We have to understand that. So we have to do that as effectively and efficiently as possible while simultaneously accelerating to the greatest degree possible our movement toward all the other alternatives.

Now, that—you know, and nobody can predict. Here's the beauty of it. If you do this, every time you go down this road—Bill Reilly's gone, but when Bill was here, he'll remember, we sat up here negotiating the late nights and people said, oh, God, you know, you can't do this, you're going to break our backs, we're going to lose jobs, we won't be competitive, and it's going to cost \$8 billion. And the environmental community came in and said, no, they're all crazy, it's not going to break their backs, it's only going to cost \$4 billion, and we can do it in X amount of time.

Well, guess what? To the credit of George Bush and Bill Reilly, we passed a bill. We did compromise. We put in tough requirements. And we not only met them sooner than the X, we did it in Y—I forget exactly what the time period was—but you know what, it cost about \$2 billion, not 4. Why? Because no one was capable of predicting precisely what technological bounce would come from which technological bounce. And the rate of technology change being unpredictable but certain, you're almost always going to wind up doing things for less. I mean, you know, I can remember when I was in college and the first Cray computers or whatever they



were took up the size of room. And now you've got, you know, the computing power the size of a room on your finger today, probably. This is what's achievable if we start down the road.

And so the bottom line on nuclear power is I think we've got to research, continue the research. Who knows if there's another generation that comes up with some way of dealing with the waste issue, you know, and a safe reproduction cycle. People are working on it, they've been working on it for a long time. I wouldn't cut that off, but I don't think anybody is thinking seriously about investing or moving down that road at this point in time.

I think this will have to be the last question.

QUESTION: Joyce Caron [sp] from Al-hayat newspaper. My question is in regard to Dr. Rice's visit to Europe and her mission to rebuild fences. Do you think it's time to introduce climate change on that mission and do you think the administration is ready to put that on the agenda?

SENATOR KERRY: Well, let me just say, first of all, I think from afar Dr. Rice's journey appears to have been very successful and I congratulate her for it. And we need it, we want it. There's no partisanship in—shouldn't be any partisanship in foreign policy. And so we want her to succeed because our country does better. So I hope there's been some genuine repair. I do know from some people that there are some good feelings in Europe about the journey and they feel good, but there are serious doubts about whether the administration is really going to do things. That exists still. The proof will be in the pudding, not in the words that have come in the last week. It's a good start.

With respect to climate change, I think that could be one of the most important steps they could take to renew relationships and show bona fides in participating with the world. And I think that what Tony Blair was saying about you have to be part of their agenda if you want them to be part of yours, I think it would do wonders for other concerns and issues that we have with respect to North Korea, with respect proliferation in Russia, with respect to Africa and so forth, I think it would change the climate—no pun intended—significantly. And so I would hope that they might—I said in my comments today: It's either going to take a change of heart and mind, or a change of leadership. Now, that's the choice. One is a four-year proposition and the other could happen when they see it as beneficial to our country—and I hope that would be the one that they take.

Thank you all very, very much. Appreciate it.

[END OF TAPED RECORDING.]

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