

CEQ 360

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THE WHITE HOUSE

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PRESS BRIEFING BY CONFERENCE CALL
WITH JAMES CONNAUGHTON,
CHAIRMAN OF THE COUNCIL ON ENVIRONMENTAL QUALITY

5:02 P.M. EDT

MR. CONNAUGHTON: Hi. This is Jim Connaughton, the Chairman of the Council on Environmental Quality. Just want to give you sort of the basic essence of what's happening here. This evening our time, the morning out in Asia, Deputy Secretary Zoellick and his Foreign Minister counterparts from Australia, China, India, Japan and South Korea will be initiating a new Asia Pacific Partnership on Clean Development and Climate. This is an effort that we've pulled together among these countries that will focus on practical measures to create new investment opportunities and build local capacity, and remove barriers to the introduction of cleaner, more efficient technologies into our shared marketplaces.

The partnership is designed to help each country meet nationally designed strategies from improving their energy security, for reducing the harmful effects of air pollution, as

well as addressing the long-term challenge of climate change in the context of reducing poverty and promoting economic growth.

What we will be doing is we will be building on an existing platform of bilaterals, on sort of a grab bag of technology initiatives and bringing it into a more consolidated and more aggressively managed program of a portfolio of action across a wide range of technologies, which I'll describe in a moment. The Secretary of State, Condoleeza Rice, and the Secretary of Energy, Sam Bodman, will be taking the lead on this effort, and they will be meeting with their counterparts later this fall to carry it forward.

The countries together represent about 50 percent of the world's greenhouse gas emissions, so that's carbon dioxide and methane and other gases. The world -- these countries combined represent a substantial portion of the world's GDP, and they also represent strong and growing economies that are working to reduce the pollution loadings associated with economic growth, and improve practices when it comes to natural resource conservation associated with the need for that -- that's associated with economic growth -- and in many respects, will help fill out a number of the commitments made by our countries under the World Summit on Sustainable Development's plan of action from three years ago, and at the same time, round out our commitments under the U.N. Framework Convention on Climate Change.

The partnership will be consistent with and contribute to our efforts under these international frameworks, and with respect to the Kyoto Protocol, it will complement the obligations that has for some countries -- it will not replace the Kyoto Protocol. The Kyoto Protocol remains in place.

Let me just highlight a few areas of work that are well into production, if you will. One is the capture of methane from coal mines, from natural gas production and distribution systems, and creating new sanitary landfills, so you can capture methane and cleanly burn it, rather than release it into the atmosphere. We have significant work items we're going to be interested in, in clean coal, civilian nuclear power, energy efficiency -- for which there's some very substantial cost-effective measures that can be taken -- as

well as bio-energy systems.

And with that, I think I'll -- Faryar, did you want to add anything?

MR. SHIRZAD: No, I think that's fine.

MR. CONNAUGHTON: Okay, I can take questions.

Q I just want to know, will there be any kind of carbon trading system like is being under the Kyoto Protocol? And will there be targets set for reductions like the Kyoto Protocol, where it's 7 percent or so below 1990 levels?

MR. CONNAUGHTON: As I indicated, we want to make this as practical and results-oriented as possible. So let me give you an example. The methane-to-markets partnership in which these countries -- all of these countries are involved, along with others, has set a specific target of a 50 million metric ton equivalent of carbon reduction by 2015. So we have a very specific program of action and resources dedicated toward achieving that result.

I think as we work on the details of this partnership, we'll be looking for opportunities like that one where we can design a very specific objective that has a real program of action behind it and measure our progress. We will also be working, we hope, toward common measurement systems, not just with respect to greenhouse gases, but also with respect to conventional air pollution and some other areas that we can better measure, and therefore, better design strategies to make real performance.

I do not envision the items that you suggested, but we will be sharing a lot of information on the most effective and the most profitable ways of achieving reductions in air pollution and in greenhouse gases.

Q I have a question about how this is different than the programs that you already have. You have a lot of these things. You've got the methane-to-market and clean coal and civilian nuclear power. How is this different in total than all the programs you have, or is this just kind of packaging

them?

MR. CONNAUGHTON: Actually, it's -- as I indicated, we're going to build on what were a series of bilateral and individual initiatives. And the effort here among this smaller group of countries is to begin to consolidate the effort of aggressively managing the current platform of partnerships, and then expanding on it. And so methane was a very good starting point, and we figured out how to do it and how to get a government-to-government effort going on that front. And now we want to apply that successful experience to a broader range of opportunities that currently we are not pursuing.

Let me make another sort of -- what will also be a -- sort of an added feature here is the greater engagement of the ministries that have operational responsibility for some of these new work areas. So, for example, in the United States, we have a new program called the Smart Way Transportation Partnership. That program is dedicated to basically turning off trucks at night and plugging them in at truck stops, which will massively save fuel and reduce air pollution.

Our other partner countries do not have a similar program. Our goal is to try to take our experience and find a way to design -- work with our country partner -- those country partners, design similar strategies as they develop their infrastructure. I could give you a few dozen examples like that that we want to pursue and will begin to frame up during the course of the coming months.

Q Just to follow up, so at the moment, there are no new programs that are coming as part of this initiative? This is a framework for future new programs?

MR. CONNAUGHTON: That is correct. And not just programs, but actually a design of measurement, their performance measures, and an opportunity, actually, to focus on the deployment side of this, the financing, and some of the sort of trade and rule of law elements that would be necessary to enable what will likely be many billions of dollars of new investments in each of our countries.

Q Are there any provisions in here that resolve trade

barriers or might make it easier for this technology to be transferred? Does it do anything like that?

MR. CONNAUGHTON: The removal of barriers to the transfer of cleaner more efficient technologies is a very fundamental element of the partnership. That takes many forms in a vision to trade obstacles. There are also regulatory policies or financing policies that may impose impediments to the kind of broad investment that we're trying to harness -- in fact, the kind of broad investment that we enjoy in America but do not enjoy in some of these other countries. So that is a critical component.

Q And will there be any funds from one country shifting to another country to help another country develop, or is this all about everybody just helping themselves, but we'll get together and talk about it?

MR. CONNAUGHTON: Well, the effort will require a certain level of administration, that will require program support in each country. Specific initiatives may involve a combination of public funding, private funding. But those will get worked out as we identify each opportunity.

So, for example, we are doing Smart Way Transportation here in America. That is a program that the other countries can initiate when we give them the know-how to initiate it, and would not require a substantial expenditure of U.S. taxpayer dollars. But it is also the case that some of the major development banks or large financing institutions, we may be able to open up avenues for new energy investments, and that would be a massive private sector investment on par with methane-to-markets.

Methane-to-markets, for example, in the U.S. -- the U.S. version of that -- unleashed more than \$3 billion of private sector investment that was leveraged with a few million dollars of governmental support. So we were looking for those kinds of opportunities.

Q I'm a little confused of exactly what we're doing. Obviously, there -- or what you're doing. Obviously, what is the goal is to have countries like China and India reduce the

amounts of carbon emissions from power plants and things like that. Now, how does this change? That's been the goal all along, but what are specifically -- what kind of specific commitments do you have from, say, China or India to use cleaner coal technology, or is there some new commitment on this agreement?

MR. CONNAUGHTON: This agreement is going to help us establish a framework for a more effective bottoms-up approach to identifying opportunities in the area that you described rather than sort of the -- rather than what we've got right now, which is we have these broad international commitments, but they are lacking in programs of action. And so what we're trying to do is create a framework in which we can define more effectively and on a factor time scale real programs of action that will deliver real investments and real places.

Q Just to follow up on that real quick, you said, faster time scale. What's your time frame for all these packaged bilaterals? And also, given that you mentioned, or referred to the Kyoto Protocol, do you plan on taking this partnership to -- you said expand upon it -- with whom and when?

MR. CONNAUGHTON: Let me take the second piece first. In terms of expanding on it, we want to get the essentials laid out in the framework for how we can do this bottoms-up approach to identifying opportunities for technology transfer. From that, we can begin to then identify additional partners, but we want to be careful about spreading ourselves too thin before we prove up the concept. And so our goal is to prove up the concept first with this grouping of countries.

In terms of the relationship to the Kyoto Protocol, four of the partners have ratified the Kyoto Protocol, two have not. Of those that have ratified the Kyoto Protocol, one partner has specific obligations under the Kyoto Protocol, the other three do not. So we have a pretty balanced representation of countries, with respect to the climate change set of commitments. And so we're hopeful, again, that this will create a complementary framework and could provide a constructive path for understanding meaningful opportunities for a way of approaching progress that, again, that meets the needs of those who ratify Kyoto, but also meets the needs such

as countries like us and Australia, who have commitments under the Framework Convention on Climate Change.

Q And this will help you reach those goals?

MR. CONNAUGHTON: I'm sorry?

Q And this would help you and Australia reach the UNFCCC. So you plan on stabilizing greenhouse gas concentrations with this agreement?

MR. CONNAUGHTON: This will be a key activity that will help us move forward on that -- move forward meaningfully toward that goal.

I would note that inside of the U.N. Convention on Climate Change, there was a commitment from all of its signatories to engage in very practical programs of technology transfer deployment. Not much has occurred since 1992 in specific fulfillment of that commitment. We identified that as a gap, and certainly our developing country counterparts identified that as a gap and this is an important component of filling that gap. But I think, more recently the Johannesburg Summit on Sustainable Development that created the Johannesburg plan of action specifically called for this kind of activity. It has taken us this long to get our arms around defining a way forward in fulfillment of the commitments made at that time, as well. Hopefully, we'll get a convergence of some of these broader rhetorical commitments into a program of concrete action.

Q Is it fair to describe this as the U.N. alternative to Kyoto?

MR. CONNAUGHTON: No. (Laughter.)

Q What do you mean when you say it complements Kyoto? What does that mean for countries that aren't in Kyoto? What are we doing here?

MR. CONNAUGHTON: The reason I say that is four of the countries in the partnership have, in fact, ratified Kyoto, okay? So they see this as an essential partnership that will

help them carry forward their existing commitments under the Kyoto Protocol. So that's why I want to be careful about the way you described it.

Q But ever since we bailed on Kyoto, the President has been saying, well, we're going to come up with other ideas. Is this the other idea?

MR. CONNAUGHTON: And the President has consistently said that the most constructive way forward is to actually engage in true technology partnerships, and so this does fulfill the President's vision, not just of what we should be doing now, but also as we move forward -- as we move forward into the years ahead, this is a much more constructive and practical design that is actually easier to show results.

Q -- at this point, is a rhetorical commitment as opposed to action?

MR. CONNAUGHTON: Well, but for the fact that I could lay out for you the several -- where we are building on a platform that is quite substantial that we have put in place over the last two-and-a-half years. So when you say this is rhetorical, that would be incorrect, because we are making real headway on the nuclear partnerships, on the hydrogen partnership, on the methane partnership. We have some bilaterals related to clean coal that we haven't done on a broader market-based setting, and we need to do that. We have not taken as much action as we can and should in the area of energy efficiency. In fact, it's been almost overlooked in the shadow of the extensive discussions on renewables. But this is an area that I would -- it's been a real gap where we can do some more work and actually highly profitable work.

Q Mr. Connaughton, how does the reduction in greenhouse gases -- will it still be measured in the U.S. by emissions intensity, and have our goals changed at all since the current White House goal?

MR. CONNAUGHTON: Between now and 2012, we are dedicated to reducing greenhouse gas intensity by 18 percent. The country partners are all similarly going to be looking at programs oriented toward reducing their greenhouse gas

intensities. And so that is a specific area of the partnership on which we have some alignment. Each country has a different profile on that issue, but will be pursuing both the measurement of success, as well as the programs to achieve success and, hopefully, in a more harmonized manner.

Q Does this go into effect tomorrow, or just begin negotiations tomorrow? Or this evening, rather.

MR. CONNAUGHTON: Tomorrow is a launch, and the follow-on elements will be -- we'll continue to work with our partners on those in the ministerial meeting later this fall.

Q This has already been discussed by some people in Australia, and one of the opposition party leaders in Australia says this is nothing but spin. I'm still trying to figure out, myself, specifically and concretely what this agreement would require, or what commits these other countries to do something to reduce greenhouse gases, and what this commits the United States to try to help with technology transfer. I'm not hearing any specifics. In other words, what will this do that gets China to adopt more clean coal technology, or gets China to maybe -- they're already going to build a lot of nuclear power plants. Is there something in here that is a commitment to do something maybe otherwise they wouldn't do?

MR. CONNAUGHTON: Well, I guess on every front we're looking for joint commitments to accelerate the deployment in the portfolio areas where we can make greater progress than we have been making, whether it's in energy efficiency, certainly clean coal -- in the United States we are about to embark on a program of \$50 billion worth of clean coal investment. Other countries in Asia are not making similar investments yet, and yet the opportunity for them to do so in a benefit cost justified way is something we can discuss with them and hopefully make some real progress on.

This notion of advancing integrated gasification for coal is a path that puts us not just on a clean coal path, but also it puts us on a path toward a zero-emission coal. And there, too, we have not gotten into the tangible steps necessary to achieve that vision. This partnership will enable that to occur.

I could go through a long list -- I mean, whether it's advanced transportation systems, building and home construction, some agriculture and forestry practices -- these are areas around which our countries have not created work programs, and this partnership will establish a foundation for the creation of those work programs. So in every one of these points, we are talking about establishing a framework that will, in fact, identify specific targets of opportunity for doing more than is currently being done.

Q Does this have anything to do with the recent agreement to help India build nuclear power plants? I mean, is that something that -- part of the initiative is to help them build clean technology such as nuclear?

MR. CONNAUGHTON: Like the methane example I gave, the India bilateral on civil nuclear is another good example of how we can take a bilateral dialogue and find a way regionally to amplify it. So the answer in the short -- is, yes, the specific challenges that we face with respect to India in terms of -- and those have been well discussed through in the last week -- but by having a region-wide discussion, we may find greater opportunities to work through those issues than -- simply bilaterally.

Q Why these countries? Why not other countries? Why did you end up with this list?

MR. CONNAUGHTON: You have to start somewhere.

Q But there must have been some criteria for deciding who's in, who's out. I mean, there's lots of countries even at this meeting -- ASEAN meeting who aren't involved.

MR. CONNAUGHTON: China and India, in particular, have been of interest to the world; and then, of course, South Korea is an emerging and strong economic force in the region. We have a natural and strong relationship with Australia, and then we've had, actually, in the last four years, we've had more bilateral activity with Japan on the issue of development and climate change than probably any other country. And so we felt that that was the best critical mass to start this discussion,

and then we can work from there.

Q The G8 came away with an announcement partly that there's going to be a meeting in the fall, I guess November, with some of the developing nations and the G8. Does this feed into that? Does this replace that? How does this work together with that?

MR. CONNAUGHTON: Well, the meeting that Prime Minister Blair has called, it helps implement the Gleneagles plan of action, which you've all seen. This partnership is a separate activity, but there's no question that it could assist at fulfilling some of the elements of the new and broader vision that the G8 announced. And so we can look forward some degree of overlap. We're doing hydrogen with a couple dozen countries at this point, and a network will continue in that forum that we've set up. So you can anticipate some degree of overlap, and that's a good thing.

Q Jim, can you confirm that this has been talked about for the last year, as the Australian Minister for the Environment said, and also, I guess the media report that President Bush, himself, was talking about this last week with the Prime Ministers of Australia and India when here in Washington?

MR. CONNAUGHTON: This has been underway -- I wouldn't say for a year, I would say over about five or six months.

Q And President Bush talking --

MR. CONNAUGHTON: And, yes, the leaders -- Prime Minister Howard and Prime Minister Singh have each discussed it with President Bush, and we had very high-level government contacts with the other partners, as well.

Q Did any governments turn you down?

MR. CONNAUGHTON: No, actually, there was enthusiasm and there was agreement to move forward at a -- you know, five months is very fast as these things go, and so I think a sign of the potential of this I think is how quickly the partners were able to come together on it.

Q There's talk in Montreal and in international talks, of moving forward post 2012 with Kyoto and putting up some new targets. Does this, in any way, shape or form, kind of indicate where the United States is going to be for the next three years, is to be saying no to targets, but looking toward what you're offering here today?

MR. CONNAUGHTON: I don't think any of this is an indicator of that. The President has been pretty consistent since 2001 of how we were going to move forward, and we've made good on that promise. This is an expansion of the operational vision that the President has had. But it's one that's shared by country partners, including country partners who have obligations under Kyoto.

Now, with respect to Kyoto, negotiations on what happens after Kyoto will continue to occur under the U.N. framework convention process, and under the Kyoto Protocol process. So that will -- the folks negotiating those things will get together in Montreal and carry on that discussion. This occurs outside of that.

Q So you're saying there will not be any effort on the Bush administration delegates at the Kyoto -- well, at the Montreal meeting to engage other countries in this kind of partnership?

MR. CONNAUGHTON: Well, the Kyoto discussions in Montreal are going to focus on some of the implementation mechanisms of the current protocol, and so that's a different set of subject altogether than what this is. And there's all kinds of sort of legal and other compliance issues that they'll be discussing that are highly diplomatic and sort of pretty textual nature. This is not diplomatic negotiations, this is not lawyers haggling over treaty text, this is actually getting the management arms of our respective governments focused on the places where we can harness in a significant and greater way the investments necessary to actually accomplish what we're collectively trying to accomplish, which is to reduce air pollution, reduce greenhouse gases, and improve people through access to cleaner technologies, and the lives of people through access to cleaner technologies.

Q Was there any kind of partnership agreement on enforcement, or will that be -- will it all be voluntary, will it be left up to the individual countries?

MR. CONNAUGHTON: I guess -- that's a tough one to -- I'll give you -- let me sort of deal with this in a practical sense. A number of the partnerships don't require enforcement -- for example, methane. What they require is investment. And so the measure of success is how much private sector investment can we unleash in capturing methane and turning it into a clean burning source of energy. It is the case that some of our national strategies -- elements are a natural strategy.

So, for example, our -- let me give you an example. One of our objectives is pollution reduction strategies. Each country has its own enforcement regime for how they keep their air quality in check and how they enforce that. And the United States supports -- we have a commitment to cut -- to meet new air quality standards and to cut power plant pollution by 70 percent and to cut diesel engine emissions by more than 90 percent.

Now, that is accompanied nationally by a very aggressive enforcement regime, but the way we designed the policies, actually, hopefully we'll never have to use it. Because the policy design makes it virtually impossible to go out of compliance.

But in other countries -- South Korea, India, China -- they may not have similar mechanisms. We'll be working with them on sharing the best policy mechanisms to achieve the results that we want to achieve. Some of that may involve compliance and enforcement systems; some of that may involve incentives; some of that may involve voluntary programs.

Q So, basically, you may make suggestions about how you do it, but it will be up to the individual countries to decide how they want to do it.

MR. CONNAUGHTON: That's correct. But, as I noted, we are doing some things that other countries can easily adopt, we just haven't had the conversation to show them how to do it and

adopt it.

Q I want to make sure I understand that there is in no way any kind of a commitment by any of these partner countries to reduce emissions by a certain level or amount or intensity? I mean, this is mostly a technology, try to get them to -- try to help them get technology programs in place, that kind of stuff. Am I right on that?

MR. CONNAUGHTON: The mechanism will be getting technology to the place, Joe, but we do anticipate shared metrics.

Q What does that mean?

MR. CONNAUGHTON: That means, actually, nationally-developed strategies oriented toward reducing pollution in specific areas, reducing greenhouse gasses in certain areas, energy security profiles. We do anticipate sort of real management plans to pull some of this off.

I gave you the methane example. That is one where we have jointly settled on a target of a 50 million metric ton reduction by 2015. We're going to manage toward that target. In other ones, each nation will set its own greenhouse gas intensity objective. It might be nationwide, it might be on a sector basis. But we can work together to be sure that there's integrity to how we're monitoring and measuring towards success. What we're not looking at is a one-size-fits-all, top-down, agreed mandate. This is the opposite of that.

Q Well, in terms of Kyoto, the countries like China said, no, we're not going to set any type of an agreement to reduce emissions unless the industrial countries move first. Has anything changed in that? Is China going to now have some sort of a -- develop some sort of a commitment to reduce a certain percentage, or whatever?

MR. CONNAUGHTON: I wouldn't embrace your characterization of China's position. I don't think that's accurate. But already, in China, they are working on, for example, fuel economy standards that have very specific performance objectives -- in China they have established air quality standards. What they are working on, is, at their province

level, are the policy measures, similar to what we went through in the '70s -- the programs and policies that they'll use to meet those new standards.

And so already we have, in each of our countries, a portfolio of required levels of performance. We can expand on that portfolio, but we can also then expand on the available tools to assure success and hopefully accelerate progress. And our main focus from the U.S. perspective is accelerating progress, because by accelerating progress, we can help economies grow and we can help up the living standards for people in these countries, including our own. Getting to a new level of air quality in America is great for the health of our citizens. And we want to be able to demonstrate how great that is to some of these country partners.

Q By having this announcement come in Laos, what kind of signal are you sending, as opposed to having it here in Washington at the White House?

MR. CONNAUGHTON: The co-equal nature of this partnership.

Q Did you consider having something here in Washington, as well, or was it always going to be in Laos?

MR. CONNAUGHTON: We actually always considered announcing this from the region, from the heart of Asia.

Q Will there actually be something signed tomorrow, or tonight, I guess it would be?

MR. CONNAUGHTON: You'll get from us a one-page agreed vision statement that was written collectively by the partners. And you'll -- we may or may not have a statement from here, but they'll log a fact sheet, a U.S.-focused fact sheet. So stay tune on that. Michele will make sure that you get the relevant documents.

Q I think this was asked, Jim, but are you open to more countries signing on? Are you going to be aggressively trying to get more countries to sign this agreement?

MR. CONNAUGHTON: Our goal is to jog before we run.

Q Is to what?

MR. CONNAUGHTON: Is to jog before we run. And these things are hard enough to organize with even three countries. Organizing it with six takes a fairly large effort. And so we want to expand out as we -- as I indicated, as we continue to prove up the concept. We could -- if we started too large, it would get bogged down in administration other than action.

By the way, we already represent 50 percent of global greenhouse gas emissions, as well as a very substantial component of energy output and GDP.

Q Jim, do you have any idea what these partnerships will do to that 50 percent greenhouse gas level?

MR. CONNAUGHTON: We are strongly hopeful that it will reduce the rate of growth of greenhouse gases in each of our countries.

Q By?

MR. CONNAUGHTON: I'm sorry?

Q By what, when?

MR. CONNAUGHTON: Well, for the U.S., by -- we have a goal of 2012, and we'll see where we are and then identify another goal. And then, again, Japan has a specific goal already on greenhouse gases, and the other countries have different strategies for how they set their performance mark, and as we also have goals on air pollution reduction in each of our countries. And they differ. We have different portfolios. And we're trying to manage these different portfolios and to find some greater harmony between them.

But I am very confident that this effort will accelerate the reduction of air pollution in the developed countries. It will accelerate the -- it will slow down the growth of air pollution in countries like -- help do that in countries like India and China, as well as accelerate the growth of greenhouse

gases among all of our countries -- a reduction in the growth.

Q Is there anyone else involved, like companies that are involved in this, or environmental groups or their stakeholders?

MR. CONNAUGHTON: As we identify the specific components for near-term action, it is essential that -- this only works if we can mobilize the forces of the private sector, as well as the resources of the private sector. And it works with the involvement of people at the local level. So you can expect, similar to what's happening with the methane partnership and a number of the other partnerships, this will require quite substantial public/private dialogue. But more than dialogue, it's going to require a quite substantial private investment.

Q And do you think you will get that?

MR. CONNAUGHTON: Yes.

Q Wait a minute. It doesn't require private investment. It encourages private investment.

MR. CONNAUGHTON: Success requires private investment.

Q Right. But nothing in the agreement requires anything.

MR. CONNAUGHTON: Yes. If we do not unleash greater private sector investment, we will not make as much progress as we hope. So this is -- the effort here is to unleash greater amounts of private investment in these countries that are so needy of it.

Q What types of incentives is the U.S. proposing to help do that? Any new ones, like breaks, or anything like that?

MR. CONNAUGHTON: Specific -- each area of activity, whether it's clean coal, methane, combined heat and power, and/or buildings and homes, will require a different portfolio -- a different array of strategies. I can't tell you, with respect to each item, yet, what elements might come forward. What I can tell you is, in the countries where USAID is doing business, for example, that we are spending several hundred

million dollars to try to sort of enable and partner towards some of these investments. In the countries where USAID is not involved, the Department of Commerce and some of our multilateral development institutions are looking at new work programs along the lines of clean technologies. So -- in the clean technology area.

So, for example, I'm hopeful you'll see a much greater presence from the business end of the Commerce Department on this initiative, where the last four years have largely focused on the science end of the Commerce Department. You should see a much greater emphasis out of our U.S. Trade Rep in relation to this initiative, where really they had largely been off the scene. In relation to this set of issues, not as present. As well as USAID -- I think people still under-appreciate the program of work that USAID has underway, and we will bring greater focus to it through this effort, and also, by the way -- all of this is actual of greater ability to prioritize. And that's been lacking. A lot of the effort to date internationally has been ad hoc. This will help us actually prioritize, according to each country's national circumstances.

So for example, India has a very strong need when it comes to rural and village-based energy systems. China, in its increasingly -- in its increasing urbanization, has a strong and compelling need for cleaner base load energy systems. And so this goes back to my earlier comment; there's not a one-size-fits-all to this. What we wanted them to do was design strategies that have much greater relevance to each country's national circumstances.

Q Does anything you're envisioning for this require tinkering with security related to high technology transfers to these countries, say on civilian nuclear power, for instance?

MR. CONNAUGHTON: The civil nuclear power piece will require a quite substantial governmental effort to align the security-related issues. We were taking the first step with the India partnership, and it's critically important, because the kind of base load -- cost-effective base load and safe energy that nuclear can provide can lift a lot of people into a better living situation, like we enjoy here in the States.

Q Have you identified any specific, though -- any specific items that are going need to be retouched or tinkered with or altered, or anything like that?

MR. CONNAUGHTON: Well, we've -- on the civil nuclear piece, especially as it relates to India, we've already identified sort of the essential elements of that. But then as we move forward, with the work program, you'll get a lot more information about that. So on that one, it's, stay tuned. You know the issues we have to confront, and the dialogue will be subject to very close scrutiny, as it should. And so we want to work to get it right, and be quite deliberate about it.

Q Jim, I was just looking at Article II of the U.N. Framework Convention, which I think you were referencing earlier.

MR. CONNAUGHTON: Yes.

Q It says that the goal is to stabilize greenhouse gases at a level that would prevent dangerous anthropogenic interference with the climate. Do you have an idea of what level that might be?

MR. CONNAUGHTON: No.

Q Well, then how do we know we're moving fast enough, then, to address the greenhouse gas issue?

MR. CONNAUGHTON: The scientists continue to work on that question. We are calibrating our current policy to what we know. And I think the G8 leaders, in a -- again, in a transformative statement, came together to make clear we know enough to take action now -- reasonable action now to slow the growth of greenhouse gases, and then as we continue to learn more from the science -- and it's right in the G8 leader's statement -- we'll work on stopping, and then reversing greenhouse gases. I think that's a good and measured way forward.

What we are interested in, and it's -- if you want to know where we're going to be putting an emphasis -- for too long the greenhouse gas equation has been about finding the least costly

ways to reduce greenhouse gases. A key focus of this partnership is finding the most profitable way to reduce greenhouse gases. And I think that will inspire a lot of effort.

Q Do you see any changes to -- well, for starters, U.S. law that might be needed to expedite this in some way? In other words, things that are not already under consideration --

MR. CONNAUGHTON: We're about to get a great change and the boost we need with the new energy bill. The most directly relevant component, of course, is the Hagel-Pryor amendment that was accepted overwhelmingly that actually set the legislative foundation for just this kind of partnership.

But I'd also want to indicate that there are other elements of the energy bill that will further facilitate this conversation, especially as it relates to coal, as well as -- we have a tax credit system for highly fuel-efficient vehicles that other countries lack. And so we are going to -- we have some new domestic legislative authorities that we look forward to sharing with our partners in other countries to see if those kinds of legislative programs are of interest and would be useful to them.

Q When you say sharing, you're talking about sharing ideas as opposed to money, correct?

MR. CONNAUGHTON: All of the above -- sharing programs, sharing dollars, and sharing -- sharing opportunities for private investment.

Q Does this agreement commit the U.S. to spending a certain amount of money?

MR. CONNAUGHTON: No, it doesn't.

Q Okay.

MR. CONNAUGHTON: Not in broad-brush. Let me be specific on that, actually. For example, in methane-in-markets, the U.S. has committed \$56 million to that effort. And so with respect to different elements of this, we actually -- we have a

commitment of real dollars on hydrogen. We have a specific commitment of I think nearly a billion dollars on fusion. We have not focused priorities -- there are a number of programs we run today that may prove to be of a lower priority, to which we may reprogram resources to higher priority opportunities with our country partners.

And so, in answering that, I just want to be clear, what we are expecting are real management plans around the specific work items, but there's not an umbrella dollar commitment that can or actually should be made under this framework we're establishing.

Take one more? Or have I exhausted you all? Let me highlight one thing. It would be, I think, contextually helpful for you, for what it's worth, to look at the President's speech on June 30, just a couple weeks ago, before he went to the G8. The second section that relates to poverty and the environment I think is as good a place to look for the President's philosophy on this issue.

Q Just as we kind of wrap up here, so what can we expect out of the Zoellick tonight? How is he going to present this? And what's the overriding significance?

MR. CONNAUGHTON: Well, you have -- first of all, you have the foreign ministers together at the Asia Regional Forum, which is focused on growth and development in the region. And so if you're talking about the significance -- you know, if you're looking at the significance, this is actually a very strong extension to what the G8 leaders have already made great progress on, which is broadening the conversation beyond climate to incorporate these essential aspirations of economic growth and well-being and poverty eradication and putting it into a framework where we can combine those challenges and develop smarter portfolio strategies for addressing them. So it's this convergence of key objectives for advancing human welfare that's going to provide a much more stable path forward, number one, but number two, it also broadens participation.

You know, even climate skeptics can embrace this agenda, and even the most ardent climate proponents can remind

themselves that access to clean and affordable energy is a
fundamental human need, and work on that, as well.

Q Thank you.

END

5:52 P.M. EDT