Written Statement of
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Mr. Chairman and Members of the Subcommittee, I am Dan Reifsnyder, Director of the Office of Global Change in the Bureau of Oceans and International Environmental and Scientific Affairs at the Department of State. I am very pleased to have this opportunity to appear before you today to discuss the outcome of the recent G-8 Summit in Gleneagles, Scotland, and upcoming international climate forums in London and Montreal. I will also provide an overview of our bilateral climate agreements and our multilateral initiatives, as requested by Chairman Vitter.

G-8 Outcomes

The G-8 Meeting produced two key documents: (1) the Leaders' Statement on Climate Change, Clean Energy and Sustainable Development, and (2) the Gleneagles Plan of Action. Both proved highly successful for the United States in that they support the strategy set forth by the President. Specifically, the Leaders noted that:

> "We face serious and linked challenges in tackling climate change, promoting clean energy and achieving sustainable development globally."

In other words, addressing the climate challenge is inextricably linked to our efforts to promote clean energy and to achieve sustainable development. As President Bush said in his speech at the Freer Gallery on June 30, 2005:

> "…Overcoming extreme poverty goes hand-in-hand with improving the environment. Stagnant economies are one of the greatest environmental threats in our world. People who lack food and shelter and sanitation cannot be expected to preserve the environment at the expense of their own survival. Poor societies cannot afford to invest in cleaner, more efficient technologies. Indira Gandhi spoke of poverty and need as the greatest polluters. The long-term answer

to environmental challenges is the rapid, sustained economic progress of poor nations."

The G-8 Leaders also affirmed that:

"While uncertainties remain in our understanding of climate science, we know enough to act now to put ourselves on a path to slow and, as the science justifies, stop and then reverse the growth of greenhouse gases."

They said that:

"Tackling climate change and promoting clean technologies, while pursuing energy security and sustainable development, will require a global concerted effort over a sustained period."

Therefore, G-8 Leaders agreed to the Gleneagles Program of Action, a broad-based, practical program of over fifty activities that will promote efforts to address climate change, to secure clean and affordable sources of energy, and to promote sustainable development over the coming decades.

The Gleneagles Program of Action calls for taking forward over fifty specific actions in six key areas:

"(1) Transforming the way we use energy," including in buildings, appliances, surface transport, aviation and industry;

"(2) Powering a cleaner future," with specific reference to cleaner fossil fuels, renewable energy and electricity grids;

"(3) Promoting research and development";

"(4) Financing the transition to cleaner energy";

"(5) Managing the impact of climate change," including with respect to monitoring and data interpretation and risk management; and

"(6) Tackling illegal logging."

The Gleneagles Program of Action puts forward one of the most practical work programs in this area agreed to date by international partners. By focusing on areas that can achieve both near -- and long -- term benefits in multiple areas, it represents a promising effort that can engage developing countries, which have long indicated they are not prepared to accept negotiated international targets on greenhouse gas emissions.

We are also pleased that four of the multilateral initiatives launched by the United States are specifically endorsed in these G-8 documents, including the:

(1) Carbon Sequestration Leadership Forum (CSLF)

(2) International Partnership for the Hydrogen Economy (IPHE)

(3) Methane to Markets Partnership (M2M) and

(4) Group on Earth Observations (GEO)

I will describe each of these with more specificity a bit later.

G-8 London Meeting

As part of the implementation of Gleneagles, G-8 leaders agreed to take forward a Dialogue on Climate Change, Clean Energy and Sustainable Development, inviting other interested countries with significant energy needs to join them. They specifically committed to:

"(a) address the strategic challenge of transforming our energy systems to create a more secure and sustainable future;

(b) monitor implementation of the commitments made in the Gleneagles Plan of Action and explore how to build on this progress; and

(c) share best practice between participating governments."

We understand that the United Kingdom plans to host a meeting in London on November 1 to take forward the Dialogue on Climate Change, Clean Energy and Sustainable Development. I have no additional details on this meeting at the moment, but we anticipate that it will focus on the specific elements of the Gleneagles Plan of Action and seek to build on them.

Montreal Meeting of the UN Framework Convention on Climate Change (UNFCCC)

The Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change will hold its 11th Session in Montreal from November 28 to December 9, 2005. Under Secretary of State for Global Affairs Paula J. Dobriansky will head the U.S. delegation to this meeting. As the Kyoto Protocol entered into force on February 16 of this year, the Montreal meeting will also be the first "meeting of the Parties (MOP)" under that instrument.

While the COP and the MOP will take separate decisions, reflecting the different legal instruments involved and the different membership in these two bodies, there will be a joint "High Level Segment" from December 7-9. It is likely that statements of

ministers and other heads of delegation will take up a good portion of the time, rather than the more interactive and successful roundtables that characterized the High Level Segments of COP-9 in Milan and COP-10 in Buenos Aires. In addition, there will be a heavy workload under the MOP as the Parties to that instrument seek to adopt the "Marrakech Accords" and other decisions to begin implementing the Kyoto Protocol.

We intend to carry forward our message, as we have in the last two COPs, and anticipate that it will have increased resonance as a result of the positive G-8 outcomes. At those previous COPs, we have highlighted all that the United States is doing with respect to science and technology, and with respect to our domestic actions and international partnerships related to climate change.

Bilateral Climate Partnerships

Since June 2001, the United States has launched 14 bilateral or regional partnerships to address climate change, encompassing over 400 collaborative activities with developing countries, such as Brazil, Central American countries as a group (including Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama), China, India, South Korea, Mexico, and South Africa. Bilateral initiatives with partners in the developed world include those with Australia, Canada, the European Commission, Italy, Japan, New Zealand and the Russian Federation. These partnerships have at their core the principle that successful climate change policy must serve a larger purpose of fostering prosperity and well-being for citizens around the globe. These partnerships have resulted in joint projects on climate change science, clean and advanced energy technologies, carbon capture, storage and sequestration and policy approaches to greenhouse gas emissions.

Global Environment Facility

Another example of international cooperation is the Global Environment Facility (GEF), the financial mechanism under the UNFCCC. The United States is one of the largest contributors to the GEF. President Bush's FY 2006 budget includes a $107.5 million request for the GEF. The GEF focuses on innovative and generally small scale projects and funds only the incremental costs involved in producing global environmental benefits. Our commitment will fund technology transfer and capacity building in developing countries. The GEF has committed about $5.4 billion to date, leveraging over $17 billion from other sources, including the private sector, international development banks and organizations, governments, NGOs and bilateral agencies. The GEF has designed and initiated nearly 1,600 investment and capacity building projects that are now being implemented by developing countries with the help of ten agencies, including the UN Development Program and the International Fund for Agricultural Development. It has also provided nearly 5,000 small grants directly to NGOs and community groups in over 70 countries.

Multilateral Initiatives

In recent years, the United States has launched a number of multilateral initiatives that address both near term and longer term issues related to climate change science and technology as well as near term efforts to increase energy supplies while reducing greenhouse gas emissions.

Carbon Sequestration Leadership Forum

The Department of State worked with the Department of Energy to launch the Carbon Sequestration Leadership Forum (CSLF) in June 2003. The CSLF, which now includes 17 countries and the European Commission, focuses on the development of improved, cost-effective technologies for the separation, capture, transport and long-term storage of carbon dioxide in geological formations. Brazil, China, Colombia, India, Mexico and South Africa participate in this cooperative framework along with numerous partners in the developed world.

International Partnership for the Hydrogen Economy

The Department of State also worked closely with the Department of Energy to launch the International Partnership for the Hydrogen Economy in November 2003 at a ministerial meeting in Washington, D.C. With 17 members, the IPHE provides a forum in which to organize and coordinate multinational research, development and deployment of programs to advance the transition to a global hydrogen economy. Among developing countries, partners include Brazil, China and India. IPHE partners are working together in such areas as hydrogen production and infrastructure, hydrogen storage and codes and standards. The partnership addresses interests in both stationary and mobile sources of hydrogen as well as fuel cells and seeks to foster implementation of large-scale, long term public-private cooperation to advance research, development, demonstration, and commercial use of these technologies. Our goal is to make fuel cell vehicles commercially available by 2020, in line with the President's commitments with respect to both Freedom Fuels and Freedom Car.

Methane to Markets Partnership

The Department of State worked closely with the Environmental Protection Agency, the Department of Energy and the U.S. Agency for International Development to launch the Methane to Markets partnership at a ministerial meeting in Washington, D.C., in November 2004. The Partnership is designed to help promote energy security and reduce greenhouse gas emissions through cost-effective, near-term recovery and use of methane. Through this partnership, the United States and 15 other countries, including Argentina, Australia, Brazil, Canada, China, Colombia, India, Italy, Japan, Mexico, Nigeria, Russia, South Korea, Ukraine and the United Kingdom, target methane from oil and gas activities, in coal beds and from landfills. By facilitating international cooperation, the Partnership has the potential to recover up to 500 billion cubic feet of methane annually by 2015, leading to the development of new and cleaner energy sources

that stimulate economic growth and improve the environment. President Bush has pledged to commit up to $53 million to the Partnership over the next five years.

Group on Earth Observations

The United States held an Earth Observations Summit in Washington, D.C. in July 2003 to launch a multilateral effort to establish an intergovernmental, comprehensive, coordinated, and sustained Earth observation system. Continuous monitoring of the state of the Earth will improve our understanding of and ability to predict dynamic Earth processes and will provide timely, high-quality, long-term, global information as a basis for sound decision making about climate change as well as for several other areas of societal benefit.

Through two succeeding ministerial meetings (in Tokyo in April 2004 and in Brussels in February 2005) a 10-year Implementation Plan for the Global Earth Observation System of Systems (GEOSS) was adopted, and the intergovernmental Group on Earth Observations was established to begin implementation of the 2-, 6-, and 10-year targets identified in the plan. Over 60 countries and 30 international organizations are now participating in this effort, and an international secretariat has been established in Geneva at the invitation of the World Meteorological Organization.

The United States Group on Earth Observations (USGEO), a subcommittee of the National Science and Technology Council Committee on Environment and Natural Resources coordinates the development of the Integrated Earth Observation System (IEOS) which is the U.S. contribution to GEOSS. GEOSS and IEOS will facilitate the sharing and applied usage of global, regional and local data from satellites, ocean buoys, weather stations and other surface and airborne Earth observing instruments.

GEN-IV International Forum

We are improving the reliability of nuclear power, which is already an important greenhouse gas emissions-free energy source in many parts of the world. In 2001, the Department of Energy launched the Generation IV International Forum (GEN-IV), in which ten nations and Euratom are working together on the next generation of nuclear power that will be safer, more affordable, and more proliferation resistant. These advanced nuclear technologies will help provide a clean, stable and abundant source of energy while reducing the global demand for fossil fuels. We are working closely with the Department of Energy on this initiative.

ITER

The United States has rejoined an effort to build an experimental fusion energy reactor. ITER's members include China, the European Union, Japan, the Russian Federation and South Korea. Fusion holds enormous promise as a potential source of clean, unlimited energy and is another component in the suite of technologies that comprise our long-term vision of developing and deploying transformational energy

technologies as the key to energy security and reduction of GHG emissions. With the recent agreement to site the $5 billion experimental reactor in Cadarache, France, we look forward to continued progress in this endeavor.

Tropical Forest Conservation

Many of our international activities also help to promote the biological sequestration of carbon dioxide, an important tool for addressing climate change that can have benefits both for conservation and climate change. The Tropical Forest Conservation Act (TFCA) offers eligible developing countries opportunities to reduce concessional debt owed to the United States while generating local currency funds to support programs to conserve tropical forests. Since 1998, the United States has concluded nine TFCA agreements with eight countries that will generate more than $95 million for tropical forest conservation over the next 10-25 years. Three U.S.-based international NGOs (The Nature Conservancy, the World Wildlife Fund and Conservation International) contributed approximately $7.5 million to six of the nine agreements, thereby increasing the amount of debt we were able to treat. TFCA agreements have been concluded with Bangladesh, Belize, Colombia, El Salvador, Jamaica, Panama (two agreements), Peru and the Philippines. In FY 2006, the Administration has requested a total of approximately $100 million for certain debt restructuring programs. These programs include bilateral Heavily Indebted Poor Countries (HIPC) and poorest country debt reduction, contributions to the HIPC Trust Fund and TFCA debt reduction.

Illegal Logging

In 2003, the Department of State launched the President's Initiative Against Illegal Logging (PIAIL) to assist developing countries to combat illegal logging and the sale and export of illegally harvested timber products. This initiative represents the most comprehensive strategy undertaken by any nation to address this critical sustainable development challenge and reinforces U.S. leadership in taking action to counter the problem and conserve forest resources that store carbon.

Concluding Remarks

Mr. Chairman, I hope that my testimony this morning conveys a sense of the vast extent to which the United States is working to reduce greenhouse gas intensity and promote energy efficient technologies, while also placing primary importance on supporting economic growth and prosperity. We see economic growth, addressing the climate change problem, and energy security as integrally related. Meeting the challenge of the expected future growth in global energy demand and reducing greenhouse gas emissions will require a transformation in the way the world produces and consumes energy over the next generation and beyond. This is why we are leading global efforts to develop and deploy breakthrough technologies for both the developed and developing world.

I thank you for this opportunity to testify before this Subcommittee on behalf of the Department of State. I would be pleased to answer any questions you may have.