



STRATEGIC OPTIONS FOR BUSH ADMINISTRATION CLIMATE POLICY

By Lee Lane

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President George W. Bush is widely expected to announce new initiatives to reduce greenhouse gas emissions in the State of the Union address in January; whether or not that happens, momentum toward legislation is building in the new Congress, and federal action on climate change in the near future is increasingly likely. What new climate change policies should Congress and the president consider?

In *Strategic Options for Bush Administration Climate Policy* (AEI Press, December 2006), Lee Lane, executive director of the Climate Policy Center, explores the strengths and weaknesses of current federal climate change programs and the policies now under consideration. Lane demonstrates the ineffectiveness of the Kyoto Protocol, the international treaty designed to limit greenhouse gas emissions. Lane concludes that the Bush administration must take more effective steps now to set American climate change policy on the right path or else risk ceding the leadership on this vital issue to the next president.

Lane argues that President Bush should have the following goals as he considers new climate change policies:

- **Save America from the fatally flawed Kyoto approach.** Lane demonstrates that President Bush was right to reject the Kyoto Protocol and should continue to reject calls for “cap-and-trade” programs modeled on Kyoto. Such programs would be expensive and ineffective, with significant costs and negligible environmental benefits. Although President Bush rejected the Kyoto Protocol in 2001, he has not succeeded in persuading the country that his approach to climate change policy is more effective. The danger that Congress will enact flawed Kyoto-inspired policies in the coming years is growing.
- **Promote the development of real solutions to climate change.** President Bush understands that real solutions to climate change will require developing breakthrough clean-energy technologies and (probably) geoengineering technology. Unfortunately, the administration has allowed bureaucratic infighting and inertia

to stifle organizational changes that are essential to success against the large technological challenges posed by these goals. Lane makes the case for several urgently needed reforms.

- **Offer a broad, modest carbon tax as the most economically efficient near-term policy.** Saving America from a Kyoto policy revival will require the administration to develop a more politically persuasive alternative. Such a proposal, if enacted, would dissipate the growing political momentum toward reengaging with the Kyoto system, and would establish an important precedent: once the federal government embarks on a relatively inexpensive approach to greenhouse gas control, future policies are likely to follow that path. Realistically, the environmental benefits of all short-term emission reduction policies will be largely symbolic, but the nature of such policies can drastically increase or decrease their costs. A carbon tax would be much more cost-efficient than emissions trading; President Bush, with his strong record of tax cutting, would be uniquely well-positioned to advance such a proposal. (At the very least, Lane argues, the president should consider endorsing a cap-and-trade program that incorporates a “safety valve,” providing an unlimited supply of affordable credits, essentially transforming the trading program into a tax.)

Strategic Options for Bush Administration Climate Policy is a must-read for any student of climate change policy. In this thorough study, Lane offers a detailed critique of existing climate change programs and proposals, and offers insights into ways these initiatives could be reformed. Lane concludes that our resources should focus on actual solutions rather than symbolic gestures.

Lee Lane is the executive director of the Climate Policy Center, a Washington, D.C.-based policy research organization that analyzes climate policy options and promotes economically efficient policy responses to the challenge of climate change.

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