WHY PRESIDENT BUSH IS RIGHT TO ABANDON THE KYOTO PROTOCOL

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On March 28, 2001, President George W. Bush announced that the United States would not implement the Kyoto Protocol on global warming. Given the current energy crisis as well as the incomplete state of scientific knowledge of the causes of, and solutions to, global climate change and the lack of commercially available technologies for removing and storing carbon dioxide, the President said he could not sign an agreement that would “harm our economy and hurt our workers.” He also objected to the fact that the Protocol—which has been ratified by only one of the countries necessary before it could go into effect—still “exempts 80 percent of the world...from compliance.” President Bush supports a policy approach to the issue of global climate change that is based on sound science, and he has offered to work with America’s allies and through international processes to “develop technologies, market-based incentives, and other innovative approaches” that would address the factors involved more effectively.

The President’s principled announcement set off a firestorm of criticism from environmental activists at home and from other countries, including the European Union (EU). Supporters of the Protocol claimed that unless the United States reduces its carbon dioxide emissions under the agreement, the Earth’s temperature will rise with catastrophic results, such as massive floods, coastal erosion, and water...
shortages. Their criticisms make it appear that the President’s decision is a drastic reversal of U.S. policy, but this is not the case. Ever since the Clinton Administration agreed to the Protocol in December 1997, Congress has expressed its disapproval, and little progress has been made in hammering out guidelines for domestic implementation.

Evidence of the considerable lack of consensus, both in the United States and abroad, concerning the Protocol’s underlying principles and its policies includes the following:

- **Strong Congressional Reservations.** In July 1997, the Senate unanimously passed a resolution (S. Res. 98) stating that it would not ratify any global climate treaty that would seriously harm the U.S. economy or that failed to require developing countries to reduce their emissions within the same time frame as the developed countries. Despite this Senate opposition, the Clinton Administration agreed to the Protocol five months later and then signed it on November 12, 1998. Recognizing the lack of support for the Protocol on Capitol Hill, however, President Clinton never submitted it to the Senate for ratification—a step necessary for it to take effect.

- **Presidential Approval of Appropriations Bills to Prohibit Funding for the Protocol.** President Clinton approved and signed into law appropriations bills for fiscal years 1999, 2000, and 2001 that included language prohibiting the Environmental Protection Agency from using its funds to “issue rules, regulations, decrees, or orders for the purpose of implementation, or in preparation for implementation, of the Kyoto Protocol” until the Protocol is ratified by the Senate and entered into force under the terms of the treaty.

- **Little Ratification Activity Among Developed Countries.** Most nations of the EU as well as other parties to the agreement have not ratified the Protocol. According to the United Nations, of the 84 countries that have signed the Protocol, only 32 developing countries—which will not be subject to its emissions targets—and Romania have ratified it. No major industrialized Annex I country has done so. Romania, which is an Annex I country, ratified the Protocol on March 19, 2001. However, as the United Nations Framework Convention on Climate Change (UNFCCC) reports, Romania represents only 1.2 percent of the combined emissions (55 percent) required to bring the Protocol into force.


6. S. Res. 98, introduced by Senators Robert Byrd (D–WV) and Chuck Hagel (R–NE), was passed by a vote of 95–0 on July 25, 1997.


9. For a list of countries that have ratified or signed the Protocol as of March 19, 2001, see http://www.unfccc.int/resource/kpstats.pdf. For further information, see Fletcher, “Global Climate Change,” p. 3.

10. The Annex I countries bound by the Kyoto targets include Australia, Austria, Belgium, Bulgaria, Canada, Croatia, Czech Republic, Denmark, Estonia, European Community, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Latvia, Liechtenstein, Lithuania, Luxembourg, Monaco, the Netherlands, New Zealand, Norway, Poland, Portugal, Romania, Russia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Ukraine, the United Kingdom, and the United States. U.S. Department of Energy, Energy Information Administration, International Energy Outlook 2001, DOE/EIA–0484, March 2001, p. xi. See also Fletcher, “Global Climate Change.”

President Bush is right to walk away from the Kyoto Protocol. It is a flawed agreement for addressing the issue of global temperature changes and their impact on the environment. Considerable uncertainty remains about the science of climate change and mankind’s contribution to it. As John Christy, a professor of atmospheric science at the University of Alabama in Huntsville, recently stated, “climate models are really in the infancy of being able to predict the future.” Therefore, any agreement based on these models is based on speculation, not fact.

Furthermore, any agreement that allows the developing countries to continue emitting greenhouse gases would in effect negate the efforts of those countries that are trying to reduce them. It would drastically increase the cost of gasoline, electricity, and fuel oil for Americans and cause significant harm to the U.S. economy.

Americans would be better served if the Administration adopted a “no regrets” plan of action to reduce greenhouse gases domestically over the short term and augmented efforts to improve research and climate modeling capabilities so that policymakers could better understand how climate change is affecting the environment. The global economy would be better served if the United States continued to lead opposition to the Protocol’s command-and-control regulatory approach and looked for alternative ways to encourage nations to reduce emissions voluntarily. And the U.S. economy would be better served by low tax and deregulatory policies and a competitive domestic energy market that fosters long-term improvements in energy efficiency and new technologies.

FUNDAMENTAL FLAWS IN THE TREATY

The Kyoto Protocol sets targets for industrial countries—such as the United States, Japan, Canada, and members of the European Union—to reduce their overall emissions of greenhouse gases by at least 5 percent below 1990 levels between 2008 and 2012. The Clinton Administration committed the United States to a 7 percent reduction from 1990 levels and agreed that developing

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countries—including China, India, and Brazil—should be excluded from these targets.

The Protocol is unachievable, unfair, and economically harmful to the United States. Even if it came into force, it would achieve little environmental benefit and would fail to achieve its goal of reducing greenhouse gases. The following are among the Protocol’s fundamental flaws:

- **Faulty Science.** Every five years, the United Nations Intergovernmental Panel on Climate Change (IPCC) publishes a report on global climate change. These Assessment Reports, which become central to the debate over global warming, purport to lay out a consensus of what is known, what is still uncertain, and how various actions might cause changes in future climate conditions.15 The Second Assessment Report in 1995 predicted, for example, temperature increases by the year 2100 that would range from less than 2°F to more than 6°F. However, it also conceded that “current data and systems are inadequate for the complete description of climate change.”16

In January 2001, in a “Summary for Policymakers” for the Third Assessment Report, the IPCC predicted the onslaught of coastal inundation, increasingly violent weather, more droughts, increased spread of mosquito-borne illnesses, crop failures, and more. It placed blame at the feet of humans for temperatures warming at a faster rate than previously predicted.18

Though the media characterized the summary as having a higher degree of certainty than previous assessments, independent reviews have found it to be a flagrant misrepresentation of what is known about the impact of future climate changes.20 For example, after reviewing a draft of the summary that was leaked to the press just before the U.S. presidential elections, the Director of the Environmental Program at the Reason Public Policy Institute, Dr. Kenneth Green, criticized the report for not putting its findings in context, either with previous assessments or with the main body of research conducted for the more scientifically rigorous Third Assessment.21 Moreover, when the official version of the summary was released, he found that the wording had changed but the predictions were the same as in the leaked report.

Dr. Green found the IPCC report seriously flawed because it.22

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1. **Presents speculation as fact.** The report makes predictions based on simple models that (1) fail to take into account current or historical climate phenomena, (2) are not calibrated to observed climate phenomena, (3) fail to emulate fundamental climate processes, and (4) project an appearance of certainty that is not supported by the evidence in underlying technical reports or statements regarding similar exercises made in mainstream science journals.\(^{23}\)

2. **Fails to distinguish between non-human and human-caused factors.**\(^{24}\) By lumping together predictions based on human and non-human factors, the report fails to provide the kind of verifiable information that would enable policymakers to make intelligent decisions on how to reduce human contributions to climate change and how to prepare for changes that are due to forces outside of human control.\(^{25}\)

3. **Bases its predictions on pessimistic and unsubstantiated assumptions—worst-case scenarios that suggest a higher range of potential warming and rising sea levels by 2100.**\(^{26}\) The possible scenarios on which the report’s predictions are based include population changes, fuel use, technology development, international trade, and rate of development.

As Dr. Green concludes, “the ramifications of climate change policy are too far-reaching to be based on distorted representations of the current state of knowledge in either climate science or climate predictive ability.”\(^{27}\) As long as biased political forces outside scientific processes can manipulate the data, scientists will never be able to arrive at a consensus regarding global climate change. Until a consensus based on sound science can be reached, it would be irresponsible for the U.S. government to agree to mandatory emissions reductions.

- **Unrealistic Targets.** Studies also show that it is unlikely that the industrialized countries will meet their targets under the Kyoto Protocol. For example, a review of five recent government studies and one independent review by WEFa, a U.S. econometrics modeling firm, finds that the industrialized countries of North America, the Pacific region, and Western Europe would not be able to meet their emissions targets without imposing excessive carbon taxes or allowing the extensive use of such “flexibility mechanisms” as emissions trading.\(^{28}\) Without these measures, the studies conclude, the United States would have to curb its emissions by more than 30 percent to meet its target in 2010.\(^{29}\) The EU would have to reduce emissions over this same period from 16 percent to over 30 percent.\(^{30}\)

- **Misdirected Objectives.** A study published last year by James Hansen and his colleagues at NASA’s Goddard Institute for Space Studies finds that too much attention is being placed on carbon dioxide.\(^{31}\) Instead, Hansen


\(^{24}\) Ibid., p. 3.

\(^{25}\) Ibid., p. 5.

\(^{26}\) Ibid., pp. 4, 5.

\(^{27}\) Ibid., p. 5.


\(^{29}\) Ibid., p. 2.

\(^{30}\) Ibid.

proposes that reductions in non-carbon dioxide greenhouse gases and other heat-trapping substances such as methane, ozone, soot, and aerosols would be a more practical way to address climate change. \(^ {32} \) Hansen notes that emissions from these other greenhouse gases and aerosols are easier to control than carbon dioxide. \(^ {33} \) His suggestion merits serious consideration. As noted in *The Washington Post*, Hansen's study “suggests that the sensible course is to move ahead with a strong dose of realism and flexibility.” \(^ {34} \) It should remind us that climate issues are complex, far from fully understood and open to a variety of approaches. It should serve as a caution to environmentalists so certain of their position that they're willing to advocate radical solutions, no matter what the economic cost. \(^ {35} \)

- **Exempts Developing Nations.** The Protocol exempts developing countries such as China, India, and Brazil from its binding emissions reductions. \(^ {36} \) Because of population increases, economic expansion, and increasing reliance on commercial fuels, however, developing nations will emit more greenhouse gases within 15 years than will the major industrialized countries. \(^ {37} \) More recent data from the

\(^ {32} \) Ibid.

\(^ {33} \) Ibid.


\(^ {35} \) Ibid.
Energy Information Administration of the U.S. Department of Energy predict that by 2020, total carbon dioxide emissions by the developing countries will significantly surpass those of industrialized countries. Moreover, world coal use will grow by 30 percent between 1999 and 2020, with China and India alone accounting for 90 percent of that increase.

Since greenhouse gases are not stationary, failing to include developing countries in the reduction goals will negate any reductions that industrialized countries could achieve. In fact, global emissions would increase, as energy-intensive production would transfer from developed to undeveloped countries where energy use is less efficient but less costly. Exempting developing countries from binding emission targets will create a competitive imbalance between the industrial and developing nations.

If the goal of the Kyoto Protocol is to reduce greenhouse gas emissions collectively because of the alleged risk of global warming, then developing countries must be subject to the Protocol’s restrictions. Exempting them makes it unlikely that the Protocol will have any permanent effect on greenhouse gas emissions.

- **Severe Economic Consequences.** A recent study notes that many climate policy experts now believe the emissions reductions called for in the Protocol could have an adverse effect on Americans. The study finds, for example, that U.S. productivity following implementation of the Protocol would fall by $100 billion to over $400 billion in 2010. An unrestricted global emissions trading system that includes developing countries could reduce this damage to between $100 billion and $200 billion. Even if developed countries could buy credits from developing countries, they would still pay dearly to attract them at a time when developing nations are focused on economic growth.

The study also predicts that increases in prices for gasoline would range from about 30 percent to over 50 percent and increases in prices for electricity from 50 percent to over 80 percent. Further, workers would suffer reductions in wage growth of 5 percent to 36. The material handed out at the Third Conference of the Parties on December 1–10, 1997, includes the statement that developing countries, “regardless of their levels of economic development or emissions of greenhouse gases,” are “not required to take any specific steps to reduce or limit emissions. For example, China, Brazil, South Korea and India are ‘Developing Countries’ for purposes of the Treaty.” See “Understanding the Berlin Mandate,” Global Climate Negotiations Materials, Vol. I, November 19, 1997. See also Fletcher, “Global Climate Change,” p. 3.


40. Angela Antonelli, “Road to The Hague: A Desperate Effort to Salvage a Flawed Climate Change Treaty,” Heritage Foundation Backgrounder No. 1401, November 17, 2000, p. 8.

41. Ibid.


44. Ibid.


10 percent a year, while living standards would fall by 15 percent.\textsuperscript{47} Employment losses would be similarly significant. According to a WEFA analysis, if all mandated carbon emissions targets are achieved domestically, every state in the United States will lose jobs.\textsuperscript{48} Total job losses are estimated at 2.4 million.\textsuperscript{49} Low- and moderate-income families would be hardest hit.

U.S. competitiveness would be harmed as well. Developing countries would not need to raise their energy prices or product prices as the industrial countries would after implementing steps to meet their targets.\textsuperscript{50} U.S. output of energy-intensive products, such as automobiles, steel, paper, and chemicals, could decline by 15 percent by 2020.\textsuperscript{51} Rising energy costs would adversely affect U.S. agriculture as well, causing food exports to decline and food imports to increase.\textsuperscript{52}

**EUROPE’S DECEPTION**

Ever since President Bush announced that the United States would not support the Kyoto Protocol, European leaders have attacked him relentlessly for this decision, even resorting to petty name-calling. Their protests are hypocritical. Notwithstanding their purported commitment to the Protocol, no EU country has ratified the treaty. Moreover, studies suggest that emissions in Europe will increase over the next 10 years. Specifically:

- MIT’s Joint Program on the Science and Policy of Global Change predicted in February that

\textsuperscript{47} Thorning, “A U.S. Perspective on the Economic Impact of Climate Change Policy,” p. 4.


\textsuperscript{49} Ibid.

\textsuperscript{50} Thorning, “A U.S. Perspective on the Economic Impact of Climate Change Policy,” p. 5.

\textsuperscript{51} Ibid.

\textsuperscript{52} Ibid.
by 2010, CO2 emissions in the EU would surpass 1990 levels by 14 percent,\(^{53}\) and

- The U.S. Energy Information Administration recently estimated that by 2010, emissions in Western Europe would be 12 percent above 1990 levels.\(^ {54}\)

Thus, the EU states will fall well short of their Kyoto Protocol target of 8 percent below 1990 levels.

To be sure, hurling insults at the U.S. President for his honest approach to the problem conveniently diverts attention away from their inability to meet their own targets. As EU Environment Commissioner Margo Wallstrom noted at a recent press conference, “this is not a marginal issue that can be ignored or played down…. It has to do with international relations, with trade, with economics.”\(^ {55}\) The primary objective is to secure job growth and economic expansion, not a reduction in emissions.\(^ {56}\)

**WHAT WASHINGTON SHOULD DO**

The President was right to let the international community know that the United States would be walking away from the Kyoto Protocol and to direct his Cabinet Secretaries to conduct a thorough review of climate change policies. Based on that review, the Bush Administration and Members of Congress will be better able to determine the best approach to dealing with climate change issues both domestically and internationally.

To avoid another Kyoto-like approach, however, it is critical that the President is not pressured to announce an alternative before all of the facts have been analyzed pursuant to sound scientific principles. The use of more sophisticated climate models that take into account such variables as clouds and solar activity is vital to more accurately determining the impact of human activity on climate change.

The President and the United States have an opportunity to lead on this issue of climate change at the upcoming meeting on the Kyoto Protocol in Bonn, Germany, in July. President Bush should instruct the U.S. delegation to present not only his Administration’s reservations about the Protocol, but also flexible policy options for addressing climate change. Such options include:

- Market-based measures that encourage countries and businesses to make voluntary reductions in criteria pollutants,\(^ {57}\) such as streamlining the regulatory process, replacing the current command-and-control regulatory scheme with flexible results-oriented policies, and providing incentives to install state-of-the-art technologies;
- Tax cuts to stimulate investment in new, cleaner, and more efficient technologies;
- Targeted funding for research on the science of climate change; and
- Implementation of a “no regrets” approach that emphasizes bilateral development of new technologies and transfers of these technologies.

These options would replace the flawed mechanisms of the Kyoto Protocol with policies that are based on sound science and free-market principles.

**CONCLUSION**

The Kyoto Protocol is fundamentally flawed and unfair, and it would seriously harm the U.S. economy. Even if it comes fully into force, it will not achieve its goal of reducing greenhouse gases globally. It excludes developing countries from its binding emissions reduction targets even though their total emissions will surpass those of...
industrialized countries by 2020. It will significantly raise energy costs and will have a dramatic ripple effect across entire economies.

Finally, it is based on flawed scientific models. The science of global climate change is extremely complex and still evolving. Scientists have a long way to go before they can accurately predict temperature changes and their impact on the environment. The importance of basing climate change policy on sound environmental science, rather than alarmist rhetoric, cannot be overstated.

For all these reasons, the President was right to walk away from the Kyoto Protocol. Other countries should follow the President's lead and refuse to ratify it. To do otherwise is shortsighted and, in the long run, will prove to be both environmentally and economically damaging.