

CLIMATE WARS, EPISODE II

RETURN OF THE PRESIDENT

Written 08/03/2013

President Obama has recently made several statements in favour of increased action on behalf of the United States in the fight against climate change. The implementation of real reforms on this issue risk causing numerous difficulties given the high level of scepticism surrounding these issues in the United States. However, these statements must still be heard: the fight against climate change will only be effective with increased efforts on behalf of the United States.

Many people were disappointed at the weak level of ambition in Obama's Administration on the issue of climate change. Since his re-election, Barack Obama has multiplied his statements in favour of reinforced action on behalf of the United States in the fight against climate change.

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The President had particularly strong words to say on the matter at his inaugural speech, implicitly making reference to the drought periods and hurricane Sandy that hit the United States in 2012: *"We will respond to the threat of climate change, knowing that the failure to do so would betray our children and future generations. Some may still deny the overwhelming judgement of science, but none can avoid the devastating impact of raging fires, and crippling drought, and more powerful storms"*.

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Significant barriers to the implementation of an ambitious policy

However, many obstacles are awaiting the administration on these issues.

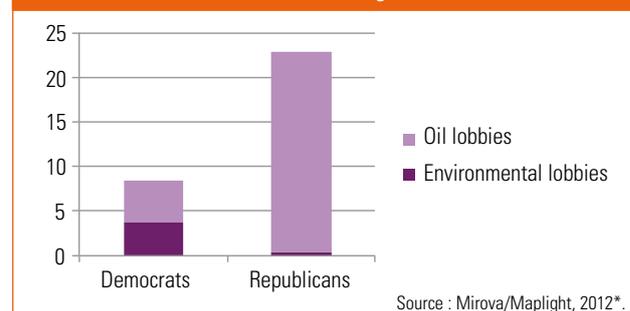
Firstly, republicans, the majority of whom are opposed to any climate-related regulation, are still at the head of the House of Representatives. President Obama announced in his state of the Union speech that he was prepared to govern by executive order on this topic if no consensus was found

between the Senate and the House of Representatives. Nevertheless, an executive force on these topics could be considered as an abuse of power and could even lead to legal proceedings on behalf of the Republicans.¹

Secondly, the majority of the American opinion is still convinced that human activities have no influence on climate². In an increasingly difficult economic context for mature economies like the United States, decisions on climate that could have an impact on the country's growth risk becoming rapidly unpopular, majorly reducing democrats' freedom as a result.

Finally, the power of industrial groups of sectors linked to fossil energies (petrol, gas, coal) in the policy decision process in the United States remains a major obstacle for the Obama Administration.

Figure 1: Finance allocated to the current members of American congress



* Maplight is an NGO that follows contributions received by political parties in the United States. Maplight won the UN World Summit Award for e-Government

(1) In the past, certain presidential executive orders were cancelled following legal proceedings: President Truman's Executive Order 10340 in 1952 and President Clinton's Executive Order 12954 in 1995.

(2) The study "More Say There Is Solid Evidence of Global Warming" published by The Pew Research Center in October 2012 states that even though 67% of Americans believe that there is solid evidence of climate change, only 42% of Americans believe that human activities are to blame for climate change.

The need to react quickly

Despite everything, these statements should be welcomed favourably. Limiting the increase in temperatures is currently impossible without a stronger commitment from the United States.

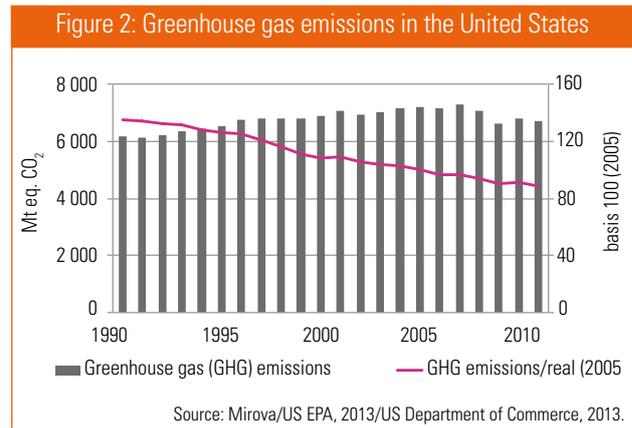
The United States are, behind China, the second biggest global greenhouse gas emitter with ~15% of global emissions. Greenhouse gas emissions per person in America remain amongst the highest in the world with ~21 t eq. CO₂/inhabitant compared to less than ten or so tons in Europe³.

Since 2007, the United States has managed to significantly reduce its carbon footprint, particularly due to the increased energy efficiency in transport modes and a shift from coal to gas in electricity production following the emergence of shale gas production.⁴ These efforts need to strongly increase if the United States is to succeed in halving its global greenhouse gas emissions before 2050.

According to the IPCC⁵, this target is the minimum to avoid the most devastating consequences of climate change. In global terms, given the demographic growth provisions, this objective implies achieving average emissions of less than 3 t eq. CO₂/inhabitant compared to a current worldwide average of more than 7 t eq. CO₂/inhabitant.

Amongst the fields frequently mentioned, on which the Obama Administration could have an impact, the following are particularly noteworthy:

- Pursue efforts related to reducing the automotive industry's consumption. Despite more strict consumption standards in place that have reduced the consumption of new vehicles sold, consumption still remains at ~10 L/100 km vs. ~6L/100 km in Europe.
- Improve regulatory constraints aiming to reduce the CO₂ emissions of power plants, particularly for coal plants.
- Continue support for renewable energies.
- Reduce tax credits associated with the oil and gas sectors.
- Improve regulations on methane leaks and flaring in oil and gas extraction on American territory.



In addition to these efforts, a contribution from the United States is awaited at the next International Negotiations on climate. Although Obama's first term was considerably detached from W. Bush's two terms on this issue, progress made has been extremely limited. Disagreements between China and the United States remain one of the main obstacles to an agreement establishing targeted objectives for the main emitter countries.

If these declarations materialise through a concrete policy change, the consequences will be major in terms of investment with positive impacts on players offering solutions in terms of reduction of carbon intensity in all economic sectors.

(3) These differences are mainly due to the fact that the United States became developed at a time when energy was cheaper and the issue of global warming was unheard of. The choice made at the time of a spread-out urban model implying high energy consumptions cannot be associated with a lack of political will in the fight against climate change.

(4) See also the Mirova study, 2012 "Shale Gas and Unconventional Gas: New Resources, New Challenges".

(5) The Intergovernmental Panel on Climate Change (IPCC) is the leading international body for the assessment of climate change. It was established by the United Nations Environment Programme (UNEP) and the World Meteorological Organization (WMO) in 1988 to provide the world with a clear scientific view on the current state of knowledge in climate change and its potential environmental and socio-economic impacts. More info: www.ipcc.ch.

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