

U.S. Senate Committee on Foreign Relations
Senator Richard G. Lugar
Opening Statement for Pathways to a “Green”
Global Economic Recovery
May 19, 2009

I join in welcoming our distinguished witnesses. They offer two unique perspectives on the economic consequences of climate change. As an economist, Lord Nicholas Stern issued a far reaching report in 2006 concluding that the costs of addressing climate change will increase the longer we delay taking action. As a businessman, Jim Rogers of Duke Energy knows first hand the direct costs of dealing with climate change.

Steps to address climate change in the United States, as elsewhere, will occur in a political context that will be deeply affected by the current recession, varying perceptions of risk, regional differences, and other factors. This would seem to be stating the obvious. But policymakers must continually remind themselves that even if some type of international agreement on climate change is possible, it won't mean much if the American public and publics around the world reject it as unfair or too burdensome.

American participation in any global agreement on climate change is likely to bring profound changes to the American economy and culture that require the achievement of much greater consensus than we now have. By consensus, I am not just speaking of agreement on the reality of climate change or even the necessity of taking action. I believe we need much broader agreement on how we structure our response and what sacrifices will have to be made by the American people. Absent a reasonable consensus on these points, implementation of a climate change policy is far more likely to be ineffective, economically damaging, and divisive.

When I discuss with Hoosiers the threats that the United States faces from our overreliance on foreign oil, they understand both the economic and national security risks of our situation. When Hoosiers open a new biofuels or geothermal plant, or unveil a new wind mill, they are proud. But their interest in these technologies is not academic. They want to know how many jobs will be created, how many dollars will be returned by the investment in the long run, and how the project fits into broader efforts to achieve energy independence. Most Hoosiers are pleased if the project also reduces carbon emissions, but that is rarely their central motivation for embracing new technologies and conservation measures.

I am hopeful that the U.S. climate change response can be centered on steps that simultaneously reduce our reliance on foreign oil, promote soil and water conservation, contribute to rural development, leverage new energy technologies, and create jobs. Public support will be strongest for emissions-cutting measures that are seen as contributing to additional U.S. economic or national security priorities.

As I mentioned during our last hearing on climate change, the American political debate on this issue has not progressed on the same timetable as international negotiations. I have called on the Obama Administration, both in private and in public, to improve and broaden its education campaign on climate change. An essential step in this process must be to provide a much clearer picture of the overall elements of the problem and the Administration's strategy in structuring a potential agreement.

I understand that climate talks are fluid. But the American political debate must be sufficiently informed to reach some conclusions about what steps are economically and politically plausible. If negotiations proceed without these public reference points, Congressional approval of any climate change agreement will be exceedingly difficult, and we will fall far short of the type of consensus that is needed to sustain an effective program.

I look forward to the insights of our witnesses.

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