

US Climate Change Policy

**Pending Legislation
and
What the US Might Learn from the European Experience**

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Sources for Presentation

Climate Strategies/German Marshall Fund Report:
Climate Policy and Industrial Competitiveness, by
Michael Grubb and others

Climate Strategies study: article by van Asselt and
Brewer in *Energy Policy* (2010)

Book in progress: the political economy of US
government, business and public responses to
climate change

Outline

I. Context

II. Current Agenda

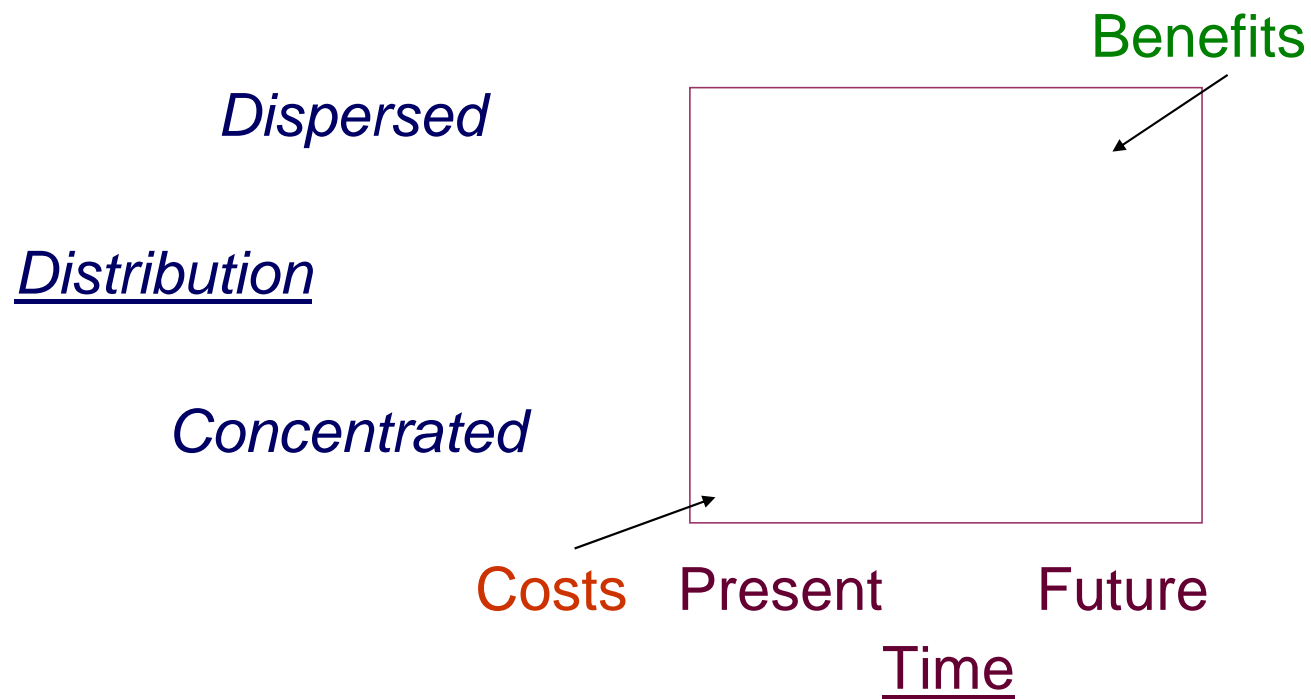
III. Lessons from Europe

I. Context

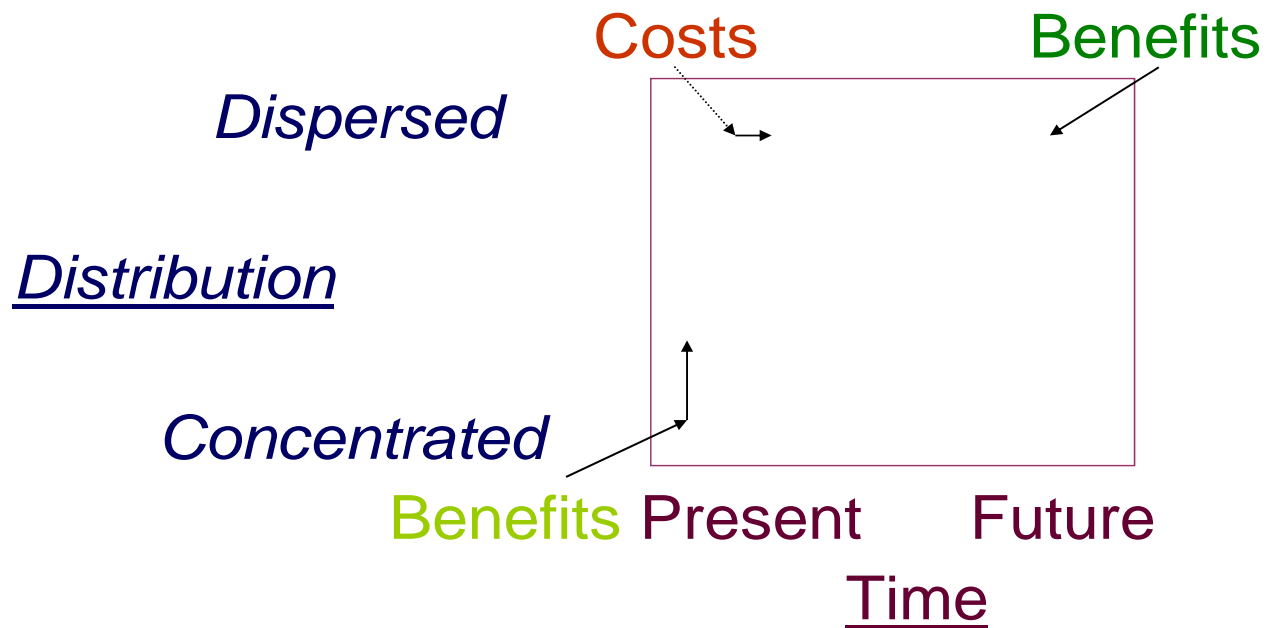
Conceptual framework: patterns in the distributions of benefits and costs over time and among groups

Public opinion data: the recent shift

Patterns of Political Economy: Mitigation through Emission Limits[©]

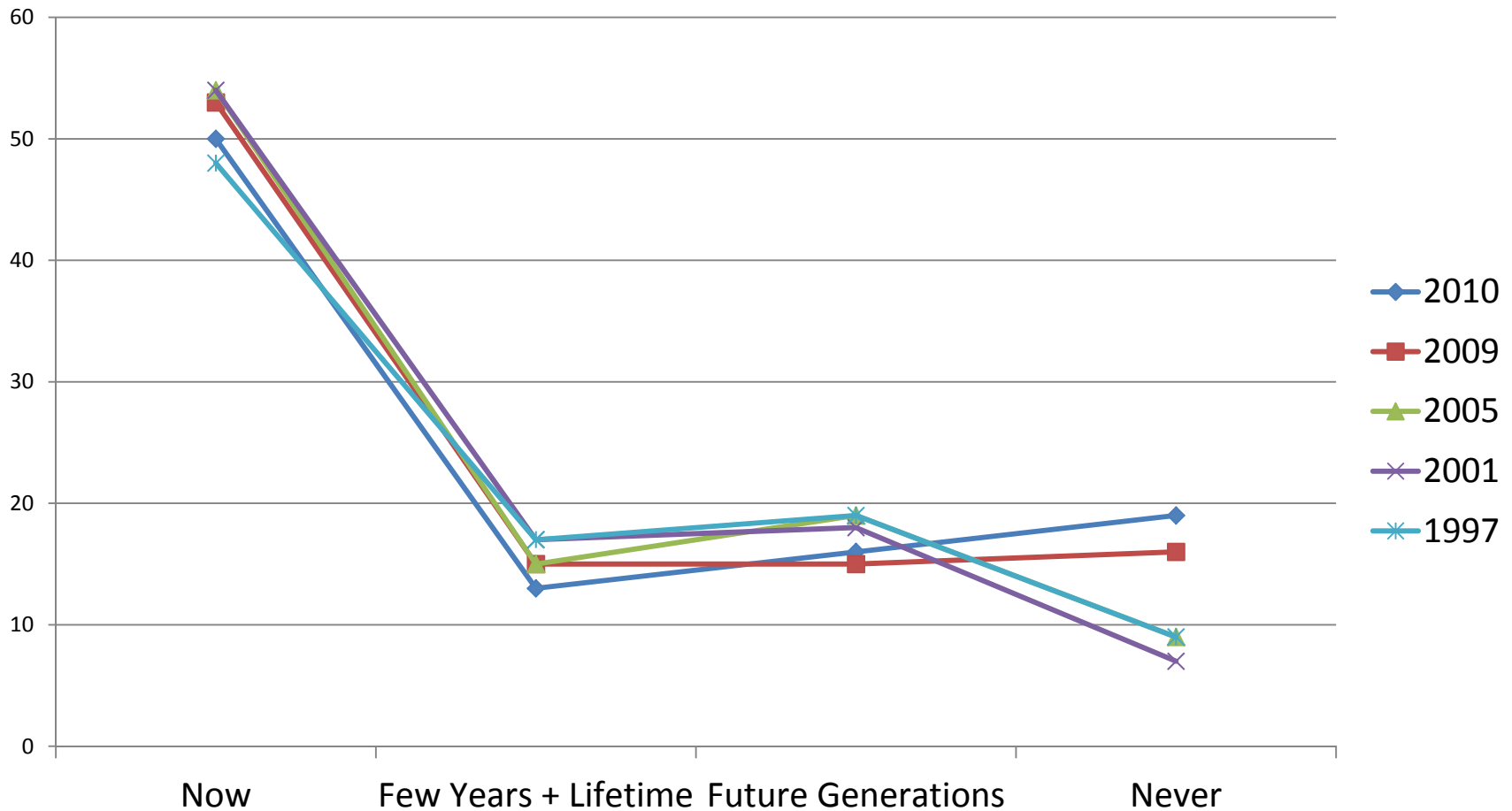


Patterns of Political Economy: Mitigation through Technology Subsidies[©]



Recent Shifts in Public Opinion[©]

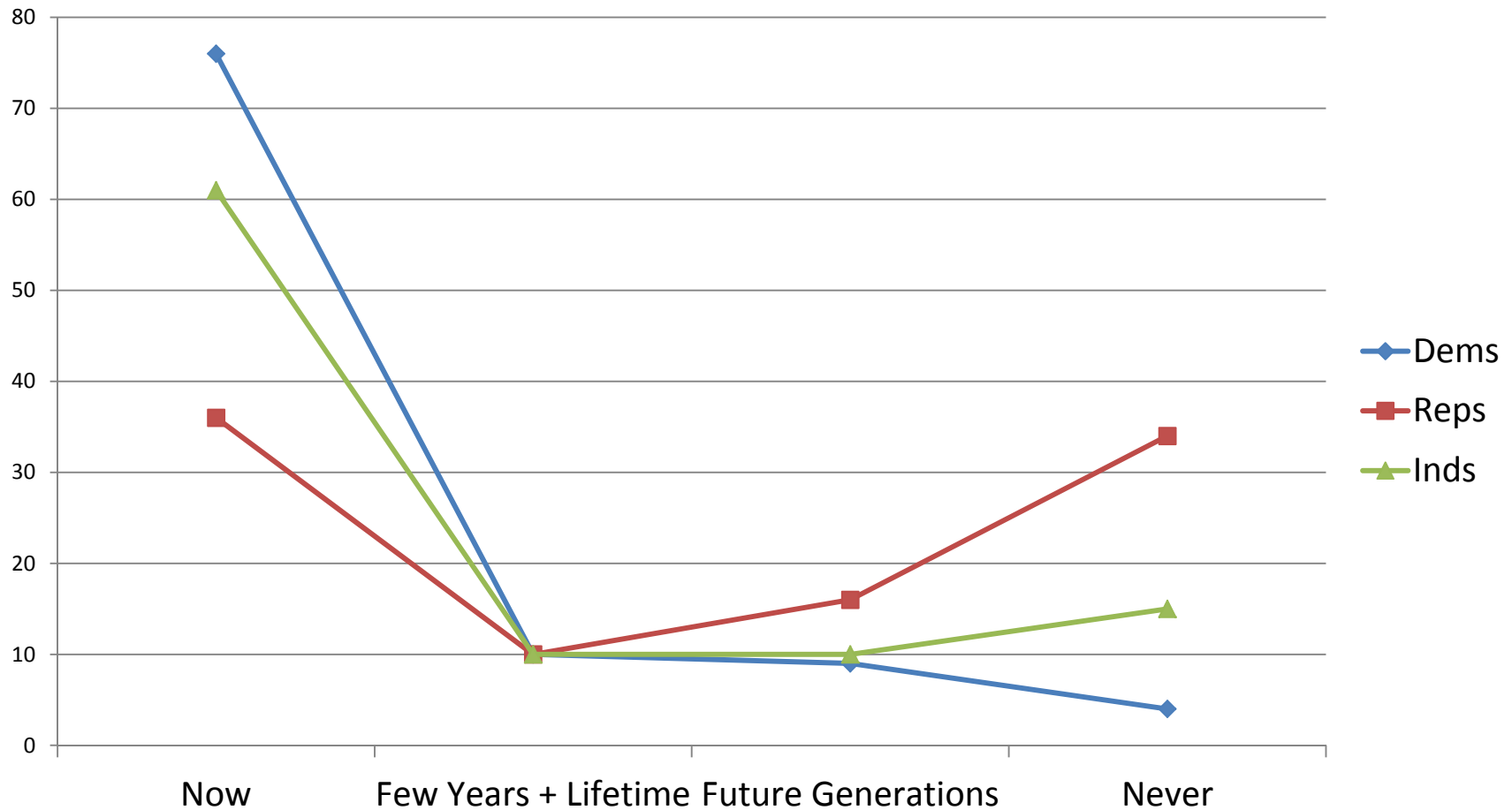
When do effects of climate change happen?
(Source: Compiled by the author from Gallup Surveys)



Partisan Differences[©]

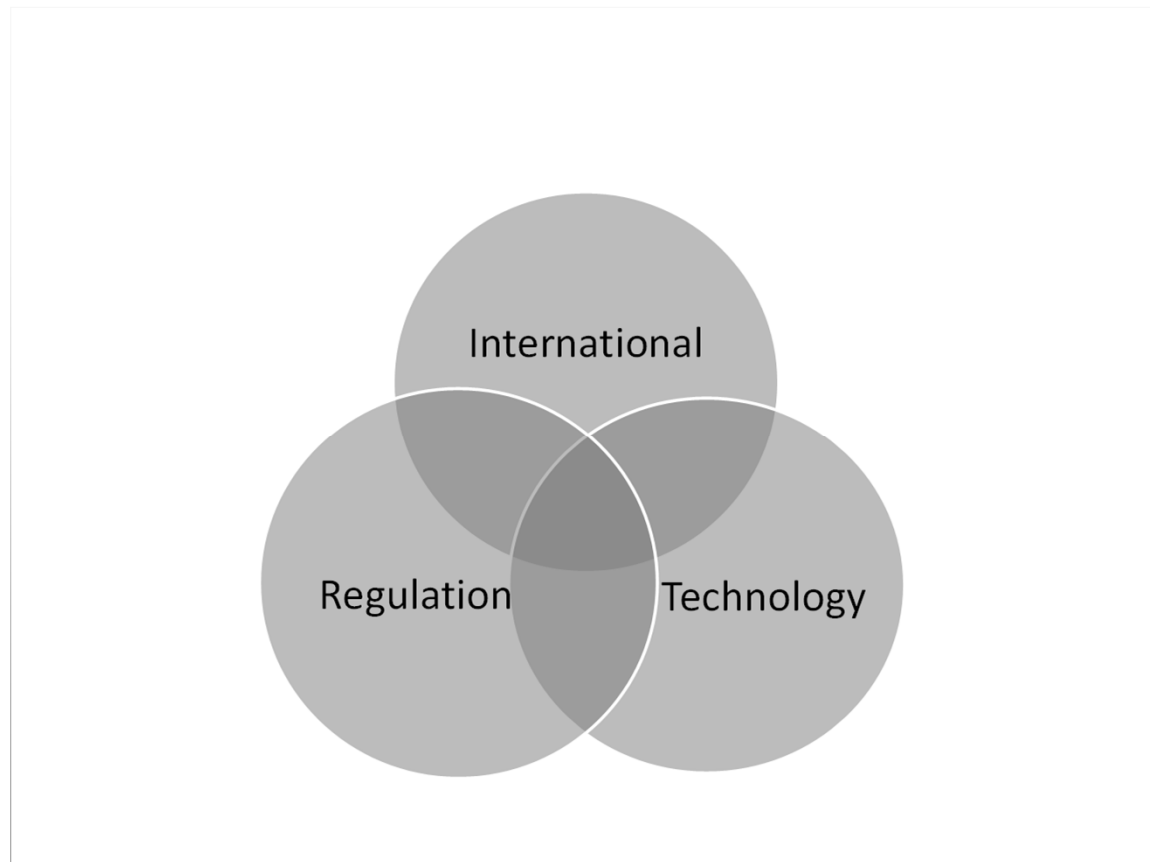
When do effects of climate change happen?

(Source: Compiled by the author from Gallup Survey, March 2009)



II. Current Agenda

Venn Diagram of Issue Clusters



Issue Clusters	Examples
Regulation	Establishment of cap-and-trade system
Technology	Funding of climate-friendly R&D programs
Regulation/ Technology	Use of cap-and-trade revenues for R&D funding
International Regulation	Leakage/competition effects of differences in cap-and-trade systems
International Technology	Policy barriers to international transfers of clean energy/climate friendly technologies
International Regulation/ Technology	Joint venture policy effects on international technology transfers
International Institutional Issues	Roles in international negotiations of UNFCCC COP, Kyoto Protocol MAP, MEF, and other venues

Issue Cluster	Waxman Markey	Kerry Lieberman Graham	Lugar Energy Bill	FY2011 Budget
Regulation				
Technology				
Regulation/Technology				
International Regulation				
International Technology				
International Regulation/Technology				
International Institutions				

III. Lessons from Europe

German Marshall Fund of the U.S.

Report prepared by Climate Strategies,
Michael Grubb and others

*Climate Policy and Industrial
Competitiveness: Ten Insights from Europe*

1. Emissions trading works
2. Everyone will learn
3. Prices can be volatile
4. Impacts on GDP are small
5. Industry can profit

6. International competitiveness impacts are limited to a small number of industry sectors
7. Free allocation introduces risks of windfall profits
8. Free allocation can also degrade program efficiency
9. There is a compelling economic rationale to maximize auctioning

10. Unilateral border adjustments may be a politically appealing way to respond to domestic pressures from special economic interests, but they risk causing serious problems in the international trading system

For further information

climatestrategies.org

gmfus.org

usclimatechange.com