

Toward a New Climate Network

Transatlantic Solutions for a Low Carbon Economy

Transatlantic Climate Policy Group



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Introduction

Enabling transatlantic leadership on global climate change

“As the *Transatlantic Climate Policy Group* has demonstrated, Europe and the United States have all the necessary assets to realize a new form of leadership. Successful cooperation at all levels of governance relevant to energy and climate policy—the local, the state, and the national levels—exists and could be further developed to constitute the framework conditions necessary for the transition to a low carbon economy.”

With the establishment of our Washington, D.C. and Brussels offices in 1998, transatlantic climate dialogue has become a main priority at the Heinrich Böll Stiftung (HBS). Promoting this dialogue has been a key strategic element in the foundation’s goal to set up a fair and equitable global climate regime. The dialogue is rooted in the conviction that both Europe and the United States bear historical responsibility as well as the capability to lead the fight against global climate change, and that it is to the interest of both sides of the Atlantic to use their close and effective partnership in moving toward this goal.

The Heinrich Böll Stiftung felt urged to focus on transatlantic climate dialogue in particular when the Bush Administration withdrew from the Kyoto Protocol in early 2001 and questioned both the existence of climate change and its link to human activity. As the U.S. scientific community and non-governmental organizations struggled to continue their domestic climate change work, under increasingly strained inter-governmental relations, the Heinrich Böll Stiftung decided to provide further forums and exchange on responsible climate policies. In that context, the HBS broadened its outreach and developed new partnerships, in particular at the state and local levels that had begun stepping in to fill the gap resulting from the lack of federal leadership.

The Transatlantic Climate Policy Group: A Policy Dialogue Calling for Action in Line with Climate Science

In light of rising European interest in ambitious policy action occurring in the United States at the sub-national level, the Heinrich Böll Stiftung, with the generous support of the European Commission, launched the *Transatlantic Climate Policy Group (TCPG)*. As a two-year program to enhance transatlantic cooperation on energy and climate policy, the *TCPG* was more differentiated and focused than previous projects as it concentrated on dialogue at three different levels: between U.S. cities and E.U. cities, between U.S. states and E.U. member states, and between the U.S. federal and E.U. policy institutions. In particular by engaging with the local and state levels, the *TCPG* tried to compensate for the lack of federal leadership by identifying common ground and future challenges of a transatlantic energy cooperation. Through this, the HBS aimed to develop a network of experts and policy makers committed to the development of alternative strategies for sustainable energy cooperation, i.e., strategies requesting the U.S. and Europe to lead the world towards responsible energy and climate policy. Thus, the *Transatlantic Climate Policy Group* has not only been a call for policy action in line with climate science, but also a way of increasing Americans' and Europeans' understanding of each other's political systems and policy making. Enhanced knowledge of the respective institutions, stakeholders, and procedures that determine energy and climate policy is estimated to help make room for further international cooperation and to identify ways for successful negotiations towards a post-Kyoto protocol in December 2009 in Copenhagen.

Identifying Common Ground for U.S.-European Cooperation: Briefings, Conferences, and Study Tours in Berlin, Brussels, and Washington, D.C.

In 2008 and throughout the U.S. presidential campaign, research was undertaken to identify possible common ground for U.S. and European partners. To develop ideas and engage with prospective decision-makers, stakeholders from the state and local levels were visited and political advisors on the national level consulted. Through expert meetings, study tours, conferences, and policy briefings the *TCPG* aimed to facilitate an exchange of best policies. Frequent reports, newsletters, and a project website analyzed the election campaign, evolving positions on U.S. energy and climate policy, as well as respective reactions from Europe. With the election of Barack Obama, the instauration of a new administration, and different majorities in the House and the Senate, European experts and policy makers frequently turned to the *TCPG* with requests for up-to-date information on the latest developments. At the same time, policy advisors and decision-makers from the U.S. consulted the *TCPG* to review successful policy tools, such as the implementation of the European Emissions trading scheme, when drafting new legislation on energy and climate policy.

One activity undertaken by the HBS headquarters in Berlin was to organize a 10-day European study tour on local climate and energy policy for U.S. city officials and experts (Berkeley, Boston, Houston, Pittsburgh, New Orleans) in April 2009. *The European Climate City Tour* allowed participants to meet with city representatives in Heidelberg, Freiburg, Barcelona, and Brussels and to discuss local best policies from either side of the Atlantic. In this way, the study tour facilitated a meaningful exchange of new approaches to promoting renewable energies and the transition to low carbon cities. During the Brussels stay, participants were able to meet and discuss with representatives of the European Commission (Directorate-General Energy and Transport) and to share their impressions of the study tour at a roundtable discussion with policy experts from think tanks and NGOs.

Also in Brussels, the European Union Office of the Heinrich Böll Stiftung organized the *Transatlantic Climate Dialogue Series*, which allowed policymakers and analysts from both sides of the Atlantic to share best practices and experiences on climate and energy policies ranging from the local to the federal level. Experts included advisors to President Barack Obama, U.S. and

European climate negotiators, officials from the municipal and state levels, energy specialists, NGO activists, and renowned analysts. One of the high points of this series was a transatlantic reception that took place in Poznan, Poland during the 2008 climate negotiations and which gathered over 100 delegates.

Among the activities organized by the HBS's Washington, D.C. office was the *Transatlantic Climate Policy Visitor Program* in July 2008. In cooperation with the Center for American Progress, this 7-day study tour brought a group of nine leading climate advisors from European parliaments and governments to Washington, D.C. and California, where they gained insight on the latest developments of U.S. energy and climate policy at the federal and state level. The European policy advisors and future leaders met with American policy makers, academics, media representatives, and civil society activists in order to deepen their understanding of U.S. policies and to share their experiences in shaping Europe's groundbreaking climate change legislation. Also, during their stay in Washington, D.C., the European advisors shared their experiences with drafting energy and climate legislation at a public panel discussion at the Center for American Progress.

Toward a Transatlantic Green New Deal: Tackling the Climate and Economic Crises

In early 2009, the emerging financial and economic crisis threatened to push the headway gained on the backburner, seriously testing the political will to make progress on climate change. In Europe, support for the climate and energy package of 2007 seemed to fade away, putting at risk the European objective to reduce greenhouse gas emissions 20% below 1990 levels by 2020. The *Transatlantic Climate Policy Group* was concerned that just as the Obama Administration was taking off and starting the domestic decision-making process, its partner on the European side would dissolve. Yet it quickly became apparent that the economic downturn and the need for a major economic reform would not have to be a stumbling block for climate change policies and that, by contrast, these could be an opportunity to speed up the transition to a climate-friendly economy around the globe. Under the umbrella of a "Green New Deal," economic stimulus packages and economic programs were developed to create synergies between tackling the economic and the climate crises in concert.

To support this ecologically and economically important shift, the *Transatlantic Climate Policy Group* undertook a major study to demonstrate the feasibility of tackling the climate and the economic crisis together. The result was a sound political and economic strategy for a "Transatlantic Green New Deal," released in form of a policy report at the capstone conference "Greening the Economy—Sustainable Economy in Europe and the U.S.," held at the Berlin headquarters of the Heinrich Böll Stiftung in May 2009. This conference proved to be one of the first and leading occasions to take a closer look at the evolving transatlantic and global economic crisis and its impact on the international climate change debate.

From then on, the concept of the "Transatlantic Green New Deal" pervaded all work of the *Transatlantic Climate Policy Group*. The strategy was further elaborated in various policy papers addressing some of the core elements of the concept. One such paper discussed how to transform the struggling automobile industry and how to jumpstart the necessary shift towards low carbon transportation in the United States. ("One Million Plug-In Electric Vehicles by 2015: Top Ten Policies for the U.S. to Get Plug-ins on the Road to Energy Security, Carbon Reductions, and Green Jobs," by Tom Collina and Ron Zucker). Another paper urged to modernize the U.S. transmission grid in order to establish a 21st century electric infrastructure, a smart and super grid which would allow renewable energies to blossom effectively ("Building the 21st Century Transmission Super Grid: Technical and Political Challenges for Large Scale Renewable Electricity Production in the U.S.," by Pat Wood and Rob Church, American Council on Renewable Energy).

Unleashing the Leadership: Multiple Options for Mutual Learning and Cooperation

The Transatlantic Climate Policy Group came into being in the months leading up to the U.S. 2008 presidential elections. This fortuitous timing allowed for the analysis of the policy proposals of then-candidate Barack Obama, for the close monitoring of the developments which then followed with his instauration and with the shift in the congressional majority, and to identify common ground for transatlantic cooperation by evaluating European reactions to the policies suggested in the United States.

While the true impact of the new administration's approach to energy and climate policy cannot be fully evaluated for another few years, there is no doubt that the United States is finally experiencing a renaissance of federal policy which had persistently resisted domestic and international calls for action. The American Recovery and Reinvestment Act passed the Congress in March 2009 with \$86.8 billion worth of funding for investments in a greener economy; in May, President Obama announced to raise gas mileage standards and cut greenhouse gas emissions from cars and trucks by 2016; and in June, the House passed the American Clean Energy and Security Act including, for the first time, a draft for an emissions trading system. After eight years of federal inaction, leaving the local and state levels to deal with energy and climate concerns, the federal level has eventually returned to take responsibility.

However, this significant shift in current policy-making from the subnational to the federal level is in fact in keeping with previous developments in U.S. environment policy. These often evolved from the bottom up, with the local and state levels taking the lead and successfully setting the stage for federal action. This situation nevertheless allows for ample cooperation opportunities with Europe, where energy and climate policy has long been embedded in a top-down structure and where the European Commission issues regulations with increasingly strong impacts on its member states. With the Obama Administration's serious commitment to energy and climate policy, the European Union may well soon see itself challenged to notch up its 20%-below-1990 goal to the promised 30%-below-1990 by 2020 were other major developed nations to follow suit.

By seriously seeking to reach a reduction target comparable to 20% below 1990 levels, the U.S. could thus unleash a powerful dynamic of U.S.–European leadership on energy and climate policy, disabling other countries to hide in the back and requiring them to step up their climate policy efforts. As the *Transatlantic Climate Policy Group* has demonstrated, Europe and the United States have all the necessary assets to realize this form of leadership and its global consequences. Successful cooperation at all levels of governance relevant to energy and climate policy—the local, the state, and the national levels—exists and could easily be developed to constitute the framework conditions necessary for a transition towards a low carbon economy.

With a history of strong economic ties, Europe and the United States now need to commit to a “Transatlantic Green New Deal” if they are to tackle the economic and the climate crisis at the same time. For this to happen, both have to speed up the mutual learning process by formalizing the various existing forms of political and economic cooperation. For example, by creating common institutions such as a U.S.–European Climate Council, they could facilitate the mainstreaming of energy and climate policy at all levels of governance. Such an institution could rely on experiences and best policies from either side of the Atlantic, establishing a mixed approach toward energy and climate policy: bottom-up where it stimulates active participation of citizens and top-down where urgent action requires firm national efficiency standards. In this way, the United States in particular could rapidly learn from concrete policy measures such as feed-in tariffs, which, in Germany, successfully multiplied renewable energies investments, reaching a total market share of 16% in 2009. Europe in return could take a U.S. lesson on political creativity, pragmatism, and bipartisanship that allowed to win over many from the conservative camp for the new energy and climate policy.

In particular Europe and the United States must join forces to engage their respective laggard regions in a process of economic and environmental reform. In the midwestern and southwestern states of the U.S., as in the Central and Eastern member states of the European Union, there is strong resistance against ambitious structural transformation. These regions fear that curbing carbon emissions and promoting renewable energies will make energy more expensive, threaten jobs, and harm the economy.

Thus only by winning support in the former industrial and farming regions can the U.S. and the European Union achieve the political majorities necessary to pass the kind of national legislations that effectively allow the transformation to low carbon economies. A formal policy network could serve as a forum in which the concerned states and regions could share experiences as they are coping with the challenging structural reforms. Joint conferences and study tours, as implemented by the *TCPG*, could jumpstart such a process of mutual learning and hence effectively establish a network of transatlantic solutions.

Stepping Ahead: Setting the Stage for Continuous Transatlantic Cooperation

This publication not only seeks to summarize the key findings from the two years of extensive dialogue that constituted the *Transatlantic Climate Policy Group*, it also aims to go one step further: It intends to set the stage for deeper and broader engagement on climate and energy policy between Europe and the United States by elaborating on the above-mentioned core issues identified in the course of the program. The publication features articles of six of our program partners—renowned climate and energy experts, political decision-makers, and policy experts, three from either side of the Atlantic. They share their views on the opportunities and shortcomings of transatlantic cooperation and formulate key recommendations for a sound future partnership. The *TCPG* is thus demonstrating once again that such collaboration can take multiple forms and successfully function at various levels, among them the local level, the state level, and the federal level. However, only together do they make up the whole that constitutes a successful strategy for fighting climate change and for reviving our economies in a sustainable way. While all three levels of policy action are important, this publication focuses on the bottom-up approach—from the local to the state, and from the state to the international level—not only to recognize leadership shown at the subnational level in the absence of federal action but also to emphasize the importance of local awareness and active citizen involvement without which any ambitious climate and energy policy is doomed to fail.

Dale Medearis and Maryke van Staden take a close look at local strategies, policies, and networks, further analyzing their successes, shortcomings, and future challenges. Dale Medearis, senior environmental planner at the Northern Virginia Regional Commission describes the situation in the United States. While he acknowledges that U.S. cities have increased their exchange with partners in Europe, he argues that “[T]here is little formal effort to search, understand, and apply innovative energy and climate policies from abroad in the U.S.” He therefore urges that more needs to be done to demonstrate the domestic benefits of international cooperation.

Maryke van Staden, coordinator of the European Cities for Climate Protection campaign at ICLEI-Local Governments for Sustainability, discusses the European perspective. She emphasizes that European cities are uniquely positioned to fight climate change if they make active use of their local policy tools. Therefore cities have to move beyond local pilot projects and get to the point of mainstreaming climate and energy action. For this, cities need the active support of citizens, but also of states and federal governments, which have to establish the framework conditions that provide confidence and facilitate local decision-making.

Bärbel Höhn and Mary Nichols discuss climate and energy policy at the state level, describing the states’ roles in supporting local climate action and emphasizing their influence on federal climate and energy policy. Bärbel Höhn, Vice-Chair of the Green party group in the German

parliament presents the case of North Rhine-Westphalia in Germany, which, formerly the nation's cradle of industry, is now setting the example for successful transformation towards a low carbon economy. Höhn argues that "[...] if we work together to show that we can not only achieve drastic reductions in greenhouse gas emissions, but also create new prosperity and economic opportunities, sustainable green jobs, and economic growth in the process, other countries will be quick to follow."

Mary Nichols, chairman of the California Air Resources Board, shares experiences from the state of California, a pioneer among U.S. states to have effectively influenced federal environment and energy policy since the 1960s. Nichols underlines that California's approach to energy and climate policy "[...] and many of the specific measures are easily transferable to other states, to the nation as a whole and also into the international sphere." And just recently, California proved itself once again in such state leadership when its continuous advocacy culminated in the adoption of nationwide gas mileage standards as well as national targets for the reduction of greenhouse gases emitted from cars and trucks.

John Podesta and Reinhard Bütikofer discuss the role of the United States and Europe in the realm of international climate negotiations. John Podesta, former chief of staff of President Bill Clinton and president of the Center for American Progress, analyzes the changes in U.S. climate and energy policy which have occurred with the Obama Administration. Podesta sees strong potential for further transatlantic cooperation in order to jointly move forward the international climate negotiations. Among other things, Podesta recommends to develop a common metric for counting emissions reductions: "[A] 'carbon cap equivalent' accounting system to help break the current stalemate and move the globe onto a meaningful emissions reduction trajectory."

Reinhard Bütikofer analyzes the European perspective. Bütikofer, vice chairman of the Group of the Greens/European Free Alliance in the European parliament, argues that the United States and Europe are finally finding common ground on the core points of the climate debate. While he urges both sides to work as hard as possible to seize this new understanding at the COP 15, he also warns Europeans of coming to Copenhagen with too high expectations. As the success of the conference will most likely be extremely limited, Bütikofer advises Europe to refocus its leadership role. "What Europe must understand is that its real leadership ambition should concentrate on being the first to create a low carbon economy. The real breakthrough for climate policy will not come through diplomacy. Rather, the breakthrough will come as countries learn to understand that saving the climate will help save their economies and safeguard their security."

Thanks to the Transatlantic Community: Stay Committed, Keep Growing

The *Transatlantic Climate Policy Group* has only been a first small step toward establishing the kind of U.S.-European leadership needed to reach CO₂ reductions in line with climate science and to create a truly sustainable, low carbon global economy. Nonetheless, the transatlantic climate community is growing stronger than ever before. While the Heinrich Böll Stiftung will continue to actively promote this process where it can, we would like to thank those who contributed to the two-year program of the *Transatlantic Climate Policy Group* for engaging with us in this important dialogue.

The team behind the *Transatlantic Climate Policy Group*:¹

Barbara Assheuer • Marc Berthold • Arne Jungjohann • Roderick Kefferpütz • Till Kötter

¹ See TCPG Team on page 50. For more information on the Transatlantic Climate Policy Group, please visit our web site: www.boell.de/climate-transatlantic/



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