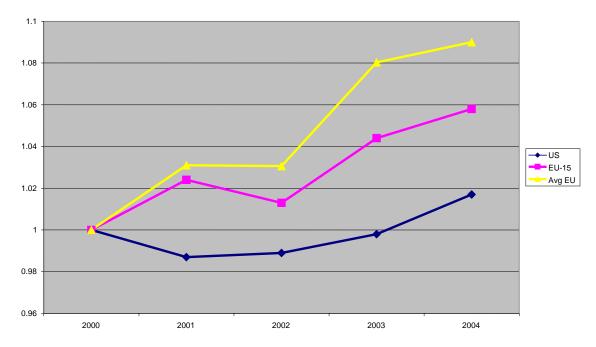
# KYOTO'S FUTURE, POST-NAIROBI AND GOING FORWARD IN 2007:

HOW A POST-2012 KYOTO PACT IS IMPEDED NOT BY U.S. ACTIONS, BUT THE FAILURE OF EUROPE AND OTHER KYOTO PARTIES TO REDUCE EMISSIONS, AND CONTINUED REJECTION OF RATIONING BY THE VAST MAJORITY OF THE WORLD

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# Comparative CO2 Emissions from Energy Use 2000-2004: US, EU-15, Average EU-15 Country



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Over the most recent five years for which we have data (2000-2004) Europe's GHG emissions have increased twice as fast as those of the U.S. Their CO2 emissions are increasing with an even greater disparity. Most starkly, the average EU country's carbon dioxide emissions have increased over this period approximately *five times as fast* as those of the U.S.

## TABLE OF CONTENTS

OVERVIEW AND SUMMARY	4
The Nairobi COP-out	5
Requirements ignored, again	5
REST OF THE WORLD CONTINUES TO SAY "NO"	6
Europe's Kyoto performance	7
That was then, this is now	7
EUROPE'S STAR PERFORMERS	10
PUTTING US EMISSIONS IN PERSPECTIVE	1 1
Conclusion	15

OVERVIEW AND SUMMARY

Europe has for years proclaimed itself the "world's leader" in climate change policy, <sup>1</sup> a status also attested to by environmental pressure groups. <sup>2</sup> This ritually asserted mantle is often parroted in the United States by those insisting that the U.S. performance pales in comparison, and that it is "going it alone" on climate change. As this paper details, loudly touting one's superiority is not synonymous with success.

Notwithstanding Europe's purported guidance, at the recent Nairobi "COP-12/MOP-2" UN Secretary General Kofi Annan assailed a "frightening lack of leadership" in tackling global warming.<sup>3</sup> As with most barbs in the Kyoto context, this presumably was directed not toward Europe but the United States, which did sign the treaty on November 12, 1998<sup>4</sup> but under two different presidents declined to pursue Senate ratification.<sup>5</sup> This means that the U.S. – like 155 countries including China, Mexico, India, South Korea, Brazil and other top greenhouse gas (GHG) emitters – has not promised to ration its energy use emissions.

Regardless of his intent, in context Annan unavoidably did instead denigrate Europe, whose (then-15) nations individually promised in 1997 at Kyoto to reduce emissions by 8% below 1990. However, they subsequently redesigned their vows, collectivizing the 8% promise. This spread among them emission reductions in Germany and the UK which arose from two political decisions *preceding and unrelated to* Kyoto. Under this "Burden Sharing Agreement" the *EU-15* is the Party to Kyoto, whose countries dropped their original Kyoto vow. Two-thirds of Europe's nations secured more forgiving promises, including seven who

Europe proclaims itself the "world leader" on climate change, although since Kyoto its CO2 emissions have risen much faster than those of the U.S., a gap which is widening.

Meanwhile at Nairobi, UN Secretary General Kofi Annan appeared not impressed by EU self-congratulation, assailing a "frightening lack of leadership" on the issue.

escaped with no reduction burden (e.g., France) or to merely limit emission increases.<sup>8</sup>

Not long before Annan's remarks, the *Economist* Magazine implicitly recognized Europe's failure and again subtly hinted at the bluster behind EU claims of superiority, with a frustrated call that "America Should Lead the Way." In truth, America *is* quite plainly leading the way on CO2-emissions performance, if not rhetoric.

Only under the 1990 baseline that Europe insisted upon in Kyoto is America *not* a world leader in CO2 performance. For reasons known only to the Bush Administration, America's superior performance remains one of the best-kept secrets in the diplomatic, policy and political worlds. Possibly, Europe's threats of a trade war over the U.S.'s purported dereliction on carbon dioxide emissions<sup>10</sup> will prompt the United States Trade Representative (USTR) to finally release this inconvenient truth from captivity.

This would illuminate many denizens of Capitol Hill who increasingly espouse the false premises that the U.S. is somehow being left behind, that a cap-and-trade system like Europe's is superior to the U.S. approach, and that Europe's lead is one to follow.<sup>11</sup>

Inarguably, Europe is increasing its CO2 emissions at a rate far faster than the U.S., despite the obscuring effects of a collectivized emission figure and the arbitrary and uniquely favorable 1990 baseline.<sup>12</sup> Modern figures, however, either since Kyoto was agreed (1997) or particularly over the most recent five years for which data are available, reveals how the U.S. CO2 emission profile is vastly superior to that of Europe. The stalemate of the Nairobi MOP-2 revealed that at least the rest of the world sees this.

#### THE NAIROBI COP-OUT

The Second Meeting of the Parties to the Kyoto Protocol, or "MOP-2," in Nairobi, Kenya concluded on November 17, 2006. Though the conference "ended with agreement reached on all outstanding matters", politicians and pressure groups alike expressed disappointment over this outcome. <sup>14</sup>

Inarguably, Europe is increasing its CO2 emissions at a rate far faster than the U.S., despite the obscuring effects of a collectivized emission figure and the arbitrary and uniquely favorable 1990 baseline.

Reasons for this disappointment are several, beyond the dominant truth that there is no such thing as enough in the global warming context. They largely fall under the heading of "little ventured, little gained". Typically such conferences conclude with a ritual cobbling together of picayune details and a promise to agree on real details later. However, as regards COP-12, the monitoring group IISD unintentionally deadpanned that "the Nairobi conference may not be remembered as one of those critical milestones when a major breakthrough occurred." <sup>17</sup>

Indeed. One should be forgiven for confusion on this point, given the "*Deal or No Deal*?" nature of the dueling headlines. These ranged from "Nairobi Climate Talks End in Deal", <sup>18</sup> to those more grounded in the actual events - such as the *New York Times*' refreshingly realistic "Climate Change Meeting Ends Without Pact". <sup>19</sup>

#### REQUIREMENTS IGNORED, AGAIN.

As the "Second Meeting of the Parties", per Kyoto Article 9,<sup>20</sup> Nairobi was to see the first "review [of] this Protocol in the light of the best available scientific information and assessments on climate change and its impacts, as well as relevant technical, social and economic information" "take place". Like so many other such requirements before it, this one was for all intents and purposes ignored, quite likely due to the embarrassing and widespread emissions *increases* among Kyoto's few covered Parties.<sup>21</sup>

Throughout the conference, whether or not to even conduct this review as required was in dispute. Again in the diplomatic phrasing of IISD, "Initial positions were divergent on the scope, process and time of the review." That is to say, Europe sought more of a *process* than an event, not to "take place" over the two-week MOP-2 but drawn out and in the future. This is consistent with prior EU efforts to put off other decisions required by Kyoto – most notably, the act of making Kyoto "binding and enforceable" as advertised. In stark contrast, the G-77/China group of exempt Parties read the treaty as

it is written and called for review of specific issues – particularly the increasing emissions of covered Parties – to recur every 4-5 years after first "taking place" in Nairobi.

Finally, the dispute was resolved with issuance of a one-page statement asserting that *the Parties reviewed the Protocol, and it was good.*<sup>25</sup> They also promised to do it again next year, even formally inviting comment for a more substantive effort.

When originally agreed, this Article 9 review was presumed a substantive enough effort that, upon it, "Parties to this Protocol shall take appropriate action." The document purporting to manifest this review indicates that reality overcame such aspirations, again.

REST OF THE WORLD CONTINUES TO SAY 'NO'

Equally important is that Nairobi ended by agreeing that future talks would maintain the global majority's exemption from Kyoto's emissions rationing. <sup>26</sup> Despite nine years and ten such meetings passing since Kyoto was originally agreed, this leaves just the original 34 countries – most of Europe, plus Canada, Japan and New Zealand – and one latecomer as those willing to subject themselves to Kyoto's promises. Among these Parties, a majority of them promised no actual "reductions" whatsoever.

The Nairobi COP-12 is significant for continuing the exemption of that vast majority of the world that rejects Kyoto's rationing.

This foretold the end of Kyoto as, without such Parties to supply "credits", there can be no "post-2012" pact.

The one latecomer is Belarus, which had not even been among the 110 "free-riding" or exempt Kyoto Parties before recently agreeing to join up as an "Annex B", or covered, country. Instead, Belarus was one of only a small handful of countries having no relation to the treaty whatsoever, until granted a promise that it could sell up to 60 million metric tons of GHG credits. These resulted from the post-Soviet economic collapse

leaving Belarus below the 1990 baseline by which emissions are measured. This was accepted at MOP-2.

Belarus valued its Kyoto involvement at up to \$1 billion in rents it would receive.<sup>27</sup> Such obvious gamesmanship was one more reason that Nairobi disappointed pressure groups.<sup>28</sup>

The latter call reflects a demand that the U.S. abandon its successful approach to managing GHG emissions in favor of an unsuccessful experiment, in the name of following a failed leader.

Following Nairobi, Kyoto also remained without an amendment to make its provisions binding and enforceable (required pursuant to Article 18<sup>29</sup>), as advertised. This was a carryover dereliction, given that Kyoto's terms required this particular function to have occurred at the *first* Meeting of the Parties in Montreal in 2005. There, the Saudis proposed fulfilling this edict but were rebuffed by Europe and Canada. Instead, the

Parties adopted a non-binding "Decision" setting forth facilitation and compliance procedures, all of which are transparently geared toward ensuring that little to no non-compliance will ever be declared. 31

The reason behind the Kyoto Parties' preference for a non-binding pact is the main focus of this paper: *Kyoto's Parties are not reducing emissions*. Instead, emissions are on the rise.<sup>32</sup> Europe, the "world's leader" in climate change policies, particularly stands out for the disparity between its rhetoric and post-Kyoto emissions performance.

As such, Nairobi illustrated yet again Kyoto's emphasis on symbolism over substance, on making promises over fulfilling them, and finally – for these very reasons – that no new parties have any interest in agreeing to Kyoto's GHG rationing scheme: the rich countries who bark the loudest are not following through, so why should poor countries sign up?

This latter point is important for the reason that, with neither Europe nor any major countries actually reducing emissions, their only hope post-2012 lies with new entrants coming in under terms making them mere GHG "credit" feeders. Purchasing credits – however they may be created – is the only way that Kyoto's few covered Parties could comply with emission "reduction" promises, *even if kept at the original level*. <sup>33</sup>

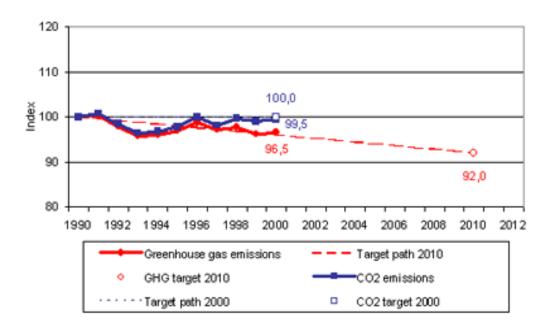
Confirming in Nairobi that no new parties will join post-2012 affirms the global understanding of Kyoto's failed approach to greenhouse gas emissions, just as calls increase in the U.S. along the lines of "now it's *our* turn." The latter call reflects a demand that the U.S. abandon its more successful approach to managing GHG emissions in favor of an unsuccessful experiment, in the name of following a failed leader.

#### EUROPE'S KYOTO PERFORMANCE

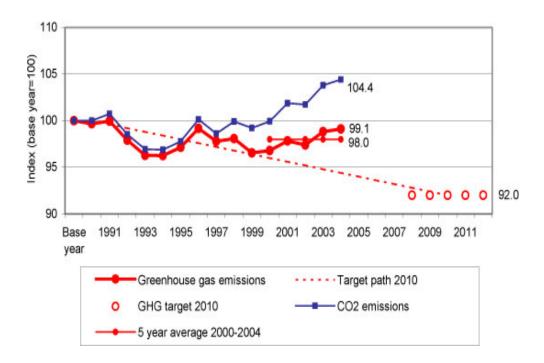
Europe is leading the charge for a "post-2012" Kyoto agreement making deeper emission-reduction promises than found in the first Kyoto (which it mitigated for itself with the internal "Burden Sharing Agreement", under Kyoto's Article 4). As such, EU emissions performance to date merits scrutiny.

THAT WAS THEN, THIS IS NOW.

Here is how Europe's GHG emission performance looked to the European Environment Agency (EEA) in April 2002<sup>34</sup>:



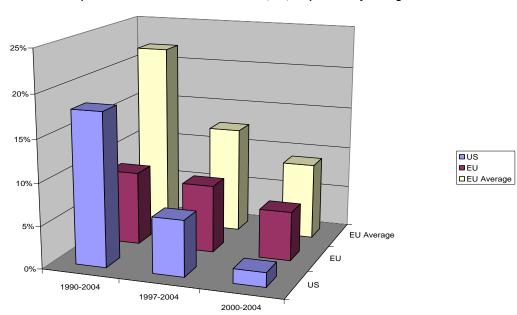
Here is how Europe's GHG performance looks to EEA as of June 2006<sup>35</sup>:



Note the original graph parameters of +20% and -20%; why the EU previously framed its emissions this way is unclear, though that does assist in visually flattening emission trends. What is clear, however, is that Europe is not reducing its greenhouse gas emissions, particularly the target of most regulatory programs, CO2 (with methane and nitrous oxide emissions having largely stabilized in developed countries). In 2004, the latest year for which data are available at this writing, Europe's GHG emissions rose for the 5<sup>th</sup> time in the seven years since making its 1997 promise in Kyoto.

Over the most recent five years for which we have data (2000-2004) *Europe's GHG emissions have increased twice as fast as those of the U.S.* Their carbon dioxide emissions are increasing with an even greater disparity. Most starkly, the average EU country's carbon dioxide emissions have increased over this period approximately *five times as fast* as those of the U.S.

The following chart illustrates relative CO2 emissions,<sup>36</sup> compiled by the U.S. Energy Information Administration (EIA; updated July 2006), for the U.S., EU and an EU per-country average.



Comparative CO2 Emission Increases: U.S., EU, EU per-country Average

Citing the collective EU figure as the EEA prefers does dampen (but cannot hide) the contrast, spreading around the UK and German *pre-Kyoto* reductions among the entire bloc. For national comparisons, however, the "EU per-country average" mitigates that illusion somewhat by also spreading about the actual percentage increases; this includes some quite large jumps by numerous EU countries, despite more than a dozen years having passed since the first "global warming" treaty was agreed in 1992.<sup>37</sup>

This chart reveals Europe's obvious motivation in Kyoto for insisting on the Article 4 ability to collectivize emissions, and on the 1990 baseline as the measure of "success". While these measures cannot hide the obvious, gauzy rhetoric can obscure it.

In an October 2006 report issued in the run-up to Nairobi, "Greenhouse gas emission trends and projections in Europe 2006", the EU lowered its projected reduction of emissions by 2010 to 0.6%.<sup>38</sup> Despite continued regulatory efforts, this assessment of essentially zero reduction as likely "under existing laws" represents degradation by about half from the 1.6%<sup>39</sup> projected<sup>40</sup> one year earlier, which was itself in turn a significant degradation from the 4.7% cut projected<sup>41</sup> in 2002. Obviously, things are headed in the wrong direction for Europe to be able to legitimately claim compliance with Kyoto.

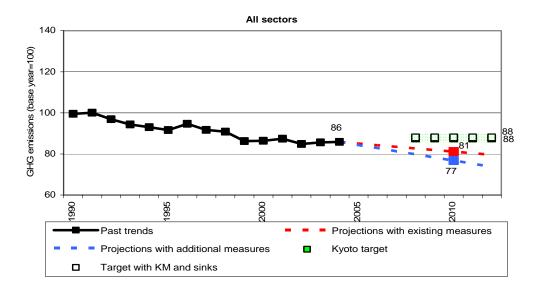
It is important to repeat here that, under its Burden Sharing Agreement, 10 of the EU-15 secured promises less stringent than ratified under Kyoto, with 7 of the EU-15 escaping promises of *reducing* emissions altogether. In fact, allowances were given to *increase* emissions by as much as 27%. Despite this, Europe continues to engage in quite often severe rhetoric against the U.S. for purported Kyoto cynicism.

As such, with clever negotiating<sup>42</sup> Europe appeared on its way to a diplomatic success, if not so much an environmental one. Yet all might be coming undone, with Europe's projected 2010 emission exceedances of 1990 levels going as high as 72%.

#### **EUROPE'S STAR PERFORMERS**

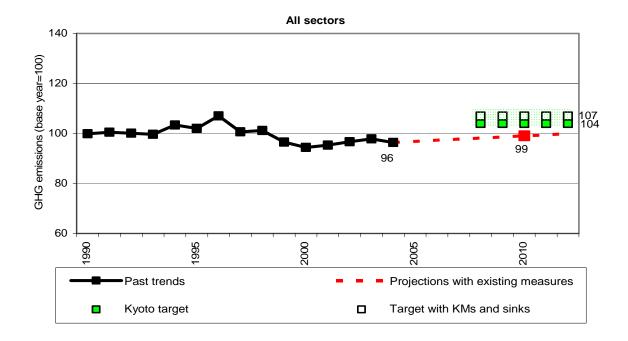
Only two EU-15 countries project that they will outdo their Kyoto promise as modified by the governing Burden Sharing Agreement: the UK and Sweden. The UK did this through a one-off political decision made for economic and not environmental reasons, the 1990s' "dash-for-gas". The drop in annual emissions leveled off in the late 1990s and since 2002 UK emissions have slightly ticked upward, in part due to cold winters and a drop-off in North Sea gas production shifting them back onto coal.

The following graphic, from the UK's latest report to the EEA, <sup>46</sup> reflects a claim (already proven wrong <sup>47</sup>) that despite this slight upward trend, beginning the next year the long-advertised downward trend would occur or in this case resume. Such projections – typically offering vastly rosier, more pronounced immediate drop-offs – have become quite common throughout the EU over recent years, disproved by the next year's emission figures with equal regularity.



Sweden also promises Kyoto success though without emphasizing that theirs was a promise to not allow emissions to *increase* more than +4% above 1990 levels, a much more favorable deal than actually agreed to in Kyoto (-8%) and, obviously, not a promise to reduce emissions at all. As Sweden's latest report to the EEA shows, reductions

leveled off in 2000, and their projection of complying with a revised Kyoto promise involves being back *above* 1990 levels by the time Kyoto's five-year term expires.<sup>48</sup>



Remember, these are Europe's two star performers. The charts for Italy, Spain, Portugal, Greece, Ireland, Finland and others are not nearly so rosy. <sup>49</sup> (Given the Burden Sharing Agreement promises, even Denmark – home of the European Environment Agency – suddenly projects being Europe's worst Kyoto violator, despite its emission increase being not nearly as large as many others'.)

This is not only inconsistent with long-running EU rhetoric about its Kyoto progress (for example last year's claim that "[t]he EU is well on its way" to Kyoto compliance, and by "reducing emissions" no less<sup>50</sup>). It also is an obvious disappointment because, despite the clear intent of the BSA to mitigate any actual emissions reductions that would be required of them under Kyoto by spreading around the UK and Germany pre-Kyoto cuts, EU Commissioner Margot Wallström long made clear that the "EU cannot rely on a few Member States to reach [its] Kyoto target."<sup>51</sup>

Regardless, that is the best case scenario of what the EU will do, along with working a number of accounting fixes in order to claim compliance, such as slowly but regularly creeping their 1990 baseline figure upward – thereby lowering its violation and bringing into sight the ability to purchase compliance through buying others' credits.

#### PUTTING U.S. EMISSIONS IN PERSPECTIVE

A picture is worth a thousand words, as is an Excel chart. Such images seem to be precisely the tonic required by the economically struggling French and Italians,<sup>52</sup> and politically aggressive Americans, as they respectively busy themselves with threatening a "CO2 trade war" against the U.S., and *saddling the U.S. with Europe's failed system*.

It is undeniable that Europe is not presently reducing its GHG emissions, let alone on track to reducing them as promised under Kyoto despite the insistence otherwise by some members of the U.S. Congress. Most EU countries are increasing emissions

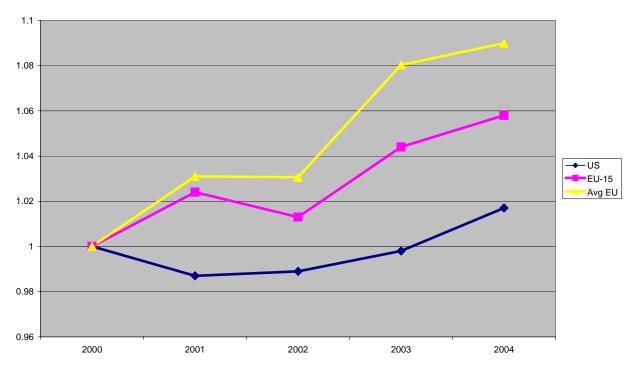
rapidly, and averaging the individual EU-15 State CO2 increases reveals a rate of increase 5 times as great as the U.S.'s over the most recent 5 years for which data are available.<sup>53</sup>

The following are three very revealing Excel charts of the EIA data, for 2000-2004 for the U.S., EU-15, and Average EU-15 country, and since 1997 both with and without China and India (Kyoto-exempt Parties whose even larger emission increases detract from the marquee EU-US disparity).

It is undeniable that Europe is increasing its GHG emissions, and not behaving as promised in Kyoto as some members of the U.S. Congress insist. Most EU countries are not only increasing emissions rapidly, but averaging the individual EU-15 Member State rates of CO2 increase reveals a rate of increase 5 times as great as the U.S.'s over the most recent 5 years for which data are available.

Particularly given the rhetoric on both sides of the
Atlantic, it should suffice to point out that total EU CO2 emissions are increasing three times as fast as those of the U.S. over the most recent five years for which we have data. Yet also given that rhetoric, and that the EU has long obscured its actual

# Comparative CO2 Emissions from Energy Use 2000-2004: US, EU-15, Average EU-15 Country



performance through collectivizing its emissions to ride the UK and German reductions unrelated to Kyoto, it is also instructive to note the "Average EU Country" number. The latter is understood as follows:

\* The EU, by creating a "bubble", allowed certain (often, the most rhetorically aggressive) countries, say France, to nullify their Kyoto promise of an 8% reduction in

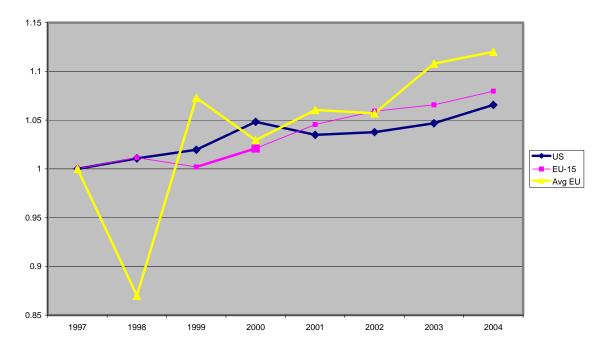
GHGs below 1990, in favor of a substitute promise of *no reduction* from 1990 levels. Others such as Spain (+15%), Portugal (+27%), and Greece (+25%) were granted often quite large *increases*, as well. The idea was to rewrite Europe's Kyoto obligation so as to minimize if not eliminate any real reductions that would be required, made yet easier given their success in Kyoto of demanding that the arbitrary 1990 baseline apply.

\* In addition to that and equally relevant, the "bubble" allows the EU-15 to claim a "European" *reduction* by riding two political decisions made not for environmental reasons, and preceding and therefore utterly unrelated to Kyoto: the UK dash-for-gas and shutting down much East German industrial production following reunification. This cleverly masks *Europe's* real performance, even since Kyoto was agreed in 1997.

\* This gambit is mitigated with the "Average EU country" figure: take the EU country-specific rates of increase, total them, and divide by 15.

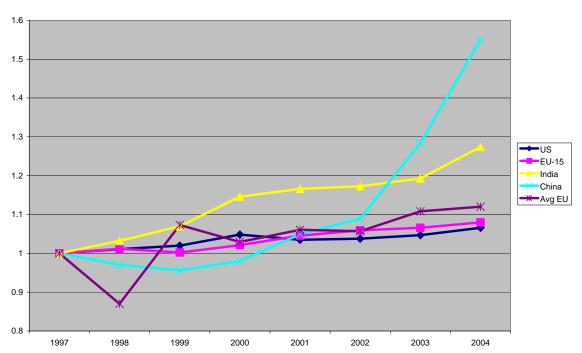
The selection of a 2000 baseline, unlike the 1990 baseline that Europe successfully extracted in Kyoto, is not simply a convenient artifact of history. For example, a similarly unfavorable (for Europe) comparison is revealed by analyzing comparative U.S. and EU data since Kyoto was agreed in 1997:<sup>54</sup>

## Comparative CO2 Emissions from Energy 1997-2004: US, EU-15, Average EU-15 Country



The trends, and disparity between rhetoric and action, are unmistakable.

It is instructive to consider China and India, which Europe once again in Nairobi agreed to exempt from Kyoto, this time for any post-2012 or "Round II" period:



#### Comparative CO2 Emissions from Energy Since Kyoto: Source US EIA

Again, the U.S. leads the way, as it continues to do when throwing "top ten" yet exempt emitter South Korea, and covered Parties Canada and New Zealand, into the mix. *Clearly, the U.S. is no outlier or rogue state when it comes to CO2 emissions* since the real "global warming" breast-beating began in Kyoto. As the above charts reveal, the U.S. is instead a model performer given that Europe is the "world's leader", such leadership which appears to have been lost around or before the time Kyoto was agreed.

The European Union's biggest polluter Germany and several other countries reacted with anger on Wednesday to European Commission demands for deeper cuts in greenhouse emissions in 2008-2012.

-- Reuters, 30 November 2006

Indeed, the only scenario under which Europe can claim superiority is by clinging to the 1990 emissions baseline, so hard-won in Kyoto, like grim death. It is now incumbent upon the US, if not through a reluctant White House then possibly through its trade representative (USTR), to make this point on Capitol Hill and in response to the threatened CO2 trade war: *possibly the U.S. ought to be the one filing the complaint?* 

#### CONCLUSION

As the Nairobi COP-12 neared, annual feverish talk of the "urgency" of confronting "the greatest threat facing mankind" escalated. UNFCCC executive secretary Michael Zammit Cutajar nonetheless suggested postponing "post-2012" talks, from the required deadline of 2008 to 2010 in order to accommodate the next U.S. president. The idea, as Cutajar and some pressure group allies insisted, was that front-running candidates for president "swill certainly be more amenable to signing up to Kyoto. This ignores that the U.S. did agree to "Kyoto I", but it is the Senate that will not.

This also represents the Kyoto establishment seeking to blame the failure to obtain a successor agreement including even Kyoto's original core, covered countries, on the U.S.'s refusal to join Kyoto. Their position was based on a common but false understanding about the intentions of possible candidates for president who actually indicate *no* intention to join Kyoto, and instead merely support adopting a domestic law that is only a fraction as stringent (if still opposed by a majority of the U.S. Senate).

This delaying and blame-shifting tactic failed in Nairobi. Instead, "COP/MOP-2" is notable for confirming that the majority of the world that is presently exempt from Kyoto's rationing will continue to demand, and be granted, such exemption.

Already, Kyoto Parties Japan<sup>56</sup> and Canada<sup>57</sup> have publicly questioned the wisdom of continuing down this particular path, despite Kyoto not even being in effect yet. Privately meanwhile, Europe faces internal opposition from Central European countries rich in both coal and experience with an eastern neighbor serially shutting off the very gas upon which they would be forced to depend under any post-2012 pact.

Meanwhile, the gas that the UK relied upon for its emissions decrease is petering out, raising practical doubts even in this bastion of Kyoto cheerleading that also has carried much of the EU burden. They and others in Europe continue to experience large energy price hikes as a result of the Kyoto agenda. As such, November 2006 saw rebellion begin among the governments of Germany and France, and businesses within other countries including Sweden, over simply continuing on their originally agreed Kyoto path, given the costs incurred to date and obviously without climatic benefit. <sup>58</sup>

With Europe, *et al.*, not reducing their CO2 emissions, such new Parties are a necessary condition precedent to any post-2012 agreement, for the simple reason that Europe, *et al.*, must buy credits from others in order to comply. This is true even if a post-2012 pact required no further reductions, as promised, but instead simply maintained the original Kyoto targets.

Meanwhile, since Kyoto the U.S. has outperformed the pact's major parties – both covered and exempt – in terms of CO2 emissions. The disparity is even more exaggerated over the past five years for which data are available (2000-2004). As such, any claim that, now, it is the U.S.'s turn to do what the rest of the world is purportedly doing can only be a call to abandon our embarrassing position as a world leader in favor of a failed scheme.

<sup>&</sup>lt;sup>1</sup> Margot Wallstrom, then-EU Commissioner for the Environment, in a 2003 riff on the mantra of every official EU publication or speech since early 1990s, this time in touting Europe's ETS; "Europe adopts climate emissions trading law", Environmental News Service, July 22, 2003, found at <a href="http://www.ens-newswire.com/ens/jul2003/2003-07-22-01.asp">http://www.ens-newswire.com/ens/jul2003/2003-07-22-01.asp</a>.

<sup>&</sup>lt;sup>2</sup> See, *e.g.*, 2004 Climate Action Network letter to the European Commission, found at <a href="http://www.climnet.org/pubs/CANLetter\_RES\_May%202004.pdf">http://www.climnet.org/pubs/CANLetter\_RES\_May%202004.pdf</a>.

<sup>&</sup>lt;sup>3</sup> "UN Chief issue climate warning," BBC Online, November 15, 2006, found at http://news.bbc.co.uk/2/hi/science/nature/6149340.stm.

<sup>4</sup> http://www.usunnewyork.usmission.gov/98 205.htm.

With a change in control of Senate leadership, rhetoric might indicate that Kyoto now stands a chance of ratification. Past Democratic control, however, produced neither any attempt at voting on the treaty or any effort to implement it, domestically.

<sup>&</sup>lt;sup>6</sup> The covered period is 2008-2012, which is shorthanded for reporting purposes as 2010.

<sup>&</sup>lt;sup>7</sup> See, e.g., http://www.carbontrust.co.uk/climatechange/policy/eu.htm.

<sup>&</sup>lt;sup>8</sup> See the relative "BSA" commitments at <a href="http://www.climnet.org/resources/euburden.htm">http://www.climnet.org/resources/euburden.htm</a>. Each EU-15 country is individually bound by its individual Burden Sharing Promise, however, in the event the EU-15 fails to comply with its collective promise.

<sup>&</sup>lt;sup>9</sup> "The heat is on", *The Economist*, September 8, 2006, found at <a href="http://www.economist.com/opinion/displaystory.cfm?story\_id=7884738">http://www.economist.com/opinion/displaystory.cfm?story\_id=7884738</a>.

<sup>&</sup>lt;sup>10</sup> Specifically, France and Italy both issued such a call in November 2006, just as the EU Commission advanced consideration of the idea through its "High Level Group" on Sustainability and Competitiveness; see "EU moots border tax to offset costs of climate action", Euractiv.com, October 10, 2006 (original publication date) at <a href="http://www.euractiv.com/en/sustainability/eu-moots-border-tax-offset-costs-climate-action/article-158641">http://www.euractiv.com/en/sustainability/eu-moots-border-tax-offset-costs-climate-action/article-158641</a>.

A pioneering example of this is found in the original McCain-Lieberman call for a cap-and-trade program, April 3, 2001, found at <a href="http://mccain.senate.gov/press">http://mccain.senate.gov/press</a> office/view article.cfm?id=629 a call which has not only increased in frequency in recent years but stridency.

<sup>&</sup>lt;sup>12</sup> The sole way that Europe can claim any superiority is 1990 baseline, and by adopting the reductions incurred by the UK and Germany from two political decisions unrelated to, and made prior to, Kyoto further revealing why this was such an insistent demand in Kyoto in 1997.

<sup>13</sup> http://unfccc.int/2860.php

<sup>&</sup>lt;sup>14</sup> "Nairobi talks end in deal," BBC Online, November 17, 2006, found at <a href="http://news.bbc.co.uk/2/hi/science/nature/6158022.stm">http://news.bbc.co.uk/2/hi/science/nature/6158022.stm</a>.

<sup>&</sup>lt;sup>15</sup> See, *e.g.*, "Punxsutawney Protocol: 'world reaches warming pact', again, only not really", Christopher C. Horner, *National Review Online*, November 14, 2001, found at http://www.nationalreview.com/comment/comment-horner111401.shtml.

<sup>16</sup> http://www.iisd.org/

<sup>&</sup>lt;sup>17</sup> IISD Report, Vol. 12 No. 318, November 20, 2006.

<sup>&</sup>lt;sup>18</sup> BBC News Online, Richard Black, November 17, 2006, http://news.bbc.co.uk/1/hi/sci/tech/6158022.stm.

<sup>&</sup>lt;sup>19</sup> New York Times, Andrew C. Revkin, November 17, 2006, subsequently revised online possibly with an eye toward harmonizing the Times with the bulk of other headlines offering a rosier portrayal of events, though the original is still available at <a href="http://winnipeg.indymedia.org/item.php?4066S">http://winnipeg.indymedia.org/item.php?4066S</a>. Regardless, the Guardian also offered the more justifiable "Little Progress Offered at Climate Summit."

<sup>&</sup>lt;sup>20</sup> See the Kyoto Protocol, at http://unfccc.int/essential\_background/kyoto\_protocol/items/1678.php.

<sup>&</sup>lt;sup>21</sup> IEA report

<sup>22</sup> http://www.iisd.ca/vol12/enb12318e.html

<sup>&</sup>lt;sup>23</sup> Id

<sup>&</sup>lt;sup>24</sup> See discussion of and referenced source for further details regarding the postponement, or rejection, of the Kyoto Article 18 requirement of making the treaty binding and enforceable.

<sup>&</sup>lt;sup>25</sup> Found at http://unfccc.int/files/meetings/cop\_12/application/pdf/cmp\_7.pdf.

<sup>&</sup>lt;sup>26</sup> This is embodied in the same document serving as the "review", item #6, agreeing that "[the 'second review'] shall not lead to new commitments for any Party".

<sup>&</sup>lt;sup>27</sup> See, *e.g.*, "Belarus plans to attract \$1bln through Kyoto Protocol mechanisms", Interfax-West News Agency, January 11, 2006, at <a href="http://www.tmcnet.com/usubmit/2006/jan/1278275.htm">http://www.tmcnet.com/usubmit/2006/jan/1278275.htm</a>.

Article 18 is quite simple, only one paragraph long, and states quite clearly in pertinent part, "Any procedures and mechanisms under this Article entailing binding consequences shall be adopted by means of an *amendment* to this Protocol." (emphases added)

<sup>30</sup> "Procedures and mechanisms relating to compliance under the Kyoto Protocol," found at http://unfccc. int/files/meetings/cop\_11/application/pdf/cmp1\_23\_7\_procedures\_and\_mechanisms\_compliance.pdf.

31 For a discussion of this, see An Assessment of Montreal COP/MOP 1", Christopher C. Horner, January

2006, Center for Science and Public Policy, esp. pp. 8-15, found at http://ff.org/centers/csspp/pdf/20060126 horner.pdf.

<sup>32</sup> See, e.g., World Energy Outlook 2006, chart at <a href="http://www.iea.org/textbase/weo/graphs/Slide4.gif">http://www.iea.org/textbase/weo/graphs/Slide4.gif</a>; see also, "Carbon emissions rising faster than ever", New Scientist, November 10, 2006, found at http://www.newscientist.com/article/dn10507-carbon-emissions-rising-faster-than-ever.html.

<sup>33</sup> For an in-depth discussion of this, see "The Gambler's Dilemma: Europe and Kyoto, A post-Gleneagles, post-Laos assessment of the truth -- and consequences -- surrounding the EU and Kvoto post-2012." European Enterprise Institute, October 2005, Christopher C. Horner, esp. pp. 16-19, found at http://www.european-enterprise.org/public/docs/policy\_paper.pdf.

http://www.eea.europa.eu/pressroom/newsreleases/greenhouse gas emission

35 http://org.eea.europa.eu/documents/newsreleases/GHG2006-en

http://www.eia.doe.gov/pub/international/iealf/tableh1co2.xls

http://unfccc.int/essential\_background/convention/background/items/1349.php

http://reports.eea.europa.eu/eea\_report\_2006\_9/en

<sup>39</sup> http://europa.eu/rapid/pressReleasesAction.do?reference=IP/05/1519&format=HTML&aged=0& language=EN&guiLanguage=en

http://www.eea.europa.eu/pressroom/newsreleases/ghg inventory report-en

- 41 http://europa.eu/rapid/pressReleasesAction.do?reference=IP/02/1835&format=HTML&aged=0& language=EN&guiLanguage=en#file.tmp Ref 1
- 42 http://www.euractiv.com/en/sustainability/interview-ceps-researcher-christian-egenhofer-eu-us-climatechange-policies/article-140339
- <sup>43</sup> See, e.g., http://news.bbc.co.uk/1/hi/uk politics/3581637.stm.
- 44 See http://www.defra.gov.uk/environment/statistics/globatmos/gagginvent.htm.
- 45 See http://www.defra.gov.uk/news/2006/060123b.htm.
- <sup>46</sup> Found at http://reports.eea.europa.eu/eea report 2006 9/en.
- <sup>47</sup> In fact, UK GHG emissions continued their slow increase, see UK DeFRA release at http://www.defra.gov.uk/news/2006/060330b.htm.

  48 Found at http://reports.eea.europa.eu/eea\_report\_2006\_9/en.
- <sup>49</sup> Id.

<sup>50</sup> See http://europa.eu/rapid/pressReleasesAction.do?reference=IP/05/1519&format=HTML&aged=0& language=EN&guiLanguage=en.

<sup>51</sup> See, e.g., http://europa.eu/rapid/pressReleasesAction.do?reference=IP/02/1835&format= HTML&aged=0&language=EN&guiLanguage=en.

<sup>52</sup> Senior government officials of both countries, including French Prime Minister and presidential candidate Dominique de Villepin, have demanded a CO2 trade war on the basis of purported U.S. CO2 emission disparities (if expressly on the ground that the U.S. refuses to match Europe's promises).

<sup>53</sup> Source, U.S. Energy Information Administration, "World carbon dioxide emissions from the consumption and flaring of fossil fuels, 1980-2004", July 16, 2006, found at <a href="http://www.eia.doe.gov/">http://www.eia.doe.gov/</a> pub/international/iealf/tableh1co2.xls; CO2 is the most appropriate metric given that NOx and methane emissions have leveled off, and CO2 being the target of Kyoto-style regulatory proposals.

<sup>54</sup> The "average EU country" figure is volatile principally due to fairly wild swings in two small countries: a major facility shutdown in one, and an accounting peculiarity saddling Denmark with emissions of hydrocarbon energy production which it steps up in dry years for purposes of exporting to its neighbors.

55 See http://www.miami.com/mld/miamiherald/15873529.htm.

<sup>&</sup>lt;sup>28</sup> See, e.g., "Greenpeace warns against adding Belarus to Kyoto", CanWest News Service, November 17, 2006, found at http://www.canada.com/topics/news/world/story.html?id=f158927f-443f-472d-8523-8e8965367fe8&k=90373; see also COP-12 Decision accepting Belarus's stance, at http://unfccc.int/files/meetings/cop 12/application/pdf/cmp 9.pdf.

The views and opinions expressed in this paper are those of the author, and not necessarily those of the Center for Science and Public Policy.

<sup>&</sup>lt;sup>56</sup> See, e.g., "Japan questions Kyoto path after 2012: However, Japan may not support a "post-Kyoto" treaty for the period after 2012 if it involves binding emissions reduction targets, according to a recent report. The comments were apparently made during a recent carbon trading conference, Carbon Market Insights 2005, held in Amsterdam from 1-3 March. A Japanese expert, Taisha Sugiyama from the Japanese Central Research Institute, reportedly told participants that Japan was unlikely to continue with the Kyoto Protocol's approach of mandatory cuts. He noted that a second option for the post-2012 period is a climate agreement based on voluntary technology treaties but without mandatory cuts." IISD, cached at http://72.14.205.104/search?q=cache;yG-05QUrow0J:www.iisd.ca/media/climate atmosphere.htm+japan +questions+Kyoto+path+after+2012&hl=en&gl=us&ct=clnk&cd=1&ie=UTF-8.

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<sup>2006,</sup> ound at <a href="http://www.ens-newswire.com/ens/nov2006/2006-11-22-03.asp">http://www.ens-newswire.com/ens/nov2006/2006-11-22-03.asp</a>.

See, *e.g.*, "Brussels' emission demands anger some governments", Reuters, November 30, 2006, found at

http://www.planetark.com/dailynewsstory.cfm/newsid/39246/story.htm.