

## **U.S. CLIMATE POLICY AND PROSPECTS FOR U.S.-JAPAN COOPERATION**

By

Kent E. Calder

Director, Reischauer Center for East Asian Studies

SAIS/Johns Hopkins University

The advent of the Obama administration has meant a substantial change in the American policy approach to energy and environmental issues. The Bush Administration emphasize upstream energy development, including incentives for expanded oil drilling, and support for American firms engaged in offshore exploration activities. It opposed the Kyoto Protocol approach, and placed only limited emphasis on energy efficiency. The Obama Administration, by contrast, has pursued energy and environmental policies more consistent with those in Japan and Western Europe. It submitted a cap and trade bill to Congress, which has passed the House of Representatives, and participated actively in the Copenhagen COP-15 process, pledging \$1 billion toward reduction of greenhouse gas emissions during the 2010-2012 period. Its active involvement was a key factor in such modest yet unprecedented successes as the Copenhagen summit achieved.

The vigor of American climate policy remains modest compared to that of other G-7 nations, despite sharp contrasts in spirit to policies of the Bush era. The cap and trade bill, for example, remains mired in Senate consideration, with no clear prospects for passage. The U.S. contribution pledged at Copenhagen was markedly less than the \$11 billion Japanese governmental pledge, for example. In understanding the modest nature of concrete American initiatives, even under relatively liberal administrations, one must consider the substantial hurdles that climate policy faces in domestic U.S. politics. Americans are culturally conditioned to use large amounts of energy, and much of the country, particularly the South

and the West, still has little consciousness of broad global environmental constraints. The United States also has politically influential smokestack industries, including steel, chemicals, and automobiles, which strongly resist externally imposed energy and environmental constraints. These forces, combined with an American unilateralist tradition, combine to generate substantial opposition to activist, constraining global climate agreements, centering in the Congress, which hampers the efforts of relatively liberal administrations, such as Obama/Biden and Clinton/Gore, to be an international leader on climate-policy issues.

Active U.S.-Japan cooperation on energy and environmental issues has a powerful, unprecedented logic today, given prevailing political configurations in Tokyo and Washington, D.C. Both the Obama and Hatoyama Administrations place emphasis on these issue areas, and their general approaches are broadly similar. The Obama energy policy approach, for example, emphasizes downstream energy efficiency rather than upstream energy resource development, and also systematic long-term reduction of greenhouse gas emissions. The Hatoyama priorities appear to be broadly congruent. Both administrations are also interested in broad, systemic approaches to energy and environmental problems, integrating technological innovation and mass-transportation policy into solutions for energy and environmental questions.

Both administrations also find multilateral cooperation congenial.

U.S. and Japanese capacities in addressing energy and environmental issues are also complementary in many important respects. The U.S. has historically proven adept at technological innovation, and was a pioneer in nuclear and resource-exploitation technology, such as off-shore drilling. Japan is a global leader in promoting energy efficiency—through technical innovation, as well as systems and product engineering, and in devising effective industrial standards.

Given the pressing nature of global energy and environmental problems, the general congruence of underlying U.S. and Japanese approaches to these

issues, and the strategic importance of strengthening the U.S.-Japan alliance, the two countries could productively initiate a bilateral energy and environmental dialogue. The US currently engages in such bilateral dialogues with both China and South Korea, and the logic is strong for an analogous dialogue with Japan. The two countries can also, of course, productively cooperate in broader international fora, as they have in the COP-15 process.

Among the concrete topics on which the U.S. and Japan can productively consider energy and environmental cooperation are the following: (1) Demonstration projects, such as energy-efficient buildings, that illustrate novel methods for reducing resource use, and thereby reducing global emissions; (2) Clean coal technology, where their capabilities are well-matched, in an area of fateful long-term importance for large-scale energy consumers such as China and India; (3) carbon capture and storage (CCS) technology; (4) mass-transit approaches, including high-speed rail, which reduce use of resources; (5) product standards that promote energy efficiency; (6) civilian nuclear issues, including safety and storage questions, the closed fuel cycle, and the improvement and strengthening of multilateral non-proliferation regimes; and (7) water use. Both countries can learn substantially from the other, thereby strengthening and broadening their vital bilateral relationship. Cooperation on energy and environmental matters, however, cannot easily serve as a substitute for cooperation in areas of hard security, such as host-nation support, however, for both strategic reasons and do to the configuration of embedded political interests in both countries.