

COPENHAGEN CONSEQUENCES

Analysis of the 2009 Copenhagen U.N. Climate Change Conference

For more information, please visit heritage.org/Copenhagen.

No. 3 • November 10, 2009

Copenhagen Climate Change Conference Could Threaten National Security

James Jay Carafano, Ph.D.

As a prelude to the upcoming Copenhagen conference of the nations participating in the Convention on Climate Change, Senator Barbara Boxer (D–CA), who chairs the Environment and Public Works Committee, introduced and passed out of committee sweeping energy reform legislation. This measure faces much tougher hurdles before the full Senate.

To promote her legislation (a companion to the Waxman–Markey “cap and trade” bill passed by the House) Boxer held a hearing at which she argued that passage of the bill was a matter of national security. She is wrong. Her legislation could actually undermine the nation’s capacity to keep Americans safe, free, and prosperous. Furthermore, the dangers posed by the Senate bill are reflective of many of the national security challenges that could be raised by efforts at Copenhagen to draft a global climate treaty.

Fighting the Air up There

The premise behind Boxer’s bill is that the U.S. must create a government-run program to reduce the emission of “greenhouse gases,” including carbon dioxide (CO₂). The bill would establish a complex energy tax scheme to penalize businesses and industries that emit these gases. Proponents of the legislation have argued

that its passage is essential to U.S. national security. Without the law, proponents claim, adverse climate changes will cause nations to fail, natural disasters will yield unprecedented humanitarian crises, and states will wage war over the remaining resources.

Rather than allow the U.S. to better address the challenges of climate change, Boxer’s tax scheme is likely to undermine both U.S. security and America’s capacity to act as a good steward of the environment. A study by The Heritage Foundation’s Center for Data Analysis found that the companion Waxman–Markey bill would make the U.S. about \$9.4 trillion poorer by 2035. Much of this decline would be from reduced economic productivity and job losses. In particular, under the House legislation there would be 1.15 million fewer jobs on average than without a cap-and-trade bill. Other economic concerns include rising deficits and continued devaluing of the dollar.

A sharp decline in economic productivity would likely have a deleterious impact on U.S. security. A decrease in U.S. economic growth would result in even more draconian cuts to the defense budget. Likewise, a steep drop in American economic growth would lengthen and deepen the global recession, thereby increasing the number of failed states.



Energy & Environment

On to Copenhagen

The wrongheaded approach taken by Boxer is likely to be mirrored in the deliberations at Copenhagen, where efforts to restrict greenhouse gas emissions could undermine both the global economy and worldwide security—outcomes that would lead to a more fragile environment and greater human misery.

Without question, the greatest security threat of an international climate treaty is that it would make the economies of the U.S. and its allies less competitive, depriving them of the capacity to defend themselves and aid other nations.

Additionally, advocates of the treaty insist that it not include a clause that allows emissions reductions to be subject to “conformity with domestic law.” In other words, even if U.S. laws included an exemption for emissions by the military, such an opt-out could potentially be trumped by an international treaty.

The U.S. military is the nation’s largest consumer of fossil fuels. As Major General (ret.) Robert Scales testified in Boxer’s hearing, despite any innovations in new energy technologies made in the foreseeable future, most military forces will continue to be powered by fossil fuels. Thus, mandated fossil fuel reductions could severely limit the capacity of the U.S. to defend itself and its allies and conduct humanitarian and security-assistance missions worldwide.

In addition, since the military has no choice other than to rely on fossil fuels for the foreseeable future, any tax scheme that makes carbon-based fuels more expensive will mean the Pentagon will have to spend more on fuel and less on everything else that America’s men and women in uniform need. Regardless of how the climate changes or the status of energy supplies, the U.S. will need a military that has sufficient resources to conduct current operations, maintain a trained and ready force, and prepare for future challenges. Long-term levels of defense spending are already too low to prevent the military from becoming a hollow force. A steep rise in carbon-fuel costs will exacerbate this decline.

Finally, an international climate treaty is likely to disadvantage the U.S. and other democracies that sign the convention in competing with authoritarian regimes

that could care less about the environment. As General Scales noted in his testimony, U.S. refining capacity would likely evaporate and move offshore—making America more, not less, dependent on foreign countries. Furthermore, since oil is a global commodity, as the price rises, foreign oil producers that wish America ill would still find ready buyers for their product. Thus, they would fill their coffers even as the U.S. becomes less competitive.

Countering the Consequences of Copenhagen

Advocates of an international climate treaty have little hope that a convention with stringent, binding, and enforceable emissions reduction targets will be signed in Copenhagen, but they have every intention in continuing to shape the provisions of a draft instrument that could constrain the ability of the U.S. to direct its own energy future—and ultimately look after the security of its citizens.

The U.S. should deal responsibly with the challenges of global climate change, but the road to Copenhagen is a dead end. Rather, Washington should seek an alternate path to ensure a future where America is a worldwide leader in the stewardship of the global environment, a champion for the advancement of freedom and justice, and an engine of sustainable growth. Specifically, the U.S. Government should:

- **Ensure that any effort to reduce reliance on foreign oil is grounded in policies that are best for the economy.** Reducing oil imports from unstable or unfriendly regimes should be done in a way that minimizes the economic cost to Americans. Policies such as raising taxes on gasoline while mandating or subsidizing expensive or unproven alternative fuels and vehicles lead to large costs with marginal—or even negative—results. The first steps in reducing reliance on foreign oil are to make full use of domestic petroleum reserves and to remove disincentives to investment in oil production from friendly nations. These should be coupled with efforts to encourage diversification away from petroleum, which will be best achieved not by government fiat but by the private sector–led development of alternatives that can compete in their own right. Domestically, the federal role

should be limited to conducting basic research and removing regulatory and tax barriers that impede private-sector innovation. In addition, restrictions on international growth in alternatives, such as the tariffs that limit ethanol imports into the U.S., should be eliminated.

- **Provide leadership for the international expansion of commercial nuclear energy.** Nuclear energy is the only emissions-free energy source available today that can provide large amounts of energy. Unfortunately, regulatory barriers and protectionism stand in the way of the safe expansion of this technology. The U.S. could provide needed leadership by establishing a path forward that addresses these problems. While reforming its onerous regulatory regime and developing a workable system for nuclear waste management are domestic priorities, internationally, the U.S. must work to advance free and open markets. Moving the Convention on Supplementary Compensation for Nuclear Damage forward is critical to this effort. Parties to the convention operate under common liability rules for nuclear activities. This is important to U.S. companies who do not enjoy the national liability protection that most foreign firms enjoy, thus putting them at a competitive disadvantage. While the U.S. has ratified the convention, additional nations must ratify before it comes into force. Once in force,

U.S. companies would be better able to compete in overseas nuclear markets, which would advance both economic and environmental agendas.

- **Use free markets to advance a green energy and environment agenda.** Trade measures in carbon-control legislation may appear necessary for protecting U.S. competitiveness and promoting broader international participation in such schemes. However, in reality, such measures will likely create a more hostile trade environment that costs U.S. firms access to global markets. Rather than using trade policy as a weapon, America should keep markets open. Policymakers should maintain the integrity and freedom of global markets as a means to transfer clean technologies, keep international investment flowing, and promote economic growth and prosperity in the U.S. and around the world.

These measures would provide real security to the American people by not hamstringing the military's ability to protect its citizens and ensuring sustainable growth based on clean and abundant green energy.

—James Jay Carafano, Ph.D., is Deputy Director of Kathryn and Shelby Cullom Davis Institute for International Studies and Director of the Douglas and Sarah Allison Center for Foreign Policy Studies, a division of the Davis Institute, at The Heritage Foundation.