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# RESTORATION OF THE TRANSATLANTIC DIALOGUE: THE GLOBAL FIGHT AGAINST CLIMATE CHANGE

## HEARING

BEFORE THE

SUBCOMMITTEE ON EUROPE, ENERGY, THE ENVIRONMENT AND CYBER

OF THE

COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES

ONE HUNDRED SEVENTEENTH CONGRESS

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# RESTORATION OF THE TRANSATLANTIC DIALOGUE: THE GLOBAL FIGHT AGAINST CLIMATE CHANGE

**Tuesday, April 20, 2021**

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON EUROPE, ENERGY, THE ENVIRONMENT, AND CYBER,
COMMITTEE ON FOREIGN AFFAIRS,
*Washington, DC.*

The subcommittee met, pursuant to notice, at 2:03 p.m., via Webex, Hon. William R. Keating (chairman of the subcommittee) presiding.

Mr. KEATING. The House Foreign Affairs Subcommittee will come to order.

Without objection, the chair is authorized to declare a recess of the committee at any point, and all members will have 5 days to submit statements, extraneous materials, and questions for the record subject to the length and limitation in the rules. To insert something into the record, please have your staff email the previously mentioned address or contact full committee staff.

Please keep your video function on at all times, even when you are not recognized by the chair. Members are responsible for muting and unmuting themselves, and please remember to mute yourself after you are finished speaking. Consistent with House Res. 965 and the accompanying regulation, staff will only mute members and witnesses as appropriate when they are not under recognition to eliminate background noise.

We anticipate that there will be roll calls during this hearing. We intend to continue the hearing and ask members to come back after voting as quickly as possible, and we will reenter you into the queue where it is appropriate for you when that is done.

I see that we do have a quorum present, and I will now recognize myself for an opening statement.

Pursuant to notice, we are holding a hearing today entitled, "Restoration of the Transatlantic Dialogue: The Global Fight Against Climate Change." I will now recognize myself for opening remarks.

The results of climate change are varied, intertwined, and compounding, but together these consequences pose an existential threat to our very human community. As a result of climate change, already vulnerable communities have been subjected to increasing dangers and natural disasters, including intensifying droughts, heat waves, and as a result, fires. And at the same time, the melting of our polar ice caps have contributed to sea level rising, putting communities living close to the shorelines at increasing

risk. Further, deforestation and unsafe city planning, coupled with climate change, contributed to the spread of vector-borne diseases.

And at home, Americans were already economically and physically vulnerable and faced especially devastating setbacks and difficulties caused by fire, floods, and air pollution. These trends are just a snapshot in the landscape of consequences caused by climate change.

All that being said, I cannot underscore the following three tenets enough: First, urgency. Climate change is an existential global threat, and its negative impacts will only increase exponentially if we do not act now.

Interdependency. Climate change is also a challenge that no one nation can fight alone. We can only succeed if the global community is united in our efforts to combat its damaging consequences.

Third one is domestically. As one of the top contributors of carbon dioxide emissions in the world and as a Nation that continues to suffer from the grave impacts of climate change that threatens our health, prosperity, and national security, the United States must step up and act now.

For these reasons, I am proud that the Biden Administration has made climate change a top priority in both our domestic and international efforts that thoughtfully ensure that their policies always include a climate lens by installing experienced individuals in decisionmaking positions. Specifically, I commend the Biden Administration for choosing Melanie Nakagawa as the Nation's—as the national security director for climate and Secretary John Kerry as the United States first Presidential envoy for climate.

In addition, I am pleased to see the Biden Administration is committed to including investments in clean energy technologies and jobs.

[Audio malfunction.]

The CLERK. To subcommittee staff, did we lose Congressman Keating?

VOICE. I am going to go into the other room. I think he might have—we might have lost him. I am so sorry, the bandwidth is being very——

Mr. SIRES. Yes, I cannot hear him.

VOICE. Okay. Hold on.

Mr. FITZPATRICK. Leah, I am prepared to go if you need me to fill in, otherwise we will wait for him.

The CLERK. Yes, you can go ahead, Mr. Fitzpatrick.

Mr. FITZPATRICK. Wait, I think we got him back here.

Mr. KEATING. Am I back?

Mr. FITZPATRICK. You are back, sir.

Mr. KEATING. Can you hear me?

Mr. FITZPATRICK. Yep, we can hear you.

Mr. KEATING. Where did you lose me, if you were paying attention?

Mr. FITZPATRICK. Just about 20 seconds ago.

Mr. KEATING. All right.

Mr. LORIS. Clean jobs.

Mr. KEATING. Look, I will just go where I think.

I was praising the Biden Administration and their work in selecting people like Melanie Nakagawa and Secretary Kerry to these

important positions they have been assigned to. And I am pleased that the administration is committed to include investments in clean energy, technology, jobs, in their efforts to revitalize America's infrastructure.

These decisions, coupled with the immediate announcement to rejoin the Paris climate agreement, have signaled a serious dedication to climate action. However, U.S. engagement in climate will only succeed if we craft these efforts in concert with our transatlantic allies. That is why I am proud to hold the hearing with testimony from high-level witnesses, including executive vice president for the European Green Deal, Mr. Frans Timmermans.

Cooperation on climate change, particularly through the transatlantic partnership, is essential to achieving meaningful and long-lasting results. The Transatlantic Alliance is critical as a foundation on which our collective security and our shared prosperity must be built.

Together, we have to harness the power of our transatlantic dialog to further climate initiatives among communities, and we must realize too the Transatlantic Alliances must also harness the power of combined efforts and contribute to the global fight against climate change as an entity.

That is why I am proud at this hearing we are also joined by Patricia Espinosa, executive secretary to the United Nations Framework Convention on Climate Change. With her participation in this hearing, she will also serve as a look-ahead that we will all be having the opportunity to hear about with the 26 United Nations Climate Change Conference, commonly known as COP26.

At COP26, world leaders will gather in Glasgow and recommit to and buildupon strategies to combat the impacts of climate change. Thus, COP26 will be a pivotal moment bringing parties together to accelerate action toward the goals of the Paris climate agreement.

Finally, as Members of the U.S. Congress, we must also ensure that U.S. engagement on climate change begins here at home. For the past several years, we in Congress have done just that, and continue the efforts to combat climate change. We have hosted in this committee prominent activists, generational activists, like Greta Thunberg and other witnesses that were so critical.

We are pleased to be joined from my home State, The Fletcher School at Tufts, Dean Rachel Kyte, who has been a world leader in organizations as well as a Climate Action Now CEO.

We are working hard to bring the funding back home, support local efforts to mitigate the effects of global warming and sea level rise, and I am planning on introducing climate-related legislation in the coming weeks that will help prevent crises and disasters exacerbated by climate change by enhancing the United States Government's capacity to prevent, mitigate, and respond to such crisis and disasters.

I know in my own district, that is a coastal district, the effects of climate change, and we also sponsor the country's largest offshore wind farm that is moving ahead expeditiously.

In summary, it is our responsibility as Members of Congress to take action on climate change, showcase and assist those working to advance these mitigation efforts, and to engage our global alliances to collaborate on core climate goals. That is why myself and

my colleagues in Congress are honored to be joined today by experts that will highlight key challenges in global climate change, and they will be able to identify opportunities for cooperation with all our transatlantic partners.

My colleagues, the United States must stand with the European Union and the United Nations to achieve impactful climate goals that will protect future generations around the globe, and I am comforted that we have a Presidential administration doing just that.

President Biden said it himself during his remarks at the Munich Security Conference earlier this year: America is back. The Transatlantic Alliance is back. And we are not looking backward; we are looking forward together.

With that, I will recognize Ranking Member Mr. Fitzpatrick for his opening remarks.

Mr. FITZPATRICK. Good afternoon, and thank you, Chairman Keating. And thank you all, especially our esteemed witnesses, as we examine the climate agenda for the United States and its effect on our transatlantic partners.

The United States and our allies across Europe have benefited greatly over the years through mutually promoting free and open societies and pursuing policies that take the economy, the environment, and——

Mr. KEATING. Mr. Fitzpatrick?

Mr. FITZPATRICK. Yes, sir.

Mr. KEATING. We will take a brief recess and pause the committee hearing until we have all our technical issues worked out with.

Mr. FITZPATRICK. Yes, sir.

[Audio malfunction.]

Mr. KEATING. I move we come back into the committee hearing. All those in favor, aye. Opposed, no. The ayes have it. The chair recognizes Mr. Fitzpatrick for his opening remarks.

Mr. FITZPATRICK. Thank you again, Chairman Keating.

Thank you all. Thank you, again, to our panel of witnesses in analyzing the climate agenda, not just for us in the United States, but our transatlantic partners.

And, as we all know, the United States, not just the U.S., our allies across Europe, we have all benefited over the years mutually promoting free and open societies, pursuing policies that take our economy, the environment, and national security into consideration.

In the leadup to the 26 Conference of the Parties to the United Nations Framework Convention on Climate Change, the United States had the opportunity to lead in global effort toward multilateral cooperation. And as was stated in President Biden's executive order, while tackling the climate crisis at home and abroad, climate considerations shall be an essential element of the United States foreign policy and national security.

As such, both sides of the Atlantic must realize that an emphasis on accountability must be applied to any conversation on international environmental policy. President Biden's reentry into the Paris Agreement demonstrates the United States' willingness to make changes, but the larger international community must be

willing to make changes as well and address those actors doing the most environmental harm.

For example, significant consideration must be applied to the world's largest greenhouse gas emitter, China, that makes up nearly a third of the world's CO2 emissions. China has previously been accused of underreporting and misrepresenting its emission outputs to international organizations, according to reporting by The Guardian and The New York Times.

The Convention should consider how to hold nations accountable who have established themselves with a poor reputation for reporting energy and environmental data after decades of inconsistencies. The United States must also pursue a strategy that acknowledges and deters foreign malign influences targeting energy markets against our allies.

For example, Russia has a history of weaponizing their energy resources against neighboring States by leveraging dependencies to expand its influence and undermine regional security. President Biden has cited the Nord Stream 2 pipeline as a, quote/unquote, bad deal for Europe during his time as Vice President. Secretary Blinken has emphasized that the Biden Administration is, quote, determined to do whatever we can to prevent, end quote, the completion of this project.

Following recent escalations of Russian aggression against our ally Ukraine, the Biden Administration imposed sanctions against Russia that unfortunately were missing considerations of Nord Stream 2. It is my hope that the administration takes the next logical step in defending our allies and partners by fully implementing the bipartisan Nord Stream 2 sanctions as required by law.

Considering that 40 percent of European natural gas imports already come from Russia, an operation on Nord Stream 2 solidifies Europe's reliance on natural gas from Russia and undercuts an entire region of allies. The United States must remain committed to strong transatlantic partnerships, and in pursuing collaborative environmental strategies, we must not forget the geopolitical implications of those we are entering into agreements with.

With that, Mr. Chairman, again, I thank the panelists, the esteemed panelists we have here and look forward to the conversation, and I yield back the balance of my time.

Mr. KEATING. Vice Chair Spanberger——

Mr. FITZPATRICK. Chairman Keating, I yield back.

Mr. KEATING. All right. Thanks.

I will now introduce our witnesses, and I want to thank them all for being here. Executive Secretary Patricia Espinosa is the executive secretary of the United Nations Framework Convention on Climate Change. Having served in that position since 2016, previously serving as the Minister of Foreign Affairs of Mexico, she brings more than 30 years of experience at the highest levels in international relations specialized in climate change, global governance, sustainable development, gender equality, and protection of human rights.

Executive Vice President Frans Timmermans, a grandfather and a Red Sox fan, and he is also leading the European Commission's work on the European Green Deal and its first European climate law to enshrine the 2050 climate neutrality target in EU law. He

has previously served as first vice president of the EU Commission in charge of better regulation, international institution relations, the rule of law, and the charter of fundamental rights, and as a Netherlands minister on foreign affairs.

Dean Rachel Kyte is the dean of The Fletcher School at Tufts University. Prior to joining Fletcher, Kyte served as the special representative of the United Nations Secretary-General and chief executive of the Sustainable Energy for All. She previously was the World Bank Group vice president and special envoy for climate change in the run-up to the Paris Agreement.

And, finally, Mr. Nicolas Loris is the deputy director of the Thomas A. Roe Institute of Economic Policy, Studies, and Herbert and Joyce Morgan Fellow in Energy and Environmental Policy at the Heritage Foundation.

I will now recognize the witnesses for 5 minutes each. And without objection, your prepared written statement will be made part of the record.

Executive Secretary Espinosa, you are now recognized for your opening statement.

**STATEMENT OF THE HONORABLE PATRICIA ESPINOSA, EXECUTIVE SECRETARY, UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE**

Ms. ESPINOSA. Thank you, Chairman Keating, and thanks to the members of the House Foreign Affairs Subcommittee on Europe, Energy, the Environment, and Cyber for this invitation. My remarks are accompanied by a written statement that has been submitted.

I was pleased to recently join U.S. Special Presidential Envoy for Climate John Kerry and welcome the return of the United States to the Paris Agreement. I repeat what I said then: We look forward to the resumption of America's leadership role in efforts to address global climate change.

Members, the Paris Agreement is a covenant of hope with the people of the world backed by a global plan of action. It represents the value and necessity of multilateralism when the world needs it most. Through multilateralism, the world has dramatically reduced extreme poverty, eradicated major diseases, vaccinated against many others, and begun to repair the ozone layer.

The United States, through various administrations, has been instrumental in each of these efforts. Multilateralism at its core is recognition that international and domestic concerns are often intertwined. While COVID–19 is the most recent example, nothing exemplifies this dynamic more than our existential climate change crisis.

Climate change recognizes no borders, reflects no political parties, and respects no ideologies. It is coming regardless. As we increasingly see in the United States and elsewhere, it is already here. The science is clear.

According to data compiled by the National Oceanic and Atmospheric Administration's National Centers for Environmental Information, the United States has experienced 291 weather and climate disasters since 1980. The total cost in this time period exceed-

ed $1.9 trillion, a number that continues to grow. In 2020 alone, there were $22 billion disasters, the most on record.

What science does not measure misery does. In the last 5 years, there have been 3,969 climate disaster-related deaths in the United States and more than 15,000 between 1980 and 2020. This is devastating for so many in the United States and throughout the world, especially the most vulnerable. Over the long term, climate change is a threat to humanity's very existence on this planet.

Despite this, nations have not yet moved the Paris Agreement from adoption to implementation, nor have they fulfilled its commitments. The recent NDC Synthesis Report, which covers national climate action plan submitted by December 2020, reveals that we are far away from meeting the goal of the Paris Agreement to limit global temperature to 1.5 degrees by the end of the century.

The report shows that at the current rate, nations will achieve only less than a 1 percent reduction in emissions by 2030 compared to 2010 levels, and the IPCC calls for that reduction to be 45 percent lower. To say current levels are insufficient is actually an understatement. We need stronger, more robust national climate action plans in 2021, and we need them as soon as possible, including from the United States.

Members, we recognize that 2021 is a year of tough decisions, but making the tough decisions, the right decisions could result in a dramatic turning point in human history. Tough decisions require leadership, courage, and determination. The responsibility for making them are not America's alone, but by leading the transformation to what is an unprecedented era of growth, prosperity, and hope, America will benefit and thrive.

This transformation can only happen if nations build forward from COVID–19 by structuring resilient, sustainable, and green post-recovery economies that are aligned with the Paris Agreement, and it must carry through to the milestone event of COP26 in November. While always important, these negotiations are now crucial.

COP26 represents nothing less than a credibility test for our collective efforts to address climate change, implement the Paris Agreement, and continue building climate ambition. Progress will not be easy. To achieve good outcomes, we need a good negotiations process and that depends on trust, leadership, and inclusivity.

We look to nations such as the United States to provide both, signal and example. In addition to submitting a strong NDC, nothing would signal this leadership more than ensuring developed nations fulfill their Paris Agreement pledge to mobilize $100 billion annually in funding for developing countries to support their action on mitigation and adaptation.

If the finance commitment is not fulfilled, the credibility of the entire process will be undermined. This should not be seen as an act of generosity but rather as an investment for the benefit of recipient and donors alike.

Chairman Keating and subcommittee members, for all parties at COP26, the message is clear: This is the time to find the balances and compromises that can allow us all to strengthen our common efforts against the climate emergency and to unleash the full potential of the Paris Agreement. We look forward to the U.S. being

a valuable leader throughout those discussions and as we work collaboratively, multilaterally to build a clean, green, sustainable, and prosperous future.

Thank you.

[The prepared statement of Ms. Espinosa follows:]

Statement to the American House Foreign Affairs
Subcommittee on Europe, Energy, the Environment and Cyber

**Written statement**
**by Ms Patricia Espinosa, Executive Secretary, UNFCCC**

Bonn, 20 April 2021

Thank you to Chairman Keating and to Members of the House Foreign Affairs Subcommittee on Europe, Energy, the Environment and Cyber for extending this invitation.

I was pleased to recently join US Special Presidential Envoy for Climate, John Kerry, and welcome the return of the United States to the Paris Agreement. I repeat what I said then: we look forward to the resumption of America's leadership role in efforts to address global climate change.

Members, the Paris Agreement is a covenant of hope with the people of the world backed by a global plan of action. It represents the value and necessity of multilateralism when the world needs it most.

Through multilateralism, the world has dramatically reduced extreme poverty, eradicated major diseases, vaccinated against many others and begun to repair the ozone layer. The United States, through various administrations, has been instrumental in each of these efforts.

Multilateralism, at its core, is a recognition that international and domestic concerns are often deeply intertwined. While COVID-19 is the most recent example, nothing exemplifies this dynamic more than our existential climate change crisis.

Climate change recognizes no borders, reflects no political parties, and respects no ideologies. It's coming regardless. As we increasingly see in the United States and elsewhere, it's already here.

The science is clear. It tells us that 2020 was among the hottest three years on record globally, that the past decade was the hottest in human history, that ocean heat is at record levels and that carbon dioxide levels have never been higher.

What science doesn't measure, human misery does.

Between 2000 and 2019, more than 475,000 people lost their lives as a direct result of more than 11,000 extreme weather events globally.[1]

The United States, the world's second-largest CO2 emitter, is not immune.

Using data compiled by the National Oceanic and Atmospheric Administration's National Centers for Environmental Information, the United States has experienced **291** weather and climate disasters since 1980 in each of which overall damages reached or exceeded $1 billion. [2] **The total cost in this time period exceeded $1.9 trillion, a number that continues to grow. In 2020 alone there were 22 billion-dollar disasters, the most on record**.

Again, this is about more than money. There were more than 15,000 weather and climate disaster-related deaths in the United States between 1980 and 2020.

**Break those numbers down and they get worse by decade.**

There were 2,870 climate disaster-related deaths in the 1980s.

In the 1990s there were 3,045.

In *just the last five years*, there were 3,969.

This is devastating for so many; in the United States and throughout the world, especially the most vulnerable. Over the long term, climate change is a threat to humanity's very existence on this planet.

Despite this, nations have not yet moved the Paris Agreement from adoption to implementation. Nor have they fulfilled its commitments.

The recent NDC Synthesis Report, which covers national climate action plans submitted by December 2020, reveals that we are very far away from meeting the goals of the Paris Agreement to limit global temperatures to 1.5℃ by the end of the century.

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[1] Source: Germanwatch
[2] Source: NOAA

The report shows that, at the current rate, nations will achieve only less than a 1% reduction in emissions by 2030 compared to 2010 levels. The IPCC calls for that reduction to be 45% lower.

To say current levels are insufficient is an understatement.

We need stronger, more robust national climate action plans in 2021 and we need them as soon as possible—including from the United States.

Members, we recognize that 2021 is the year of tough decisions. But making the tough decisions — the *right* decisions —could result in a dramatic turning point in human history.

Tough decisions require leadership, courage and determination. The responsibility for making them are not America's alone, but by leading the transformation towards an unprecedented era of growth, prosperity and hope, America will benefit and thrive.

This transformation can only happen if nations build forward from COVID-19, by structuring resilient, sustainable and green post-recovery economies that are aligned with the Paris Agreement.

And it must carry through to the milestone event of COP26 in November. While always important, these negotiations are now crucial.

COP26 represents nothing less than a credibility test for our collective efforts to address climate change, implement the Paris Agreement and continue building climate ambition.

To achieve success, Parties must:

- fulfill promises previously made;
- wrap up outstanding negotiation items;
- raise ambitions in mitigation, adaptation and finance;
- and bring State and non-State voices together to continue building climate ambition.

Each represents an incredible amount of work. Progress will not be easy. To achieve good outcomes, we need a good negotiations process, and that depends on trust, leadership and inclusivity.

We look to nations such as the United States to provide both signal and example.

In addition to submitting a strong NDC, nothing would signal this leadership more than ensuring developed nations fulfil their Paris Agreement pledge to mobilize $100 billion annually in funding for developing countries to support their action on mitigation and adaptation.

If the finance commitment is not fulfilled, the credibility of the entire process will be undermined.

This should not be seen as an act of generosity, but rather *as an investment for the benefit of recipients and donors alike*.

It is an act of solidarity, but also of self-interest. Unless the transformations required to face our climate emergency take place in every country in the world, climate change will continue to affect us all.

The obligation to support the efforts of developing countries cannot be ignored. Establishing trust here would provide a solid foundation for all subsequent work and negotiations. After all, we cannot expect future commitments to be made if past commitments have not yet been met.

Chairman Keating and Subcommittee Members:

For all Parties at COP26 the message is clear: *this is the time to find the balances and compromises that will allow us to strengthen our common efforts against the climate emergency and to unleash the full potential of the Paris Agreement. Billions of eyes look to you.*

We look forward to the US being a valuable leader throughout those discussions and as we work collaboratively, multilaterally, to build a clean, green, sustainable and prosperous future.

Thank you.

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Mr. KEATING. Thank you very much.
VOICE. Mr. Chairman, you are on mute.

Mr. KEATING. I know. I have had some technical problems. Thank you, Representative.

I will now recognize Executive Vice President Timmermans for his opening statement. Thank you for joining us.

**STATEMENT OF THE HONORABLE FRANS TIMMERMANS, EXECUTIVE VICE-PRESIDENT FOR THE EUROPEAN GREEN DEAL, EUROPEAN COMMISSION**

Mr. TIMMERMANS. It is a great pleasure. It is great to see you, Chairman Keating, Ranking Member Fitzpatrick, distinguished members of the subcommittee. And I want to start by thanking you, Chairman Keating, for mentioning the Red Sox. I almost started singing "Sweet Caroline" here online, but I will not.

It is really a great honor and a pleasure to offer you a written statement and an oral testimony as a Dutchman and a European who believes in the enduring strength of our transatlantic partnership.

As we are still in the midst of the fight against COVID–19, we are also challenged by other crises, the climate and biodiversity crises. Both of them are closely linked and mutually reinforce each other, and COVID is also a clear result of our failure to rebalance our relationship with our natural environment.

The costs of non-action are increasing by the day. Freak storms, erratic weather patterns, floods, wildfires, and the astonishing and swift loss of species on which we are reliant for the crops that feed us. And, unfortunately, there is a strong nexus between these crises and security as we will face conflicts over water and arable lands in certain parts of the world. And, yes, I am a grandfather, and the risk of our grandchildren going to war over water and food is something we really need to avoid and avert.

The European Green Deal is our answer, a modern growth strategy encompassing everything from our mobility, our built environment, our energy production and consumption, our agriculture, our international trade, and our taxonomy. We pledged to become climate neutral by 2050, and in December 2020, European leaders committed to a new 2030 target of at least 55 percent emissions reductions compared to 1990.

In the near term, approximately $800 billion of recovery and resilience facility is Europe's medium-term answer to the COVID–19 crisis. And the centerpiece of the next generation EU, which is our EU recovery fund, 30 percent of the approximately $2 trillion of the EU budget for the next 7 years ought to be earmarked for climate action. And 100 percent of our budget should do no significant harm, should never go in a different direction. A comprehensive legislative package will be proposed in June to meet this enhanced goal.

In short, there are 12 proposals in the pipeline to bolster existing policies and regulations, strengthen targets, and shift incentives toward sustainable practices, in particular with regard to our emissions cap and trade system, with regard to increasing our natural carbon sinks by protecting and restoring our forests—our forests are in really bad shape—to our energy production in terms of more renewables and differentiated energy taxation and with regard to

even higher emissions standards for our cars and vans and an extended charging infrastructure across the European continent.

While we green and decarbonize our economy, we also have to ensure that we prevent so-called carbon leakage. That is why we are drafting a carbon border adjustment mechanism designed to address the risk, which, if unchecked, could lead to an increase of emissions globally. Ideally and preferably, if every country would fulfill its Paris commitments, it would never have to be used.

I have laid out this "Fit for 55" package in more detail in my written testimony, and I am happy to exchange views with you today. This transition will be just, or there just will be no transition. This must be our guiding principle. That is why distributional issues will play a central role in the design of our policies, and I see this is also well understood on the other side of the Atlantic.

We are not telling people to go live in cold caves and munch on grass. Ours is a positive proposition, one of cleaner air and water, lower energy bills, and food with less pesticides, a proposition of a more resilient and inclusive economy for all, with local jobs that are not immediately outsourced, like the installation of homes and the installation of solar panels.

COP15 on Biodiversity in Kunming, China, this October, and COP26 on Climate Change in Glasgow, U.K., this November, will tell us whether the world will finally show its determination and commitment to do what is necessary. We are more hopeful and optimistic of our success now that America is back. The appointment of Secretary Kerry as the President's Special Climate Envoy is the best sign that the U.S. means business. And what John has been doing in the last couple months is amazing and really gives us all a lot of hope.

We are looking forward to working together with the Biden Administration as well as with all of you in Congress. Our objective is nothing less than the health and well-being of our people, of our kids, and our grandkids.

Thank you very much.

[The prepared statement of Mr. Timmermans follows:]

**Restoration of the Transatlantic Dialogue:**
**The Global Fight against Climate Change**

**Testimony before the House Foreign Affairs Subcommittee**
**for Europe, Energy, the Environment and Cyber**

**by**

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Chairman Keating, ranking member Fitzpatrick, distinguished members of the Subcommittee,

It is a great honour and a pleasure to offer you a written testimony as a Dutchman and European who believes in the enduring strength of the Transatlantic Partnership. As a late Dutch Prime Minister once said when commemorating the Marshall Plan: "Americans are our relatives by history, and our friends by choice."

I was born in Heerlen, a coal mining city in the Netherlands in 1961. I am about to turn sixty, and more importantly, I just became a grandfather of a lovely little boy named Kees. Unfortunately, due to covid19, I cannot visit him, but the daily pictures my son sends me, is an inspiration to never give up.

The Second World War still resonates strongly in collective memory of my hometown and region. You may be aware of the Netherlands American Cemetery and Memorial in Margraten. All American graves have been adopted, and a number of years ago I had the honour to adopt a grave of a young American who came across the Atlantic to fight for the freedom of my people. His name is Leo Lichten.

Let me take this opportunity to reconfirm my undying gratitude for the sacrifice of all those, like Leo Lichten, who have made it possible for Europe to be free, democratic, prosperous and yes, united. As the generations that have fought and seen the face of fascism and Nazism are leaving us, living memory is turning into written history. It compels to continue to honour them, and there is no better way to do so then to ensure we live out their lessons in our lives, and bequeath them to the younger generations. Lessons that words matter, that facts matter, that my freedom ends where yours begins and vice versa, and that we have a responsibility towards each other and the societies we live in. I can think of no better time than to call this into recollection, as we are faced with what are truly existential crises that affect us all. The way we answer these challenges together will determine our fate.

As someone whose both grandparents were coalminers, I am very familiar with their stories and their plights. I know from them first-hand how the closing of mines hurt one of the most prosperous community of Heerlen in the Netherlands in the 1960s, and also how both told my grandfathers insisted that it was for the best. They didn't get any compensation for their health problems due to working in the dark and the dust, neither did anyone help them to make the inevitable transition towards a new job. This experience, the harsh consequences for the families in terms of emotional and economic distress, continues to guide me. This time, as it is imperative to embark on a green transition to change the fundamental ways of our production and consumption, we will have to leave no one behind; it has to be a just transition or there just won't be a transition.

My father worked for the Dutch Foreign Ministry, and so I grew up seeing many European countries. I even briefly went to an American school in Rome where I was initiated into the great game of baseball and learned how to wield a bat. It also made me a lifelong fan of the Boston Red Sox, which will ingratiate me with Chairman Keating, but, I'm sure, irk some of your other members.

After my military service where I learned Russian, I became a diplomat in 1985, and was posted to the Dutch Embassy in Moscow during the great political convolutions of the early 1990s. I personally saw Mayor Boris Yeltsin on that tank, and have watched with concern and sadness the path of Russia since then. I became a Dutch parliamentarian, the Dutch Europe Minister, and subsequently the Dutch Foreign Minister when again I had many dealings with Russia after the passenger plane of Malaysia Airlines (MH17) was shot down over Ukraine, killing all of its 298 passengers and crew. To this day, this is one of the most traumatising events in my professional life.

After a first mandate in the European Commission where as First Vice President I was – amongst other things – responsible for better regulation and the rule of law in Europe, I ran in the European Parliament elections, and won a landslide of votes in my own country. The European Council appointed me Executive Vice-President in the Von der Leyen Commission where I am responsible for the European Green Deal overseeing the work of four Commissioners and their Directorates-General and driving forward our global climate diplomacy.

To be sure, we are at a pivotal moment in the fight against the climate and biodiversity crisis, as UN Secretary-General Guterres so aptly put it 'the defining issue of our time'. Climate change is not a distant threat. It is an urgent reality now: freak storms, wildfires, floods, droughts, crop failure are becoming commonplace. We are cutting down our forest in an astonishing rate, reducing carbon sinks, but also destroying people's livelihoods. In the coming years 1 million species are on the verge of extinction. Such a climate and nature breakdown adversely affects nature loss, and vice versa.

In some countries climate change has led to famines, mass dislocation and migration. Soon we might see conflict over water, arable lands or natural resources. Unless we act now, and turn the corner within less than a decade, we will reach dangerous tipping points of runaway climate change with even more dire consequences.

Our current predicament is a worldwide battle against covid19 that most likely emanated from the ever-closer proximity of humankind and wildlife, leading to increased viral diseases making the leap from animal to humans, threatening our health, our economy, and our lives.

It is difficult to fathom, but the failure of imagination could be our undoing. These then are the costs of non-action, and they are inhibitive.

Postponing difficult and inconvenient decisions will only drive up the price of redressing the twin scourge of climate change and biodiversity loss. It will leave us with obsolete business models and stranded assets, and a broken economy.

Let me mention that during this pandemic there has been a tremendous amount of solidarity shown by the young generations. They have mostly had home-schooling, wore masks, and endured the lockdown, not because they are the most susceptible to covid19 – relatively speaking they are not – but especially to protect older generations. It would be good to keep this in mind and listen to their concerns and questions when we think about what future we

build for them as we recover from this pandemic. Ultimately it is a question in what world do we want our children and grandchildren to grow up in.

Admittedly a green transition requires large investments, but these in turn can create millions of new jobs, revitalise our economy, create new business models and innovations, and spur growth in all parts of the society.

It is therefore essential to work together in a global context and in a comprehensive way to keep the temperature increase below 1.5°C. We are convinced that with concerted and determined efforts it can be done. The technology is available, the skills, the people, and even the money are. What is needed is political courage to follow in the direction that cities, citizens, and an increasing number of businesses are already heading to.

Following the European parliamentary elections in 2019 and encouraged by growing calls in Europe to step up ambition and lead by example, the European Union and its member states have made a fundamental decision to move forward decisively.

This resulted in the European Green Deal, presented at the beginning of the Von der Leyen Commission in December 2019, which is our modern growth strategy. It outlines out a comprehensive roadmap to put all sectors of our economy in terms of mobility, energy, the built environment, agriculture, and taxonomy on a new, sustainable footing.

It incorporates initiatives in a broad set of other key areas ranging from circular economy to sustainable food (Farm to fork), sustainable products, chemical sustainability, biodiversity and the blue economy. Funding research and innovation is of course crucial and we have established industrial alliances as an important tool to identify technology needs, investment opportunities and regulatory barriers and enablers at all stages of the value chain (batteries, raw materials, hydrogen, circular economy).

In addition, the EU's leaders, determined to forge an economic recovery once we come to grips with covid19, have committed the Union to a recovery that will be resilient, green and digital. In other words, we have embedded the green transition in the DNA of our recovery.

While the immediate reasons to move in this direction are the clear conclusions of the scientific community, the proposition of the European Green Deal is an inherently positive proposition. The pandemic has redefined wealth as health. For a continent where annually 400.000 people die prematurely due to air pollution according to the OECD, the positive externalities of such a shift are improved quality of air due to less emissions, but also cleaner water, crops grown with less pesticides, lower energy bills for households, and energy sources that are clean and in principle endless.

Protecting and restoring our natural environment, including the wildlife that is part of these ecological systems are not only essential to avoid more zoonotic diseases, but also to the benefit of people looking for outdoor leisure, best exemplified by President Theodore Roosevelt's bold decisions more than a century ago.

In the EU, energy production and consumption together are responsible for 75% of greenhouse gas emissions. More than 90% of Europe's biodiversity loss comes from resource extraction and processing. The European Green Deal helps decouple growth from emissions and contain resource use within sustainable limits.

In the near-term, the EUR 672.5 billion (USD 805 billion) Recovery and Resilience Facility (RRF) is Europe's medium-term answer to the COVID-19 crisis and the centrepiece of the "Next Generation EU", the EU's recovery fund; 30% of the EUR 1.8 trillion (USD 2.16 trillion) of the EU budget for the next 7 years are to be earmarked for climate action.

As part of the short-term measures due to the COVID induced crisis, Member States can access the Recovery and Resilience Facility by submitting National Recovery and Resilience Plans (RRP). These outline the intended national reforms and investments for the next three years. Each plan has to comply with a binding climate mainstreaming target of 37% and respect the "do no significant harm" principle for all reforms and expenditures.

Green priorities include investments in sustainable transport, energy efficient building, climate risk prevention, infrastructure for the environment, support for companies wanting to increase sustainability of their production processes and supply chains, investments in circular economy. This should be accompanied by enabling reforms, such as inter alia green taxation, effective regulatory frameworks for renewables, reskilling and upskilling.

The premise of the European Green Deal is Europe's pledge to become climate neutral by 2050. To that end the EU has recently upgraded its Nationally Determined Contribution and adopted a new 2030 target of at least -55% greenhouse gases (from -40%) compared to 1990. This commitment will be set down in a binding Climate law.

In order to achieve these ambitious goals, the European Commission will present to the European Parliament and the EU member states a legislative package containing a number of proposals in June and throughout the remainder of 2021. This 'fit for 55' package will arguably be the most comprehensive legislative framework in the world addressing climate and implementing EU's 2030 ambition in a comprehensive manner.

The package will reflect the need to:

- reinforce and expand the role of carbon pricing mechanisms;
- increase energy efficiency;
- increase the production of renewable energy sources;
- promote the increase in carbon sinks from the land use sector; and
- support sustainable mobility and transport.

At the same time, it will tackle the risk of 'carbon leakage'.

The vast majority of proposals will be based on existing EU policies and regulations, underscoring EU's track-record of delivering viable climate legislation that is widely

supported by EU businesses and citizens. Following the EU's increased climate ambitions there is a necessity to increase sectorial targets, broaden the scope, and shift incentives to more sustainable behaviour patterns.

The EU's cap and trade system or Emission Trading System (EU ETS) – the corner stone of our climate policy – is the world's first and the largest carbon market that delivered a 9.1% drop in emissions in 2019 year on year. EU ETS allowances currently trade at a price of around € 40 / tCO2 thereby stimulating investments in cleaner production technologies. In fact, our cap and trade system is a market-based measure inspired by the US Clean Air Act which dates back to the previous century.

It is a market-based approach that sets enforceable targets to around 11,000 installations in the power sector and energy intensive industry and airlines operating in and between European countries, covering around 40% of the EU's greenhouse gas emissions, reducing them cost-effectively and creating revenues for innovation and just transition. This cap and trade system generates revenues that can be re-invested in new technologies, further decarbonisation of the economy, and/or to soften the negative social consequences of those most affected by the transition. This year we will strengthen the EU emissions trading system and consider possibilities to extend it to buildings and transport.

At the same time, a carbon price on its own would not deliver the required transformation in the sectors concerned. There is a clear need for complementary and targeted policies to address market failures and split incentives, accelerate technological change and develop the required infrastructure in a coordinated way (e.g. for electrification and hydrogen).

In addition to the EU ETS we have national targets for those sectors not covered in this system in the so-called Effort Sharing Regulation (EU ESR). The ESR therefore combines national accountability for achieving the common climate objectives (environmental integrity) with flexibility for Member States to implement the appropriate measures taking into account national circumstances. We will therefore revise the ESR, setting more ambitious national targets for emissions reduction and facilitating cost-efficient combination of EU and national measures in sectors like transport, buildings and agriculture.

As part of our efforts to have appropriate carbon sequestering capacity, it is imperative that we counter deforestation and restore our European forests. Therefore, we will overhaul our legislation on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry (LULUCF).

We will furthermore propose increased renewable energy and energy efficiency targets, new CO2 standards for cars, the further deployment of alternative fuels infrastructure, and a substantial update of the legislation on Energy Taxation with the aim of ensuring coherent and effective taxation, allocating the costs of energy transition according to the polluter-pays principle.

As part of the review of the Renewable Energy Directive, we will propose a fully-fledged scheme for hydrogen certification, including renewable and low-carbon hydrogen, but also other low-carbon and renewable fuels such as biogas and synthetic fuels.

Robust, clear and reliable certification is an important first step to allow for renewable and low-carbon gases to be traded across Europe. But we also need new market rules. This will be the main focus of the review of the fossil gas as legislation, which we will adopt by the end of this year to prepare our market for decarbonised gases, including the uptake of hydrogen.

There is a huge potential of the net-zero transition in general and the renewable energy sector in particular when it comes to creating the value and jobs of tomorrow's economy. The economic output and jobs created through renewable energy and energy efficiency outweigh by far traditional energy sector jobs. We will work to deploy the necessary policy measures for distributing them fairly throughout our societies, ensuring a just and inclusive transition.

As the EU transitions away from fossil fuels, it is essential to ensure that fossil gas does not hamper our climate objectives. That is why we will put in place new rules to reduce methane emissions in the oil, gas and coal sectors.

The momentum is growing. More and more countries have joined the EU and committed to transition to net zero emissions economy latest by 2050, including major emitters such as the United States, Japan, South Korea or South Africa. China pledged to become carbon-neutral by 2060.

In the EU more and more early coal retirements are announced as the outlook for emission intensive technologies worsens in Europe. Hungary brought forward its coal exit date by five years to 2025 and Greece aims to put all existing lignite capacities out of operation by 2023. Furthermore, the share of electricity generated from renewables in the EU electricity mix (39%) exceeded the share of fossil fuels (36%) in 2020 for the first time. Coal and lignite generation fell by 22% year-on-year (-87 TWh). Rising renewable generation was greatly assisted by 29 GW of solar and wind capacity additions in 2020, comparable to 2019 levels. Based on preliminary estimates, the carbon footprint of the power sector in the EU dropped by 14% in 2020 (a similar development took place already in 2019).

While the global direction of travel is clear, the pace and schemes still vary widely among countries. Ahead of the COP26 all eyes will be on whether countries' medium term action and ambition by 2030 in fact is aligned with the long-term ambition of climate neutrality. The next decade will be decisive.

While Europe decarbonises, carbon leakage, however, may occur if, for reasons of costs, businesses transfer production from the EU to other countries or when EU products are replaced by more carbon-intensive imports. If this risk would materialise, global emissions would not decrease and efforts under the Paris Agreement would be undermined. The risk of carbon leakage may be higher in certain energy-intensive industries and it increases as the EU raises its climate ambition above that of its trading partners.

The new carbon border adjustment mechanism, which will become operational in January 2023 at the earliest, will be technically viable, non-discriminatory, and will comply with the rules of the World Trade Organisation. The EU is ready to engage with partners, including with the US, and ensure proper consultation.

Looking beyond our borders, the European Green Deal also stipulates that 'respect for the Paris Agreement' will become an essential element in our trade agreements, and in June this year we will put forward a proposal to curtail the import of those products into the EU that drive deforestation or forest degradation around the world.

Later this year, we will put forward a revision of the Energy Performance of Buildings Directive. Reducing emissions from buildings is a crucial challenge – one made difficult by the fact that in Europe most existing buildings will still be standing in 2050. We will consider how best to introduce minimum energy performance requirements for existing buildings with the aim of doubling the current renovation rate of buildings.

The trillions of euro's that will be unlocked can only be spent once. It is therefore important that we get it right from the start, and ensure that our investments stimulate green growth and bolster our economies so they are fit and resilient for the future.

There is an important geopolitical angle to the green transition. As said climate change and biodiversity loss can lead to migration and conflicts. The policies to address these crises, however, can also have geopolitical effects as they upend traditional economic and political relationships. Decarbonisation can affect those states that are disproportionally reliant on fossil fuel exports. Paraphrasing the late Samuel Huntington: modern societies are stable, modernising societies can be unstable. We will consider such issues as we continue to marshal partners in our neighbourhood and in the developing world to change ways of production and consumption, to the benefit of all.

To harness new green technologies critical raw materials will be key. Yet, these are currently concentrated in a handful of countries, some of which have shown willing to apply them as a tool in their foreign policy arsenal. In the EU, we have thus put in place an Action Plan to help us develop resilient value chains for our industrial ecosystems, build alliances with exporting countries (supporting reliable supply of these raw materials), and stimulate a circular economy (making sure our demand is manageable).

Addressing the social impacts of the climate transition is central to our policies, because this transition hinges on public support. Therefore, it must be a 'just transition'. The benefits must be felt by all, while those who are affected most – such as those working in the most carbon intensive industries or vulnerable households facing the short term costs of energy efficiency investments – should be supported.

The EU has created a dedicated Just Transition Mechanism, which serves as a support mechanism for coal and carbon intense regions in the EU, addressing differences in capacity to invest in green transition (technical and financial). It will help mobilise tens of billions of euro's over the period 2021-2027 in the most affected regions.

For all these proposals full stakeholder consultations are essential and will, as standard practice in the EU, feed into the preparation of the 'fit for 55' package, just as thorough Impact Assessments guide our policy debates.

From 2021 to 2030 the EU as a whole will need to be spending EUR 350 billion (USD 418 billion) more per year compared to the previous decade in investments to achieve the 55% target and modernise our energy system.

Promoting integrated markets for sustainable finance is key to mobilise rapidly international investors on both sides of the Atlantic. We have joined forces with other jurisdictions under the International Platform on Sustainable Finance to strengthen global coordination on sustainable finance. The US could naturally benefit from and substantially contribute to the work of the platform.

Allow me to close by restating how important it is for us to act now, and for us to join forces and reinforce each other's work. To use the words of President Biden, we are glad that "America is back". On 2 December, we put forward a vision for a new EU-US agenda for global change. This entails EU's willingness to coordinate our efforts and positions for ambitious global agreements, a new transatlantic green trade agenda, forming an EU-US Green Technology Alliance, jointly designing a global regulatory framework for sustainable finance, fighting deforestation and stepping up ocean protection.

We are looking forward to working together with the Biden administration as well as with you, distinguished Representatives, with US Senators, Governors, Mayors, as well as with the private sector, academia, and civil society.

Both the 15th meeting of the Conference of the Parties on Biodiversity in October, and the 26th Climate Change Conference of the Parties in November, will be consequential meetings in an auspicious year for our environmental and climate engagement. We will need to use all venues – such as the G7, the G20, the UNGA – in the run up to these Conferences to marshal a critical mass.

President Biden's Earth Day Summit on Climate in two days is an important milestone on our way to Glasgow (COP26), and we warmly welcome the energy and passion that has gone into its preparations. While American leadership – though undeniably consequential – is not sufficient, it is indispensable. While the EU will work with many partners wherever it can, we are very much looking forward to work together with the US, to set high standards, to grow our respective economies, to ensure that others can be brought along, while leaving little room for anyone to frustrate this quest. I believe that the appointment by President Biden of Secretary Kerry as his Special Presidential Envoy for Climate is arguably the best signal that the US means business.

We need to gather all possible forces in the fight against climate change, abroad and at home. We need to mobilise, encourage, and support countries, regions, communities, and every individual. In Europe over 90% of the citizens see climate change as a major issue and support strong action to tackle it. Around the world cities are already taking strong action to

adapt. Businesses are increasingly deciding to make a shift, and the speed of new sustainable innovations is breath-taking.

It's time to use this momentum, and for us as politicians in a position of responsibility to bring this further. Your role, representing the American people, will be invaluable in the coming years, regarding domestic and foreign policy. We will need the markets to provide the creative energy to push the transition forward. Our job is to create regulatory certainty so that businesses and investors know what the policy direction is, and thus have confidence where to invest their money in. We already see the effects on investment decisions, and more will follow.

I would like to end on the note that it will not be easy, it will not be flawless, and we will make mistakes. But it can be done and it must be done, for the health and well-being of all our citizens, and all of those who come after us. As the bible teaches us: we are but stewards of God's creation.

The time has come to live up to this great responsibility and seize the opportunities that are presented to us. I count on American leadership, ingenuity, and its insuppressible energy to work with Europe.

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Mr. KEATING. Thank you very much.

And both to Ms. Espinosa and to you, Mr. Timmermans, I spoke with Secretary Kerry just an hour ago and told him of this hearing, and he wanted me to personally extend his best wishes and his thankfulness for your cooperation.

Now, it is my pleasure to recognize Dean Kyte for her opening statement.

**STATEMENT OF RACHEL KYTE CMG, DEAN, THE FLETCHER SCHOOL, TUFTS UNIVERSITY**

Ms. KYTE. Thank you very much, Mr. Chairman.

Congressman Keating, to ranking minority member and members of the committee, thank you for this opportunity to testify today on the restoration of the transatlantic dialog in what is a critical year for the world and for climate-related diplomacy.

I have provided a written testimony and would like to make two key points in this oral statement. First, that the United States and Europe should jointly develop the new norms for the deep decarbonization of the economic system through manipulation of the financial and economic rules that we have lived under for the last few years to make it fit for purpose for this decarbonization; second, that the United States and Europe should deepen their cooperation to support others to make the transformation necessary to achieve zero-net carbon and to build more inclusive economies.

However, as a preamble to both of these two points, we should all be clear, and I think we are, that the United States and the European Union must lead by example. The United States, with the European Union, must work vigorously together to ensure that they are driving their own economies toward the rapid emissions cuts we need this decade and drive toward zero-net emissions by 2050.

The Paris climate goal of limiting global warming to well below 2 degrees and striving for 1.5 degrees is unobtainable without this joint leadership. So to my first point, that the United States and Europe should jointly develop the new norms for the financial and economic system as we deeply decarbonize the global economy.

As partners in creating the original rules-based international order and to ensure everyone wins in this race to net zero, the United States and Europe now need to commit to developing new rules for an era of deep decarbonization, adaptation, and investment in resilience. They may invite others to join them in creating these new norms, building upon the desire for cooperation on climate change despite growing tensions on issues of technology, security, human rights, or trade with other partners.

Discussions between China and Europe on aligning taxonomies and the recent communique between Secretary Kerry and the Chinese team on cooperation to address the climate crisis are welcome signs that this kind of modus operandi is possible. Specifically, the combined economic power of the United States and the European Union with newly established norms for economic governance, for the financial industry, and for carbon-intensive industries will act as a magnet for third countries and will spur their increased ambition.

April 22 this week offers an opportunity for the United States and the European Union to signal that they are prepared to lead a net-zero carbon club and that they will align taxonomists for sustainable finance mechanisms for the effective pricing of carbon, work together on carbon border adjustment mechanisms, set standards for carbon-intensive industries, and standards for new and emerging clean solutions, including, for example, those which will be job rich on both sides of the Atlantic, including green hydrogen. Intensive work between now and the finance summit of the G20 in Venice in July could have a catalytic effect.

The United States and Europe should also indicate that they will work to common standards for transparency in the carbon content of products and services and jointly problem solve. Joint outreach to the WTO can ensure that these norms and standards work as incentives and pulls on the international system for the benefit of low-and middle-income countries as well and not act as barriers to trade finance and technology transfer.

Second, the United States and Europe should deepen their cooperation to support others to make the transformation necessary. Cooperation between the United States, the European Union, and the United Kingdom will be essential to develop the finance packages needed to spur mitigation and adaptation and resilience.

This year, financing climate action involves squaring away the unmet promises of the pre-Paris climate agreement, specifically providing $100 billion a year by 2020. A promise made should be a promise kept. But there needs to be creative cooperation to provide substantial resources for adaptation and resilience and to leverage its scale investment into clean infrastructure for developing countries.

China, through its Belt and Road Initiative, has been a partner for many countries in building out energy infrastructure in recent years. China is under pressure domestically and internationally to green its investments. But at the same time, the United States and Europe need to come forward with plans and packages of financial system instruments, investment, and know-how that provide a commensurate or a more comprehensive offer of support for countries that need to transition too.

These are countries that did little to cause the crisis that we are all enduring but are suffering perhaps most of all, and they are living in an unprecedented era of liquidity and debt crisis as a result of COVID–19. This is a critical element of leadership from the U.K., the EU, and the U.S. for the G7 this year.

To that extent, the U.S. and Europe together should use their full voice and vote to insist the international financial institutions support transitions in all countries. Recent cooperation at the meetings of the IMF showed that this is possible, and there is much more to be done.

In conclusion, all eyes are on the United States this week. Can the United States right size its climate ambition in deeds as well as words? Can the United States together with Europe develop the rules and set the norms for managing climate risk in financial and economic systems but also in so doing drive opportunity? And can the U.S. and the EU enhance their cooperation for their own mu-

tual benefit so that it benefits the rest of the world? For all our sakes, I hope that we do.

[The prepared statement of Ms. Kyte follows:]

"Restoration of the Transatlantic Dialogue: The Global Fight against Climate Change"

Testimony of Rachel Kyte
Dean, The Fletcher School, Tufts University

Before the Committee on Foreign Affairs
Subcommittee on Europe, Energy, the Environment and Cyber

April 20, 2021

Climate change poses an unprecedented threat to future well-being and prosperity. Without aggressive action to mitigate carbon emissions and curb global warming to 1.5 degrees above pre-industrial levels and a scaled, global effort to build resilience to the impacts of climate pollution, we will experience the devastating consequences of climate change in extreme weather events, tipping points, migration and growing dislocation and inequality.[1]

Societies must "transition" away from our dependence on fossil fuels and unsustainable production patterns and consumption with their associated greenhouse gas emissions. This transition means system changes, including energy, transport, finance, and food.

At the same time, societies must adapt to the impacts of climate change and build resilience to the intensifying disruption that past pollution is causing and will cause. This disruption will increasingly intensify shocks at a quickening pace and affect more places and people.

Societies will also need to finance their transitions and their resilience. Advanced economies are called on to help finance transitions and adaptation and resilience in those countries that have contributed little, or nothing at all, to the climate emergency.[2] There is a solid economic consensus that the cost of inaction is higher than the cost of action, specifically that ambitious emissions reductions are likely to cost less than the expected damages from climate change over the coming decades.[3]

Transatlantic cooperation lies at the heart of solutions at scale and global progress in all three areas – mitigation, adaptation and resilience, and finance. The absence of transatlantic cooperation in climate diplomacy and has never augured well for the world. Differences, or divergence, whether in Kyoto, Copenhagen, or following Paris, have slowed progress and allowed others to find room for plausible deniability of the need for action. There has not been a breakthrough in climate diplomacy in recent years without both the EU and the United States leading.

Post Paris, we are in a new era. Scientific evidence has brought about a newfound and unprecedented political alignment around climate action goals. This political alignment is matched by increasingly widespread commitment in the private sector, including private finance, to avoid and manage the risks

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[1] World Scientists' Warning of the Climate Emergency, BioScience, Volume 70, Issue 1, January 2020 https://doi.org/10.1093/biosci/biz088

[2] We Are Living in a Climate Emergency and We're Going to Say So. Scientific American, April 2021. https://www.scientificamerican.com/article/we-are-living-in-a-climate-emergency-and-were-going-to-say-so/

[3] Gauging Economic Consensus on Climate Change, Institute for Policy Integrity, NYU, March 2021 https://policyintegrity.org/files/publications/Economic_Consensus_on_Climate.pdf

of catastrophic climate change as well as exploit the opportunities that emerge from deep decarbonization including to build greater inclusivity, for example in energy and transport systems.

**2021 – the super year of climate-related diplomacy**

2021 offers an extraordinary opportunity to exploit this political alignment with the EU, China, Japan, South Korea, the United Kingdom, and many other more minor economic powers committing to net zero emissions by around 2050 and, in many cases, increasing their necessary ambition in emission cuts by 2030. The world awaits the U.S. climate plan expected on April 22, 2021. Details of how the United States right sizing its ambition will cement U.S. leadership on the defining challenge of our time, providing the US and its partners with the added capability of "do as we do" not "do as we say".

The U.S. promised climate plan, representing the total government approach heralded in the Executive Order on January 27, 2021, may offer an effective counterpart to the EU's comprehensive approach, laid out in the European Green Deal.[4] [5]

With ambitious plans in place, transatlantic cooperation may bring about two key results. First, cooperation that produces mutual benefit or mutual resilience. Secondly, and at the same time, cooperation that offers support and pathways for the rest of the world to build resilience and achieve net-zero emissions close to mid-century.

Zero net emissions, therefore, is a defining and integral component of the transatlantic relationship, and, in turn, the relationship will be vital to winning the race to net zero.

The EU and the United States can use the April 22 summit to signal deepening cooperation and a commitment to joint leadership. They should be the founding members of a carbon club for the 2020s and beyond. Together they can ensure that the G7 and G20 processes, and the preparations for COP26, build on each other and help the world gain momentum.

A committed partnership is essential as leadership is more distributed than in the years leading to the Paris climate agreement in 2015. China's emergent power relates at least in part to its role as the primary producer at the heart of the energy transition. Its supply of technologies and materials and financing through the Belt and Road Initiative fosters dependency. Fortunately, strategies focused on a strengthened transatlantic relationship that would produce mutual benefits will also allow the United States and the EU to promote action and ambition globally.

**Transatlantic cooperation for mutual benefit**

Urgent decarbonization and investment in resilience require transitions in energy systems, transportation, manufacturing processes, land use management, food systems, and the financial system.

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[4] Executive Order on Tackling the Climate Crisis at Home and Abroad, President Biden, January 27, 2021 https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/27/executive-order-on-tackling-the-climate-crisis-at-home-and-abroad/

[5] European Green Deal, European Commission, December 2019 https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en

The United States and the EU may use their combined economic power to deliver mutual benefits and drive change globally. Together with China, the United States and EU account for 61% of global GDP and more than 40% of goods imports. Exerting combined economic power may have a magnetic effect on third parties. Agreement between the EU and the United States on common rules and approaches, standards, and transparency will provide direction and attract others wanting to trade or engage in the substantial EU and U.S. markets.

Underpinning increased cooperation is a shared approach to pricing carbon and preferably easy agreement on the price level. Current carbon pricing covers 22% of global emissions but at a price that is far too low to be effective. Both Secretary Yellen and Special Envoy Kerry have shown appreciation for the power and essential nature of an effective price on carbon. An effective price on carbon goes hand in hand with carbon border adjustment mechanisms (CBAM).

A joint CBAM, or at least, aligned approaches to carbon border adjustment, would offer the United States and the EU the opportunity to maximize their climate influence as others wishing to export into the EU and the United States would be forced to raise their own ambition in their NDCs and beyond. Introduced gradually, a joint CBAM could act as a powerful force and counterweight to concerns around "leakage". Both the United States and the EU are engaged with China on this issue and alignment between the two as early as possible is critical. There are also opportunities to strengthen alliances with invitations to co-create CBAMs to the United Kingdom, Canada, and Japan among others.

A joint CBAM could also be a mechanism to support global action. Its revenues could provide transition and resilience support to third countries, primarily the most vulnerable low-income countries.

Beyond carbon pricing and a joint CBAM, cooperation could address common standards and transparency in assessing carbon content of products and services. Together the EU and the United States may reach out to the WTO whose focus is on ensuring the global trading system remains open, equal, and fair, and a driver, not an impediment, to global climate change.

Combined economic power may be enhanced with common or aligned approaches to the regulation of the financial sector to ensure effective governance of climate risks and harnessing of the financial system to drive decarbonization and resilience.

The United States has begun its sprint to join the EU, the United Kingdom and others in ensuring a comprehensive approach to sustainable finance. Moves by the Federal Reserve to declare climate a financial stability risk, create a financial stability climate committee, join the Network for the Greening of the Financial System (NGFS) and signals that it will consider approaches to climate risk stress testing are welcome. Similarly, the SEC Chair has set in motion processes around disclosure of climate risks and prudential supervision. The creation of a climate hub at Treasury and clear direction by the Treasury Secretary to the Federal Stability Oversight Committee augur well for a total government approach to climate risk management for the financial sector. However, more will be needed to drive finance into green and resilient assets and avoid greenwashing. The EU's taxonomy for sustainable finance provides a framework for assessing impact of achievements in sustainability and a basis for communicating them to investors and others. It will increasingly form the basis for access to finance as non-ESG assets are less and less attractive. The taxonomy will also prove the basis for compliance and for regulation and risk management.

With global asset managers offering almost identical funds in the EU and the United States and with global firms working across multiple markets, the introduction of the EU taxonomy, despite continued arguments over the treatment of gas and nuclear energy, will have an impact on investors in the United States. The Bank of England and the ECB's introduction of initial stress tests this year will provide learning and insights for the Federal Reserve. And with the Peoples Bank of China in discussions with the ECB on convergence of sustainable finance taxonomies and the G20 to establish a working group led by China and the United States on these issues, cooperation, moreover, leadership and alignment between the US and the EU will be essential.

Joint or aligned economic and financial regulatory approaches between the EU and the United States will spur more ambitious short-term targets (to 2030) and secure their achievement.

Within this combined economic power and financial regulatory alignment lie opportunities in the processes of deep decarbonization. Each sector of the economy will experience shifts and be part of systems change. The UNFCCC Race to Zero has set breakthrough targets for every sector of the economy and finance to be agreed this year.[6] These breakthroughs aim to put us on track for net-zero by mid-century and the targets we need to meet by 2030. In each of these, the cooperation between the EU and the United States may spur mutual achievement and secure progress in other countries and regions.

For example, in shipping as part of its goal to be net zero by 2050, is working to achieve 5% of shipping fuels to be net zero by 2030. This would act as a tipping point in the industry. Strategies to reach 5% include focusing on key routes and ensuring availability of green fuels at each port as well as switching LNG and ammonia shipping to net zero vessels. It is estimated that 60GW of green electrolyzer capacity (to produce green hydrogen – hydrogen produced from renewable energy sources) will be needed by 2030 to supply 5% of shipping fuel demand. This is a transatlantic opportunity with governors and mayors and private sector interests on both sides of the Atlantic eager to become first movers in a market shift essential to the energy transition.

Having set long-term decarbonization goals and having right-sized short-term ambition (2030 target), the EU and the United States can speed progress with closer cooperation. The possibilities of the green hydrogen market offer another glimpse of the impact of deeper cooperation. As the United States develops its substantial offshore wind resources and the EU's commitment in that space will act as a draw for other trading partners from Japan, Australia, and Chile. In addition to an effective price on carbon, the green hydrogen market could enjoy a smoother production pathway if the EU and United States shared definitions for certifying green hydrogen. Industry estimates put the size of the green hydrogen export market at US$300bn export by 2030 and suggest that by 2040 green hydrogen could generate US$140bn a year and support 700,000 jobs. The recent announcement by the EU of the European Green Hydrogen Accelerator Center focused on green hydrogen for use in hard-to-abate sectors offers a lesson and partner for U.S. efforts in the same direction.

Rapid transformations are impossible until they aren't. Whether it is green steel, new technologies and processes to replace concrete, carbon capture and use, battery storage, new materials and green chemistry, or digitalization for hyper efficiency, the transatlantic cooperation on climate change extends

[6] "Transforming Our Systems Together: A global challenge to accelerate sector breakthroughs for COP26 - and beyond." UNFCCC. January 2021. https://racetozero.unfccc.int/wp-content/uploads/2021/02/Race-to-Zero-Breakthroughs-Transforming-Our-Systems-Together.pdf

to science, research, technological innovation, and foresight on resilience. As was the case with Mission Innovation, collaborative research offers the promise to develop technologies for the transition pathways, and the cooperation offers possibilities for faster deployment.[7]

Transatlantic cooperation also lends itself to mitigation beyond CO2 – specifically to the need for urgent action to curb short lived climate pollutants (SLCPs). Black carbon, methane, tropospheric ozone, and hydrofluorocarbons are the most important contributors to the man-made global greenhouse effect after carbon dioxide. Cutting super pollutants at the same time as we reduce CO2 can cut the rate of warming by as much as 0.5 degrees. This would buy the international community critical time while dealing with deeply embedded carbon that is harder to abate in the short term and help countries manage their transitions.

Both the United States and EU member states were instrumental in building platforms for collaboration on SLCPs in the run-up to Paris and in reaching an agreement on the Kigali Amendment to the Montreal Protocol, to phase out hydrofluorocarbons (HFCs), in 2016. Significantly, both the Biden Administration and the EU have indicated the importance of SLCPs in their climate strategies. It is significant that in the meeting between Chancellor Merkel and President Macron, and President Xi Jinping, on April 16, President Xi indicated his acceptance of the Kigali Amendment and, therefore, stricter controls on gases used in refrigeration and air conditioning. China, EU, and U.S. cooperation on standards and development of hyper efficient, non-polluting alternatives, will ensure access to cooling for people, foods and medicines globally, including those most affected by the economic downturn as a result of COVID19. The speed of adoption in other countries will be quicker, given the economic power of the blocs combined.[8]

**Transatlantic cooperation for the global good**

The climate emergency and COVID19 are compound crises. Raising ambition on climate action can only happen if the deep economic dislocation resulting from COVID19 is first addressed. The liquidity crisis experienced by many low-income and middle-income countries, particularly in sub-Saharan Africa, threatens to undermine countries' ability to pursue aggressive plans to install clean energy infrastructure and inclusive growth.

To meet the goals of net zero and ensure that countries can recover from this economic shock, an unprecedented mobilization of resources, especially to low-income countries, is needed. This mobilization is for recovery, but part of that recovery will be the clean energy infrastructure necessary for sustainable development. For many years China has been the largest investor in energy infrastructure through the Belt and Road Initiative. At the same time, the risk of stranded assets and determination to achieve climate goals has shifted public development finance and private investment away from coal-fired power and other fossil fuel investments.[9]

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[7] Myslikova, Z., Gallagher, K.S. Mission Innovation is mission critical. *Nat Energy* **5,** 732–734 (2020). https://doi.org/10.1038/s41560-020-00694-5

[8] Echo Xie and Finbarr Bermingham, China will keep its word on climate agreements Xi tells Merkel and Macron, SCMP, April 16, 2021 https://www.scmp.com/news/china/diplomacy/article/3129926/china-will-keep-its-word-climate-agreements-xi-tells-merkel

[9] Powering Past Coal Alliance, March 2021, https://www.poweringpastcoal.org/news/press-release/ppca-global-summit-strengthens-international-commitment-to-accelerate-coal-power-phase-out-ahead-of-cop26.

Achim Steiner, the administrator of the United Nations Development Program (UNDP), has noted "We need to arrive at a mindset like the Marshall plan, a bigger vision that we need to recover [from Covid-19] together, a new investment paradigm for a global economy, not an aid or charity paradigm".[10] The UN Secretary-General Antonio Guterres has noted that recovery from COVID-19 cannot leave developing countries under a "mountain of debt on a broken planet".[11]

At the recent spring meetings of the IMF and World Bank, European, United Kingdom and U.S. collaboration at the IMF made it possible to agree to a new Special Drawing Rights (SDR) general allocation of US$650 billion. Next, cooperation must ensure a quick and effective voluntary post-allocation channeling of SDRs to support low-income countries' recovery efforts.[12] Then, this new SDR allocation needs rapid agreement on reallocation.

**Transatlantic cooperation on finance for climate action**

In his executive order, President Biden instructed his Treasury Secretary to use the "full voice and vote" of the United States in multilateral financial institutions to act on climate. The EU's member states should adopt the same approach. The European Investment Bank has already declared itself a climate bank. However, the EU, the United Kingdom, and the United States should ensure that public development finance, bilateral or multilateral, is efficient and effective in supporting a shared net-zero ambition.

The EU and the United States should also align resources to leverage private investment at scale and policy measures that allow countries access to markets. The EU and the United States must mobilize more finance for adaptation and resilience. Financial instruments that have demonstrated success in leveraging private investment should be replenished or funded at higher levels. The United States and the EU may invite others to mobilize investment for green growth, including China, India, private banks, and private equity.

**Transatlantic cooperation into the future**

Since its inception, EU member states, the United States, and the United Kingdom have been at the heart of the rules-based international system. The EU has recognized that the continued combined power and influence of the EU and the United States will be essential to anchor global cooperation in the years to come. Transatlantic cooperation will extend to effective governance of the Arctic and the Antarctic, as the ice shields recede and their role as planetary thermostats risks compromise. Ocean governance and the deep seabed will assume even greater prominence. The ocean is a source of blue carbon for countries looking to offset emissions, and the seabed is a source of minerals with potential

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[10] UK urged to take lead in helping poor countries fund climate action. Fiona Harvey, The Guardian, March 2021 https://www.theguardian.com/environment/2021/mar/29/uk-urged-take-lead-helping-poor-countries-fund-climate-action-cop26

[11] Margaret Besheer, UN Chief Appeals for Action to "Heal a Broken Planet" VOA, December 2020. https://www.voanews.com/science-health/un-chief-appeals-action-heal-broken-planet

[12] Communiqué of the Forty-third Meeting of the IMFC, Washington, DC, April 2021 https://www.imf.org/en/News/Articles/2021/04/08/communique-of-the-forty-third-meeting-of-the-imfc

value in the supply chains of energy transitions. Finally, as countries and private actors pursue possible geoengineering, the atmosphere and outer space will pose new governance challenges.

The United Kingdom, as president of COP26 and president of the G7 in 2021, holds a pivotal and potentially influential role. It can place climate, once and for all, at the center of global economic governance and coordination, where it belongs. As the United Kingdom's closest ally, the United States and the United Kingdom can embed climate change in international security architecture from the United Nations Security Council to NATO and beyond. Growing demands for disaster response and emergency preparedness, as well as pressures on extenuated global military supply lines and climate impacts as drivers of displacement, growing insecurity whether due to failed crop-cycles, sea-level rise, inhabitable cities due to increasing heat island effects, and intensifying extreme weather events, will test security cooperation and put new demands on it.

Just as climate can transform the transatlantic relationship between the United States and the EU, climate can be another tie that binds the special relationship between the United States and the United Kingdom.[13]

In conclusion, the EU and the United States together can force the pace of climate action, both benefiting from the results of that cooperation in sending clear signals to the private sector and establishing clear and aligned rules of the road to decarbonization. Together they can attract higher ambition from other countries and lead solutions for those who will otherwise be left behind with disastrous consequences for the lives and livelihoods of their peoples and for security, stability, prosperity, and our ability to reach necessary climate goals. If we have entered a race to net-zero emissions, both the United States and the EU need to help each other win and chalk up a victory for the planet.

[13] "Greening the Special Relationship" Kyte, Toni and Lee. Project Syndicate. March 2021 https://www.project-syndicate.org/commentary/uk-us-must-show-climate-leadership-for-cop26-by-rachel-kyte-et-al-2021-03

Mr. KEATING. Thank you very much.

And the chair recognizes Mr. Loris for your opening statement.

**STATEMENT OF NICOLAS LORIS, DEPUTY DIRECTOR, THOMAS A. ROE INSTITUTE FOR ECONOMIC POLICY STUDIES AND HERBERT AND JOYCE MORGAN FELLOW IN ENERGY AND ENVIRONMENTAL POLICY, THE HERITAGE FOUNDATION**

Mr. LORIS. Well, thank you, Chairman. And I should first note that although I grew up in Representative Fitzpatrick's district, I am actually a Red Sox fan myself, and I do not know if that makes me more enemies or friends in this hearing, but I thought I would make note of it. It could not be left unsaid. So it is great to see the Sox in first and the Yanks in last right now.

VOICE. You are pandering to the chair.

Mr. LORIS. I am. I have to. These opportunities do not come that frequently to do so.

Mr. KEATING. So much for cooperation.

Mr. LORIS. Well, Chairman Keating and Ranking Member Fitzpatrick and distinguished members of the subcommittee, thank you for this opportunity to discuss restoring the transatlantic dialog in the fight against global climate change.

My name is Nick Loris, and I am the deputy director and Herbert and Joyce Morgan Fellow at the Heritage Foundation. And the views I express in this testimony are my own and should not be construed as representing any official position of the Heritage Foundation.

A strong transatlantic relationship generates many important benefits for Americans and Europeans alike. A healthy partnership helps to raise standards of living and address common security threats. In the context of climate change and the environment, cooperation will drive innovation, reduce emissions, and help regions better adapt to a changing climate.

As President Biden submits America's new nationally determined contribution for America's reentry into the Paris climate agreement, I would like to make three brief observations on where the U.S. policymakers should focus a dialog.

The first is on transparency and accountability, particularly with respect to China, the world's largest greenhouse gas emitter. China has previously underreported its coal use and thus underreported its CO2 emissions. In fact, the amount of coal generation China has planned or in development is about six times the amount of Germany's entire coal use, and last year, their mining output was the highest it has been in 5 years. Ramping up accountability and at the very least ensuring their data is objective and accurate should be a priority for any transatlantic discussion on climate.

A second area of focus for dialog is reducing barriers to the deployment of low-carbon and emissions-free technologies. The reality is 90 percent of carbon dioxide emissions growth is set to come from countries outside the Organization for Economic Cooperation and Development. Consequently, to achieve any meaningful emissions reductions, policy reforms must unleash free enterprise so that it will be in these countries' self-interest to pursue such technologies to meet their growing energy and economic needs. Reforms should focus on eliminating obstacles to investment, providing

timely or permitting for new cleaner energy projects, and reducing trade restrictions that stunt the adoption of more efficient technologies.

For instance, policymakers in the U.S. and Europe can expand market-driven peaceful uses of emissions-free nuclear power. Coordination on the domestic and international regulations means companies in the U.S. and elsewhere will not have to navigate through a complicated patchwork of requirements to build new reactors.

A strong transatlantic partnership on nuclear will also help developing countries build out their commercial programs. Americans and Europeans can offer technical expertise, and government officials can work to ensure that nuclear programs are secure, meet nonproliferation objectives, and are not subject to the influence of hostile actors.

A greener economic recovery should also cut red tape to expand renewable energy deployment and rely on market forces to address supply chain concerns. Wind, solar, and transmission developers in the U.S. and Europe have both lamented overly complex and unnecessarily lengthy permitting timelines.

Furthermore, encouraging more environmentally conscious extraction and processing of rare earths will diverse supply chains of critical minerals. Open markets are the key to ensure the pace of innovation, investment, and expansion of rare earth supplies will withstand any potential market manipulation attempts from China.

Similarly, the liberalization of energy markets will reduce Russia's ability to manipulate natural gas supplies for political purposes as they have done in the past. The U.S. and European allies stand to receive substantial, long-lasting economic, environmental, and geopolitical benefits for more energy choice, whether it be nuclear, renewables, but also exported liquified natural gas.

U.S. LNG exports provide a stable, affordable energy source for Europeans but also a more climate friendly one compared to several alternatives. In fact, a September 2019 study from the Department of Energy's National Energy Technology Laboratory analyzed the life-cycle greenhouse gas emissions from U.S. LNG exports. And in different areas of comparing U.S. LNG ships to European and Asia markets when compared to coal use or Russian piped gas, the life-cycle emissions from U.S. LNG exports were lower.

A third area of continued and expanded collaboration is on research and development. Knowledge sharing, scientific inquiry, and entrepreneurial drive are fundamental to solving the wide range of environmental challenges we face. A collaborative effort that harnesses the value of human ingenuity, our State-of-the-art research facilities, top-tier universities, and a permissionless innovation culture will help identify challenges and cost effectively solve them.

Ongoing cooperative efforts like ITER for fusion technology could help unlock groundbreaking zero-emissions fuel sources. Developing pathways to further engage the private sector to commercialize these technologies will help bring more transformative inventions from the lab to the market.

In conclusion, a strong transatlantic relationship is critical to economic national security and environmental progress. Dialogue

that bolsters accountability and consumer-centric policy reforms will best drive an economic recovery and response to the COVID–19 pandemic, and, importantly, it will be the most effective path to driving down emissions.

Thank you, and I look forward to your questions.

[The prepared statement of Mr. Loris follows:]

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*CONGRESSIONAL TESTIMONY*

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# Restoration of the Transatlantic Dialogue: The Global Fight against Climate Change

**Foreign Affairs Subcommittee on Europe, Energy, the Environment and Cyber**

**U.S. House of Representatives**

**April 20, 2021**

**Nick Loris**

**Deputy Director and Herbert & Joyce Morgan Research Fellow**

**Roe Institute for Economic Policy Studies**

**The Heritage Foundation**

My name is Nick Loris and I am the Deputy Director and Herbert & Joyce Morgan Fellow in the Thomas A. Roe Institute for Economic Policy Studies at The Heritage Foundation. The views I express in this testimony are my own and should not be construed as representing any official position of The Heritage Foundation. Thank you for this opportunity to appear before the subcommittee to discuss the restoration of the transatlantic dialogue in the global fight against climate change.

Strong transatlantic relationships generate many important benefits for Americans and Europeans alike. U.S. cooperation with transatlantic partners can positively affect the economy, national security interests and the environment. Promoting free and open societies contributes to economic well-being and higher levels of prosperity. Identifying and addressing common threats improves geopolitical stability in these regions and around the world.

In the context of global climate change, policies rooted in free enterprise will drive innovation, strengthen economies, reduce emissions and build more resilient infrastructure. Policy reforms that reduce barriers to investment both in the U.S. and Europe will lower the cost of cleaner technologies and expand their deployment. As the Biden administration submits a new nationally determined contribution (NDC) for America's re-entry into the Paris Agreement, transatlantic dialogue should include the following issues:

**Transparency and Accountability**

When negotiating the Paris Agreement in December 2015, Secretary of State John Kerry provided noteworthy remarks about the futility of unilateral action toward mitigating global climate change. Secretary Kerry said:

> The fact is that even if every American citizen biked to work, carpooled to school, used only solar panels to power their homes, if we each planted a dozen trees, if we somehow eliminated all of our domestic greenhouse gas emissions, guess what – that still wouldn't be enough to offset the carbon pollution coming from the rest of the world.
>
> If all the industrial nations went down to zero emissions – remember what I just said, all the industrial emissions went down to zero emissions – it wouldn't be enough, not when more than 65 percent of the world's carbon pollution comes from the developing world.[1]

The reality is 90 percent of carbon dioxide emissions growth is set to come from countries outside of the Organization for Economic Co-operation and Development (OECD).[2] The Paris Agreement has no enforcement mechanisms in place and no repercussions for failing to meet emissions reduction targets. Consequently, it is likely to be climatically ineffective. According to

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[1] Nicolas Loris, "John Kerry's Surprising Comments on International Regulations and Climate Change," *The Daily Signal*, December 11, 2015, https://www.dailysignal.com/2015/12/11/john-kerrys-surprising-comments-on-international-regulations-and-climate-change/ (accessed April 14, 2021).

[2] Philip Rossetti, "Climate Solutions Need Innovation," American Action Forum, July 30, 2019, https://www.americanactionforum.org/insight/climate-solutions-need-innovation/#ixzz6s2KJgKT7 (accessed April 16, 2021).

a November 2019 report from the Universal Ecological Fund, "Of the 184 climate pledges, 36 were deemed sufficient (20 percent), 12 partially sufficient (6 percent), 8 partially insufficient (4 percent) and 128 insufficient (70 percent)" for reaching the emissions reduction targets set out by the agreement.[3]

Nevertheless, one way for the U.S. and Europe to work together is calling for stronger transparency and accountability, particularly with respect to the world's largest greenhouse-gas emitter China. In 2020, China had its highest coal producing year since 2015.[4] According to a recent report in *GreenBiz*, "A total of 247 gigawatts of coal power is in planning or development, nearly six times Germany's entire coal-fired capacity. China also has proposed additional new coal plants that, if built, would generate 73.5 gigawatts of power, more than five times the 13.9 gigawatts proposed in the rest of the world combined."[5] Technically, China is not violating its voluntary emissions commitment as China said it would peak its emissions by 2030 at the latest.

Data are useful benchmarks for discerning the country's commitment and trustworthiness to uphold its international commitments. China has previously underreported its emissions, making it difficult to track where their progress on climate (or lack thereof) stands.[6] Historically, the Chinese government has had a poor reputation for reporting energy and environment data consistently or accurately due to decades of fraudulent, inconsistent, nonexistent, or undisclosed national data.

Andrew Erickson, professor at the U.S. Naval War College, and Gabriel Collins, research fellow at Rice University's Baker Institute for Public Policy noted, "Xi's bullish talk of combating climate change is a smokescreen for a more calculated agenda. Chinese policymakers know their country is critical to any comprehensive international effort to curb greenhouse gas emissions, and they are trying to use that leverage to advance Chinese interests in other areas."[7]

Inaccuracies, data gaps and uncertainties in emissions reporting make it difficult to enforce any accountability. Outside pressure from the Chinese people, other countries and non-governmental organization has marginally improved environmental culpability, but a lot of work remains.

Ramping up accountability efforts from both sides of the Atlantic should be a priority for any transatlantic dialogue on climate change. This holds true not just for China but other bad actors. Russia, the world's fifth largest emitter, is only likely to meet its NDC because it is incredibly

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[3] Robert Watson et al., "The Truth Behind the Climate Pledges," Universal Ecological Fund, November 2019, https://drive.google.com/file/d/1nFx8UKTyjEteYO87-x06mVEkTs6RSPBi/view (accessed April 16, 2021).
[4] Muyu Xu and Shivani Singh, "China's 2020 Coal Output Rises to Highest Since 2015, Undermining Climate Pledges," *Nasdaq*, January 17, 2021, https://www.nasdaq.com/articles/chinas-2020-coal-output-rises-to-highest-since-2015-undermining-climate-pledges-2021-01-17 (accessed April 14, 2021).
[5] Michael Standaert, "China pledged to cut emissions, then went on a coal spree," *GreenBiz*, April 15, 2021, https://www.greenbiz.com/article/china-pledged-cut-emissions-then-went-coal-spree (accessed April 16, 2021).
[6] Tom Phillips, "China underreporting coal consumption by up to 17%, data suggests," *The Guardian*, November 4, 2015, https://www.theguardian.com/world/2015/nov/04/china-underreporting-coal-consumption-by-up-to-17-data-suggests (accessed April 16, 2021).
[7] Andrew S. Erickson and Gabriel Collins, "Competition with China can save the planet," *Foreign Affairs*, May/June 2021, https://www.foreignaffairs.com/articles/united-states/2021-04-13/competition-china-can-save-planet (accessed April 16, 2021).

weak.[8] Otherwise, subsidies, regulations and mandates to curb greenhouse emissions will have high costs to consumers, taxpayers and the economy at large, with little to no climate mitigation to show for it.

**Nuclear power's potential to achieve economic, security and climate objectives**

Commercial nuclear energy has great potential to improve strategic relationships and provide more emissions-free power around the world. One example of nuclear collaboration with transatlantic allies is the existence of Urenco USA in New Mexico. Urenco, a consortium of German, Dutch, and UK companies, is the only commercial enrichment services facility in America.

Public policy decisions in the U.S. and Europe affect the ability for governments and the private sector to develop commercial nuclear operations and inform aligned security goals. To that end, opportunities to expand market-driven, peaceful uses of emissions-free nuclear power include:

- **Improving domestic and international regulatory efficiency.** The more countries coordinate regulations, safety protocols and technical standards, the less companies in the U.S. and elsewhere will have to navigate through a patchwork of requirements to build new reactors. Transatlantic cooperation could also help provide the framework for developing countries (where more of the power generation will likely be needed) to peacefully develop their commercial nuclear programs. For the U.S., regulation of nuclear exports moves though a multitude of regulatory agencies, resulting in a burdensome and often confusing licensing process. Having the U.S. Nuclear Regulatory Commission lead a transparent and predictable process on import and export licensing will increase American nuclear competitiveness. Efficient regulatory processes that continue to protect public health and safety will help U.S. and European companies with joint venture reactor bids and bids on parts of a plant's extensive supply chain. Nuclear companies in the U.S. and around the world can also supply their technical expertise. Expanded commercial nuclear trade would incentivize both cooperation and competition—and help bring new nuclear technologies to the market to meet countries' climate targets.

- **Collaborating on research and non-proliferation goals.** Another important aspect for transatlantic dialogue is ongoing cooperation on government research and development and non-proliferation objectives. Government-to-government participation should bring together expertise from governments, research laboratories, the private sector, regulatory bodies and other interested stakeholders. They should discuss technological breakthroughs, economic opportunities as well as current and emerging security threats. One example of such leadership on economic and nonproliferation goals is the State

[8] Climate Action Tracker, Russian Federation, https://climateactiontracker.org/countries/russian-federation/ (accessed April 16, 2021).

Department's "New Approach to Civil Nuclear Cooperation Agreement."[9] A strong alliance between the U.S. and Europe and with Canada, Australia, Japan, South Korea, India, etc. will strengthen transparency, share pertinent information and provide a unified front in addressing any threats from rogue nations, countries, and individuals.

- **Learning from allies on nuclear waste management progress**. One of the biggest hurdles to nuclear waste management in the United States is a severely broken incentive structure. Currently, the federal government, per the 1982 Nuclear Waste Policy Act, is responsible for managing and disposing of the spent fuel produced by private businesses. The result is that the federal government has done little to fulfill its statutory obligation to collect and manage spent nuclear fuel. By contrast, in Finland nuclear power operators are responsible for the management of their spent fuel and carrying out the development of a deep geologic repository. Market mechanisms, community participation and educational outreach could fix broken incentives and solve nuclear waste management challenges in the U.S.

- **Revise and clarify U.S. foreign ownership caps**. Congress prohibits the Nuclear Regulatory Commission (NRC) from granting licenses to nuclear facilities "owned, controlled, or dominated" by a foreign entity or to an entity which "would be inimical to the common defense and security or to the health and safety of the public," according to the Atomic Energy Act.[10] However, the NRC has taken an unnecessarily restrictive interpretation of this standard and blocked investment by American allies committed to nonproliferation. At a minimum, the NRC should clarify guidance with a position on what meets the Atomic Energy Act's standard. Ideally, such guidance would follow the clear intent of the Atomic Energy Act to advance nonproliferation objectives while achieving energy goals. The NRC could maintain a case-by-case approach that permits even complete foreign ownership—provided that national security interests are protected—separating the concepts of ownership, construction, and operation.

- **Avoiding protectionist policies.** Through 1984, the federal government prevented uranium imports by denying enrichment services for imported uranium to be made into nuclear fuel. Heritage senior policy analyst Katie Tubb explains, "The expressed purpose of these policies was to temporarily block competition to help launch a civilian nuclear industry independent from strategic wartime infrastructure. Instead, these policies distorted markets and grossly misinformed the domestic uranium mining industry about actual customer demand. Domestic uranium prices ballooned and ultimately created uranium stockpiles large enough to cover years' worth of demand. Protectionism also pushed the limits of reciprocal trade agreements with allies, mobilizing nations like

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[9] Christopher Ford, "A New Approach to Civil Nuclear Cooperation Policy," remarks at the Hudson Institute, Washington, D.C., February 26, 2019, https://www.state.gov/a-new-approach-to-civil-nuclear-cooperation-policy/ (accessed April 16, 2021).

[10] Code of Federal Regulations § 50.38 (1978), and U. S. Nuclear Regulatory Commission, "Foreign Ownership, Control, or Domination (FOCD) of Commercial Nuclear Power Plants," December 14, 2016, https://www.nrc.gov/reactors/focd.html

France, Great Britain, Germany, and the Netherlands to break the U.S. monopoly on enrichment."[11] Imposing trade barriers are costly and counterproductive. Any legitimate trade disputes should be filed through the World Trade Organization.

**Natural gas offers a cost-competitive, clean energy choice**

The U.S. has been the world's top natural gas producer for approximately a decade. America's energy renaissance has not only lowered energy bills but also greenhouse gas emissions. The Environmental Protection Agency reported that "since 2005, national greenhouse gas emissions have fallen by 10%, and power sector emissions have fallen by 27% -- even as our economy grew by 25%."[12]

Increased domestic production has also expanded opportunities for companies to export liquefied natural gas (LNG). The U.S. and its allies stand to receive substantial, long-lasting economic and geopolitical advantages from the liberalization of energy markets. Diversification will loosen Russia's grip on the energy market. As of 2018, Europe had 28 large-scale LNG import terminals with several others planned, committed, or under construction. U.S. LNG provides a reliable, clean source for Europeans who want more energy freedom.

A September 2019 study from the Department of Energy's National Energy Technology Laboratory analyzed life cycle greenhouse gas emissions from U.S. LNG exports. In different scenarios of comparing U.S. LNG shipped to European and Asian markets, when compared to coal use or Russian piped gas, the life cycle emissions from U.S. LNG exports are lower.[13] Regrettably, some countries in Europe are turning down American natural gas exporters.[14] Greenhouse gas regulations on the U.S. natural gas industry may change the European perception of natural gas as a climate friendly source. However, it is also worth noting that decisions to reject LNG exports may result in the use of more GHG-intensive resources, like Germany's decision to decommission its nuclear plants.[15]

In fact, European decisions to deny LNG imports could result in reliance on dirtier Russian piped gas through the controversial Nord Stream 2 natural gas pipeline. In 2016, President Biden called

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[11] Katie Tubb, "National Security Imperative Lacking, Protectionism Abounding in Section 232 Uranium Case," Heritage Foundation Backgrounder No. 3360, November 2, 2018, https://www.heritage.org/sites/default/files/2018-11/BG3360.pdf

[12] Press release, "Latest Inventory of U.S. Greenhouse Gas Emissions and Sinks Shows Long-Term Reductions, with Annual Variation," U.S. Environmental Protection Agency, April 13, 2020, https://www.epa.gov/newsreleases/latest-inventory-us-greenhouse-gas-emissions-and-sinks-shows-long-term-reductions-0 (accessed April 16, 2021).

[13] Selina Roman-White, Srijana Rai, James Littlefield, Gregory Cooney, and Timothy J. Skone, "Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas from the United States: 2019 Update," National Energy Technology Laboratory, September 12, 2019, https://www.energy.gov/sites/prod/files/2019/09/f66/2019%20NETL%20LCA-GHG%20Report.pdf (April 15, 2021).

[14] Sergio Chapa and Anna Shiryaevskaya, "Europe turns down more U.S. LNG on greenhouse gas concerns," *World Oil*, January 15, 2021, https://www.worldoil.com/news/2021/1/15/europe-turns-down-more-us-lng-on-greenhouse-gas-concerns (accessed April 16, 2021).

[15] Daniel Oberhaus, "Germany Rejected Nuclear Power—and Deadly Emissions Spiked," *Wired*, January 23, 2020, https://www.wired.com/story/germany-rejected-nuclear-power-and-deadly-emissions-spiked/ (accessed April 16, 2021).

Nord Stream 2 a "bad deal" for Europe.[16] In February, Polish and Ukrainian foreign ministers voiced their opposition to Nord Stream 2, writing that "lasting peace in Europe is impossible to sustain without a harmonized democratic development across Europe."[17] Russia's past and potential future manipulation of energy markets for political purposes is something the U.S. and Europe must take seriously.

**Renewable energy and critical mineral supply chains**

At the center of many countries' nationally determined contributions is the expansion of renewable power and the electrification of the transportation sector. Much of the public policy focus has centered around government subsidies and regulations, often resulting in high costs for emissions abatement and opportunity costs where public spending steers private investment toward certain projects at the expense of others. Alternatively, transatlantic cooperation should address critical mineral supply chain concerns and cute red tape for more efficient and timely green deployment. U.S. and European policymakers should commit to:

- **Diversifying the supply chain.** The 17 rare earth minerals that exist in the world are necessary inputs for many industries (including renewable energy hardware and batteries) because of their relative strength, light weight, and highly conductive properties. Rare earths are often found mixed together with other minerals, and the ores must be thoroughly refined before they can be used in manufacturing. While a lot of rare earth activity occurs in China, a previous attempt by the Chinese government to manipulate the rare earths market against the Japanese backfired. Prices increased and the market for both mining and processing rare earths began to diversify. In 2010, China produced 97 percent of the ore; by 2014, it was down to 70 percent.[18]

  Eugene Gholz, an associate professor of political science at the University of Notre Dame, also remarked, "[N]on-Chinese firms operating in Malaysia, Estonia, France, Thailand and elsewhere are able to process the raw ore, and for firms that have already done the research and development like MP Materials and their Australian competitors, the capital costs and delays involved in building new capacity are not large. There are also non-Chinese companies, including some in the United States like Eutectix and Hitachi, at other stages of the rare earths supply chain who are eager to expand their operations when market conditions warrant."[19] The pace and efficiency of a market response will be of important economic and strategic interest for the transatlantic

[16] Jeff Mason and Simon Johnson, "Biden: Nord Stream 2 pipeline is a 'bad deal' for Europe," *Reuters*, August 25, 2016, https://www.reuters.com/article/us-energy-europe-usa/biden-nord-stream-2-pipeline-is-a-bad-deal-for-europe-idUSKCN1101AP (accessed April 16, 2021).
[17] Zbigniew Rau and Dmytro Kuleba, "Nord Stream 2 has damaged the West enough. Time to put an end to it." *Politico*, February 22, 2021, https://www.politico.eu/article/nord-stream-2-pipeline-has-damaged-the-west-enough-time-to-put-an-end-to-it/ (accessed April 16, 2021).
[18] Brad Plumer, "China no longer has a stranglehold on the world's supply of rare earth metals," *Vox*, October 22, 2014, https://www.vox.com/2014/10/22/7031243/china-grip-rare-earth-metals-supply-weakening (accessed April 16, 2021).
[19] Eugene Gholz, "The rare earths industry can weather any Chinese trade battle," *CNN*, July 23, 2019, https://www.cnn.com/2019/07/23/perspectives/rare-earths-china-argentina-trade-war/index.html (accessed April 16, 2021).

partners. Policymakers in the U.S., Canada and Europe should ensure that the private sector can respond to changes in market conditions rather than be bogged down by unnecessarily lengthy permitting decisions. That will ensure the pace of innovation, investment and diversification is able to withstand any potential market manipulation attempts from China. In addition, transatlantic dialogue should discuss opportunities to collaborate on critical minerals for national defense and security-related technologies.

- **Learning from allies on permitting efficiency:** In the U.S., siting and permitting may be difficult for wind and solar for a number of reasons. Not only are the projects subject to standard permitting, zoning and NIMBYism challenges, additional transmission lines are necessary to take the power from remote to densely populated places. George Bilicic, head of power, energy and infrastructure at Lazard, said the obstruction is not a matter of cost or access to capital but permitting.[20] Onerous regulations force companies to hire more lawyers and consultants to navigate complex permitting processes and combat lawsuits.

  Similarly, the heads of eight renewable trade organizations in Europe recently called for the European Commission to simplify and streamline their regulatory processes. Specifically, the letter said the permitting procedures are "too complex and lengthy" will erode investor confidence and without reform, the aggressive renewable targets set by the EU will be merely an "academic" exercise.[21] Proper environmental review with public participation is essential; however, the U.S. and European countries can learn from allies like Canada and Australia that have strong environmental records and pragmatic regulatory approaches.

- **Opening markets through free trade.** Yet another policy that senselessly drives up the cost of renewable energy is tariffs. Section 201 tariffs hurt the growth of the solar industry,[22] and steel and aluminum tariffs increase construction costs of renewable projects.[23] Most critically, tariffs are effectively taxes that hurt consumers. The Biden Administration should pursue a zero-tariff policy.

**Continue the momentum of the Three Seas Initiative**

The Three Seas Initiative (3SI) is a bipartisan-supported effort that bolsters the economic, security and environmental interests of the U.S. and Eastern Europe. The potential for economic

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[20] Jinjoo Lee, "Biden's Grid Proposal May Be a Square Peg in a Round Hole," *The Wall Street Journal*, April 5, 2021, https://www.wsj.com/articles/bidens-grid-proposal-may-be-a-square-peg-in-a-round-hole-11617627329 (accessed April 16, 2021).

[21] David Weston, "Renewables sector in EU permitting plea," *Wind Power Monthly*, May 14, 2020, https://www.windpowermonthly.com/article/1683168/renewables-sector-eu-permitting-plea

[22] Solar Energy Industries Association, "Section 201 Solar Tariffs," https://www.seia.org/research-resources/section-201-solar-tariffs (accessed April 16, 2021).

[23] American Wind Energy Association, "U.S. China Tariffs Hurt Wind Industry Jobs in Your State," https://www.awea.org/Awea/media/About-AWEA/US-China-Tariffs-Wind_10-12-2018.pdf (accessed April 16, 2021)

growth and the geographic positioning of the 12 countries[24] in 3SI make it imperative for mutual transatlantic interests. With an emphasis on expanding infrastructure (traditional and energy) and electric grid development, open markets can spur economic investment, reduce emissions and counter the influence of China and Russia.

As Heritage senior policy analyst in European Affairs Daniel Kochis emphasizes, the region is of vital strategic importance:

> The three pillars of the 3SI projects address the areas where the region is most vulnerable to China (digital and transportation) and Russia (energy). China launched the 16+1 Initiative (now 17+1) in 2012 as an effort to build inroads to countries in Eastern and Central Europe. Every 3SI member with the exception of Austria is also a member of the 17+1. In the past nine years, 17+1 has lost steam and thus far failed to achieve the impact for which China had hoped. For instance, Chinese investment in Eastern Europe remains relatively small. In 2019, Eastern European nations accounted for only 6.6 percent of all Chinese investments in Europe.
>
> However, China remains ambitious, looking to make long-term investments in the region, especially in critical sectors, to garner economic, diplomatic, and political influence. The U.S. must remain keenly aware of China's ambitions and of the importance of American investment. If nations in Central and Eastern Europe cannot get American, British, or German investments, they will turn to China.
>
> The nations involved in the 3SI are largely dependent on Russian energy, and the threat from Russia, especially in the realm of cyberattacks, influence operations, and propaganda, is real. The 3SI will help these nations to resist Russian pressure, while also developing greater interconnections between the nations themselves, and providing an opportunity to build strengthened transatlantic business, energy, and geopolitical ties with the United States.[25]

In large part, the economies of the 3SI countries had strong economic growth before the COVID-19 pandemic struck.[26] As countries formulate policy responses to stimulate growth, an emphasis on open markets is essential. Further, competitive markets will spur a greener recovery. Zuzanna Nowak of the Polish Institute for International Affairs writes, "compared to the early 1990s, due in large part to the transition from command to free market economies, the countries of the region have made great progress in cutting their GHG emissions, reducing carbon intensity, and increasing the energy efficiency of their economies."[27] It would be wise for 3SI countries to continue down that path.

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[24] Austria, Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, and Slovenia

[25] Daniel Kochis, "The Three Seas Initiative Is a Strategic Investment that Deserves the Biden Administration's Support," Heritage Foundation Issue Brief No. 6051, February 18, 2021, https://www.heritage.org/europe/report/the-three-seas-initiative-strategic-investment-deserves-the-biden-administrations

[26] Ibid.

[27] Zuzanna Nowak, "Greening the Three Seas Initiative with the U.S.," The Polish Institute of International Affairs, January 27, 2021, https://pism.pl/publications/Greening_the_Three_Seas_Initiative_with_the_US

While there are clear efforts to use carrots and sticks to accomplish climate objectives, private sector-led investment could spur deployment of clean renewable, hydrogen and natural gas projects in the region. That diversification would strengthen economic relationships, make progress toward environmental targets and reduce Chinese and Russian influence in the region.

**Research and Development**

Knowledge sharing, scientific inquiry and entrepreneurial drive are fundamental to solving the environmental challenges we face. A collaborative effort that harnesses the value of human ingenuity, state-of-the-art research facilities, top-tier universities and Silicon Valley-like culture will help identify challenges and threats and cost-effectively solve them.

For instance, the Department of Energy's role through its system of national laboratories and scientific research facilities, should be to conduct the basic research to meet national objectives that the private sector would not undertake. To the extent possible, and without compromising national security interests, the U.S. and Europe should open their research facilities to expand opportunities for the commercialization of groundbreaking technologies.

The Department of Defense can also be a good conduit for innovative breakthroughs on energy technologies. Alternative technologies provide advantages that enhance mission capabilities. Lighter, longer-lasting batteries lengthen the duration of a foot soldier's mission and reduce the weight of a soldier's backpack. Solar photovoltaics can also lighten a soldier's load and extend the travel distance of a drone. More fuel-efficient engines reduce the need for refueling. Developing micro grids and utilizing very small modular nuclear reactors can safely provide reliable power to isolated bases for long periods of time.[28]

Another opportunity for cooperation is fusion power. Fusion technology has much potential to offer inexhaustible quantities of energy without the byproduct of spent nuclear fuel that results from nuclear fission—the way that conventional nuclear power plants produce electricity. Transatlantic participation in ITER, as well as dialogue with private sector startups, should ensure that commercialization processes are safe but efficient. One company, TAE Technologies, believes it can be commercially viable by 2030.[29] Government-imposed obstacles should not be what stunts its progress.

**Conclusion**

Thank you for this opportunity to submit written testimony. A strong transatlantic relationship is critical to economic and environmental progress. Dialogue that bolsters accountability and policy

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[28]Dorothy Robyn and Jeffrey Marqusee, "The Clean Energy Dividend: Military Investment in Energy Technology and What It Means for Civilian Energy Innovation," Information Technology and Innovation Foundation, March 2018, http://www2.itif.org/2019-clean-energy-dividend.pdf?_ga=2.133613257.674204463.1551967655-1212308.1551734962 (accessed April 16, 2021).

[29] Jonathan Shieber, "A startup using a new tech to make hydrogen extracts cash from Bill Gates' climate tech fund," Tech Crunch, February 9, 2021, https://techcrunch.com/2021/02/09/a-startup-using-a-new-tech-to-make-hydrogen-extracts-cash-from-bill-gates-climate-tech-fund/ (accessed April 16, 2021).

reform that unleashes clean, innovative technologies will best meet the energy needs of Americans and Europeans while driving down emissions.

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Mr. KEATING. Thank you very much.

We will now go to the question period. Because of the scheduling conflicts that we all are going through, I am going to first recognize the ranking member for 5 minutes for his questions, then go to myself and the vice chair of the committee, and then go in the regular pattern back and forth.

So I recognize the ranking member, Mr. Fitzpatrick, for 5 minutes.

Mr. FITZPATRICK. Thank you, Mr. Chairman, for yielding. I appreciate it.

Two questions, both to—directed to Mr. Loris. Mr. Loris, welcome. Good to see you. I have one question regarding China and the second regarding Nord Stream 2.

Pertaining to China, just looking to get your perspective on why it is so vital that we ensure that there are effective accountability mechanisms in place to certify that countries like the People's Republic of China are following through on their climate commitments.

Mr. LORIS. Yep. With any verification for what China is doing or not doing, really a lot of the climate goals will not be met. In fact, Secretary Mnuchin a few years ago when he was first negotiating the Paris climate agreement and effectively said that even if everyone in the developed world, you know, biked to work and stopped emitting all greenhouse gas emissions, all of the policies, whether they be free market or more on the mandate, subsidies, and regulations sides would be climatically meaningless because the growth of emissions from China is going to continue to develop.

And even though they have paid some lip service to peaking their [inaudible] 2030 and trying to achieve net zero by 2060, you know, actions speak louder than words. And given the fact that they have underreported a lot of their environmental problems, not just CO2 related but as it pertains to air and water quality and soil degradation from some of their poor practices, it is fundamental to hold them accountable.

Mr. FITZPATRICK. Thank you, Mr. Loris.

Second, Nord Stream 2. Obviously, China and Nord Stream 2 are two of, you know, my big priorities on the subcommittee, hopefully the subcommittees in whole. Regarding Nord Stream 2, why do you believe it is—if you do—believe that it is vital for the Biden Administration to fully implement congressionally mandated sanctions applicable to the Nord Stream 2 pipeline? And, second, do you believe these sanctions could have any decarbonization byproducts?

Mr. LORIS. Yes. Thank you for the question. Yes, certainly, the amount of opposition to the project, you know, whether it be in the United States from, you know, a bipartisan group of policymakers, but also overseas there is, you know, recent opposition in a Politico op-ed from foreign ministers from the Ukraine and Poland, even coalitions within Germany and Austria and the Netherlands have opposed the pipeline.

And my fear is that it continues to allow Russia to manipulate energy markets for political gain. And the fact that Russia accounted for 45 percent of the EU's natural gas imports is a lot, and it will only continue that dependence. And I do believe that it pre-

vents opportunities for more emissions-free technology to replace those energy needs.

Again, that could be U.S. LNG exported, as the Department of Energy study mentioned, but it also could be expanded nuclear or renewables. So I do believe in the sanctions. I do believe that the bipartisan opposition to Nord Stream 2 should pressure the Biden Administration to use its pull as best as possible to prevent the finalization of this project.

Mr. FITZPATRICK. I appreciate your response, Mr. Loris.

Mr. Chairman, I yield back, and thank you for accommodating.

Mr. KEATING. I would like to thank the ranking member and recognize myself for a few questions.

First, you know, one of the complicating factors and one of the consequences, tragic consequences of climate change will be the proliferation of airborne diseases and the complications that are there. We are seeing living proof of that with the COVID–19 pandemic.

With that in mind and the ambitious plan laid out by the EU in this respect, I would like to ask Vice President Timmermans, how has the COVID–19 pandemic and its economic effects hindered at all your efforts? And if you can manage to get through, you know, complications like that, you can do anything, I think, but how is it complicating matters?

Mr. TIMMERMANS. Well, in fact, it has helped us increase a sense of urgency that we need to change because, you know, we have not mentioned yet that we are also in the middle of an industrial revolution, so investments will be necessary. Now that we are mobilizing all this public and private finance to invest in restoring our economic strength, we better spend that on the economy of the future, not of the past.

And that is the essence of the European Green Deal. It is not just about addressing the climate crisis. It is also about resetting our economy and putting it on a sustainable footing. So paradoxically, the COVID crisis has helped us because it has helped Europe overcome some of its inhibitions in terms of investments and loans. There is going to be green bonds now. There is going to be European-level bonds. This was, for many countries like my own, in Germany, anathema for many years, and the crisis has brought home the point that we now really need to invest.

But we also know that if we do not invest in the right way, this money will be lost and then our children will be burdened with a debt they cannot sustain. If we do it in the right way, the debt can be sustained. If we do it in the wrong way, we just increase our trouble, and that is why the Green Deal is seen, by and large, by all European nations as the way out of the crisis.

Mr. KEATING. It is interesting, too, the Biden Administration's jobs bill. Our infrastructure bill is recognizing the same opportunity. We have an infrastructure that is aged, and this is an opportunity as an economic recovery from COVID to go forward and complement that with our green initiatives.

You know, there is going to be a lot of discussion about finger-pointing one country and another country and who is doing more. I am reminded last year when we had Greta Thunberg here as a witness, she was asked a question about China and, you know,

their responsibilities and their pollution and how she could, you know, comprehend them continuing to do that when other nations might do more.

And it was interesting with her response. She said that she would like to offer another perspective. She said, I am from Sweden, a small country, and they have the same argument there. Why should they as a small country do anything? Just look at the U.S., they say. So there is this finger-pointing that goes on about where we go. And I do agree with Mr. Loris in terms of the private sector having a major role in this, but I also know we have to get beyond this as well.

So I would like to ask, Ms. Espinosa, you know, from the U.N.'s perspective, how can we get beyond these kind of finger-pointing and get us all moving in the same direction? It is an issue. You will hear it today in the hearing. What can we do—other than recognize that we have self-interests abounding in this issue, what can we do to help facilitate that cooperation rather than just a race to the bottom, pointing fingers at people that may not be meeting their requirements?

Ms. ESPINOSA. Chairman Keating, thank you. Thank you for this question. I think it really addresses the central issue about multilateralism, which is to recognize that self-interest, national interest are so closely interlinked with international issues, with global issues. And in this case, the pandemic but also the climate emergency are very clear examples.

There is no way—nobody will escape of the climate crisis unless we really all together address it. And I think this has to do with the way that the world has developed. It is true, when the multilateral system was established and when we built all those international legal frameworks, the world was completely different. And I think there was this sense that we in some place of the world could be better off than the others, that whatever happened in that other part of the world would not affect us.

Well, that is not the reality now. And I think this has to—needs to be fully acknowledged, needs to be translated into policies that really take this into account. So leading a process of transformation that is global is not in somebody else's interest. It is in my own interest. And that really does not—there it does not matter whether you are a big country, you are a small country.

Of course, in this case, regarding the climate emergency and regarding the contribution to emissions that the different countries have, there are diverse levels of responsibility and there are different ways to contribute. But the main point to overcome, as you say, this finger-pointing, which at the end does not allow us to move forward, is to really understand this. It is not about the others. It is about us, our own national and self-interest.

Mr. KEATING. Yes. It is not about finger-pointing. It is about a circular firing squad, given the effects of climate change. And also, Ms. Kyte's distinction with emerging countries and what she said was important as well.

I would like to now recognize the vice chair of the committee, Representative Spanberger, for her 5 minutes of questioning. Then we will go to Mr. Mast in order.

Ms. SPANBERGER. Thank you very much, Mr. Chairman.

I am really appreciative of our witnesses for being here today. I thank you for joining the subcommittee hearing. It is important to engage in discussions on multinational approaches to addressing the climate crisis, which, as has been mentioned, represents a significant economic and security threat.

So I have a couple questions that I would like to begin with. In addition to serving on the House Foreign Affairs Committee, I serve on the House Agriculture Committee and I chair the Subcommittee on Conservation and Forestry. So I have been particularly focused in that role on bringing farmers and producers to the table and expanding efforts to mitigate and adapt to climate change via agriculture through voluntary incentive-based programs that ultimately do help improve resiliency and profits for our farmers and producers while also combatting climate change.

So my first question I would like to direct to you, Executive Vice President Timmermans. I am curious, what lessons have the European Commission and EU member countries learned in their work in the area of sustainable agriculture? And have any particular policies or initiatives been particularly successful in improving climate and economic outcomes? And if so, could you speak a little bit to those programs?

Mr. TIMMERMANS. Well, I have to admit that this is one of the areas where the challenge might be the biggest, because like in the U.S., our farming communities are very often set in their ways and fear change because they feel that change would lead to less incomes or less future prospects for their kids.

But since we now come to understand that although agriculture is not really responsible for a lot of emissions, slightly over 10 percent, it is responsible for an incredible amount of loss of biodiversity, and we need to address that. And we also need to make sure that there is a benefit in being carbon farmers as well.

So we need—75 percent of our forests are in bad shape in Europe, so what we need to do is increase the health of our forests. We need to engage with the agricultural community so that we diminish very quickly the use of pesticides, the use of fertilizers, the use of medication in animal husbandry.

We have presented a number of plans for that. A biodiversity strategy encompasses some of those plans. And then we have also launched a plan that we call From Farm to Fork, where we address the whole food chain, not just the ones producing the food, but also the ones buying the food and everyone in between, so that we create more fair pricing for the food, that we inform citizens better on what the quality of the food is they buy, that we try and create new markets and increase the levels of production of bio foods and sustainable food.

This is what we are doing. You know, the problem with our common agriculture policy, as I said, was set in its ways, but today, 80 percent of the money goes to 20 percent of the farms, and that is just not right. Too many of our farming communities are struggling and not getting the support they need. We need to refocus on supporting especially the people working on the farms and not the big land owners and not the agro-industry.

So that is the change we are proposing. I have to admit, it is not going as fast as I would like. There is a lot of resistance, as you

can understand, and you know that from your own country as well, but I think we are moving in the right direction, although it could be at a higher speed, if you would ask me.

Ms. SPANBERGER. Thank you for that. And I am curious, for Executive Secretary Espinosa, the UNFCCC has also helped facilitate corporations focused on the intersections of agriculture and climate change. So I am curious if there is any lessons to share from these efforts, if there is any place where the international community can really improve cooperation on these issues to benefit farmers and producers and create real economic opportunity, address food insecurity, improve resiliency and sustainability.

Ms. ESPINOSA. Thank you. Thank you very much. Well, I have to say that in our process, we have been focusing much more in the development of the general framework, you know, the general guidelines on what countries should be doing. It took us a long time until we really got a work program on agriculture, on smart agriculture.

That is the Koronivia framework on agriculture that we have just approved 3 years ago. So there, the intention is precisely to be able to have a forum where people can exchange views, and how here I would like to also underline that for us, what is very important is that agriculture is included also in the nationally determined contribution, in the national climate plans as a whole, as part of that very deep transformation that needs to happen.

But we do understand, and here, of course, we have been focusing on the reality in the U.S., the reality in Europe. But imagine then when we go to countries like Africa, Asia, Latin America, so it is really very, very diverse.

But I think that the important point is that I would say that in our conversation, agriculture and the use of soil has become one of the issues where people understand there are a lot of opportunities and a lot of challenges.

In my view, we need to take bold decisions with determination, try to help people overcome the fear to change, and, of course, yes, ensure that we do a just transition. We also recognize that this transition is not going to happen from 1 day to the next, that it will take some time, but what is important is that we put in place and we take the decisions and put in place the measures to start it.

Ms. SPANBERGER. Thank you very much. Across my district in central Virginia, we see a lot of enthusiasm for these voluntary programs that really do benefit the farmers, but also our climate.

So thank you very much, Mr. Chairman. I yield back.

Mr. KEATING. Thank you.

The chair recognizes Representative Mast for 5 minutes. Representative Mast?

Mr. MAST. Thank you, Mr. Chairman. I appreciate the time. Thank you to our witnesses for your testimony. I enjoyed hearing them and reading them as well.

Ms. Espinosa, this really goes to a question of protocol and getting to the right place for the United States of America through the right protocol in order to be a good partner in the world of climate.

Just out of curiosity, do you know right off the bat what the UNFCCC's website, do you know how you would describe the Paris climate accord? Do you know what the first sentence says offhand?

Ms. ESPINOSA. I am afraid I cannot tell it to you by heart, but if you help me.

Mr. MAST. I am happy to. It says this—it begins, this is the first sentence: The Paris Agreement is a legally binding international treaty on climate change.

Ms. ESPINOSA. Correct.

Mr. MAST. And I would just like to have your opinion about whether you believe the U.S. Senate should seek to ratify this as we do treaties as our Constitution calls for here in the United States.

Ms. ESPINOSA. Well, first of all, as you may imagine, as a U.N. official, it is really not my role to make any opinions on internal procedures that pertain to one particular member State. What I would like to say is that in this almost 200 members of the Paris Agreement and of the Convention and before, the Kyoto protocol, there are many different procedures to become a party to it. And so this is really an area that lies within the national authorities in each of those countries.

Mr. MAST. Yes, ma'am. And I can respect your not wanting to weigh in to the domestic policies of each and every nation, but certainly as your role within the UNFCCC, you would acknowledge your procedures should be followed, correct? Not to put words

[inaudible] Procedures?

Ms. ESPINOSA. On our side—I missed you a little bit because the communication was a bit cut out, but let me——

Mr. MAST. It is simply to say, ma'am, it is important that we follow our own procedures. You follow your procedures within the U.N.; it is important that we follow our procedures within the U.S. We can agree on that first? Yes, ma'am? I know we are having bad connectivity issues on this particular hearing, but you would agree?

Ms. ESPINOSA. Yes, I think everyone has to follow the procedures that are established.

Mr. MAST. Thank you, ma'am. That is really—I think there is a lot to talk about in this and there has been since it was undertaken by President Obama, since it was withdrawn by President Trump, and since reentered by President Biden, and it is exactly for that reason that I believe it is important for us as a Nation to go through our proper channels for something so weighty as this particular treaty, again, as specifically outlined in video and on the very first sentence of your website: The Paris Agreement is a legally binding, international treaty on climate change.

And I appreciate your respect of the fact that we should be following our procedures as you should be following yours.

And in that, I will yield back.

Mr. KEATING. Thank you, Representative.

The chair recognizes Representative Cicilline for 5 minutes.

Mr. CICILLINE. Thank you, Chairman Keating and Ranking Member Fitzpatrick, for having this really important hearing. And thank you to our witnesses for your really important testimony.

I want to just start with Ms. Kyte. You know, it is very exciting to have a President and administration that is not only serious

about taking on this urgent existential threat of climate change, but re-engaging with the international community in this critical work. And the Biden Administration has obviously announced plans and rejoined, of course, immediately the Paris climate agreement, but also released framework of an infrastructure plan that has a particularly green focus to it. And the goal of net-zero emissions by over 4/2050 is an objective that the administration has adopted.

And I am wondering whether you have a view as to whether or not what is contained in the administration's early description of the investments in the American Jobs Plan and the infrastructure bill are sufficient to get us to that goal? And if not, what additional measures you think we should be thinking about in order to achieve net-zero emissions by 2050?

Ms. KYTE. Well, thank you very much for the question. I mean, obviously, how it all adds up to being on the trajectory for net-zero emissions is something that I expect that we will see much more of in the plans we release later this week. But everything is pushing in the right direction, and I think there was widespread view that there was extremely—the infrastructure plan, the jobs plan are extremely comprehensive.

And so I think the question is, this is really as the front page of Time magazine this week says, you know, climate change is everything. So every piece of this system needs to be refurbished or reinvented. So this means the—so not only developing the cars, the trucks, the buses that will run on zero-emissions fuels, but then the infrastructure that needs—that we need in order for those to be accessible to everybody. The deep refurbishments of the built environment that then also obviously new building methods, new materials, new tools. The energy infrastructure, which you have worked so hard on and others, not only building out offshore wind, but then building the capacity to develop green hydrogen, green ammonia, then using that for shipping and for transportation.

And so you start to see that this builds. And I think what is also clear then is in the work of Secretary Yellen, the work of the FCC, and the work of the Federal Reserve linking up to international efforts to look at how the financial sector can spur this even faster that that is when you start to get exponential progress.

So it is one thing for the United States to pursue its plan, it is another thing for European Union and Europe to pursue its plans and other parts of the world, but can we find a way to really drive this so that we pick up a lot of pace and momentum?

And I think that that is where the setting of the standards, agreeing what is green hydrogen so that those funds and traders across the Atlantic have an understanding that what is considered green in the United States is also considered green in Europe. This will allow things to go faster. And so I think that that standard setting——

Mr. CICILLINE. I am going to try to get in one more question. Sorry. Thank you. I think that is particularly helpful.

Executive Vice President Timmermans, you know, one of the issues that I think is particularly important to many of us is this importance of achieving equity and inclusion as we think about our work in this space. And I am wondering if you can speak to kind

of what the European Union has done in this regard, what we might learn, particularly if you would speak a little bit about the transition farm, but also how we can work in this Transatlantic Alliance to be sure that we are getting this work done, but that we are being very sensitive to those other objectives of doing it in an equitable way and in an inclusive way, particularly when you think about the impact of climate change, you know, particularly hard hit communities, communities of color, et cetera.

Mr. TIMMERMANS. Well, you know, it is give if you combine the challenge of climate change with the industrial revolution. If you do not steer that, if you do not control that, if you do not mitigate that, if you do not organize just transition, you will have a small group of extremely successful people and a large group of people who will lose out.

And if people think they will be losing out, they will stop the whole process. So if we want this transformational era to be successful, it has to be successful for everyone. To do that, we have to have special plans, for instance, to restructure 30 coal mining regions we still have in the European Union.

So we have to make sure that—because coal has no future whatsoever, that when you stop mining coal there, then make sure there are alternatives. I am from a coal mining region myself. The last coal mine that was closed in my region is half a century ago, and still my hometown suffering, half a century later, because we made mistakes in the policies to restructure these economic monocultures, but we have a huge opportunity now.

Hydrogen was mentioned. There are other industrial constructions that could really profit from the infrastructure already present in coal mining regions was mentioned. But then for people to take these jobs, you need to re-skill them. You need to bring new skills. You need to have the right social policies so that they do not fall into a poverty trap.

You have to make sure that there is no energy poverty. You have to make sure that they can find affordable housing. These are the big things we have to put in place, not just because it is just, also because if you do not make it just, it will just not happen. Because then people will just stop it from happening because they only fear loss and they do not see the opportunity.

That is why what I see as an outsider as a core element of what President Biden is doing, he is giving opportunity to millions and millions of Americans who didn't see the opportunity before.

Mr. CICILLINE. Thank you so much.

I yield back, Mr. Chairman.

Mr. KEATING. Thank you, Representative.

The chair recognizes Representative Pfluger for 5 minutes.

Representative PFLUGER.

Mr. PFLUGER. Thank you, Mr. Chairman. And I appreciate the panelists.

You know, when I think about security, national security, what comes to mind is energy security. And I think Mr. Timmermans just said it correctly, is that we have to make sure that there is no energy poverty in this world and it is exceedingly important that we take advantage of affordable reliable energy. And afford-

able reliable energy over the past decade, 10 years, has raised a billion people out of poverty across the globe.

Many of these have never experienced energy from clean burning sources like liquid natural gas before. It is something that their quality of life has been raised because of the revolution that we have in this country right here.

And so I would like to ask a couple of questions. It was said—you just mentioned that coal has no future, and I would have to ask you, Mr. Timmermans, how many plants, how many coal plants is China building right now, currently?

Mr. TIMMERMANS. I know that China is still massively investing in coal, but indications are that Chinese policy, especially in terms of investment in coal capacity outside of China, is changing. That would be a momentous change if Xi Jinping could come to the world and say, we are no longer going to invest in coal, but now they are massively still investing in coal because of the——

Mr. PFLUGER. I am going to reclaim just a little bit of time because it was a very pointed question. They are building 300 coal plants right now. And I would like to ask the question to Ms. Kyte or to anyone on the panel, is China joining the Paris climate accords?

Ms. KYTE. So the question of China's coal capacity is that——

Mr. PFLUGER. Ms. Kyte, is China going to join the Paris climate accords?

Ms. KYTE. China is a party to the Paris climate accords, and in its nationally determined contribution and in its 14th 5-year plan, it indicates that it wishes to try to reach net-zero emissions by 2060. And I think that all of the diplomacy and the conversation between the EU and China, between the United States and China is about when emissions will peak and exactly when coal will be exited both overseas and at home.

I think the question is, there are enormous numbers of coal in the pipeline and the IEA report from this morning shows that, in fact, emissions have risen and a large part of that is coal emissions from China. And so this is absolutely essential. I think the real question is the financeability of some of these coal——

Mr. PFLUGER. I am going to go ahead and reclaim some of my time. I appreciate the——

Ms. KYTE. Certainly. Certainly, sir.

Mr. PFLUGER. Thank you.

The most important thing that we as a country can look at is, over the last two decades, we have lowered our emissions in this country to record levels, something that the Paris climate accords could never have actually gotten to without the private industries help in more efficient engines and better ways of producing energy and affordable, reliable clean energy like LNG and other forms.

As we look at the demand for electricity around the world increasing by 50 percent over the next 15 years, I am going to ask where is that electricity going to come from? Because in my district, we have more wind energy than the entire State of California. That is one congressional district. However, it is not reliable. It does not do what we need it to do at the times that you need it the most when the wind does not blow, and we just saw that in the middle of a very severe winter storm.

Today, I am introducing the LNG Expansion Act, which seeks to allow the United States to continue to export liquid natural gas around the world to get it to places who need it the most, who have not had access to forms of fuel that are affordable and reliable.

The No. 1 question I get from Ambassadors around the world that are looking for energy security to overcome energy poverty is how can we get more LNG. How can we get more reliable energy from the United States? And so I would ask as we look at this, where is the electricity going to come from to power our electric cars? Is it going to be 100 percent wind?

And the answer to that is no, it's not. It is going to come from affordable reliable energy sources that we have proven over time meet demand. It is an all-of-the-above approach. It is wind, it is solar, it is LNG, it is fossil fuels. And China, the biggest criminal of all on harmful emissions in this world, should not be given a free pass while we tie ourselves to some unattainable goal that we have already, by the way, met and done a world of difference on in meeting those reduced emission standards.

So I would ask everyone on the call to look at what we are doing and what we have done as an industry to provide that affordable reliable energy and to raise a billion people out of poverty.

With that, Mr. Chairman, I yield back.

Mr. KEATING. Thank you, Representative.

The chair recognizes Representative Titus for 5 minutes.

Ms. TITUS. Thank you, Mr. Chairman.

I would like to go back to Mr. Timmermans' comments when talking about the opportunity that Joe Biden's administration and energy plans offer to people. As we begin to reengage with the rest of the world on these issues, whether it is the Paris Accord or going to Scotland, I just wonder if the last 4 years of negligence and insult and rolling back of things has made the world skeptical of what the United States is really willing to do.

Is there some background work that we can do to bring them over again for when the Biden Administration puts these plans forth so they will trust us after the way they have been treated and the way we viewed this issue under the Trump administration?

Mr. TIMMERMANS. Well, we have had some rough patches over the last 4 years in our transatlantic relations, but there is no relationship that is stronger anywhere in the world than the transatlantic relationship, and that hasn't fundamentally changed over the last 4 years. We had some disagreements, sometimes even strong disagreements, but the basics have not changed.

And now with the administration committing to some of the things that we hold dear and also such a clear commitment also to NATO and the Transatlantic Alliance, everybody is happy in Europe. Everybody welcomes this in Europe. So there is no hard feelings.

And, by the way, on the climate issue, even though at the Federal level the United States was sort of rogue or absent in the last 4 years, on the State level, especially private business, so much was happening that the U.S. didn't really lose pace internally and that, of course, helps to create a positive momentum also internationally, because in this area, in this field, the only credibility you have is based on what you are doing at home.

Whatever nice speeches you do abroad, whatever nice commitments you enter into, you will be held accountable for what you are doing at home. And in that sense, you know, because of what States have been doing, cities have been doing, or what the private sector has been doing, includingthe energy sector, the United States has not really lost a lot of distance vis—vis other parts of the world.

Ms. TITUS. Well, that is reassuring. I am glad some people in the States were able to make up for the lack of leadership at the Federal level. So moving forward, things should be working nicely under this new administration. So thank you for saying that.

I would like to ask Secretary Espinosa a question. In your testimony, you talk about the number of climate disaster related deaths. You say that there were 4,000 in the last 5 years, and that is over a thousand more than in the entire 1980's. I suspect if you included famine and disasters beyond just immediate kinds of experiences or incidences, that number would even be higher. And it seems that the most vulnerable are the ones who are suffering the most, like intense storms, for example.

I wonder if you would talk about how the U.S. and the EU can assist those who are the most vulnerable, and if climate change's impact on human rights, is it a basic issue that we should be concerned about? What can we do to hold those accountable who aren't recognizing that fact?

Ms. ESPINOSA. First of all, regarding how countries, those more vulnerable can be helped, I think the point about investing and financing of adaptation and resilience building is very critical. And this is—because this is also the area where we see lack of financial flows precisely for those countries that are more vulnerable.

We have within the Green Climate Fund, for example, we have established a goal of 50 percent adaptation finance. That is not being fulfilled right now. Just a few days ago or maybe a couple of weeks ago, Secretary-General Guterres was saying that of all climate finance, only 20 percent is going to adaptation.

So I think this is a very, very important area that needs to be addressed, and I think these should be addressed also in the framework of what Rachel Kyte was saying about the need to really look at the whole international financial infrastructure to align it to these sustainability goals that we have and net-zero low emissions economy.

Regarding human rights, we have—within our process, we have, for the time being, focused much more on women. Women are particularly vulnerable to the effects of climate change. As we know, women are in so many places the providers of food, the providers of water for the family. So if there is a drought that means women really enduring long, long distances to get water, to try to produce some food.

And also in terms of health. Health-related issues that are also closely related to climate change.

So, yes, one of the things that we are now trying to do is encouraging countries to include these issues within their national climate plans and policies, so that they are really imbedded. Not like a side issue that is addressed somehow, but really as part of the overall plan. I think this is a way to do it and there, of course,

many countries have very little capacity to put those national climate plans in place.

And then we have, of course, the challenge of financing the implementation of those national climate plans.

Ms. TITUS. Thank you very much.

Thank you, Mr. Chairman. That is helpful.

Mr. KEATING. Thank you, Representative.

The chair now recognizes Representative Meijer for 5 minutes.

Mr. MEIJER. Thank you, Mr. Chairman. And thank you to our experts today for joining us.

I want to go back to some remarks that the ranking member made, and specifically he had some questions that were addressed to Mr. Loris around Nord Stream 2, around the diversification of the European Union's energy sources and concerns about Russia. I want to touch on that, but I will be directing my questions toward Mr. Timmermans.

But I am mindful of the fact that the United States has seen double-digit declines over the past two decades in our carbon emissions largely driven by a coal-to-gas switch in our energy generation. I know in some corners it is popular to attack fracking, despite the fact that natural gas has been very beneficial in being a strong transition energy source for the U.S. and potentially a long-term on-demand baseload generating source that is lower emissions than some of its alternatives such as coal.

But I am also mindful that as we look to Nord Stream 2 coming online and the significant increase that it would represent in EU natural gas imports, I think it is already Russia accounting for over 40 percent, and that figure will undoubtedly go much higher. At a time when Alexei Navalny is dying in, essentially a Gulag in Siberia, where—and Czechia just earlier this week, Russian intelligence agents were held responsible for a 2014 destruction of an ammunition depot that killed two citizens, where their maligned activities throughout the European Union, including poisoning and killing with chemical weapons, not only dissidents, but also European Union citizens, at a time when we are seeing that level of aggression where Russian troops are massing on Ukraine's border, despite their increasing destabilization of the Donbas and their refusal to acknowledge or heed international calls around the annexation of Crimea, you know, at this point in that tension, we have been talking a lot about diversification of energy production and sources.

And I am a strong proponent of renewable energy. I wish there was a greater acknowledgement of nuclear's productive capabilities and how it can feed into a low carbon or no carbon, all-of-the-above energy strategy, but I want to focus this question with Mr. Timmermans.

How do you mitigate the concerns of not the diversification of production type, but that strong concentration of origin of that natural gas from Russia and what that may do to just give Vladimir Putin a tremendous leverage over the European Union?

Mr. TIMMERMANS. Well, first of all, specifically on Nord Stream 2, the European Commission has this position that we do not need Nord Stream 2 for our energy security in the European Union. So let me be very clear on that. It was a commercial decision. It was

a political decision made in Germany, but as far as we are concerned, it was not a necessary addition for our energy.

Second, we have been diversifying our energy resourcing tremendously and massively investing in renewable energy. So we will be using in certain member States where coal is still predominant and wood is burnt for heating, we will be using natural gas as a transitional energy carrier, but that will disappear in the future.

Green hydrogen will play an incredibly important role. Generated offshore wind is taking off at a rate that is incredible. It is becoming cheaper and cheaper, and it really is an investment opportunity. We do not need any subsidies for that anymore. Solar is going in the same direction.

Having said all that, our relationship with Russia is extremely complicated, and Russia—I served in Russia for quite some years. I speak Russian. I was trained to understand the country as a soldier, and I was foreign minister of my country when MA.17 was shot down. So I have some experience with dealing with that very complicated country, and I have no illusions about it. No illusions whatsoever.

But if you look at the interest of the Transatlantic Alliance, unstable Russia is a bigger threat to us than a slightly more stable Russia. And for the foreseeable future, they will depend on their energy exports. They will depend on us more than we will depend on them. So I would like to invite you to think about this relationship as it develops that I think the dependency of the Russians on us will increase because they will need to sell us their gas because they do not want to depend on China. That is the last thing they want. And then at the same time, we will be decarbonizing our energy resourcing.

So, yes, I see the problem you are addressing today. I also see the vulnerabilities because of different opinions within the European Union about our relationship with Russia. Some are very, very cozy with the Russians in the European Union, I have to admit that, but I also see that in the longer term, the bigger problem will be in Russia because their economy, which is completely based on the extraction of natural resources and selling that abroad, will have to undergo a fundamental transformation if they want to address the challenges that we are facing also in the industrial revolution and with the climate crisis.

Mr. MEIJER. [Speaking foreign language.] Timmermans.

And with that, Mr. Chairman, I yield back.

Mr. TIMMERMANS. I saw your name and I know we share a legacy.

Mr. MEIJER. Thank you.

Mr. KEATING. Thank you, Representative.

The chair now recognizes Representative Costa for 5 minutes.

I think you are on mute, Representative. See if you are on audio now.

Mr. COSTA. How about now?

Mr. KEATING. Okay. Yes. Representative Costa.

Mr. COSTA. We are down to 15 percent, so it wouldn't let me unmute. I will be quick.

Anyway, thank you, Mr. Chairman, for this important hearing, and for our panel.

I want to followup on some of the questions that have been touched upon. But when we talk about the similarities and the challenges facing the European Union and the United States in seeking production of greenhouse gas emissions, what do you think are some of the key differences, since both of you have a perspective of both the U.S. and the EU, in your view, and what do you think is the greatest opportunity for a more robust cooperation between the EU and the United States?

Mr. TIMMERMANS. Are you asking me that question, because I didn't—I suppose you are asking me the question?

Mr. COSTA. Certainly.

Mr. TIMMERMANS. What I would see as the biggest similarity, actually, is the values we share. Because the way our people want to live is so much more comparable if we look at a transatlantic relationship than with any other part of the world, I would argue. Dissimilarities are, of course, that the United States is an energy producing and exporting country, fossil fuel energy producing and exporting country, which comes with other challenges than a continent like Europe, where we are mainly importers of energy, especially when coal is disappearing, we are becoming increasingly importers of energy. That is a different starting position, but that does not mean we cannot create synergies from these different starting positions. I think some of the choices we will be making in the future are absolutely comparable.

If I see what is happening on green hydrogen in the U.S., if I see what is happening on offshore wind in the U.S., if I see what is happening on creating a circle economy in the U.S., the developmentsacross the Atlantic are very much comparable and we could really create synergies that would be compelling on other parts of the world to go into the same direction. That is why it is so important that the Federal Government is on the same page with us now.

Mr. COSTA. And I agree. And you did mention, but it is obvious that we both subscribe to a rules-based economy which allows you to use incentives in ways that could promote good best management practices.

In addition to that, the EU and the United States still comprise about half the world's economy, which allows us to, I think, set the rules.

I also want to followup on my colleague Congresswoman Spanberger's comment about we both serve on the Ag Committee, and I chair the Transatlantic Legislators' Dialogue. But you noted the farm to fork policy in reducing greenhouse gases and agricultural practices in the United States.

We have done a great deal—I am from California—in terms of the last 10 years, but in all things ag related between the EU and the United States, there seems to be a disconnect, and I think it is politics primarily, and you note it in terms of your own comments about the fear. Fear of change. I am a third-generation farmer. I understand the fear of change. I do not farm the same way my parents farmed for a lot of reasons.

But I always thought if you could get the policy committees within the EU parliament together with our policy committees here in the Congress, maybe we might get past the politics that we all re-

flect and represent in terms of meaningful ways to overcome them as it relates to this farm to fork policy. I would like your thoughts.

Mr. TIMMERMANS. Well, I think, you know, if you go back to basics, we will have to feed about 10 billion people in the future, and we will have to feed them within planetary boundaries with limited resources, with a huge threat to our bio-diversity, with a lack of water in many places. We have to rethink the way we produce our food on a global scale, and I do not see why we could not do this together with the United States.

Our subsidy system is different, and because it is different, it has caused conflicts between us. But if you look beyond the subsidy system and what is essential for the future of agriculture, we should have a meeting of minds.

Mr. COSTA. And food is a national security issue, whether it be in Europe or whether it be in the United States. And the planet had a billion-seven 200 years ago. We have over 7 billion people today. By the middle of the century, we are going to have 9 billion, close to the 10 you noted. And so sustainability is, I think, the central focus of this effort in light of climate change. And we have water problems in California all the time and it is only going to make the challenge more severe.

My timehas run out, but this is something I would like to continue to have a conversation with you as we work with our European allies and the parliament.

Mr. TIMMERMANS. Great.

Mr. KEATING. Thank you, Representative. And it certainly is something worthy of dialog in the Transatlantic Legislators' Dialogue that you chair. So thank you for your work there. And thank you, Representative.

Now, I recognize Representative Tenney for 5 minutes.

Ms. TENNEY. Thank you, Chairman Keating. And I want to say thank you also to Ranking Member Brian Fitzpatrick for convening this hearing, and for our witnesses andthe comprehensive testimoneys that we are hearing today. And I think it is an important issue and we need to continue to work with our transatlantic partners on the resilience and the impacts of climate.

In doing so, I think that we also have to have a realistic approach backed by results and show that, you know, open and free markets can well lead to innovation and increase prosperity, lesser emissions, and also more security for our energy sources. And I think—and I look back just in my own district as we look to tackling some of the climate issues, we have to ensure that we have a level playing field that benefits and protects U.S. interests and also my district in New York State.

I want to ask my first question to Mr. Loris, and I just really need to—I would love to just get your view on—the Chinese Communist Party dominates a significant portion of our critical mineral supply chain. What are the implications for renewable energy technologies if access to these critical minerals becomes limited? And what steps maybe would you suggest that we need to take to ensure that the United States actually retains access to those critical minerals, domestically and aboard and, even in some cases, some of the rare earth metals that are processed—found in the United States, processed in China, and brought back here?

Mr. LORIS. Well, thank you for the question. It is certainly an important one. And the diversification of those markets is vitally important for the future of renewables, the future of battery technologies, and consequently electric vehicles.

You know, we saw China attempt to manipulate markets against the Japanese in 2010, and when prices rise, markets diversified. And that is what happens when you have price signals, you are going to have a response from the private sector.

We need to make sure that we have the right environmental reviews and permanent processes in place so when the market does want to diversify, whether that is through the extraction and processing of rare earth minerals, that they can build these plants in a timely manner. And, fortunately, we are seeing some of that investment already in the United States, and that is great.

And so I think it is important for two critical reasons. One is so that China cannot attempt to manipulate markets as they have done in the past, but, two, thinking through the climate benefits of these technologies, we really need to have a full understanding of what the life-cycle emissions looks like. So it is important to think about where the mining and extraction of some of these minerals come from now, like the Democratic Republic of Congo. So when we are thinking through what are the emissions benefits of these technologies, the full process matters and the full life cycle of greenhouse gas emissions matters, and the more that we can have those processes from a mining standpoint, but also from a processing standpoint in countries that have human health and public safety standards and environmental standards that are more like the United States and European countries, the better off we are going to be both economically and environmentally.

Ms. TENNEY. Excellent. I think that we also look at those things. I mean, often we forget that we do actually have rules and standards here. So I appreciate your comment on that.

One other issue I wanted to ask you about is the Biden Administration canceled the Keystone XL Pipeline, you know, which obviously we know, we have heard about creates jobs for Americans, but it has refused to implement the full sanctions on the Nord Stream 2 Pipeline to prevent its completion.

Can you give us a comment about that and what your expertise on that is?

Mr. LORIS. Yes. I would largely just say that it is frustrating, both from an economy and an environment standpoint. This is a pipeline that could efficiently carry up to 830,000 barrels of oil per day, the Keystone XL Pipeline that is, and even President Obama's State Department, back when they were first reviewing the pipeline, said that it would not meaningfully contribute to climate change. And the reality is that oil is going to come out of the ground regardless of whether the pipeline is built or not, and now that oil is going to be transported by rail or by truck, which are much more inefficient economically and environmentally for North America. And so that is problematic.

And in the meantime, you have

[inaudible] Nord Stream 2, with dirtier Russian gas that has geopolitical implications as well.

So, hopefully, the Biden Administration holds true to calling it the bad deal that President Biden did back in 2016, because we need energy infrastructure. We are going to need pipelines, natural gas pipelines, transmission lines for expanded renewable energy, and we need those projects in a timely, efficient manner or else a lot of these targets are just going to fall by the wayside because they are going to be stuck in zoning problems or lengthy environmental reviews or lawsuits by NIMBYist activists, and that does not get more efficient technologies built.

Ms. TENNEY. Well, I appreciate the answers. And, actually, we would love to have some natural gas in New York that is not going to be spilled by truck or by rail, because we do not really have a whole lot of rail. But we definitely think that the pipelines could be, ironically, the more environmentally friendly way to go with our abundant natural gas resources that we have in New York, which have actually brought our emissions down and New York City has become more reliant on natural gas, which is, you know, not the—it is not the emission-free standard, but it is certainly better than some of the resources we have used in the past.

But I really appreciate it. I think my time is running out. I cannot see it on there, but——

Mr. LORIS. If I can just add, it is not just been natural gas too. I mean, in Pennsylvania where I grew up, my parents finally

[inaudible] Their home heating oil with natural gas, and there has been frustrations from the Canadians trying to build clean transmission lines for their excess hydropower, which is an emissions-free source of energy as well.

And so it is not just natural gas that can help deliver more affordable reliable energy up to the northeast, but also cleaner, affordable hydro.

Ms. TENNEY. Right. Well, we have Niagara Falls obviously, which is a cleaner State, so we are grateful for that and love having the emission free there. But, you know, we do need energy resources, and it is always a struggle to get those resources in as environmentally friendly way as we can, you know, from all the way to one end of New York State down through Canada all the way down to the Fraser site and down to New York City, which requires—where the largest population is. But I really appreciate that reference. Thank you so much.

Mr. KEATING. Thank you, Representative.

The chair now recognizes Representative Schneider for 5 minutes.

Mr. SCHNEIDER. Thank you, Chairman Keating, and thank you for having this very important hearing. To our four witnesses, thank you for the work you do and the patience you have shown today sharing your perspectives and insights with us. It is very much appreciated.

I do not think there is any question that the impacts of a changing climate are an existential threat to everything we hold dear in our society and in our planet, and the need to take action is clear here. So having this conversation is obviously very important.

You know, my view is that the United States cannot solve this problem alone. We have to work with the world. The world cannot solve the problem without the United States. So it is important

that we build this relationship across the ocean, across the globe, and work with all nations to try to take action. I am reminded of President Kennedy's famous line about talking about going to the Moon: We choose to do these things not because they are easy, but because they are hard. And there is nothing more hard, I think, before us than tackling climate change.

We have, as we have talked about, the need for energy. The fact that we are having this conversation on our electronic devices, communicating across pipelines of electrons moving, but we are able to be together, even though we are in different places, requires energy, but it also enables us to do great things. And that will be true in the future as well.

But we talked about the need to address it, the why. It is an existential threat. We talked about the when. It has to be now. One of the biggest challenges I see are the what and the how of how we do this.

And, Mr. Timmermans, you touched on this. I would like to touch a little bit on your thoughts on the European Green Deal. In your testimony, you list a number of things that the package will reflect—carbon pricing mechanisms, energy efficiency, renewable energy, carbon sinks, sustainable mobility and transport, and that is not an exhaustive list, but it is a long list.

If we achieved everything that is envisioned in the European Green Deal on those items alone, will that solve our problem or do we still have much more to do?

Mr. TIMMERMANS. Oh, we have so much more to do, I am afraid to say. But if we implement, if we were to be able to implement the legislation we will be proposing in the next couple of months, then I think we can reach, as Europeans, our target of reducing our emissions with 55 percent until 2030. And that would put us on a sustainable path to climate neutrality in 2050.

But so much more needs to be done because also we have moving targets. New technologies are emerging. We do not know today whether they will be successful or not. CCSU might be a very successful technology; or it might not be so successful. We have other ways of capturing and storing CO2 that might be successful or might not be. So we also have to be light on our feet in making decisions on where we invest.

But the thing that is helping us in Europe is to have just a clear plan of how we can get from where we are now to where we want to be in 2050 and have the intermediate steps in 2030, 2025, 2040, et cetera. That is helping us plan what we need to do. At the same time, nobody would have thought, for instance, 10 years ago that offshore wind would be such a success as it is today for Europe. Nobody was talking about green hydrogen 5 years ago.

So, you know, you have to account also for technological breakthroughs. I mean, human invention is still a huge driving force here that we need to embrace.

Mr. SCHNEIDER. I think it is critical that we rely on that invention. Necessity is the mother of invention, and the United States can lead on that. We have the greatest R&D, some of the best universities and other research institutions, but we do have to work with the rest of the world as a part of that.

And, Dean Kyte, if I can turn to you, as the dean of The Fletcher School, understanding the importance of foreign relations, relations between nations, what more can we do to help both national leaders across the world, but also their publics understand that the steps we take are but first steps, we can get there if we have to get there, and we can do it in a way that is going to create jobs, lift up economies, not hold us back, but move us forward?

Ms. KYTE. So I think it is a great question. I think that there is a steadfastness. This is a sprint and a marathon. And I think publics want action because they see the climate impacts all around them from extreme weather events to changes in the price of food and availability of food, et cetera.

And so I think that the story line of where the new jobs are, where the very young population of the planet is going to find employment and well-being, being in the technologies and in the devices that work in a decarbonized global supply chain. And I think that is as true for Kampala as it is for Kansas City. This is true for Oaxaca as it is for Osaka.

And so I think this is what—and people want to see countries working together. So if you are in a developing country, you want access to markets. You want access to the technology. We have amazing technology. Green hydrogen will be revolutionary for North America and for the European Union. We need it to be revolutionary for the north coast of Africa as well.

And so making sure that these things are available in real time will be very important, but I think that the United States and Europe are steadfast partners in a sprint and in a marathon is something which needs to be, I think, developed in terms of actions, not just words. And here really the financing for the adaptation and the resilience.

Climate impacts are having a huge impact right now on the people who are the most vulnerable and the least able to chart their path forward, and I think there is a sense that there is some responsibility brought on by the countries that got us to this point. So finding ways to unleash entrepreneurship and activity around adaptation and resilience will be very important.

Mr. SCHNEIDER. Thank you. My time is expired, but this is a big task. We will have many more hearings on this subject, I am sure.

Thank you, Mr. Chairman.

Mr. KEATING. Thank you, Representative.

And roll calls have been called, but we will be able, I think, to negotiate around that.

We are joined on the committee by Representative Perry. And without objection, hearing none, I will recognize Representative Perry for 5 minutes.

Mr. PERRY. Thanks, Mr. Chairman. I thank you and the ranking member for holding this hearing and offer this time to me.

Secretary Espinosa, I want to read a few quotes from your testimony, your Twitter account, and recent public statements. I quote: Climate change is an existential crisis that over the long term is a threat to humanity's very existence on this planet, unquote. And then: Climate change is an emergency that could eventually end human life on this planet. Despite every study, every report, and

the clear warnings from scientists throughout the world, many nations are sticking to their business-as-usual approach.

Now, you retweeted U.N. Secretary-General Guterres' authoritarian demands to subvert representative democracy across the globe when he said, I call on leaders worldwide to declare a State of climate emergency in their countries until carbon neutrality is reached, unquote.

You retweeted the UNFCCC's tweet: @U.N. Chief Antonio Guterres today called for an end to the war against nature and an increased ambition and commitment from governments to tackle #climatechange, unquote.

Ma'am, these are hyperbolic statements not based on science and actually do not reflect reality. Instead, they are intended to inspire fear of impending doom and instill blind compliance with U.N. edicts through implied threats of coercion and for those who dissent.

Unfortunately, this is just the latest example in the U.N.'s long history now of doomsday profiteering over the climate that precedes the UNFCCC's existence.

In reality, this kind of rhetoric precedes every U.N. climate summit as UNFCCC leaders try to justify its continued existence despite decades of failure and attempt to coerce politicians into selling out their prosperity, liberty, and freedom of their constituents in return for a system of socialism and oppression run by the U.N. central planners.

This historical context creates a credibility crisis for the UNFCCC, one that cannot nearly be overcome by stating the science is clear. That is not enough.

Given this credibility crisis, I am actually disheartened by the fact that you are now demanding we impose significant economic harm on our constituents and send hundreds of billions of their hard-earned taxpayer money overseas without acknowledging, what I consider to be the elephant in the room, and that is that China's massive build-out of coal power plants and intent to continue this practice for at least the next 5 years is somehow in compliance with their NDC that allows for a 30 percent absolute carbon emission increase.

You know that if the U.S. were to reach net-zero today, China's emissions would completely replace them in 3 weeks. That means that all the economic harm imposed on our constituents would result in no, in zero climate benefits even under the most alarmists assumptions.

I got to say that your silence on this matter is indicative of a larger concern about the Communist Chinese Party's influence over the U.N. and the U.N.'s hostility to America's interests.

Ma'am, is it the UNFCCC's position that the United States should sacrifice its economy to pick up the slack of the rogue genocidal CCP regime?

Ms. ESPINOSA. Representative Perry, of course, I have taken note of your statement and of your opinions.

Regarding your question, it is the role of the UNFCCC as the treaty body created by the first to serve the convention and now to serve the Paris Agreement to concentrate on helping countries

in abiding to the commitments that they have made under those international instruments.

Mr. PERRY. I understand that, ma'am. I have got 30 seconds. But you understand that what you are talking about is the United States sacrificing its economy while the Chinese Communist Party just continues to emit 30 percent absolute carbon emission increase over the same period of time.

Let me just say this. The U.S. withdraw from the UNFCCC is, in my opinion, long overdue. It is not about science. It is about politics. It is about socialism. I intend to introduce legislation to do so this week.

I appreciate everybody's time.

Mr. Chairman, I yield back the balance.

Mr. KEATING. Thank you, Representative.

And I want to thank our witnesses, if I can. Take a few moments for some closing remarks of my own. We have an extraordinary witness panel here today, among the world leaders, people that would be making great decision, shaping great decisions from so many perspectives.

You know, Mr. Loris from the private side, which is, the private side will have a major role going forward.

Dean Kyte, your points on emerging nations and the importance of financial markets and other countries moving together and the opportunities that that presents beyond just the climate issues were really quite appreciated.

And Executive Vice President Timmermans, you know, just coming from your own background, representing a coal area where your family was involved, the farming area where you are involved, and recognizing the economic opportunities that exist and the jobs that exist and the future jobs moving our countries forward, truly appreciated.

And, clearly, I just want to thank Executive Secretary Espinosa for your remarks, your work. I think I would take a little different approach, not saying they are hyperbole, but reality. That is what we are dealing with here, reality, and urgency. And I am so pleased to represent in this committee, in the Foreign Affairs Committee, that our witnesses took the time to be part of this very important discussion.

I do not think there will be a more important discussion than we have all year, and to have the caliber of witnesses that we have is truly appreciated. And I hope we can move forward and work together in the future with any suggestions you might have as to how we could better address this existential issue that is in front of us.

It is also an important week. I think it is very likely there will be a major announcement coming from the White House this week, from the President this week on this matter. So I do believe it is not only important in terms of the global clock, but it is very relevant in terms of the decisionmaking and where we are moving in the United States as well.

So I will just deal with some housekeeping, other than my profound thank you for investing the time here with us and the time you spend when you are not here with us dealing with these issues.

And I hope we do as well in this effort as the Boston Red Sox are doing in the American League right now.

So, if I could, I will just read some closing housekeeping things I have to do.

Members of the committee will have 5 days to submit statements, extraneous materials, and questions for the record subject to the length and limitation of the rules.

Again, I want to thank extraordinary panel for their time and their knowledge.

With that, I will declare the hearing adjourned.

[Whereupon, at 4:05 p.m., the subcommittee was adjourned.]

# APPENDIX

**SUBCOMMITTEE HEARING NOTICE**
**COMMITTEE ON FOREIGN AFFAIRS**
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515-6128

**Subcommittee on Europe, Energy, the Environment, and Cyber**

**William R. Keating (D-MA), Chair**

April 20, 2021

**TO: MEMBERS OF THE COMMITTEE ON FOREIGN AFFAIRS**

You are respectfully requested to attend an OPEN hearing of the Committee on Foreign Affairs, to be held by the Subcommittee on Europe, Energy, the Environment, and Cyber via Cisco WebEx (and available by live webcast on the Committee website at https://foreignaffairs.house.gov/):

**DATE:** Tuesday, April 20, 2021

**TIME:** 2:00 p.m., EDT

**SUBJECT:** Restoration of the Transatlantic Dialogue: The Global Fight Against Climate Change

**WITNESSES:** Her Excellency Patricia Espinosa
Executive Secretary
United Nations Framework Convention on Climate Change
*Former Ambassador of Mexico to Germany and Minister of Foreign Affairs of Mexico*

His Excellency Frans Timmermans
Executive Vice-President for the European Green Deal
European Commission
*Former First Vice-President of the EU Commission in charge of Better Regulation, Inter-Institutional Relations, the Rule of Law, and the Charter of Fundamental Rights*

Ms. Rachel Kyte CMG
Dean
The Fletcher School, Tufts University
*Former Special Representative of the U.N. Secretary General*

Mr. Nicolas Loris
Deputy Director, Thomas A. Roe Institute for Economic Policy Studies and Herbert and Joyce Morgan Fellow in Energy and Environmental Policy
The Heritage Foundation

**By Direction of the Chair**

To fill out this form online: Either use the tab key to travel through each field or mouse click each line or within blue box. Type in information.

# COMMITTEE ON FOREIGN AFFAIRS

Note: Red boxes with red type will NOT print.

MINUTES OF SUBCOMMITTEE ON *Europe, Energy, the Environment, and Cyber* HEARING

**Day** *Tuesday* **Date** *04/20/2021* **Room** *Cisco Webex*

**Starting Time** *14:03* **Ending Time** *16:05*

**Recesses** ( to ) ( to ) ( to ) ( to ) ( to ) ( to )

**Presiding Member(s)**

*William R. Keating*

*Check all of the following that apply:*

**Open Session** ☑
**Executive (closed) Session** ☐
**Televised** ☑
**Electronically Recorded (taped)** ☑
**Stenographic Record** ☑

To select a box, mouse click it, or tab to it and use the enter key to select. Another click on the same box will deselect it.

**TITLE OF HEARING:**

*Restoration of the Transatlantic Dialogue: The Global Fight Against Climate Change*

**SUBCOMMITTEE MEMBERS PRESENT:**

*See Attached*

**NON-SUBCOMMITTEE MEMBERS PRESENT:** *(Mark with an * if they are not members of full committee.)*

*Representative Scott Perry*

**HEARING WITNESSES: Same as meeting notice attached? Yes** ✓ **No** ☐
*(If "no", please list below and include title, agency, department, or organization.)*

**STATEMENTS FOR THE RECORD:** *(List any statements submitted for the record.)*

*Ms. Patricia Espinosa Testimony*
*Mr. Frans Timmermans Testimony*
*Ms. Rachel Kyte Testimony*
*Mr. Nicolas Loris Testimony*
*Representative Adam Kinzinger QFR for Mr. Frans Timmermans*

**TIME SCHEDULED TO RECONVENE** _____
or
**TIME ADJOURNED** *`16:05*

Benjamin Cooper
**Subcommittee Staff Associate**

Clear Form

Note: If listing additional witnesses not included on hearing notice, be sure to include title, agency, etc.

WHEN COMPLETED: Please print for subcommittee staff director's signature and make at least one copy of the signed form. A signed copy is to be included with the hearing/markup transcript when ready for printing along with a copy of the final meeting notice (both will go into the appendix). The signed original, with a copy of the final meeting notice attached, goes to full committee. An electronic copy of this PDF file may be saved to your hearing folder, if desired.

## HOUSE COMMITTEE ON FOREIGN AFFAIRS

*EUROPE, ENERGY, THE ENVIRONMENT, AND CYBER SUBCOMMITTEE HEARING*

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# RESPONSES TO QUESTIONS SUBMITTED FOR THE RECORD

**House Committee on Foreign Affairs**
**Europe, Energy, the Environment, and Cyber (E3C) Subcommittee**
**Question for the Record from Congressman Kinzinger for Executive Vice President Timmermans**
**April 20, 2021**

**Question:**

The European Commission has been promoting policies with stated aims to improve sustainability and combat the worst effects of climate change through proposals such as the European Green Deal and the EU Taxonomy. However, these policies appear to systematically exclude the second-largest source of clean energy in Europe: Nuclear. Study upon study indicate that any deep decarbonization of our economies will require reliable carbon-free generation in abundance—the kind that nuclear energy delivers. It appears that nuclear energy has been excluded due to ideological rather than scientific factors, as the recent Joint Research Center study "did not reveal any science-based evidence that nuclear energy does more harm to human health or to the environment than other electricity production technologies already included in the Taxonomy as activities supporting climate change mitigation." Can you please explain why, in the fight against climate change, the EU appears to be taking an essential tool off the table? And can you please describe what steps the EU will take to ensure that all low-carbon technologies are available to fight the climate change threat?

**Answer:**

Executive Vice President Timmermans did not submit a response in time for printing.

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