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The concept of accountability and climate change in the environmental policy of the new U.S.A. presidency

Thank you. I'd like to start by thanking Dr. Galli for inviting me to address such an important public about this very current issue. If my presentation is lengthy, I apologise for that now, but I'd like to take the opportunity to illustrate in detail the position of the Obama administration as regards a topic that has taken on great importance for my country and its new president, as is evident in the announcement made by the White House this weekend. It is a special honour for me to talk about this subject not merely because the USA is ready to re-assume the traditional role of leadership that as a nation it has enjoyed in the past on scientific and environmental issues, but because, as a diplomat, I have spent many years living in very diverse places and have had the chance to observe very different attitudes to the climate and environment and different attitudes to the use of fossil fuels. People in Iraq, for instance, often say that the concern over global warming is exaggerated; in Russia maybe they hope it will happen soon. Both countries rely on oil. In Germany, attitudes are very different as, of course, they are here in Italy; so it is not easy to reach an international consensus, this task requires an international leadership, which is exactly what the Obama administration intends to do. I am fascinated by the idea of talking about this in Milan, where climate-related technological progress has forged the lifestyle of this great, historic city since the 12th century, when the Cistercian monks devised the system of marcite meadows to prevent the land from freezing, in order to guarantee fodder for their beasts of burden all year round; Agriculture was boosted by the construction of the canals, international trade boomed, highlighting the essential role of transport in economic growth, mankind changed its environment a little to improve the wealth of society. This morning, a series of authoritative experts described the scientific aspects of climate change. In the 21st century, knowledge and technology no longer come through monks, rather public funds cover the cost of the necessary measures in the form of direct investments or fiscal subsidies and other incentives for promoting green technology. In other words, our policymakers have to decide on the measures to be implemented and how much to spend and here the position of the USA is very important. Therefore, I am not in the least surprised that in the USA and EU so many people are talking about the meaning of President Obama's election as regards environmental issues and the presumed cut with the past, with the previous administration. There can be no doubt that President Obama is a very different politician to his predecessor. The President represents a new generation; Obama is in many ways the first President of the new technologies, his biography makes him a representative of the changes that have fashioned America over the past 50 years, both as regards social policy and the highest percentages of emigrants in the history of our country. In a certain sense, he is the first global president. President Obama is committed to tackling the global challenges of climate change and to making sure that America reduces its greenhouse gas emissions by 2050. He also made it clear this weekend that the United States intends to act as a leader in this field by announcing the energy and climate meeting to be held in Washington on the 27th and 28th April. This meeting will pave the way for the forum to be hosted by Prime Minister Berlusconi on 20th July in La Maddalena during the G8 summit. The 17th most important countries will take part in this meeting to prepare the ground for concrete results to be achieved at the climate change summit to be staged in Copenhagen in December this year. President Obama is more than ever concentrating on science and technology on the technology front, he has appointed the first Chief Technology Officer, the person responsible on a nationwide scale for making sure that the government that uses the best and safest technology available and that it uses it in the best way from a scientific standpoint. The Obama administration has nominated as energy secretary a winner of the Nobel Prize for physics and appointed a special envoy for climate change within the Department of State. President Obama has also stressed that the United States government's solid tradition of investing in cutting-edge scientific research will continue and that the efforts to improve America's performance in those scientific fields of key importance to the global economy will be stepped up; great hopes have been placed in this new President, however he also faces important challenges. He inherited an unprecedented worldwide economic crisis and a series of demanding foreign policy situations that require immediate attention and the ongoing commitment of important resources. Both these issues could, in a certain sense, distract attention from the issue of climate change, however over the past year, with the oil price peak and subsequent slump, our people

have realised that we need to be more independent of oil, that we need to diversify our energy sources and the supply of oil and gas. We have to make the most of this general state of mind to take suitable action, the support of public opinion will be needed to achieve these targets in the environment field, particularly as the economic crisis is absorbing the administration's energies and the public's attention. We have come to a turning point in economic history; the system that has served us so well for sixty years now looks as though it is in need of reform. This does not mean fundamentally overhauling the global economic system that has emerged and developed; the principles of a free market, free circulation of capital and free trade are as current as they ever have been. After all, sixty years of this system have created an unprecedented standard of living for millions around the world; the return to more isolated, protectionist policy may bring apparent relief to workers and businesses in difficulty in the short-term, however it will cause greater damage in the long-term, by prolonging the global crisis. In any case, a financial reform is required. Worldwide, this year efforts are being made to define new national rules for control and transparency, in order to balance industrial stability and growth. Reform must come, as it always has, through an increase in productivity. It is clear that industry can no longer count on the availability of unlimited natural and economic resources, to boost growth it has to pursue a new cycle of technological innovation to make business more efficient. The key aspect of President Obama's strategy lies in this approach: using innovation as a key for obtaining long-term growth. In the United States, the public sector is playing an unusually important role in promoting short-term economic recovery and renewing faith in the financial sector, however it will be the private sector, by using innovation and technology to increase productivity, which will drive prolonged growth; with this new strategy, investments in new innovation have three useful objectives: creation of jobs, reduction in energy consumption, diversification of sources and reduction in greenhouse gas emissions. These results are certainly not guaranteed and they are subject to the influence of type of investments made for the success of various innovations many of which have not yet been tested on a large scale. As a first step towards achieving these three objectives, the plan of fiscal stimuli adopted by Congress and signed by the President envisages approximately one hundred billion dollars of direct investments, loan guarantees and fiscal incentives to encourage research and development in areas such as renewable energies and environmentally friendly construction, as well as the expansion of mass transport. Investments are also planned to improve facilities and equipment in hundreds of public universities and schools in order to prepare young Americans for success in crucial areas of the hi-tech sector. The various stimulation plans presented in the European Union, on the other hand, envisage 60 million dollars of investments in various sectors including 17 billion for energy efficiency and 19 billion for more environmentally friendly cars. The European Commission has promised green investments of over 130 billion between 2007 and 2013. By turning to green technologies and the hefty sums destined to them, the United States established a starting point. However, it is important to remember that we have a strong tradition of investing in technology and the environment, despite President Bush's image of being against spending for the environment, mainly due to his opposition to the Kyoto treaty; he had a good track record as regards expenditure on investments into alternative energy and green technologies and in 2006, 38 billion dollars were allocated to research on green technologies and alternative energies. Over the past eight years, 45 billion have been invested to reduce greenhouse gas emissions, the progress in the wind and solar power field and rapid boom in the use of biofuels in particular characterised the Bush presidency. In 2008, 10% of the Unites States' energy needs was produced by alternative energy sources, the objective is now far greater. The funds will be destined to new initiatives such as the installation of intelligent meters and development of new energy transmission lines that guarantee the penetration of electricity from renewable sources. The funds will also go to the many existing governmental and public and private programmes, such as the Department of Energy's "Freedom CAR and Fuel Partnership" for the development of a better technology for car batteries, tax credits for companies that produce energy from renewable sources and those that install solar energy generators to increase the energy efficiency of homes and governmental offices. The key for supporting this objective will in any case be to stress how these investments are valid for the economy as they promote growth and the creation of new well-paid jobs. So how will these investments help to create jobs? According to a study conducted by the Peterson Institute for International Economics, one of the United States' most well-respected economic think tanks, for every billion dollars invested in strategic areas of green innovation, about thirty thousand jobs will be created, otherwise in the last year we have lost three million jobs; this means that these investments need to be high enough; however, these new jobs will be created as a direct result of the government's green research policy and indirectly as the result of savings generated by a reduction in energy consumption that will be invested in more constructive ways. According to the same analysis, every billion dollars invested in green technology should generate up to four hundred and fifty million dollars in savings to be used in the economy; as far as reducing our dependency from foreign energy sources is concerned, the new approach adopted by the United States should give clear results in the mid- and long-term: first,

the plan envisages doubling renewable energy sources for the whole country over the next three years; second, the stimulate package and budget proposed by the President envisage the allocation of approximately 25 billion dollars for the expansion of public transports and the high-speed rail network that would lead to a continuation in the demand for petrol for private cars; third, the Government is working with car manufacturers to improve the fuel efficiency of circulating vehicles and to produce new batteries that make vehicles lighter and more efficacious and, last but not least, the environmental impact of these new priority investments must be considered. The idea is not simply to impose on already weakened companies arbitrary reductions in emissions, regardless of their economic cost, conversely, the aim is to encourage efficient markets and the building of a fair regulatory structure through which investments can be made in clean and more appropriate technologies. According to independent estimates, to date, this proposal has led to the development of alternative energy sources and their consequent optimal transmission and an increase in the production of efficiency should give the greatest possible impact; however, state investment in these programmes are just half the battle: the President has announced that Congress is expected to pass a law restricting coal pollution, with the aim of further stimulating private investments in green technologies and alternative energies. In his new budget proposal, which may obviously be amended by Congress, President Obama estimated 7.9 billion dollars' revenue per year. In addition to this new limit, in which 15 billion would be allocated for further investments into clean energy, as regards reducing emissions, I would like to highlight another element of our new policy that I believe is of particular interest here in northern Italy: the President recently asked the Environment Protection Agency to review the requests put forward by the state of California and 13 other states to establish higher levels than those required by the federal law on vehicle emissions. If approved these exceptions could pave the way for a more decentred federal approach that allows states to adopt greener rules than those required by the federal government, to give industry a further incentive to renew and invest in green technologies. Although investments in green technologies represent an important part of the new direction given to our economy, they are not just a priority and commitment of the United States, the economic concerns sweeping the United states are not merely ours, although Italy has suffered the crisis to a much smaller extent, it has not avoided it all together, the situation will probably get worse before it gets better; we must and can help one another by investing and working together.

Italian and American researchers can reduce the cost of each new technology in both countries. The US has a lengthy tradition of being at the cutting-edge in the development of environmental technology, for example in solar energy; the same tradition also exists here in Italy, which creates a natural partnership for expanding bilateral cooperation from right now; in the short term this is what the Consulate aims to do in Northern Italy: under the patronage of our Partnership for Growth programme, we want to take action to consolidate partnerships between scientists and businessmen, by presenting the American Technology Transform model, committing ourselves for a better protection of intellectual property and taking action to promote meetings between university professors, entrepreneurs and financial backers. We aim to use trade fairs specialised in environmental technologies and environmentally-friendly construction scheduled to take place in Milan and elsewhere in northern Italy to encourage cooperation between Italian and American entrepreneurs sharing the same outlook; we will also work with Italian companies in search of investment opportunities and forms of joint venture to develop or produce environmentally friendly technologies; in America we will encourage American scientists and green technology, climate change and energy safety experts to come to northern Italy for short programmes or long-term partnerships with research centres and universities that concentrate on these fundamental topics; we will also work with sector entrepreneurs in northern Italy to put them into contact with local financial backers interested in funding the most innovative research; we will do our part to promote cooperation, however the success of this commitment between entrepreneurs will depend on the Italian institutions and their willingness to share their best practices with their American counterparts. For example, certain cities already lead northern Italy in the energy and environmental field and we hope that they will contact their American counterpart; one example is Bolzano, where the Clima-Energy exhibition is an important forum for exchanging ideas on the commercial use of renewable energy and I hope that an increasing number of American businesses can draw an advantage from it. In Treviso, where there is a solar power system that is already operative and that produces electricity for industries and private households, we can study this model to see whether it is economically sustainable to produce electricity in this way in a large-scale; I should also mention the zero-regio project in which Fiat and Regione Lombardia have taken the initiative to try to develop a fleet of hydrogen-powered vehicles and network of refuelling stations; if the proposed Fiat-Chrysler partnership agreement goes ahead, this will be another area in which American and Italian experts can work together to find economically viable alternative energy solutions, that would constitute a benefit for both Americans and other Italians. To close I would like to remind you all that in these times of economic difficulty we are faced with a number of very serious common challenges, as well

as the incredible opportunity of reforming the global economy together. To get the most from this opportunity our countries must continue their tradition of close partnership; we must both strengthen the conviction of the need to avoid giving protectionist solutions to the economic crisis and isolated solutions to political issues, in the same way, like old friends, we must maintain an honest dialogue on the need for ongoing economic reform. I hope that it will be possible to establish a permanent dialogue on how to proceed with those present here today. Thank you for your attention and patience.