

Among the approaches which might be analyzed are those which have been currently proposed, including the AOSIS proposal of 20 percent CO2 reduction by 2005, as well as other possible approaches, including successful experiences with policies and measures in areas such as transport, energy, industrial, residential/commercial, agriculture/forestry, and with non-CO2 gases to cite a few examples.

We should also examine the impact of various market mechanisms, including fiscal instruments and activities implemented jointly, including emissions trading. Among the technological opportunities which might be explored are the increased use of renewables, improved energy efficiency, the more efficient and safer means of conventional energy sources now in use, and methane recovery to name a few.

Finally, we may also want to look at the impact of climate change and mitigation actions, taking into account both the subsidiary body consideration of the IPCC's forthcoming Second Assessment Report and other national and international assessments, including those contained in the U.S. and other national and international country studies programs (which, in the U.S. case, are currently underway in 55 countries).

In sum, we believe that the analysis/assessment should develop output to address all aspects of the fulfillment of the Berlin Mandate. It should include an examination of the economic and environmental consequences of actions and inaction, both global and national, on both Annex I and non-Annex I Parties and include issues related to the timing of such actions. In addition, it should consider the consequences of actions on greenhouse gas emissions, the potential of shifts of industries to non-participating countries, and the effects on both employment and the investment cycle, as well as the implications for trade.

Mr. Chairman, I believe that we are all in agreement that the ultimate objective of the convention is to stabilize atmospheric concentrations of greenhouse gases at a level that would prevent dangerous anthropogenic interference with the climate system. However, given the political realities which confront us, it is clear that the next step alone is unlikely to yield that result. Thus, the analysis and assessment should assist the parties to address a fundamental issue: What is the best we can do through the Berlin Mandate toward achieving our ultimate objective?

An analysis of the impacts of near-term versus longer-term actions (e.g., in five or ten-year increments) could help to resolve this issue. It is our view that the approach contemplated by the United States would obviate the need to