

NATIONAL PRESS CLUB NEWSMAKER LUNCHEON WITH SENATOR JOHN KERRY (D-MA)

TOPIC: GLOBAL CLIMATE CHANGE

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MR. ZREMSKI: Good afternoon, and welcome to the National Press Club. My name is Jerry Zremski, and I'm Washington bureau chief for the Buffalo News and president of the National Press Club.

I'd like to welcome club members and their guests in the audience today, as well as those of you watching on C-SPAN.

We're looking forward to today's speech, and afterwards I'll ask as many questions from the audience as time permits.

Please hold your applause during the speech so that we'll have time for as many questions as possible. For our broadcast audience, I'd like to explain that if you hear applause, it may be from the

guests and members of the general public who attend our luncheons, and not necessarily from the working press. (Laughter.)

I'd now like to introduce our head table guests and ask them to stand briefly while their names are called.

From your right, Tom Doggett, Reuters energy correspondent; Helena Andrews, reporter for the Politico; Darren Samuelson of Greenwire; Evan Lehmann, a reporter for the Lowell Sun in

Massachusetts; Steven Mufson of The Washington Post, the guest of the speaker; Ross Allen, Washington bureau chief of Argus Media Group; Andrew Miga of Associated Press, a guest of the speaker.

Skipping over the podium, Angela Greiling Keane of Bloomberg News, the chair of the National Press Club Speakers Committee.

Skipping over our speaker for a second, John Donnelly of Congressional Quarterly, vice president of the National Press Club and the member of the Speakers Committee who organized today's lunch.

Jo-Ann Moriarty of the Springfield Republican, and a guest of the speaker.

Q Hi.

MR. ZREMSKI: Hi.

Jonathan Allen, a reporter for Congressional Quarterly and a member of the Speakers Committee here at the club; Victoria Jaggars (sp), news editor for National Geographic Digital Media; Ed Epstein, congressional reporter for the San Francisco Chronicle; and Robert Coontz, deputy news editor for physical sciences at Science magazine. (Applause.)

Last week President Bush described his aspirational goals on an issue that hasn't really been the centerpiece of his agenda for the last several years: climate change. So perhaps it's a sign that the politics of global warming is starting to catch up with the science. The arguments among the scientists now are about how serious the consequences of global warming will be and how much time we have to avert them.

Today's speaker, Senator John Kerry of Massachusetts, is among those who believe that the impact will be more serious than many realize, and that the time to act is limited.

Senator Kerry and his wife, Teresa Heinz Kerry, have long been environmentalists. In fact, the two met on Earth Day in 1990. Earlier this year, they published a book called "This Moment on Earth," which chronicles how ordinary people are doing extraordinary things to help protect the planet's resources.

Of course Kerry has done some extraordinary things himself. In fact, by now most of you know his story. Kerry graduated from Yale in 1966 and then volunteered to serve in Vietnam, where he won numerous medals for valor, including three Purple Hearts. Upon returning to the United States, Kerry went public with his deep concerns about the war. In 1971, he famously asked the Senate Foreign Relations Committee, "How do you ask a man to be the last man to die for a mistake?" Kerry later worked as a prosecutor in Massachusetts and then was elected lieutenant governor of the state. In 1984, he was elected to the first of his five terms in the U.S. Senate.

In 2004 of course Kerry earned the Democratic nomination for president. That November, he lost narrowly to President Bush. This

past January, Kerry announced that he would not seek his party's nomination in 2008. Instead, he said, he would run for re-election to the Senate next year and would focus on ending the war in Iraq. He says he regrets voting to authorize military action in Iraq in the fall of 2002.

Kerry is also active on health care, veterans' concerns, energy independence and more. Not running for president, Kerry says, means people know that his positions are coming from my heart and my gut and not from a political strategy. And today he will speak to us about an issue that has long been close to his heart -- the environment and the fight against global warming.

Ladies and gentlemen, please join me in welcoming Senator John Kerry of Massachusetts to the National Press Club. (Applause.)

Thank you very much, Senator.

SEN. KERRY: All right. Thank you very much. Appreciate it.

Jerry, thank you. Thank you very, very much for the introduction, and thank you all for the privilege of being here and continuing and taking part in a great tradition here in Washington, and I'm honored to be at the Press Club. I'm honored to have a chance to share some thoughts with all of you.

And not only is time precious with respect to those issues, but I'm told we have votes starting in about 50 minutes, so time will be precious here. And, therefore, I want to try to go as rapidly as I can to the heart of what I want to share with you today, and then needless to say, get as many questions as we possibly can.

For years now, some in Washington have clung to almost any excuse or any rationalization that they could find, no matter how thin it was or how absent any kind of scientific basis, to avoid confronting the realities, the imminency of the threat of climate change. But last week, on the heels of President Bush saying that climate change is a serious issue, we reached I think a new low when Michael Griffin -- the administrator of NASA, the agency that oversees climate science -- offered a disturbing insight into what many of us have long feared is really the true position of this administration: He said that while he acknowledges the existence of global warming, he's not sure it's fair to say, quote, "that it's a problem we must wrestle with." He said he isn't sure which human beings should have -- and these are, again, his words -- "the privilege of deciding that the particular climate that we have right here today, right now, is the best climate for all other human beings." He thinks it is, quote, "arrogant" to think that the government should act on climate change.

Well, ladies and gentlemen, I and I think several thousand other scientists and presidents, finance ministers, trade ministers, environment ministers, prime ministers and presidents of countries across the globe would have news for Administrator Griffin. History will show that what is arrogant is how this administration ignores the pleas from the world community, from Democratic and Republican governors, from CEOs of major corporations in our country, from

religious leaders of every denomination to do something responsible about climate change.

It's not a privilege for this administration to protect us from climate change, it is an obligation. And anyone in lower who thinks otherwise ought to have the privilege of finding a different job or being voted out of office.

Yet when it comes to energy independence or to fighting climate change, neither the blame nor the burden for inaction falls on one party alone. Washington -- this city in its conglomerate -- has never missed an opportunity to miss an opportunity. (Laughter.) Even President Bush is now fond of saying that America is addicted to oil. But Washington's preferred policy -- the Congress of the United States, everyone -- has been to feed the addiction. The government's attitude on greenhouse gases has been to let them increase, and Congress's energy alternatives thus far have really been token -- witness the last energy bill and again and again the partisan approach to crisis has been to denigrate the environment itself.

Last November, Americans spoke out, and I believe they spoke out because Americans understand the truth. America is not addicted to oil because America wants to be; it has been addicted to oil because that's the way powerful interests want it to be, and that is the way the Congress has acquiesced.

The good news is that right now -- in the next weeks, this month -- we have a chance to begin to get it right. In a single month we could rewrite the shameful story of procrastination, manipulation and, most of all, failed leadership that has defined our energy policy for 30 years or more. Here at home the Democratic Senate has a chance -- the whole Senate, led by the Democratic Party, obviously -- has a chance to pass an energy bill that shapes our energy policy and our research priority for years to come. And overseas right now at the G8 conference in Germany, the president has a chance to remind the world of what America should always stand for by committing our country to concrete measures in this fight against climate change.

That's why today I call on the president to make a commitment at the G8 summit that has real targets, that has real timetables and not rhetorical ones. I believe it is imperative that Congress -- and particularly we Democrats who have been given this mandate for change -- that we do what is right here at home.

For Democrats, the energy bill that is coming to the floor is a test of our will, and I hope we'll see it that way in these next days. And the question of whether or not we are serious about our responsibility to govern differently will be put to that test. Democrats took the majority of both houses of Congress because we promised to do things differently. We weren't elected to be the party of Big Oil only to be a little less obviously so. And we weren't elected to be like the Republican Party -- led the Congress in the past -- only a little bit more progressive. I believe that if we merely tinker around the edges of energy policy or of climate change or write an energy bill that is indistinguishable from the ones that we criticized the Republicans for passing, then we have not earned our majority.

The energy bill the last Congress passed was a hollow exercise masquerading as a new direction while giving the majority of the spoils to the very same old interests. It had no guiding national goal, no tough decisions, no change in major priorities -- just a collection of log-rolling, back-scratching subsidies for any industry with the clout to get a seat at the table and a share of the pork -- a few good ideas, but a lot of bad ideas -- a lot of ugly ideas. I'm not going to go into all of them now, but certainly in the Q&A, I'd be prepared to give you the list of really how atrocious that legislation was, measured against the challenge of our times.

This was really the latest chapter in the long story of both parties playing politics at its worst: ducking the difficult choices, giving in to the big contributors, substituting words for deeds, postponing the reckoning until the day after tomorrow. If you offend no one, believe me, you change nothing.

But the world is changing around us. The science is proving the changes that are taking place at a pace that is more rapid and more significant than any of those scientists predicted. And we squander this moment, literally, at our peril.

The question now is, what will our Democratic Congress offer to break with the past? What are we going to do to break the oil addiction that leaves us at the mercy of different regimes in the Middle East and pushes the world ever closer to a global climate change tipping point that would be irreversible?

Well, I believe a serious energy bill is based on three fundamental components -- the three fundamental components from which you get the greatest response to climate change: one, a major increase in energy efficiency -- the efficiency of all sources and uses of energy, from pickup trucks to fluorescent light bulbs and everywhere in between; two, dramatic incentives for all renewable sources, including the requirement -- not a goal, but the requirement that at least 20 percent of our energy come from renewable sources like wind and solar by the year 2020; and three, a comprehensive plan to get clean coal technologies and carbon sequestration off the drawing board, under construction, and into the marketplace as rapidly as possible.

Those are the only big three ways of comprehensively and competently dealing with global climate change. So let me say a few words, quickly, about each -- and I mean quickly. First, energy efficiency: Improving fuel economy is the starting point. It's the cornerstone of the strategy to reduce our reliance on imported oil. Since America's second oil crisis in 1980, our oil imports have increased from 37 percent to 56 percent, but our passenger fleet averages 25 miles per gallon -- the same as in 1981. And there's no reason for it.

Don't take my word for it: The National Academy of Sciences found that existing engine technologies are cheap enough to pay for themselves over the life of the vehicle and they can enhance the fuel economy of the vehicle by eight to 11 miles per gallon with no net cost whatsoever to consumers. This is happening in some parts of our

country in some places where some consumers are making a choice. Today there's a company in Massachusetts that has developed the technology for a plug-in hybrid car that gets 150 miles per gallon. I've seen the car -- it's a Prius, Toyota, converted, and there's several of them driving around right now.

The average American commute is less than 40 miles, ladies and gentlemen. It's less than 30 miles, actually, round trip.

This car can travel that far without any meaningful contribution from a combustion engine. So just think of the fuel savings if the average commute required almost no fuel at all.

Senator McCain and I first proposed a 35-mile-per-gallon increase in fuel standards in 2002, and I have supported efforts to move in this direction my entire Senate career. However, the current version of the energy bill includes loopholes that are so large that it allows automakers to actually avoid increasing the average fuel economy as much as they claim to. Anything less than a guaranteed 35-miles-per-gallon over the next decade is unacceptable.

But it's not just automobiles where you have to find efficiency, ladies and gentlemen. Buildings, building green, can provide an enormous boom to our economy. How many buildings are going up around us right here in Washington, and how many people have asked how green any of those buildings are going to be? Green roofs, green materials, green energy.

Look at the Texas Instruments building in Dallas as an example of this. To save enough money to justify building their new plant in Texas instead of moving to China, which is what they had decided to do, they challenged their engineers and architects to say show us how we can save the money we'd get if we went to China by staying here. They got Amory Lovins from the Rocky Mountain Institute. He came down, helped them, they looked at what they could do. And they redesigned the building from three floors to two, they made straight pipes instead of bent curves that use more energy to move the fluid, they put in climate control and so forth, used different materials, and today they're using 25 percent less energy, 35 percent less water, and they're saving \$3 million a year to the business as a consequence of those decisions. But most importantly, there are 88,000 jobs that have stayed there, \$14 billion to the economy as a consequence of that decision.

That's something we could be doing all over this country -- creating more jobs, using technology, advancing the future, saving energy; and net bottom line, more competitive companies as a result.

Frankly, the energy bill that we currently have offers no mandate for renewable energy. That's unacceptable. Over the last five years, ladies and gentlemen, 24 states and the District of Columbia have on their own implemented local requirements that 20 percent of the energy come from renewable sources by the year 2020. The states are ahead of

the federal government. Governors are leading where presidents and Congress are not. And I find that unacceptable and even insulting to the job and responsibility that we have.

So it's time to get it right. And yet we see a number of Republicans continue to stand in the way of a federal renewable portfolio standard. Ladies and gentlemen, we're going to fight for this in the next weeks and we're going to try to get this standard in place.

Finally, the energy bill doesn't adequately address our number one source of energy, which is coal. Now I understand coal. I campaigned for president, I've been across the country, I know where we dig it, how we dig it, I've been in some of the mines, and I am passionate about mine workers, the risks they take and their role in America. Coal is available, it's abundant, and it's cheap. But it's also a huge source of U.S. greenhouse gas emissions, of world greenhouse gas emissions; 1.5 billion tons of carbon dioxide a year.

Why, therefore, is clean coal so important? Because we don't stand a prayer of addressing global climate change, and I mean this globally -- means India, China and others -- unless we deal with this issue of coal and produce clean coal. And to get serious about it, we have to recognize what's happening with the current construction and production.

In the last 250 years, carbon dioxide levels in the atmosphere have risen -- and this is very important. This is one of the most important things I want to point out today because it underscores the urgency, it underscores the full measure of this challenge. Before the Industrial Revolution, we produced about -- the planet produced, though deforestation, through natural carbon dioxide -- about 280 parts per million of our greenhouse gases were carbon dioxide -- were greenhouse gases. That's what we lived with, 280 parts per million greenhouse gas.

In the period of the Industrial Revolution, we've gone up because of our emissions to 380 parts per million now. That is higher today than at any time in the last 650,000 years. And how do we know that? Because scientists have unequivocally found through the ice spores that they take and measured the oxygen, carbon dioxide, and the climate history, the temperatures included.

So we know this. This is fact, this is science. We also know that carbon dioxide stays in the atmosphere for a century or more. What we've already put up there will continue to do damage.

So the criticality of this is that scientists have told us, up until a year ago or two years ago, they told us the Earth could tolerate a three degree Centigrade increase. We've already gone up .8 degrees with what we've put in the atmosphere to date. But now they've changed, ladies and gentlemen. Now the scientists have revised their estimates and there is a complete consensus among those scientists that because the feedback on what is happening is coming at such a greater pace and in such a greater amount, we no longer have the luxury of a three-degree Centigrade increase to tolerate, it is two degrees Centigrade. We no longer have the luxury of allowing 550 parts per million of greenhouse gas to be the standard, it is 450 parts per million.

So do the math for yourselves. If we've already raised the Earth's temperature .8 degrees centigrade, and there's already 100 years worth of continued damage that raises it another .8, that's 1.5, 1.6 -- it depends what happens, obviously -- that gives you a cushion of about .5 degrees in Centigrade. And if we're already at 380 parts per million and the allowable is 450, but we're staring at coal-fired plants that are going to put three, four, five times the greenhouse gas in the atmosphere, we would make it impossible to ever hold it to 450.

All you have to do is read the science about tipping points and what the consequences of that are. Already we're seeing 4 million acres of spruce in Alaska being destroyed by beetles that before used to die. They don't die now because the temperature is warmer. Permafrost in Alaska, whole villages being moved, to the tunes of several hundred billion dollars, because the permafrost is melting. Scientists in Russia who have told us there are 4 million billion tons of methane that are locked in and have been locked in for hundreds of thousands of years to the permafrost; as the permafrost melts, the threat of that being released is enormous because it is 20 to 30 times more potent than carbon dioxide.

You see species moving, you see ocean currents changing, you see the acidity of the ocean greater than it has ever been, 35 percent increase in acidity. And on the front pages of our papers just a few days ago, we read that in the Antarctic, the saturation point has been reached in the oceans.

I've been chairman of the Oceans Committee in past years, and I've been listening to scientists tell me how the ocean acts as a huge sink which swallows up a lot of carbon dioxide, which is great, except that none of them can tell you where the saturation point is and when the ocean may begin to regurgitate it, spit it back out.

Now we see that we have reached a point of saturation in the Antarctic. What happens to the rest of it? These are the imponderables. I can't give you all the answers, but you can surely see the course and the dangers that we're on.

So scientists have made clear this challenge, and as public people, I believe we have a fundamental moral responsibility, a practical responsibility, a common-sense responsibility to try to respond adequately to these things. With those levels of emissions in the atmosphere already, we don't have a lot of time to play with.

So it's urgent. What I've said to you is not driven by politics, it's driven by scientific fact. It's driven by the alarm bells of scientists whose entire career is to make solid judgments based on evidence. Basically, conservative people. And it's based on 928 peer-reviewed studies. And peer review means that fellow scientists have anonymously reviewed the methodology and the conclusions, and 928 reports say the same thing. Not one scientific peer-reviewed report suggests otherwise. Not one.

And the opponents of doing anything have never answered two fundamental questions which you have an absolute responsibility to answer. Question number one: If global climate change is not being

created by the greenhouse gases, what is creating it?; and, two, how is it that what the scientists are saying it is doing is not happening? How can it not be scientifically happening according to the way they say it is? Neither question has ever been answered.

So, my friends, any energy bill worth the paper that it is printed on has to make a dramatic investment in developing technologies for clean coal on the order at least of \$1 billion a year or more. We have to heed what MIT recently introduced, the groundbreaking study talking about carbon capture and sequestration, CCS as it's known. And they say that CCS will allow us to meet our energy needs. It will allow us to use coal. And it will allow us to continue to grow our economies and move without disruption, providing we move to take to market scale the sequestration that we know how to do, the carbon capture that we know how to do, but that we have never yet taken to market scale. I believe we need at least 10 major government-funded efforts to go out there as rapidly as possible in order to get those into the marketplace, and then let the marketplace decide -- not us -- which one works best, most efficiently, most effectively, and the market will take over, providing we have the courage to do the other thing we need to do, and that's obviously to set a carbon cap which sends the marketplace a pricing for carbon itself with the least disruption possible.

So these are the steps that Democrats have to take, and hopefully Republicans too, in a bipartisan way. We need to use this energy bill to dramatically increase the number of tools in our arsenal to reduce greenhouse gas emissions. We should be massively increasing our investments in solar and other renewable electricity sources. We should promote the purchase of cleaner vehicles, fleets and we should be supporting green buildings.

How do you pay for some of this? It's not that hard, folks, to be honest with you. Last time I checked, big oil's profits were hitting historic highs at the expense of the average American who is already paying in a sense a tax for this, if you will. In fact, big oil companies have pocketed \$225 billion in profits since the start of 2005. Do you think it would really upset America if they only profited \$220 billion or \$215 billion? Surely, we have the ability to be able to break the sweetheart deals and tax breaks that even President Bush and some others have suggested maybe have seen their time.

At the same time, American consumers are obviously paying record prices at the pump. And I say enough is enough. This defies common sense. What is the public policy rationale for providing major breaks to those who go out to get fossil fuel, when we know that fossil fuel is contributing to the very crisis that we are presented with which we're not funding the solution for at all? The CEOs of big oil, incidentally, several of them have said these incentives are unnecessary. So I have a bill that will roll back the subsidies for big oil, saving over \$20 billion. And I think when you measure those priorities, we ought to be asking every single member of Congress to step up and be counted on this issue.

The cap-and-trade issue, I believe, is also critical. I've seen it work. I was part of the negotiations in 1990 on the Clean Air Act.

When I was lieutenant governor, I served as chair of a governor's task force that helped develop it, working with John Sununu and Dick Celeste, then-governor of Ohio. And we put together this whole concept of cap and trade and how you sell credits. I've seen it work on the sulfur dioxide and the acid rain. And, guess what, ladies and gentlemen? We not only did it at way less the cost of what the business community predicted and the timeframe they predicted; we did it at less than the cost and the timeframe that the environment community predicted. And the reason is that once you see the goal, no one has the ability to predict what happens when technology takes over and you begin to move down the technology road.

So I believe the president has a unique opportunity in these next hours. At the G-8 summit. He could follow up on his promises from last week to transform our nation from the world's laggard to the world's leader. I think it's welcome that he has spoken about this. But aspirational goals will not do the job. We've had aspirational goals since the day we went to Rio in 1992 and President George Herbert Walker Bush signed the voluntary framework into law. It doesn't work, voluntary. You have to set the goals and the mandates. And at the G-8 summit, I believe the president has an opportunity to do that. Apparently he's so new to this issue that he doesn't even realize when he asks for a conversation we've been having a conversation on this globally for more than 10 years now. And that was the U.N. framework on climate control and climate change. So it's not the time for talk. It's the time for change. It's not the time to have some proposal put on the table at the G-8 that's being used as an opportunity to avoid what most people know we have to be doing.

So I close by saying to all of you that this isn't going to be easy, because the politics are complicated. But the American people understand that there are jobs available, that this is our leadership that's at stake, and ultimately even survival. As John Kennedy told a crowd at Rice University in Texas, he said, you know, we chose to go to the moon in this decade not because it is easy but because it is hard, because that goal will serve to organize and measure the best of our energies and our skills, because that challenge is one that we are willing to accept and one that we are unwilling to postpone and one that we intend to win. That's the kind of attitude that we need to bring to this endeavor -- great challenges bring greatness to those who master them. And either through the ferocity of our fight or through the weakness of our willpower, this will be the challenge that defines our generation.

It's the fight of our time. What happens if we do respond? If Al Gore and the scientists and those of us who are fighting for this are correct, what happens if we do it? Well, we're going to have cleaner air. We're going to have less particulates in the air. We'll have less kids with asthma, less unwanted hospitalizations. We'll create a whole bunch of new technology jobs that we -- technologies we can sell to China, to India, to the rest of the world. We will become more energy independent. We'll be able to home-grow our own energy. We'll be more secure as a consequence of taking these steps, more secure in the world, less dependent on foreign oil. Our economy will be more liberated and independent. Those are the downsides of taking action.

What's the downside if they're wrong, if the people who don't want to do anything are wrong? Catastrophe. So the test for all of us is which side of the ledger do you want to fall on? And that's the test that I and others intend to put to the United States Congress in the next weeks when we try to get an energy policy that is worthy of this nation and worthy of this challenge. Thank you. (Applause.)

MR. ZREMSKI: Thank you very much, Senator. We have a lot of questions on this issue. First of all, why do you think the Bush administration, with the exception of NASA, has glommed onto this global warming issue now?

SEN. KERRY: Well, I think that one of the most important things that has happened -- and not enough people have taken note of it -- is a significant amount of venture capital money is moving in that direction now, led by people like Vinod Khosla and others out in Silicon Valley. President Clinton has a green fund, others do. There's a great effort now to invest in the sector. And the business community is increasingly acting publicly in a responsible way. USCAP is the effort under which these businesses have come together, and they are advocating a cap and trade program.

I held a meeting last week that I convened with a group of Republican colleagues, and Democrats -- we had about 20 senators in total -- sit down and meet with Mr. Khosla, Vinod Khosla, with the head of American Electric Power, with the head of Florida Power Light, Siemens, Dow Chemical, duPont -- major members of this consortium of USCAP. And we had one of the most interesting conversations I've witnessed in the Senate in a long time as the back and forth went on about how this will help business, how this will grow our economy, how this is the only responsible way to react to the urgent statistics that are now coming at us in terms of the science.

And you could see the senators -- I mean, when you listen to a guy who runs a multibillion dollar corporation with tens of thousands of employees, who is engaged in international commerce, arguing this, it is a powerful validator of the message. To a certain degree those of us in public life have lost over the last 15 years or so -- it has a lot of ingredients of why -- some of that capacity for validation. I believe the Bush administration is reading the tea leaves of what is happening in terms of that validation. My hope is the president may actually be looking for an issue that could wind up helping to define a legacy that could be different from where he is today. I certainly hope that that's true.

MR. ZREMSKI: How much damage was done by the rejection of the Kyoto agreement?

SEN. KERRY: The damage was the unilateral way in which the United States decided not to take part. I was in Kyoto at those negotiations -- in fact, I managed the Byrd-Hagel amendment on the floor of the Senate when we voted overwhelmingly to express our view that less developed countries should have been part of the equation. But what we were saying in that vote has been consistently misinterpreted ever since.

We did not say in that vote that we rejected Kyoto. What we said

was this requires a global solution and we need all countries to be part of it. And what a responsible administration should have undertaken was immediately going back to those parties and beginning to engage in the prolonged and important negotiations that would bring the less developed countries to the table, and show how you measure their effort. That never happened. The result was it wound up being a very significant slap, and the rejection that showed a kind of isolationism and unilateralism that spilled over into other aspects of American policy. And I would respectfully say that it not only had an impact on Kyoto and the environment, but it had a profound impact on the willingness of other countries to look at us the same way with respect to Iraq or the war on terror, or other kinds of issues in the world.

You know, it's all conglomerate. Nothing is isolated in those ways. And so I think it has had a damage in that sense. But hopefully we can get beyond that now and get to the table and negotiate beyond Kyoto, which is what we all really need to do now, because Kyoto is not enough to do the job at the current moment, knowing what we know.

MR. ZREMSKI: How big a problem is it that President Bush has refused to name a concentration goal?

SEN. KERRY: It's a very serious issue, folks. You can't -- let me go back to what I said a moment ago in my comments. We tried voluntary. We came out of Rio and the world accepted the notion we'd all try to be part of a voluntary framework. Then we went from voluntary to something more specific at Kyoto, where the world decided that we needed to get 10 percent below the 1990 levels, or a different percentage per country -- our percentage was 7, Japan was about 5 or 6 -- I think we varied them -- Europe was at a higher percentage, based on sort of capacity and figures.

That was then accepted as a goal and we obviously didn't buy into that. There is no way to achieve this without being very specific about what your goal is and how you're going to try to reach it. Now, you can -- and this is where it gets very complicated -- China, India and some of the less developed countries believe that this effort by the United States, absent any bona fide effort by us to do something about it, is nothing more than a conspiracy to prevent them, by the Western world, from actually developing. And they are beginning to argue on a per capita basis. They say, wait a minute, per capita you're using so much more than us -- we ought to have a right to be able to grow to a certain level, and you're trying to restrain our capacity to grow. So what we have to do is work out in this equation a way to persuade them how they can grow -- not be restrained in their ability to be able to meet their power needs and their economic needs, at the same time as we all move in the direction for reducing the greenhouse gases.

Now, that requires us -- I know some people balk at this -- but it is the only way we're going to get from here to there, is for the United States, which is the world's leading emitter of greenhouse gases to now earn back the bona fides we gave away by moving immediately to take steps to do something. If we do that, I believe we can gain the good will of the world. We certainly will be able to

join together with Europe to leverage the behavior of these other countries. And, ultimately, ladies and gentlemen, I believe this: that if they don't then buy in, we have enormous leverage in terms of the trade products that we bring into our country. If they are produced with dirty energy, produced in ways that continue to threaten us, I believe it is WTO compliant to take measures that will then restrict their access to market. And that's when I think that you're going to get their attention, if you don't get it before.

So I believe there are very legitimate ways to approach this, and you only can do it by setting those kinds of goals. Voluntary -- I think it's Jim Hansen at NASA said we have about 10 years to get this right. If you look at the figures of what is happening in terms of levels of emissions -- and China is currently planning to build one coal-fired plant per week -- we have about 100 that are currently on the books for development. If we both do that, folks, you can absolutely forget about dealing with global climate change in terms of any near-term or realistic thing. And I think that is going to sink in very, very fast to a lot of people, and I think you're going to have a global corporate response to this over the next couple of years.

And my guess is that we are going to respond, and I think Americans need to understand the response is not as intimidating as some want to make it out to be. This can -- as Nicholas, Sir Nicholas Stern, the economist who did a report for the British government said, the cost of not responding is 5 to 20 times -- 5 to 20 times the cost of undertaking this now, which is about 1 percent of GDP over the years. Every year you wait, we wind up investing in a new plant according to old technology, which winds up being a very bad wasted investment because it's going to cost you a lot more down the road to respond in crisis to grab a larger amount than you would have to grab if you reduce 3.2 percent a year rather than 8 percent. So now is the time -- on economic terms as well as scientific terms.

MR. ZREMSKI: Right now, while we're here, the U.S. auto makers are meeting with Democrats on the Hill. There's been a rather powerful force for not raising CAFE standards over the years. Is Congress going to take them on?

SEN. KERRY: Well, a number of us already have taken them on. We passed this bill out of committee, setting a 35 miles per gallon goal, and I believe it will pass on the Senate floor. Look, I have great respect for, most importantly, the people working in those plants in Detroit. And we want those cars made in the United States. But I think it would be ignorant not to suggest that unbelievably bad judgments have been made through the years by management as they've ignored consumer trends and other product lines from other countries through those years. And so, you know, it breaks my heart that, you know, someone who wants to go out and find the early hybrids certainly had to go buy Japanese.

And in fact, the Ford -- I drive a Ford hybrid -- but it's leased technology from Toyota. I'd like to see this stuff made here. I'd like to see our workers be able to do that. And I think it's incumbent on Detroit to hear what we're saying. We're for them. We want them to win. But there's nothing to stop Americans from driving

all their kids to a soccer game in a big SUV in an efficient vehicle. There's nothing to stop them from getting there in a car that gets 100 to 150 miles to the gallon. What's stopped it is the unwillingness of people to engage in the marketing and in the R&D necessary to produce that. And we've got to produce it, and we're going to take them on to try to get that done.

MR. ZREMSKI: You mentioned a possible windfall profits tax against the oil companies. Why aren't more members of Congress, more Democrats, talking about that?

SEN. KERRY: I'm not. I didn't say a windfall profits tax. What I said was in view of their profits, when you measure the incentives that are still in the tax system, they don't make sense from an economic point of view. So what I'm talking about is taking away some of those unnecessary incentives to the oil and gas industry. They'll still be able to sell, they'll still be able to drill, there will still be some incentives for appropriate things, but some are unnecessary, and those are what we are going to take away. That's not a windfalls profit tax. It's just taking away a specific institutional structural incentive that is unnecessary today.

MR. ZREMSKI: Why not a windfall profits tax?

SEN. KERRY: I think they're hard to measure. They're hard to apply, and I'm not sure that -- you know, I think that -- you know, there's always a difficulty in arriving at sort of the when it kicks in and when it kicks out and how much and what's profit and what's excess and what isn't. I think it's easier to do it the way I just described.

MR. ZREMSKI: Explain how we can make coal clean.

SEN. KERRY: You have to take the carbon out of the burn. I mean, that's the way you make it clean. And there is technology today -- there are a couple of forms of technology. General Electric has created something called IGCC, which is integrated gasification combine cycle, which is one way to burn coal that burns coal cleaner.

But you still have to capture the carbon, and that's a technology that we -- that several people have different ways of doing. What we need to do is put those different ways out in the marketplace.

So you capture the carbon. And once you've got it captured, then the issue is, where do you put it? What do you do with it? And there are several different thoughts about deep seabed storage, you know, various ways of solidifying it and putting it away, putting it in the ocean, putting it into old mines. What -- but the prevalent thought right now about sequestration is to use old wells -- old oil wells and so forth -- to use geological formations as the places where you store it.

Now, some of you may say, "Well, does that make sense? Is it safe?" And the answer is, there is carbon dioxide naturally created that is in the earth now. We actually use it. We actually take carbon dioxide out of the earth and pump it into an oil well in order to move the oil through the oil well. It's called enhanced oil

recovery. And we use that carbon dioxide as a means of grabbing the oil that we can't otherwise pump out.

So if you're taking carbon dioxide from a natural place and doing it, it certainly is logical that you ought to be able to take it from a man-created place and put it in there and it stays in the well where the other -- where the other fossil fuel that you're trying to exhume is already.

So, you know, there's still science that needs to be completed on it, but basically this is technology that most of the people in that sector are telling us is achievable, it's there, it exists today. That's how you burn clean coal.

MR. ZREMSKI: Do you support the wind farms proposed off the coast of Massachusetts?

SEN. KERRY: I am a passionate advocate for wind power and have been for a long time, but I've said since day one about the offshore projects there that we need a siting process. We don't just need it there; we need it nationally. I mean, is some developer going to appear and just plunk one down in the -- you know, the Outer Banks of North Carolina? Are they going to put them in Florida? Where are they going to put them? What are the rules going to be?

We need a process, and what I have said all along is I'm waiting for the EIS process to play out. I want to see where the Coast Guard and the environmental folks and the other people and everything plays out. But basically I'm in favor of wind power, and I'd like to see it. I've even suggested some sites -- alternative sites to that that ought to be considered and might be considered, and some of them are closer to my home than that one. So there's no NIMBY in it, but I do think the process has to play out.

MR. ZREMSKI: One guest mentions that nuclear power has an excellent safety record and asks, "Why not work more at expanding nuclear power as a way of expanding our energy sources?"

SEN. KERRY: It's a very good question. And it's a very -- it's one that a lot of people ask these days. In fact, I wrote a very brief piece in the book about nuclear because of that question and because it deserves to be addressed.

I'm a Navy person, and I've always admired the fact that ever since I was a kid, the United States Navy has -- has propelled ships with nuclear power, for over I think about 60 years now, without accident. No sailor has ever died. There's never been a problem.

The problem is in commercialization you have a different set of issues than you have within the military, number one. And number two, no one has yet resolved two fundamental issues: the proliferation issue and the waste issue. Those remain gigantic, not to mention Wall Street's own resistance to the financing issue. They are at the moment too expensive in terms of -- you know, where you would choose as an investor to necessarily put your money.

Now, that said, they are going to be part of the mix, like it or

not. They're going to be part of the mix, and there are some that are currently on the drawing board -- next generation, safer and other things. And one of the things that -- but I think one of the things that mitigates against them ultimately -- and I say this in the book -- they are not the long-term solution even though they are carbon dioxide-free. And the reason they are not the solution is we're dealing with a 10-year window and under almost any circumstances, it's going to be very difficult to see how you're going to get anything near what you need out there in terms of plants over the next 10, 15, 20 years even -- 20 years even, not to mention the fact that the waste issue then becomes more compounded.

But I think we have to work extra hard at two things: one, the waste-containment issue with respect to nuclear, because that could change over the long term, depending on what we discover; and two, we need an administration that is prepared to put an entirely new nuclear proliferation protocol on the table. It begins with the -- with the ratification of the Comprehensive Test Ban Treaty and it goes further than that. It goes into what you're going to do with respect to production of fuel and access to that production by countries around the world and how we -- the nuclear powers of the world, the Perm-5, if you will, of the United Nations -- are going to -- are going to deal with this question of aspiring nuclear use in other countries around the world. I think you're going to have to change the way we deal with the potential of that nuclear fuel -- spent fuel -- slipping into the wrong hands in an age of, you know, multiple terror cells in various parts of the world. And you've really got to think that through and have a much more rigid examination process and application than we have today.

MR. ZREMSKI: We also have several questions about the Iraq war. First, how do you think we can get out of Iraq, and when do you think we will get out of Iraq?

SEN. KERRY: Well, the only -- I've said again and again -- I mean, it's been almost four years now that I've been advocating what we need to do in Iraq. And most recently I advocated very powerfully, both before the Iraq Study Group and then when the Iraq Study Group drew its conclusions, about the Iraq Study Group's conclusions, that that was the way to begin to proceed.

Regrettably, this president chose to give the Iraq Study Group the back of his hand, literally. He did the opposite. He embraced the concept of an increase in troops, which to me was the wrong move for several reasons: number one, the obvious reason that we're seeing -- that more Americans were going to die and it was going to wind up increasing the targets and the violence. But even more subjectively, think about it: If you suddenly say to everybody, "Wow, we need more troops here because they're not getting the job done," the message to those who are opposing us is, "Boy, these guys are in their sort of act of desperation. They've almost announced this is the last move. There's no Plan B."

So you've raised the stakes and you've sent a message to people: "Here we are. It's only going to be limited. We're here for a certain period of time. And by the way, we're here because it isn't working, and if it doesn't work now, we've got a real problem." So

they have all the more incentive to make sure it doesn't work. Not very smart if you really ask me -- and you have. (Laughter.) So, you know, that's number one.

Number two, why is it we're doing that if General Casey, General Abizaid, the secretary of State, the president and now General Petraeus have all said again and again and again there's no military solution? If there's no military solution, you're not going to end the violence that is creating a civil strife by putting more troops into the middle of the civil strife. You're going to end the violence by dealing with the reasons the civil strife is taking place in the first place.

And the president needs to begin talking to America not in terms of al Qaeda all the time -- because, yes, al Qaeda's important; yes, we have to deal with al Qaeda, but al Qaeda is principally Osama bin Laden and Northwest Pakistan and Northeast Afghanistan. And it's always been there.

And he diverted that and you wound up with al Qaeda in Iraq, not there originally.

So that's a fallout from this, and I happen to believe, as others do, that if you could settle these fundamental differences between Sunni and Shi'a and satisfy the Kurds, you wind up actually with a country that would not allow al Qaeda to be there, because they don't like them and they don't want them there, and if they had their autonomy and they were sufficiently sovereign and had a structure of government that was working, it becomes almost irrelevant. It's not going to take us to deal with al Qaeda in Iraq.

So the real issue is how do you get to the point of dealing with those stakes. And the only way to get there, ladies and gentlemen, is through major diplomatic and political lift, the kind that we saw when Henry Kissinger shuttle-diplomacied on Vietnam, on China; when Jim Baker shuttle-diplomacied in order to try to get a resolution with respect to coming together on Desert Storm. Fifteen trips to Damascus alone, getting President Assad to finally commit on the last trip, without even knowing when he went there, if he would commit. But he got it. Where is that kind of effort in the resolution of Iraq? Month after month goes by, and they say, oh, they're working on the oil law. Oh, they're working on the reconciliation. But they're not really.

And the reason they're not is we have this great big security blanket called the United States of America, which is allowing those politicians to continue to play their game under that security blanket, knowing we're there to do the heavy lifting while they can fight it out for the spoils of Iraq. That's why I believe so adamantly the only way to change this equation is make it clear to them we are going to begin to draw down our troops. They've had their five years to pull their act together. We've given them the shot for democracy. We've done our job; now it's time for them to do theirs.

And the bottom line is: Drawing down our troops does not mean abandoning it. It does not mean abandoning the region. There are any

number of ways to leave American presence in the desert, in a place where our troops aren't being shelled every day. There's all kinds of ways to prevent Iran from making mischief. There are all kinds of ways to build a new security arrangement with the other countries of the region. We're not doing any of the sufficient lifting to make that happen. And I'll tell you, our troops, the way you support the troops is to give them a policy that works for them.

I remember when I was in Vietnam and Melvin Laird flew over us, the secretary of Defense, and they put on a staged invasion for him to show him how good everything was working. And we sat down on the ground wishing he'd come down and talk to us and learn what was really happening. And one of the things I learned is that it's important to have people in public life who fight for the real interests of the troops, and I think the way you do that is by getting tough with all of the people in the region. They've got to do some lifting. Our troops have done their job.

MR. ZREMSKI: Okay, we're almost out of time, but before I ask the last question I've just got a couple of quick announcements.

First of all, let me remind everyone of our future speakers. On Monday, June 11th, James Baker and Lee Hamilton will be here to present the Gerald R. Ford Journalism Awards. The next day, the 12th, Dr. Helene Gayle, the president and CEO of CARE, and entrepreneur Sheila Johnson will be here. And on the 14th of June, John Rowe, the president and CEO of Exelon, will be here to talk about energy and environment issues.

Next, the presentation of our plaque.

SEN. KERRY: Thank you very much.

MR. ZREMSKI: And the widely coveted National Press Club mug. (Laughter, applause.)

And lastly, we couldn't let you go without a political question, and that is this: As someone who's been through the presidential primary process, what do you think about the early start of the campaign and the development of this process that will really culminate in this super-duper Tuesday on February 5th?

SEN. KERRY: I think it's ridiculous, and I think it's -- (light laughter) -- I think it's -- I think it's excessive, it's unfortunate, and it de-democratizes the process. This conglomeration of primaries into that period reduces the ability of people to be able to get into living rooms and homes, and it really accents money. It accents media, it accents name recognition and front-runnerism, and it becomes very counterproductive to the kinds of candidacies, historically, that have really been different and made history, like Gene McCarthy and Gary Hart and others.

So my sense is we lose, as a party, by having jammed this all together. I think we lose a little as a country. And for the life of me, I just think it's -- you know, there has to be -- there just is a better way to be able to try to make those kinds of choices. And I hear it, incidentally, without being specific, from the candidates

themselves. I don't think any of them are particularly thrilled with the intensity of this thing at this early date.

Thank you. (Applause.)

MR. ZREMSKI: Okay. Thank you very much.

I'd like to thank you all for coming today. I'd also like to thank National Press Club staff members Melinda Cooke, Jo Anne Booz, Pat Nelson, and Howard Rothman for organizing today's lunch. Also, thanks to the NPC library for its research. The video archive of today's luncheon is provided by the National Press Club's broadcast operations center. Press Club members can also access free transcripts of our luncheons at our web site, www.press.org, and non-members may purchase transcripts, audio and video tapes, by calling 1-888-343-1940. For more information about joining the Press Club, please contact us at 202-662-7511.

Thank you very much. We're adjourned. (Sounds gavel.)

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