

Global CEOs back greenhouse gas cuts, carbon caps

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Global business leaders added momentum to prospects for a new U.N. climate treaty by agreeing Tuesday that the world must cut greenhouse gas emissions in half by mid-century by setting specific limits on carbon.

Government officials reported little progress in setting such limits, however, showing how distant a new treaty remains.

Some 500 CEOs and other top business experts said at the conclusion of the three-day World Business Summit on Climate Change in Denmark that “immediate and substantial” emissions cuts were needed by 2020, followed by cuts of at least 50 percent of 1990 levels by 2050. They said governments should use the marketplace to set a global price on carbon instead of taxing it, according to a statement from conference organizers.

Under cap-and-trade, the government establishes a market for carbon dioxide by distributing credits to companies that emit greenhouse gases. The companies can then invest in technologies to reduce emissions to reach a certain target or buy credits from other companies that already have met their emission reduction goals.

But there is widespread dispute over the details of how cap-and-trade would work, with critics saying it would lead to higher costs for some consumers and could hurt bruised economies.

The business leaders said governments’ overriding aim at a December U.N. meeting in Copenhagen on replacing the 1997 Kyoto Protocol should be limiting the global average rise in temperature to a maximum of 2 degrees Celsius.

Global temperatures have risen 0.22 degrees (0.12 degrees Celsius) since 1990, according to one U.S. government estimate. The U.N.’s chief panel on climate change estimates that the risk of increased severe weather will rise if the global average temperature increases between 1.8 degrees Fahrenheit (1 degree Celsius) and 3.6 degrees (2 degrees Celsius) above 1990 levels.

“There is nothing to be gained through delay,” the statement said, and the richest countries should be the first to make the biggest emissions cuts.

Danish Prime Minister Lars Loekke Rasmussen told participants “your words are sweet music in my ears,” and called for developed countries to lead the way and enact emissions cuts of 80 percent from 1990 levels by 2050.

But doing that will be difficult. At a separate meeting in Paris, French Environment Minister

Jean-Louis Borloo, playing host to talks among the world's biggest polluters, said the United States had backpedaled on promises to slash carbon emissions but China appeared "absolutely determined" to make deep cuts.

Borloo suggested President Barack Obama wasn't following through on an earlier call for requiring deep cuts in U.S. carbon emissions.

"We want to tell them, 'Yes, you can,' you can do a lot more," Borloo told Europe-1 radio in a report card on the Major Economies Forum, which brought together the 17 countries that produce four-fifths of global carbon emissions.

The top U.S. negotiator on climate change, Todd Stern, defended the Obama administration's commitment to what he called a "seismic change" in the country's carbon emissions and attitude toward fighting global warming.

Stern said the overall U.S. targets were on a par with what Europe is proposing though are calculated differently.

"I don't think they are going to match. I don't think they need to match," he said. "We advanced the ball, though we have a long way to go to get to Copenhagen."

Obama has called for an 83 percent reduction in greenhouse gases from 2005 levels by the year 2050 using cap-and-trade. His budget plan had banked on raising \$646 billion in revenues from 2012 to 2019 from auctioning emission credits to companies, but it appears unlikely to gain Congress' approval.

If governments agree in Copenhagen in December to set new limits to make carbon dioxide a scarcer commodity, CEOs said, their companies can lead the way to a greener economy.

"We're going to have to fundamentally redefine our business models in a low-carbon world," said James Rogers, chairman of U.S.-based electricity provider Duke Energy Corp.

The 1997 Kyoto Protocol's mandatory cuts in greenhouse gases, which have produced mixed results, expire in 2012.

The United States never signed on to Kyoto, citing the costs to the economy and lack of participation by China, India and other fast-developing countries. But some of those countries have said rich countries are not aggressive enough in cutting their own emissions.

The hosts of the Paris meeting said they made progress on finding \$100 billion a year to help poor countries limit pollution and adapt to climate change.

The next major round of U.N. climate talks toward a new treaty will begin in days in Bonn, Germany.

Associated Press writers Angela Charlton and Tobias Schmidt in Paris contributed to this report.

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