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John L. Hennessey Sir Colin Lucas Amartya K. Sen Joseph E. Stiglitz October 27, 2011

Dear Maria,

I am writing to you in connection with your responsibilities for overseeing the State Department decision on whether or not to recommend a presidential finding that the Keystone XL pipeline is in the U.S. national interest, as well as your wider role in overseeing issues related to promoting environmental stewardship, encouraging economic growth, and promoting social development around the globe.

Analysis of David Wheeler, who leads CGD work on climate and development, puts numbers on the connection between the increased carbon emissions associated with exploitation of the tar sands and future agricultural production in the developing world (and indirectly the impact of programs like Feed the Future). This connection has not so far been addressed in U.S. policy deliberations.

Using very conservative estimates of the associated emissions, David (in this recent <u>CGD Note</u>) show that these would account for a fifth of the 464 ppm ceiling projected in the A2 scenario of the Intergovernmental Panel on Climate Change, the most widely used climate scenario. He further estimates that full exploitation of the oil sands over the next 80 years would worsen agricultural output losses in the developing world by another 5-10 percent over the dramatic losses estimated by <u>William Cline</u> five years ago. Those include losses of as much as 40 percent in India and 28 percent in Africa.

While the timing for full exploitation is uncertain, and pipeline supporters argue that the Alberta oil sands will be developed with or without the Keystone XL pipeline, two things are clear. First, the magnitude of the emissions associated with Alberta oil sands exploitation would have very large impacts on global climate. Second, U.S. approval of the pipeline is likely to accelerate the exploitation of these deposits.

I am sure you and Secretary Clinton share the development community's deep concern about the impact of climate change on poor people in the developing world. The evidence is mounting that they are already suffering the early consequences of climate destabilization, and that their communities and societies have limited ability to cope with the droughts, floods, higher intensity storms, and sea level rise that result from higher atmospheric concentrations of CO2.

The image of the United States in the world is also at stake. As concern about climate change intensifies worldwide, and other countries move to address it (see David's recent paper on <u>Fair Shares</u>)), a decision by the Obama Administration to approve the pipeline would send an unwelcome signal to the international community, increasing doubts about the U.S. commitment to addressing the climate challenge and further undermining U.S. global leadership.

I appreciate your taking time to read this letter, and hope you will use the full extent of your influence to help ensure that these important issues are properly included in the decision process.

Sincerely,

Nancy Birdsall

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