

# What is a Carbon Credit?

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May 5, 2004



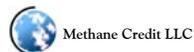
## Main Points

- Imperative
- The problem with US carbon credits
- The impact
- Alternative solutions



## Need for an Imperative

*Carbon will neither be abated nor sequestered on a large scale without an imperative.*



## The Problem with US Carbon Credits

- US Carbon Credits have a lower value than credits from many other countries.
- Lack of imperative.
- Sovereign risk and additionality.



## The Impact

- Capital deployment is unsupportable.
- Capital is diverted to other markets.
- To global capital markets, US projects become low in priority.



## Solutions

- Clear imperative.
- Clear definitions.
- Clear policies.
- Open international trading systems.

