



Labor

White House Climate Change Task Force

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FAX

To: Jonathan
Organization/Title: Todd Sterns Office
Fax: 456 2215 **Phone:** 456 2702
Pages (including cover): 1 **Date:** Aug 13
From: Judi Greenwald
Phone: 343 1060

Message:

Apparently Todd never
got this e-mail that I
sent him this past
Thursday. Can you please
make sure he gets
this?
-Judi

AFL-CIO

Subject: AFL-CIO**Date:** Thu, 7 Aug 1997 22:12:08 -0400 (EDT)**From:** MIJUJO@aol.com**To:** stern_t@eop.gov**CC:** forrister_d@btgcinema.com

This is a message from Judi Greenwald. Todd--I just wanted to give you a heads up that David Smith, AFL-CIO's policy director, may call you in the next couple of days to tell you that AFL-CIO is eager to begin a dialogue with the Administration on climate change. He wants to know what's going on and how Labor should participate. (I heard this from Jane Perkins. Jane and David are two of the AFL-CIO folks you met with when you first started.) You might want to call him before he calls you. His number is 202-637-5369.

Although the purpose of the call would be to talk about our plans for policy discussions, the following background might be useful:

--Labor's most recent testimony and statements have been much more positive, emphasizing that they want to find solutions that are good for both the environment and labor.

--Labor very much wants to see the Administration's analysis of job impacts from climate change policy, and they want to know how the Administration plans to deal with those impacts.

--Labor was disappointed that non-governmental organizations were excluded from the proceedings at the most recent set of negotiations in Bonn (that just ended yesterday), and that no labor representative was allowed to address the meeting. They issued a very strong critique of the U.N. Chair of the negotiations. In the past, the U.S. delegation has succeeded in helping labor get an opportunity to speak, but we were unable to help this time.

Note: I am sending you this message from my home computer on Thursday night.

I will not be in on Friday. If you want to talk about this on Friday, you can either call Dirk at the office or call me at home at 301-279-5425. If you want to send me an e-mail message that I will see over the weekend, send it to mijujo@aol.com. If you want to send me an e-mail message that I will get at work on Monday, send it to greenwald_j@btgcinema.com.

U.S. Department of Labor

Chief of Staff to the
Secretary of Labor
Washington, D.C. 20210



August 21, 1997

MEMORANDUM FOR THURGOOD MARSHALL, JR.

FROM: THEODORE MASTROIANNI

SUBJECT: Department of Labor's Roll-out Plan for Climate Change

Below please find our roll-out plan for the effort on Climate Change:

I. PROPOSED ACTIVITIES BY SECRETARY HERMAN:

September -- Events to Garner Key Support on Climate Change:

- ▶ Meet with key labor union leaders to hear their concerns and ensure they feel included in the policy process (leading up to the President's meeting with AFL-CIO leadership in late September);
- ▶ Attend POTUS meeting with AFL-CIO leadership in late September;
- ▶ Attend POTUS meetings with CEOs in early September;
- ▶ Attend an upcoming OSTP regional conference on climate change and speak on the concerns about impact on the domestic economy.

October and November

- ▶ Attend the White House Conference on Climate Change on October 6 and chair a panel discussion (e.g., on economic/jobs impact);
- ▶ Continue meetings with key labor union leaders to hear their concerns and ensure they feel included in the policy process;
- ▶ Continue meetings with key corporate leaders to hear their concerns and ensure they feel included in the policy process.

II. ACTIVITIES BY SENIOR STAFF AT DEPARTMENT OF LABOR

- ▶ Work with Climate Change Task Force to identify appropriate labor union surrogates and allies;
- ▶ DOL's Chief Economist and Assistant Secretary for Policy will hold private meetings and public speeches on the issue, supporting the President's position.

U.S. Department of Labor

Chief of Staff to the
Secretary of Labor
Washington, D.C. 20210



July 21, 1997

MEMORANDUM FOR THURGOOD MARSHALL, JR.

FROM: THEODORE MASTROIANNI

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SUBJECT: Climate Change Events

The following are three plans which will allow Secretary Herman to amplify the Climate Change issue:

1. Sometime in mid-September, the Secretary will hold a round table discussion with the head of the United Mine Workers of America and possibly 2 or 3 other union leaders. This forum will be used to discuss global warming.
2. There are two opportunities for introducing the topic of Climate Change in September. An interview with *Working Mother Magazine* (Sept. 16) and the fourth session of the Ministerial Council of the Commission for Labor Cooperation (Sept. 18). The latter would be particularly appropriate given the international nature of the event. Also, the American Business Conference will take place from the 16th to the 19th offering a possible setting for events into which the topic of Climate Change could be incorporated. This would most likely be in the form of a paragraph in a speech or mentioned in a press interview.
3. The Business Council will be holding an event in Williamsburg, Virginia in the second week of October (2nd-4th). This once again provides an opportunity to address the issue of Climate Change to private business constituents.

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**Testimony of David A. Smith
Public Policy Director of the AFL-CIO
To the House Committee on International Relations
On Global Climate Negotiations
July 24, 1997**

Thank you Mr. Chairman and committee members for this opportunity to testify on the multilateral negotiations regarding global climate change. I am here today on behalf of President John Sweeney and the 13 million members of the AFL-CIO.

We want to participate in solving this problem, we take it seriously, and we are ready to join with you, the President and all Americans to reach a sound, fair solution.

The AFL-CIO has spoken frequently about our concerns in these global climate change negotiations. They are serious and often our remarks are interpreted as opposition to any climate change treaty. This is not true. A treaty that both moves the world toward a safer sustainable environment and that respects and protects the interests of American industry and workers will have our support.

We will support a treaty -- but not just any treaty.

Three large concerns must be addressed in the current negotiations if a treaty is to have our support:

--It must be universal, meaning that the entire global community must participate by abiding by a mutually agreed upon reduction regime in an effort to achieve a specific global concentration level,

--any treaty and the policy mechanisms agreed upon to implement it internationally and domestically must protect the industrial base and the standard of living of the United States, and

--the domestic regime we devise to comply with any climate change treaty obligations must insure that no worker in the United States will be left behind in this process. Not one.

That being said, we stand ready to work with anyone interested in solving this problem in a cooperative effort to achieve these goals.

We think this is achievable.

We are mindful that to achieve real net global environmental gains, we must, as a collective international community, agree on the concentration targets we will all work towards. It is not possible for all partners to fit into a sensible global solution scheme otherwise. It is expected, for example, that China alone will account for a 25% increase of total emissions of carbon dioxide by 2020 in a business as usual scenario. All developing countries will account for a 50% increase in total emissions by 2015. Therefore, fitting the nations of the world into a scheme of development and emissions reductions that allows us to rationally reach a common goal in an appropriate time period is only logical and sensible. A treaty that fails to do this would provide a powerful irresistible incentive for rational business executives to move production, jobs, and pollution from the United States to other countries. This, of course, is unacceptable.

The time frame for introducing policies to meet treaty obligations must be long enough to enable the economy to adjust smoothly and insure adequate timely investment

in new technologies and production processes.

The economic stakes are enormous for American workers and for American standards of living.

Recently, the Administration has conducted two studies estimating the economic impact of meeting emission reduction targets. The first was released in June of 1996, and the second is currently in draft form dated June 1997.

The 1997 study makes new assumptions which reduce the estimate of lost production (GDP) and implicit job losses by roughly one-half the expected GDP reductions estimated by the 1996 analysis. The new assumptions also accelerate the economy's recovery from the shock of higher energy prices by several years. In general, in the 1997 study, GDP losses are estimated to be one-half of what they estimated in 1996, and recovery occurs in half the time.

Even with these more optimistic parameters, the Administration draft study estimates that 900,000 jobs could be lost as a result of climate change policies. Jobs will be lost in nearly every region of the country and across a broad range of sectors. Emissions restriction reduction regimes currently under discussion may engender even more severe results. For example, the European Union is proposing a reduction in carbon dioxide emissions of 15 percent below 1990 levels by 2010.

The 1997 Administration study does not attempt to measure the impact of the job loss to our international competitors who are not subject to emission limitation requirements. This is a critical matter for jobs and incomes which the Administration must address.

The AFL-CIO has learned important lessons from our nation's recent experiences in trade negotiations, and those experiences teach a cautioning lesson that guides us here.

The absence of international environmental and wage rules invites, in some sense requires, capital and jobs to move where regulation is lax and prices are low. Built into any mechanisms that manage a carbon emissions reduction strategy there have to be thoughtful considerations for appropriate obligations for developing countries and appropriate limitations and coordination of incentives and restrictions on corporations here in the United States. We need to take our time with this, so that time tables for implementation are very much on the table for discussion.

We have supported requirements that incorporate core labor and environmental standards in trade agreements and continue to do so. The same logic must apply to our multilateral environmental undertakings. The AFL-CIO does not favor lowering the environmental standards in our country or anywhere else. If anything, we favor raising them, but not in a fashion that exposes the United States economy to a further loss of jobs or economic competitiveness.

A solution path that does not protect the US industrial base or that inadvertently provides perverse incentives to US corporations to leave our communities, misses the mark and will not be acceptable to us or to the American people.

The AFL-CIO wants the United States to be true equity partners with the rest of the world's nations in solving our global climate change problems. We want the United

States government to protect, by design, the integrity of our industrial base in any policies or mechanisms employed in the design of a climate change regime that fixes the impending problem.

Regarding our concerns for individual workers, we must be assured in no-nonsense terms that no worker will be asked to sacrifice her economic security as we find pathways to new fuels, new work, new approaches and new challenges and as we create a world economy that is less carbon dependent.

Workers and communities must be offered a clear, easy to articulate transition plan, that makes it clear that our government intends to maintain the industrial base in our country, while maintaining wages, worker protections and standards of living. We seek a transparent regime that promises and then delivers good jobs for American workers.

We know that this is a high hurdle, but believe it is the key to real progress.

We want to engage in discussions with all parties that truly address this threat to our collective future, that clearly show the ways we will create good new jobs, that promise regional development strategies where they are required, that guarantee job and income protections for every affected worker, and that promise no one is overlooked or left behind in this process.

We know that the industrial landscape created at the end of this process will likely be quite different from our current circumstances. And in this regard, we must be frank. It will not be an easy task to gain the trust of working Americans who have seen their jobs move and their livelihoods threatened.

We understand that the road from Rio to Berlin was very long and difficult. We know, too, that this stretch to Kyoto will not be easy either. We recognize that this issue is a particularly challenging one to address.

To have Kyoto make sense in terms of winning a solution to our global climate problem, our negotiators need a clear set of negotiating objectives and they must be prepared to reject an agreement in Kyoto that does not meet them. Obviously, we hope they will be guided by the concerns we've expressed here.

The United States needs to approach the bargaining table ready to walk away from a bad deal. We think our government negotiators need to be prepared to walk away from Kyoto without a treaty in hand if the one they can obtain does not address all of the issues we outlined here for you today.

That is not to say we think we, as a nation, should be any less committed to address this problem in the absence of such a treaty right now. We should begin today -- whether there is a treaty or not -- to find the domestic regime that corrects our carbon appetite. If, however, it takes another round of conversation and negotiations to find the right solution, the right balance, the right equitable mix, then take the time to find the winning solution. Find the global plan that can be convincingly presented to the American people. An extended negotiating process will serve us better than a divisive, public argument over a treaty that does not address all of our national concerns.

If the policy path the negotiators take omits any of the three crucial pieces of this problem, and either assured environmental repair, sensible incentives or just transition

are not key features of the solutions that our government embraces, then the AFL-CIO will oppose the product. That is not our desire, so we hope that we can, together, fashion a plan that does protect the global environment, does keep jobs here and does provide for a just transition as the entire global community moves to more sensible and safe environmental practices. We think this is achievable and certainly worth our collective best efforts.

We are ready to work with you and the Administration toward that end.

Thank you.

Disclosure Statement: Neither the AFL-CIO nor David A. Smith received grants from any government agency pertaining to the issue of this testimony.

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