

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. resume	[Personally Identifiable Information] [partial] (1 page)	00/00/1997	b(6)

COLLECTION:

Clinton Presidential Records
Staff Secretary
Todd Stern
OA/Box Number: 11211

FOLDER TITLE:

Opposition [1]

2019-0774-S
rs3406

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]



1200 18th Street, NW
5th Floor
Washington, DC 20036
Phone 202-887-8800

Fax 202-887-8877
Email eicinfo@acpa.com or
[first initial] + [lastname]@acpa.com
Web <http://www.eic.org>

FOR IMMEDIATE RELEASE
Sept. 9, 1997

Contact: George Abar, Peter Kelley
202-887-8800

Public Alerted to Industry Misinformation Campaign That Denies Need for Action on Global Warming

Corporations Behind Campaign Revealed as Major Polluters

WASHINGTON, Sept. 9—A coalition of some of the world's largest corporations today announced a multimillion-dollar ad campaign meant to stop the Clinton Administration from negotiating a treaty to reduce greenhouse gas emissions and slow global warming.

Including leading oil, coal and automobile producers, the group calls itself the "Global Climate Information Project." But from documents already released, the Project's intent is clear: to spread misinformation. It will spend \$30 million this fall (according to the *Financial Times*) on TV, radio, and print ads to confuse the public about climate change, diverting attention from their industries' contribution to the problem in the same way that tobacco companies tried to deny evidence that smoking causes health problems.

"It's dirty money. Their only intention is to mislead," said Philip E. Clapp, President of Environmental Information Center. "They don't have the science on their side—2,600 scientists worldwide have signed a statement warning that human-induced global warming is underway. They don't have the economists on their side—2,500 economists have signed a statement that we can grow our way out of this problem, and that the energy savings will even help our economy. These are the polluters, and all they have is \$30 million in dirty money to spend on a misinformation campaign. It's not an Information Project, it's a Propaganda Project."

Despite the overwhelming scientific consensus that human-induced climate change is underway (see the Science Tuesday section of today's *New York Times*, for example), these corporations and their trade associations can be expected to continue their aggressive public relations and lobbying effort to convince the public and policymakers that we can pollute without consequence, and that action will cost more than inaction.

On the science: The Global Climate Information Project on its internet home page recycles "scientific" arguments that have been soundly refuted. An example is the "Leipzig Declaration," which corporations claim is a statement from "scientists" warning that "there is still no scientific consensus on the subject of climate change." This PR stunt was debunked over a year ago, when investigative reporting revealed that many of the signers are not what the public would consider experts in climate science. Some of the signers have no professional scientific credentials, let alone expertise in climate science. The declaration was instigated by Fred Singer, whose work has been funded by Exxon, Shell, and ARCO, to name a few. (See *St. Petersburg Times*, July 29, 1996)

(MORE)

Industry misinformation campaign seeks inaction on global warming

Page 2

Consider the source: The Global Climate Information Project is comprised of some of the most notorious polluters in America. Hiding behind their trade associations are companies that have polluted our land, rivers, lakes, oceans and air for years. Following is a Lineup of some of the companies associated with this ad campaign. It outlines only a very few of their environmental problems, from multimillion dollar fines for polluting our water to responsibility for the release of known cancer-causing chemicals. As the Lineup shows, it is likely that whatever these companies and their lobbyists spend to stop the climate treaty, it will be dwarfed by what they spend in civil, criminal, and administrative fines and other costs related to massively polluting our environment.

THE LINEUP

Leading corporations behind multimillion-dollar misinformation campaign

ARCO: Agreed to pay \$363,000 in civil penalties and an annual fine of \$63,000 until remediation begins at a site in Pennsylvania. (As of SEC, Form 10-K, 12/31/96)

Chevron: Fined \$8 million in 1992 for violating the Clean Water Act. (Press reports from 8/30/96) In 1988, the company was ordered to conduct an \$86 million cleanup after it allowed some 252 million gallons of fuel to leak into ground water below its El Segundo refinery. (MultiNational Monitor, 9/9/97)

Chrysler: Facing possible civil penalties potentially higher than \$100,000 from the Indiana Department of Environmental Management for improper disposal of waste. At the same time, the company was potentially responsible for at least 107 Superfund sites. (As of SEC, Form 10-K, 12/31/96)

Conrail: Sentenced to pay a fine of \$2.75 million by the EPA in October 1996. Conrail pleaded guilty in the criminal case to charges of discharging oil and grease into a Massachusetts river. (As of EPA release, 2/25/97) In a separate case in Pennsylvania, Conrail has agreed to comply with an EPA Administrative Order to extend public water to some 700 - 1000 homes and businesses near a contaminated site—Conrail notes the site is only "allegedly" contaminated. (As of SEC, Form 10-K, 12/31/96)

Dow Chemical: Facing proposed civil fines of \$125,000 for violations of the Clean Water Act in Michigan. The company paid a \$100,000 civil penalty in a case brought by the Michigan Attorney General for discharge of phosphorus and other chemicals into a Michigan river. (As of SEC, Form 10-K, 12/31/96)

Mobil: Agreed this year to pay a \$125,000 penalty for violating standards for the release of harmful smoke, dust, ash and other material, which can lead to heart and lung diseases. (As of EPA release, 3/11/97)

Shell: The U.S. Department of Justice announced in June of 1997 a proposed agreement that would require the company to pay a \$678,000 civil penalty. DOJ alleges that Shell failed to control benzene emissions. The chemical has been linked to various blood and bone marrow diseases and leukemia. (As of EPA release, 6/27/97)

Texaco: A suit by the Justice Department seeks civil penalties of \$4.2 million in connection with oil spills along a Texaco company pipeline in Kansas. EPA is seeking \$3.8 million in civil penalties for alleged notification and reporting violations involving hazardous waste (PCBs) at a Texas facility. Also pending are EPA charges that on 12 occasions, a Texaco company violated the Clean Water Act by allowing oil to leak into surface water. (As of SEC, Form 10-K, 12/31/96)

###

09/25/97 05:47:15 Via Fax

->

202 638 0400 Richard Strauss

Page 002

Jeffrey Hunkler

cc: Anders

**Small
Business
SURVIVAL
Committee****MEMORANDUM**

TO: STATION MANAGER, NEWS EDITOR, METEOROLOGIST

FROM: Karen Kerrigan, President, Small Business Survival Committee

RE: White House Public Relations Event on Global Warming

DATE: September 24, 1997

As reported by *The Washington Post* on September 18, 1997, the Clinton Administration has invited meteorologists from the top 50 media markets to the White House next week as part of an effort to leverage the meteorology profession to help scare the American public into accepting the White House policy-driven goal of a "global" climate treaty. The proposed United Nations treaty would require drastic reductions in U.S. energy use while countries like China, India, Mexico, etc. would be exempt.

Success by the White House will require you and your colleagues to compromise your principles of reliance on science to support the theory of global warming.

This event is rightfully forecast in the *Post* article as a photo-op. One that, even including those who do not follow up with alarmist statements to their viewership, will be touted as manifestation of the meteorologist community supporting a political effort. The statements attributed to Administration officials so blatantly indicates their intent. I have attached a copy of the article for your review.

Coincidentally, this weathercast event is timed to precede a choreographed conference whereby "friendlies" of the global climate treaty are being asked to sit down "to reach a consensus" on this complex subject in the matter of a few hours, which is ludicrous on its face.

The ultimate insult to meteorologists is that for such small "payment" you are being asked to, in fact, disregard satellite data upon which meteorologists most heavily rely. Satellite data, which after 18 years of data collection, demonstrates no movement beyond a slight cooling trend. While you are among the most respected professionals in the general public's eye, the White House apparently views meteorologists condescendingly and easily co-opted.

Given this, we too are undertaking a campaign to educate the media, small business and American workers to watch for and be wary of such statements, subtle or not, and to be skeptical of any White House weather reports of "global warming." Currently, the American public remains largely skeptical of the issue and indeed a coalition of diverse groups have come out against the proposed treaty because it will hurt American workers and consumers and -ironically, it's not truly global.

The facts will come out as the debate progresses, and any parties which bow to the White House's desire to ignore professionalism and carelessly and unwarrantedly relate severe or odd weather to global warming/climate change, particularly anthropogenic, will only lose that one professional asset that most have earned - their credibility.

If you are one of the White House invitees and decide to participate in this event, SBSC would be more than happy to brief you on our concerns about the treaty.

Attachment

1320 18th Street, N.W., Suite 200 • Washington, D.C. 20036

Tel: (202) 785-0238 • Fax (202) 822-8118

www.sbasc.org

09/25/97 05:46:32 Via Fax

->

202 638 0400 Richard Strauss

Page 001

**Small
Business
SURVIVAL
Committee**

FOR IMMEDIATE RELEASE

September 25, 1997

MEDIA ADVISORY

CONTACT: Diana Banister
 Craig Shirley & Associates
 (800) 536-5920/(703) 739-5920

WHITE HOUSE TO BLOW HOT AIR WITH HELP OF YOUR FRIENDLY METEOROLOGIST:

***"Let the Viewer Beware of Reports of
'Global Warming'.. and other doom & gloom climate catastrophes!"***

Washington, D.C. - President Clinton has invited meteorologists from the top 50 media markets to the White House next week to help him help convince the public there are climatic changes and "global warming" despite 18 years of satellite research which has demonstrated a slight cooling trend in the atmosphere. The Administration contends that consensus exists in the scientific community on the theory of global warming, but deep divisions about the effects of "greenhouse gas emissions" remain a hot topic of debate.

"President Clinton presumes weathermen (and women) will forecast alarming climatic weather changes on September 30th. I hope he is wrong. But still, let the viewer beware of global warming reports broadcast from the White House next Tuesday," says Karen Kerrigan, President of Small Business Survival Committee.

The briefings with meteorologists precede a White House Conference on Climate Change and Global Warming on October 6th. This conference is one in a series of meetings held around the country in which President Clinton and Vice President Al Gore have tried to build support for a United Nations "Global Climate Treaty" which will be proposed at the December international climate conference in Kyoto, Japan. The major flaw in the treaty according to SBSC is that it is not truly global -- 132 out of 166 countries are exempt from the strict energy-use restrictions.

"The American public is not buying global warming or the UN solutions to increase their gas and energy bills," said Kerrigan. *"President Clinton is using credible meteorologists to carry the 'doom and gloom' message. He's hoping they will make subtle comments during their forecasts that will support theories of 'global warming.' These credible professionals are being used to give scientific backing to a political agenda. We can only hope they will see through this blatant political scheme."*

The attached is a memorandum sent by Karen Kerrigan to the meteorologists invited to the White House briefing. For more information, please call Diana Banister at (800) 536-5920.

-30-

**Small
Business
SURVIVAL
Committee**

News

FOR IMMEDIATE RELEASE
September 9, 1997

CONTACT: Diana Banister
Craig Shirley & Associates
(800) 536-5920/(703) 739-5920

SMALL BUSINESS SURVIVAL COMMITTEE JOINS DIVERSE COALITION IN NATIONAL EDUCATION CAMPAIGN ON THE U.N. GLOBAL CLIMATE TREATY

Washington, D.C. - Citing the devastating effects the treaty would have on small businesses, Karen Kerrigan, President of the Small Business Survival Committee is joining with a diverse group of business, agriculture, labor union and citizen groups in an ad campaign to increase public awareness of the Global Climate Treaty.

To reduce greenhouse gas emissions, the treaty would require the United States to cut energy usage by nearly 20 percent. Economists predict this would translate to a 20 percent rise in electricity costs, a 45 percent hike in natural gas prices and an increase of 50 cents a gallon for gasoline.

"Small businesses cannot survive these drastic increases," says Kerrigan, "nor can they exist when millions of jobs are exported to developing countries as a result of this treaty."

The U.N. mandates only apply to the United States and 33 other developed countries. Developing countries such as China, Brazil, India and Mexico are exempt from the treaty even though they contribute approximately half of the current carbon emissions and will account for about 75 percent over the next century.

Karen Kerrigan is participating in a joint press conference to unveil the new ad campaign on Tuesday, September 9 at 10:00 a.m. at the National Press Club.

"We've come together to inform the American people of the extremely harmful effects this treaty could have on our country," says Kerrigan. "While President Clinton and Vice President Gore are attempting to scare Americans into supporting this treaty, we are trying to provide the facts."

For information regarding the ad campaign or to schedule an interview with Karen Kerrigan, phone Diana Banister at (800)536-5920.

-30-

1320 18th Street, N.W., Suite 200 • Washington, D
Tel: (202) 785-0238 • Fax (202) 822-8111
www.sbsc.org

To: Todd Stern

Fr: Ann Lewis

'97 SEP 17 PM2:13

Small
Business
SURVIVAL
Committee

News

FOR IMMEDIATE RELEASE
September 3, 1997

CONTACT: Diana Banister
Craig Shirley & Associates
(800) 536-5920/(703) 739-5920

GLOBAL WARMING "WARNINGS" ARE HYPE

Clinton/Gore Scare Tour '97 - Global Climate Treaty the Real Danger

Washington, D.C. - Today, Karen Kerrigan, President of the Small Business Survival Committee (SBSC), denounced President Clinton's efforts to alarm Americans about the alleged global warming crisis at a series of workshops scheduled around the country during the months of September, October and November.

"The President is using this tour as a scare tactic to drum up support for the proposed Global Climate Treaty while not fessing-up to the harsh economic and lifestyle impact this treaty will have on American citizens," Kerrigan said.

The Clinton Administration is currently negotiating the international treaty that will force all Americans to follow mandatory and targeted CO2 reductions which will result in massive restrictions in energy usage. The administration is also sponsoring legally binding timetables for reducing greenhouse gas emissions, like carbon dioxide and methane. Some radical proposals would restrict use and can only be accomplished through the imposition of energy taxes or energy rationing - which in turn will increase prices and hurt economic growth.

"Small businesses, in particular - dry cleaners, bakeries, auto repair shops and other 'mom-and-pop' businesses - will find it very difficult to keep their doors open when they have to pay considerably more for energy," Kerrigan said. *"The American people deserve to know what the President is getting them in to, especially when it involves a radical policy which would place U.S. energy use under international management."*

This management, however, would not apply to developing countries such as China, Mexico and India who would be exempt from the treaty. According to SBSC, while the United States suffers massive job loss and economic dislocation, China receives a major economic advantage, courtesy of President Clinton and Vice President Gore.

According to a recent study by the Charlton Research Company, six out of ten Americans oppose any international climate agreement that would cost American jobs.

"Millions of American jobs and the viability of small businesses are at stake," says Kerrigan. *"The bottom line is that the Clinton Administration is negotiating away our jobs and our future."*

For more information on the "Clinton/Gore Scare Tour" and SBSC or to arrange an interview with Ms. Kerrigan, please call (800)536-5920.

-30-

1320 18th Street, N.W., Suite 200 • Washington, D.C. 20036
Tel: (202) 785-0238 • Fax (202) 822-8118
www.sbbsc.org

opposition

THE WHITE HOUSE

'97 OCT 8 PM 1:21

OFFICE OF LEGISLATIVE AFFAIRS
HOUSE LIAISON
--FAX COVER SHEET--

DATE: 10/8/97

TO: Todd Stern

FAX #: 6-2215

FROM: ☐ JANET MURGUIA
☐ AL MALDON
☐ DAN TATE
☒ LUCIA WYMAN
☐ PETER JACOBY
☐ STACEY RUBIN

☐ ANDY BLOCKER
☐ JEFF FORBES
☐ ELISA MILLSAP
☐ JESSICA GIBSON
☐ PETER GREENBERGER

(202)456-6620 (TELEPHONE)
(202)456-2604 (FAX)

SUBJECT: _____

6:11/6

AUSBC

AUSTRALIA-U.S. BUSINESS COUNCIL

3050 K Street NW • Suite 400

Washington DC 20007

(202) 342-8400

MEMORANDUM

October 2, 1997

TO: INTERESTED PARTIES
FROM: SKIP HARTQUIST, *President*
RE: GLOBAL CLIMATE CHANGE - AUSBC WHITE PAPER

In December, 1997, the Kyoto Conference will attempt to develop an international protocol on climate change. The attached "White Paper - Climate Change" represents the views of the U.S. and Australian companies which are members of the Australia-U.S. Business Council.

This paper is being widely distributed as a contribution to the debate on this important issue.

For further information please contact Helen Freeman at 202/342-8415.

WHITE PAPER - CLIMATE CHANGE

Executive Summary

The Australia-U.S. Business Council (AUSBC) is a nonprofit organization comprised of many of the leading entities engaged in trade and investment in the United States and Australia. Its members are drawn from virtually every significant sector including manufacturing, mining, agribusiness and services. AUSBC members are committed to preserving and protecting the environment and are deeply interested in recent initiatives to address global climate change.

The AUSBC believes the environmental benefits and economic consequences of policy proposals in this area, including targets and timetables for the limitation of greenhouse gas emissions, must undergo thorough analysis, review and comment. These steps are necessary before adoption of any policies and measures which affect the Australian and other countries' economies. Legally binding targets, proposed by the EU and the U.S. are neither necessary nor desirable at this juncture. There are simply too many policy, economic, legal, social and scientific uncertainties and potential inequities to make it possible or desirable to specify an equitable and effective legally binding outcome. For the present, the AUSBC supports voluntary measures to reduce greenhouse gas emissions and believes that business should be an active participant in the policy development and review process.

The AUSBC recognizes the work of various developed countries in seeking to address the climate change issue. Indeed the AUSBC was particularly gratified to note that common sense in fact prevailed at the recent U.N. conference in June 1997. The fact that the outcome was not conclusive, and recent concerns expressed by various members of Congress, point up the need to do additional work and close investigation in this area.

Clearly, suggestions of mandatory targets are premature. However, to the extent that multilateral action ultimately is shown to be necessary and appropriate, the AUSBC supports the Australian government's proposed "differentiation" approach. Under this approach, all countries would bear an equitable share of the global costs involved in addressing climate change. Countries' national circumstances would be reflected in their undertakings. However, equally important is a multilateral approach that ensures the involvement of developing nations as well. Unconstrained growth in emissions from these countries would reduce or offset the benefits of action by the developed countries.

"Differentiation"

Australia's proposed "differentiation" approach would provide an equitable burden sharing formula that recognizes differential costs for a country in meeting its national commitments. It would be aimed at achieving equity between Annex 1 countries (all developed countries) so that there are similar percentage changes in per person economic welfare as a result of mitigation commitments or international abatement action. It would also recognize that there are rapidly changing structures as a result of global economic integration and the liberalization of world trade. The importance of the differentiation principle has been recognized by various developed countries including the members of the EU. The EU countries used a differentiation approach to develop the EU's most recent proposal on targeted reduction (see below).

The current international climate change negotiations under the Framework Convention on Climate Change (FCCC) will develop a protocol to be adopted at the next ministerial meeting in Kyoto in December 1997. At the second Conference of Parties (COP2) in Geneva in July 1996, Australia endorsed the Ministerial Declaration except for that section on legally binding targets. Instead, Australia proposed that countries' commitments be differentiated to reflect differing national circumstances.

The Australian government has recognized the importance of partnerships in developing its position on global climate change. Industry, together with the Australian government, the professions, and the community has been involved in seeking a comprehensive and effective response to climate change.

The Importance of "Differentiation"

Over the last 20 years, Australia has emerged as an efficient, major world producer and exporter of a range of energy and energy-intensive commodities. The continued globalization of world economies and the removal of trade distortions has facilitated this increasing emphasis on Australia's comparative advantage in energy production and energy-intensive business.

The Australian government's proposed differentiation approach involves using a set of economic indicators to establish country targets, taking into account the economic structure of each economy, its resource base, and other individual country circumstances including dependency on fossil fuels both in trade and in emission intensity of exports. This approach would allow for some growth in emissions and is critical for an economy like Australia's which has an almost total dependency on black and brown coal for electricity production and in its resource-intensive industries. It would be grossly inequitable and damaging to Australia's economy for it to be subject to mandatory targets that failed to reflect its particular circumstances. In essence, Australia would be forced to bear a disproportionate burden not shared by other developed countries or, more importantly, by developing countries (see below). This outcome would be to the serious detriment of Australian industry and the economy.

The AUSBC believes that the Australian government's proposed approach is equitable in the distribution of costs of mitigating climate change, is a flexible global response to global warming, and importantly is achievable for all countries. It is an economically-sound and

comprehensive market-based approach that can be adjusted over time as new data and technologies become available.

The AUSBC also supports options such as joint implementation of greenhouse abatement programs, increased research and development, and adaption policies that are aimed at finding equitable and cost effective global solutions. The AUSBC supports the voluntary "no regrets" measures to greenhouse abatement, i.e., measures that make good sense for reasons other than emission costs--such as saving money. Industry's commitment to sensible, workable solutions is underscored by the support in Australia for the signing of company greenhouse challenge agreements. These agreements, which are subject to public scrutiny and audit, are strong evidence of companies' commitments to taking steps that will reduce the greenhouse effect.

The AUSBC commends the Australian government's review of the National Greenhouse Response Strategy which will take the greenhouse agenda into the twenty-first century. Australian industry has been involved in this review through the Industry Greenhouse Network.

The AUSBC is opposed to legally binding, medium term targets as proposed by the United States, i.e., a cap on the amount of greenhouse gases an industrialized country could release over a ten-year period. It also opposes a key feature of the EU approach which supports mandatory policies and measures for Annex 1 countries to reduce their emissions by the year 2010 by 15 percent of 1990 levels. The EU would establish a legal instrument to provide for compliance mechanisms.

Both the U.S. and EU approach would result in inequitable burden sharing. Mandatory reduction targets are also:

- inefficient because they do not focus resources on the most cost effective abatement opportunities;
ineffective because actions by Annex 1 countries alone will not stabilize global greenhouse emissions or concentrations;
- environmentally counter-productive because economic activity would tend to increase in countries where energy efficiency is lower; and
- trade distorting because actions that increase the costs of Annex 1 countries' production relative to others will encourage trade in, and development of energy-intensive activities and goods in developing countries at the expense of more efficient producers like Australia.

In short, legally binding targets are neither necessary or desirable. There are simply too many policy, economic, legal, social and scientific uncertainties and potential inequities to make it possible or desirable to specify an equitable and effective legally binding outcome.

Finally, the AUSBC believes that any policy on global climate change must ensure meaningful developing country involvement in parallel with commitments from developed

countries. This is critical as unconstrained growth in emissions from developing countries especially China, India and Indonesia would reduce or offset the environmental impact of any action ultimately taken by Annex 1 countries.

Conclusion

The importance of action to combat global climate change is clear. What is also clear is the importance of setting goals that are both achievable and equitable and that produce real long-term benefits. To the extent that international action is shown to be necessary and appropriate, the Australian government's proposal for differentiation is best suited for achieving these goals while avoiding unnecessary disruption to the economies of the principal participants in this important effort.

Bruce R. Moats
Director, Federal Government Affairs
AT&T
1120 20th Street, Suite 1000
Washington, D.C. 20036

Robert Oswald
Director, Government Affairs
American Express
801 Pennsylvania Avenue, NW #650
Washington, D.C. 20004

Edward Cloonan
Vice President,
International & Corporate Affairs
American International Group
70 Pine Street
New York, NY 10270

Frances Cassidy
Chief Executive Officer,
**Australian Meat & Live-Stock
Corporation**
750 Lexington Avenue, 17th Floor
New York, NY 10022

Frank Urbany
BellSouth Corporation
1133 21st Street, NW
Suite 900
Washington, D.C. 20036

Pamela J. Whitted
Director - Federal Affairs, USA
BHP
1155 Connecticut Ave., NW
Suite 1120
Washington, D.C. 20036

David V. Clarke
Chief Executive Officer
CSR America, Inc.
945 E. Paces Ferry Road
Suite 2110
Atlanta, GA 30326

Jim Moyle
Chief Financial Officer
CSR America, Inc.
945-E. Paces Ferry Road
Atlanta, GA 30326

Thomas A. Ehrgood, Jr., Esq.
International Trade Counsel
Digital Equipment Corporation
1401 H Street, NW, #950
Washington, D.C. 20005

Mr. David Beckwith
Director of Government Relations
EDS
1331 Pennsylvania Ave NW, #1300N
Washington D.C. 20004

Mr. Peter A. Iovino
Federal Governmental Affairs Manager
Ford Motor Company
1350 Eye Street, NW, Suite 1000
Washington, D.C. 20005

Susan Tuttle
Program Manager
IBM
1301 K Street, NW, #1200
Washington, D.C. 20005

Amy L. Sanders
International Public Affairs Director
Lucent Technologies
900 19th Street, NW
Suite 700
Washington, D.C. 20006

Mike Ogier
Chief General Manager
Pioneer Concrete of America, Inc.
800 Gessner, #1100
Houston, TX 77025

Mr. Jack Blaine
President, Pacific, Asia, Americas Group
Unisys Corporation
Township Line
Union Meeting, PA 19424

Mr. Wilbur H. Peter, III
The Wool Bureau, Inc.
U.S. Branch, International Wool
Secretariat
330 Madison Avenue
New York NY 10017-5001

Steve Chuceri
Legislative Assistant
Office of the Hon. Matt Salmon
115 Cannon House Office Building
Washington, D.C. 20515-0301

Dan Michaelis
Press Secretary
Office of the Hon. Peter T. King
403 Cannon House Office Building
Washington, D.C. 20515-3203

Kristen McSwain
Legislative Director
Office of the Hon. Jon D. Fox
435 Cannon House Office Building
Washington, D.C. 20515-3813

Ann Jacobs
Office of the Hon. Alcee L. Hastings
1039 Longworth House Office Building
Washington, D.C. 20515-0923

Lisa Finkel
Press Secretary
Office of the Hon. Walter Capps
1118 Longworth House Office Building
Washington, D.C. 20515-0522

Jamie Jones
Principal Legislative Assistant
Office of the Hon. Matthew G. Martinez
2234 Rayburn House Office Building
Washington, D.C. 20515-0531

Jonathan Katz
Legislative Assistant
Office of the Hon. Robert Wexler
1609 Longworth House Office Building
Washington, D.C. 20515-0919

Peter Wilson
The Australian
1040 National Press Building
Washington, D.C. 20515

Colleen Ryan
Australian Financial Review
1331 Pennsylvania Ave., N.W.
Suite 904
Washington, D.C. 20004

Jennie Hewett
Sydney Morning Herald
Melbourne Age
1331 Pennsylvania Ave., N.W.
Suite 904
Washington, D.C. 20004

Bureau Chief
Australian Broadcasting Corp.
510 National Press Building
Washington, D.C. 20045

Laurie Butterfield
Seven Network Australia
1825 K Street, N.W., Suite 507
Washington, D.C. 20006

The Honorable Andrew Peacock
Embassy of Australia
1601 Massachusetts Avenue, NW
Washington, D.C. 20036

Stephen Deady
Minister, Counsellor Commercial
Embassy of Australia
1601 Massachusetts Avenue, NW
Washington, D.C. 20036

Paul O'Sullivan
Deputy Chief of Mission
Embassy of Australia
1601 Massachusetts Avenue, NW
Washington, D.C. 20036

Moya Langtree
National Secretary
ANZACC
Australian Embassy
1601 Massachusetts Avenue, N.W.
Washington, D.C. 20036

Perry Welch
President
American Australian Association
750 Lexington Avenue, 17th Floor
New York, New York 10022

David Henifin
Bureau of East Asian & Pacific Affairs
Department of State
2201 C Street N.W., Room 4209
Washington, D.C. 20520

Alan Larsen
Bureau of Economic and Business Affairs
Room 6828
Department of State
2201 C Street N.W.
Washington, D.C. 20520

Donald M. Phillips
Assistant USTR for
Asia & the Pacific
Office of the USTR, Winder Building,
600-17th Street, N.W.
Washington, D.C. 20506

George Paine
The Australia Desk Officer
Room 2308
U.S. Department of Commerce
14th & Constitution Avenue, N.W.
Washington, D.C. 20230

Nancy Linn Patton
Room 3203
U.S. Department of Commerce
14th & Constitution Avenue, N.W.
Washington, D.C. 20230

Helen Lee
APEC Liaison Officer
Department of State, Room 4210
2201 C Street, N.W.
Washington, D.C. 20520

The Honorable John Wolf
Coordinator for APEC
Department of State
Room 6205
2201 C Street, N.W.
Washington, D.C. 20520

The Honorable Doug Bereuter
Chairman, Subcommittee on Asia & the Pacific
International Relations Committee
2184 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Ed Royce
Subcommittee on Asia & the Pacific
International Relations Committee
1133 Longworth House Office Building
Washington, D.C. 20515-0539

The Honorable Dana Rohrabacher
Subcommittee on Asia & the Pacific
International Relations Committee
2338 Rayburn House Office Building
Washington, D.C. 20515-0545

The Honorable Jim Leach
Subcommittee on Asia & the Pacific
International Relations Committee
2186 Rayburn House Office Building
Washington, D.C. 20515-1501

The Honorable Jay Kim
Subcommittee on Asia & the Pacific
International Relations Committee
227 Cannon House Office Building
Washington, D.C. 20515-0541

The Honorable Mark Sanford
Subcommittee on Asia & the Pacific
International Relations Committee
1223 Longworth House Office Building
Washington, D.C. 20515-4001

The Honorable Dan Burton
Subcommittee on Asia & the Pacific
International Relations Committee
2185 Rayburn House Office Building
Washington, D.C. 20515-1406

The Honorable Donald Manzullo
Subcommittee on Asia & the Pacific
International Relations Committee
409 Cannon House Office Building
Washington, D.C. 20515-1316

The Honorable Howard L. Berman
Subcommittee on Asia & the Pacific
International Relations Committee
2330 Rayburn House Office Building
Washington, D.C. 20515-0526

The Honorable Eni F.H. Faleomavaega
Subcommittee on Asia & the Pacific
International Relations Committee
2422 Rayburn House Office Building
Washington, D.C. 20515-5201

The Honorable Sherrod Brown
Subcommittee on Asia & the Pacific
International Relations Committee
328 Cannon House Office Building
Washington, D.C. 20515-3513

Michael P. Ennis
Staff Director
Subcommittee on Asia & the Pacific
International Relations Committee
B-358 Rayburn House Office Building
Washington, D.C. 20515

Richard Kessler
Democratic Professional Staff Member
Subcommittee on Asia & the Pacific
International Relations Committee
B-358 Rayburn House Office Building
Washington, D.C. 20515

Ellen Bork, Majority Staff Member
Subcommittee on East Asian
& Pacific Affairs
Foreign Relations Committee
SD-450 Dirksen Office Building
Washington, D.C. 20510-6225

Frank Jannuzi, Minority Staff Member
Subcommittee on East Asian
& Pacific Affairs
Foreign Relations Committee
SD-450 Dirksen Office Building
Washington, D.C. 20510-6225

IN OFFICE REQUESTS
Skip Hartquist
Bob Porter
Meg Mullery
Gloria Malabanan
Helen Freeman

Mr. Paul Charlton
Environmental Section
Embassy of Canada
501 Pennsylvania Avenue, N.W.
Washington, D.C. 20001

Mr. Yasuharu Ueda
Embassy of Japan
Economics Section
2520 Massachusetts Avenue, N.W.
Washington, D.C. 20008

Mr. Bjorn Hansen
Embassy of Norway
2720 34th Street, N.W.
Washington, D.C. 20008

Ms. Annie Peterson
Environmental Defense Fund
1875 Connecticut Avenue, N.W.
Suite 1016
Washington, D.C. 20009

Mr. Eric Holdsworth
Global Climate Coalition
1275 K Street, N.W.
Suite 890
Washington, D.C. 20005

Ms. Frances Seymour
World Resources Institute
1709 New York Avenue, N.W.
Suite 700
Washington, D.C. 20006

Mr. Dennis Stolte
Senior Director of Government Relations
American Farm Bureau Federation
600 Maryland Avenue, S.W.
Suite 800
Washington, D.C. 20024

The
William J. Casey
Institute of

THE
CENTER
FOR
SECURITY
POLICY

P
E
R
S
P
E
C
T
I
V
E

PERSPECTIVE
For Immediate Release

'97 OCT 6 PM9:43

No. 97-C 149
6 October 1997
(202) 466-0515

Opposition

**EFFECTS OF CLINTON'S GLOBAL WARMING TREATY ON U.S. SECURITY
GIVES NEW MEANING TO THE TERM 'ENVIRONMENTAL IMPACT'**

(Washington, D.C.): Lest there be any doubt that the U.S. military has a stake in the outcome of President Clinton's decision concerning the size, nature and timing of mandatory reductions in greenhouse gas emissions,¹ consider the 23 September 1997 edition of the trade publication *Defense Environment Alert*. On that date, the newsletter reprinted in its entirety a memorandum circulated on 5 September by Deputy Under Secretary of Defense for Environmental Security Sherri Goodman.

'Smoking' Gun

The Goodman memo underscored the immense quantity of fossil fuels consumed by the Nation's armed forces:

"The United States is the world's largest source of carbon dioxide emissions, approximately 20% of the world total, resulting primarily from burning fossil fuels. Within the U.S., the Federal government is the single largest user of energy, with the Department of Defense accounting for 73% of the Federal government's total. Overall, DoD uses 1.4% of the energy used within the United States."

Goodman estimates that the Pentagon's gross energy consumption totals "about 24 million metric tons of carbon equivalent of greenhouse gas emissions." Of this, "about 58% was used for operations and training in military tactical and strategic systems (i.e., equipment, vehicles, aircraft and vessels designed or procured for use in military operations). The remaining 42% was used at DoD installations by facilities and non-tactical vehicles."

A Bill of Particulars

The memorandum declares that "Any restriction on allowable carbon dioxide emissions for these [tactical and strategic] systems will affect DoD military operations and readiness." It goes on to offer illustrative examples, by service, of what those repercussions might be, assuming a 10% reduction in fuel usage. For example:

- "For the Army, a 10% reduction in operations and training fuel use would cut 328,000 miles per year from tank training, impacting its ability to fully execute the National Military Strategy....[It] would reduce the operational tempo mile-average training strategy to a level that would downgrade unit readiness and require up to six additional weeks to prepare to deploy. Strategic deployment schedules would be missed, placing operations at risk. Furthermore a 10% reduction in training hours for flight crews could reduce their readiness status, requiring four-to-six weeks of additional training to deploy and will jeopardize crew safety."

- more -

**Center for Security Policy
Perspective**

**Page 2 of 3
6 October 1997**

- "For the Navy, a 10% reduction in fuel use would cut 2,000 steaming days per year from training and operations for deployed ships. This would impact the National Security Strategy...result[ing] in some ships being deployed at a less acceptable readiness rate. Naval aviation (Navy and Marines) would also be adversely impacted....The readiness of Marine Corps air-ground task forces would also be significantly affected. These integrated combined areas [form the] fundamental component of forward deployed United States forces and are vital to fostering regional stability and maintaining the overall readiness of the Navy-Marine Corps team."
- "For the Air Force, a 10% cut in fuel usage would result in the loss of over 210,000 flying hours per year. This would reduce Air Force readiness to the point it would be incapable of meeting all of the requirements of the National Military Strategy. Fighter and bomber crews would be unable to maintain full combat readiness. This means that many advanced capabilities would be lost...."

"In addition, airlift capacity would be reduced 10%, impacting all supported agencies. Reduced aerial tanker capacity would further impact operations and training. Finally, training not only keeps existing units and crews ready to fight, it also prepares new crews to replace those lost through normal attrition. For example, the Air Force's critical pilot shortage would be further exacerbated by reducing the production of new pilots through Undergraduate Pilot Training."

The background memorandum concludes: "In summary, DoD found unacceptable impacts to national security....While the results of this analysis provide useful insight into some of the potential short-term impacts of limiting fuel usage, there are serious shortfalls in this type of 'static' analysis. First, the analysis does not address possible threats to national security that will emerge in the future. The impacts described above assume that the force structure in place today will be adequate throughout the greenhouse gas reduction period. Second, the analysis assumes DoD's fuel needs are relatively stable and predictable. This means assuming that a major crisis requiring the use of military forces that will increase fuel use will not occur."

A National Security Waiver?

For all these reasons, Secretary Goodman attached to her background memorandum a proposed "national security waiver" to the treaty expected to be adopted at Kyoto, Japan in December. This waiver, the memorandum says, "should address military tactical and strategic systems used in training to support readiness or in support of national security, humanitarian activities, peace keeping, peace enforcement and United Nation's actions." Seems reasonable.

Defense Environment Alert reported, however, that "some DoD sources say the September 5th memos on the climate change treaty do not represent the Pentagon's current position and are now outdated." Unfortunately, Goodman declined to return phone calls seeking clarification as to whether the Defense Department no longer believes that a national security waiver is required, or whether it no longer believes that the impending presidential decision would have "unacceptable impacts to national security."

**Center for Security Policy
Perspective****Page 3 of 3
6 October 1997**

What is clear, however, is that this issue seems not to be getting the sort of high-level attention one would expect from the Pentagon leadership, given the stakes. At a Washington conference last week, the Chief of Staff of the Army, senior civilian and military strategic planners (including, an Assistant Secretary of Defense, a Navy admiral assigned to the Joint Chiefs of Staff, and generals representing the Army and Air Force) and the Chairman of the National Defense Panel -- a congressionally mandated panel tasked with preparing an independent review of the Pentagon's future requirements -- all confessed that they were unaware of what was being done to protect defense equities in the Clinton Administration's decision-making on global warming.

The Bottom Line

We can be sure of one thing: If the Pentagon is not going to look after those equities, no one else in the Clinton Administration will do so. Press reports say that behind the tag-team hard-sell being mounted by Messrs. Clinton and Gore for the Kyoto treaty, a battle royal is raging between environmental officials, on the one hand, and those responsible for the U.S. economy, on the other. The U.S. military seems to be AWOL at a moment when its support for the latter could help spare the Nation as a whole the severe, and unwarranted, impact of the President's emissions-reduction scheme upon our future economic growth and standard of living -- to say nothing of its effect on the readiness, power projection and war-fighting capabilities of America's armed forces.

- 30 -

1. See the following Casey Institute and Center for Security Policy products: *As Clinton Pushes For Radical Approach To Global Warming, Will Impacts On U.S. National Security Be Frozen Out?* (No. 97-C 147, 2 October 1997) and *Center Asks: Are White House Climate Change Extravaganzas Meant To Facilitate Informed Debate -- Or Just The Party Line?* (No. 97-D 146, 30 September 1997).

American Automobile Manufacturers Association

opposition



September 29, 1997

TO: Todd Stearn
FROM: Bob Moss
SUBJECT: **Global Climate Information Project**

Per my phone message of this morning. The Global Climate Information Project is sponsoring another television ad that is scheduled to start either today or tomorrow. I have enclosed a video tape of the ad, as well as the most current list of co-sponsors.

Thanks and I look forward to talking with you in the near future.

REM/dle
Enclosures

HEADQUARTERS

1401 H Street, N.W. Suite 900, Washington, D.C. 20005
202•326•5500 FAX 202•326•5567

DETROIT OFFICE

7430 Second Avenue, Suite 300, Detroit, MI 48202
313•872•4311 FAX 313•872•5400

Global Climate Campaign Co-sponsors

- 
1. A. Philip Randolph Institute
 2. American Automobile Manufacturers Association
 3. American Corn Growers Association
 4. American Farm Bureau Federation
 5. American Int'l. Automobile Dealers Association
 6. American Iron and Steel Institute
 7. American Petroleum Institute
 8. American Plastics Council
 9. American Portland Cement Alliance
 10. American Sheep Industry Association
 11. American Trucking Associations
 12. Association of American Railroads
 13. The Center for Energy & Economic Development
 14. Chemical Manufacturers Association
 15. Coalition for Vehicle Choice
 16. The Fertilizer Institute
 17. Global Climate Coalition
 18. Nat'l. Assoc. of Farmer Elected Committeemen
 19. National Association of Manufacturers
 20. National Automobile Dealers Association
 21. National Black Chamber of Commerce, Inc.
 22. National Cattlemen's Beef Association
 23. National Farmers Union
 24. National Grange
 25. National Mining Association
 26. National Rural Electric Cooperative Association
 27. The Seniors Coalition
 28. Small Business Survival Committee
 29. United Brotherhood of Carpenters, AFL-CIO
 30. United Mine Workers of America, AFL-CIO
 31. U.S. Chamber of Commerce
 32. United States Hispanic Chamber of Commerce
 33. United Transportation Union, AFL-CIO

FOR IMMEDIATE RELEASE
September 17, 1997

Contact: Nick Braden
(202) 452-9516

U.N. Treaty on Global Warming Will Devastate U.S. Economy, Study Finds

Labor-Management Group releases study showing staggering job losses and steep increases in consumer prices if proposed U.N. treaty is signed

Washington -- More than 1.5 million American jobs will be lost and the prices consumers pay for gasoline and electricity will skyrocket under a proposed United Nations treaty on global warming, according to a study released today in Washington, DC.

In December, the U.S. and other countries will meet in Kyoto, Japan to consider a U.N. treaty to reduce greenhouse gas emissions that some scientists believe causes global warming. According to the study, conducted by the leading independent economic forecasting firm of Data Resources, Inc. (DRI), the proposed treaty will cost at least 1.7 million American jobs by the year 2010. Particularly hard hit will be the mining industry as well as the energy and manufacturing industries. Every industrial sector and every region of the country will experience job losses.

In addition, the study found that staggering increases in the cost of energy and consumer goods will result from the treaty. The cost of gasoline alone will increase 43 percent by the year 2020 while electricity costs will rise 94 percent, costing the average American family potentially thousands of dollars every year.

Citing the DRI study results, Cecil Roberts, the President of United Mine Workers of America - BCOA, and Peter Lilly, the President of Peabody Holding Company, on behalf of the UMWA-BCOA Labor Management Positive Change Process (LMPCP) today cautioned the Clinton Administration not to agree to any treaty in Kyoto that will lead to such widespread economic devastation.

"The proposed treaty currently being considered will throw a record-shattering number of American families out of work and these are jobs that will never be replaced. This proposal represents all pain and no gain for American workers, American consumers and our entire nation." Cecil Roberts said.

Peter Lilly added, "As Americans, we owe it to our children and future generations to find a way to achieve a cleaner environment without bankrupting the U.S. economy and consigning millions of Americans to a life of unemployment and poverty."

The Economic Policy Institute (EPI), a Washington-based think tank, has reviewed the DRI study and its economic assumptions. EPI concluded that additional negative impacts will occur beyond the DRI results, including further wage erosion among American workers and significant increases in the American trade deficit if the treaty is signed as proposed.

oppos for

In the August 1996 negotiations arising from the reopener provisions of the 1993 National Bituminous Coal Wage Agreement Negotiations the UMW-BCOA agreed to use existing labor-management organizations to work together on the issues arising from international global warming initiatives.

The LMPCP, which is jointly administered, was given an additional task of developing material on the global warming issue. The LMPCP was established in the 1993 Agreement to help foster a cooperative labor/management environment at individual coal mines.

###

Background on Global Warming

Introduction

For more than a decade, the nations of the world have been discussing the issue of global warming. Through a series of United Nations sanctioned negotiations over the past five years, the U.S. and other nations of the world have moved to the brink of a policy that could have devastating consequences on the American worker and consumer, with little or no climate change benefit.

The Rio Treaty

In 1992, the United States and other nations signed the U.N. Framework Convention on Climate Change (FCCC) in Rio de Janeiro. The framework convention, also known as the Rio Treaty, established the long-term goal of stabilizing concentrations of greenhouse gases at a level that would prevent dangerous human interference with the climate system. It was agreed that 36 industrialized nations such as the United States, the OECD except Mexico, and the Former Soviet Union would aim to return greenhouse gas emissions such as carbon dioxide to 1990 levels by a date left uncertain. Because the remaining 129 "developing nations" including India, China, Mexico, Brazil and South Korea claimed they needed more time to allow their economies to grow, a vague clause in the agreement simply required these nations to pursue "sustainable development."

The Berlin Mandate

In 1995, the parties to the Rio Treaty met in Berlin to review progress in meeting treaty objectives and to discuss emission goals for both industrial and developing nations. The parties found that despite efforts undertaken since the Rio Treaty, the United States and most other industrialized countries would not meet the 2000 emissions target.

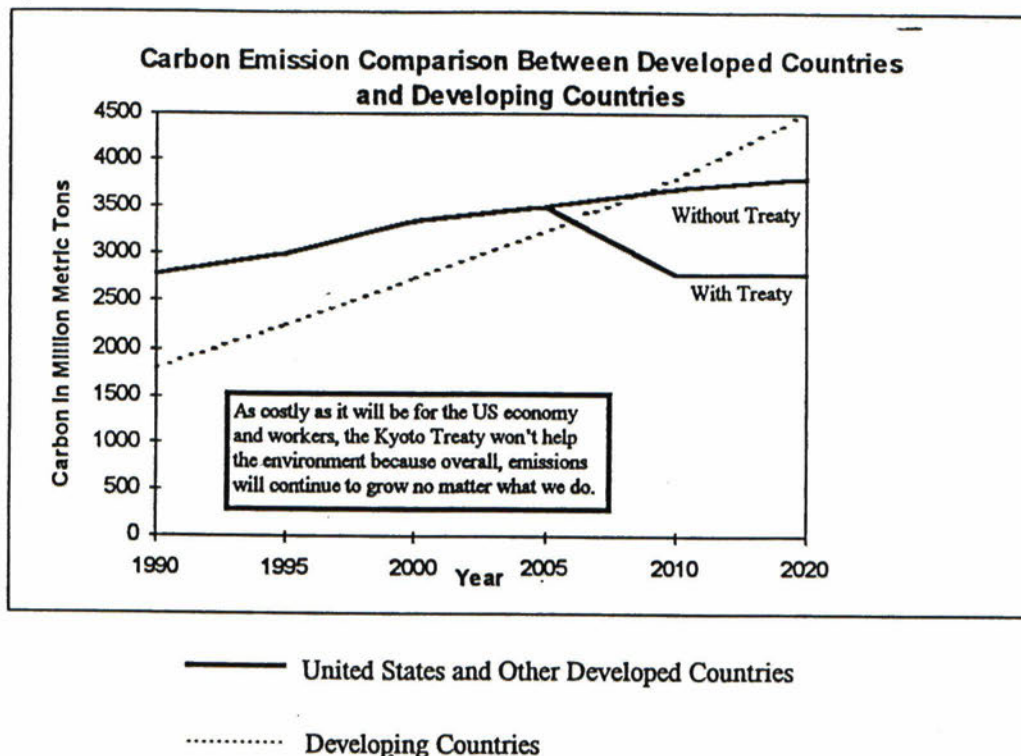
Despite this, the parties agreed to the Berlin Mandate. The Berlin Mandate called for negotiating a legal protocol for establishing new commitments to limit greenhouse gas emissions by developed countries only, with a goal of adopting a treaty in December, 1997, in Kyoto, Japan.

The Berlin Mandate specifically exempted all developing nations from any new commitments. Therefore, developing nations were given the greenlight to continue emitting greenhouse gases even though those emissions are known to be rapidly increasing and are expected to surpass the emissions of the U.S. and other OECD nations by 2015 or earlier.

The Kyoto Treaty

The Kyoto Treaty, currently being negotiated for signing in early December 1997, would require binding targets and time tables for greenhouse gas emission reductions for only 36 developed countries. Developing nations would be exempted from making emission reductions. The negative impact on the U.S. from such a treaty would be immense.

First, if developing countries are allowed to continue emitting greenhouse gases, the very problem the treaty was meant to address will not be solved. Even if developed nations reduce their carbon dioxide emissions to meet 1990 levels, developing nations will more than double their amount of emissions. U.S. efforts to reduce carbon emissions will be rendered useless and overwhelmed by emissions from the developing world.



Second, a general consensus exists among economists studying this issue that, in all likelihood, companies located in industrialized countries that wish to avoid emission control requirements will simply move their operations to countries not subject to the provisions of the proposed Kyoto Treaty. This will increase American dependence on foreign energy sources, increase American dependence on manufactured goods made in competing developing nations, and send hundreds of thousands of jobs overseas.

Third, policies currently being considered by the United States that will determine the magnitude of the requirements of the Kyoto Treaty are equivalent to an increased energy tax on carbon fuels several times larger than all current state and federal energy taxes

combined. The impact on the U.S. trade, agriculture, employment and economy will be devastating.

Several studies completed in the U.S. by both independent and government research groups to determine the impact of various carbon mitigation strategies on the U.S. economy bear this out.

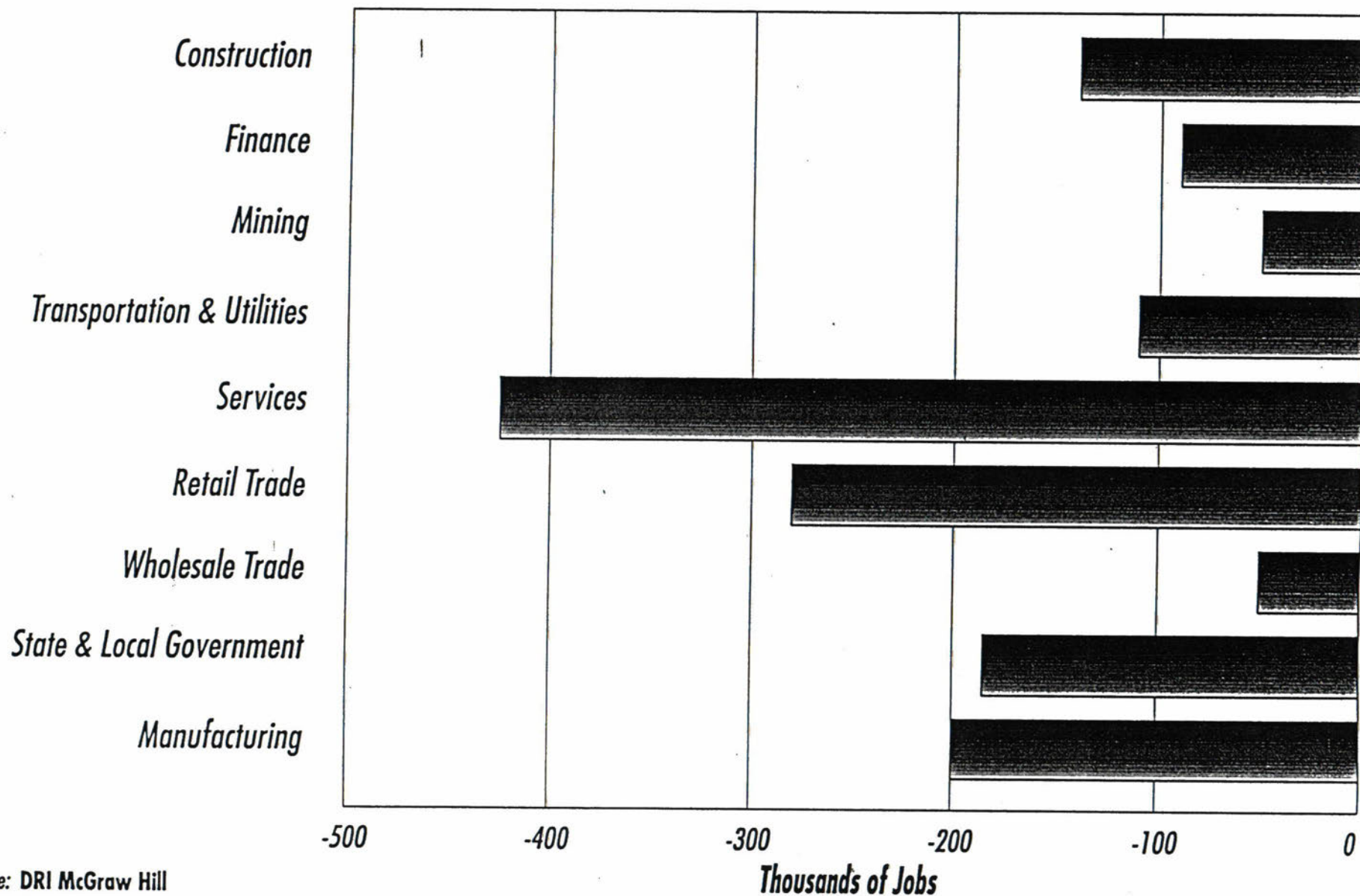
Although the studies differ somewhat in their methodology, base case assumptions and focus, they all reach conclusions that show a severely negative impact on the U.S. economy whether the strategies are carried out unilaterally by the U.S. or with international cooperation from industrialized nations. Job loss estimates in the United States range from 900,000 to 1.7 million by the year 2010, with the mining, energy, and manufacturing industries taking the hardest hit. The effect will also be uneven across the country, with the East and West South Central regions, due to their high concentration of energy based industry, taking the brunt of the job losses.

With the adoption of the Berlin Mandate, it has now become clear that global warming has ceased to be solely an environmental issue and has instead evolved into an economic issue that threatens to plunge the United States into an economic crisis with higher unemployment, higher inflation, reduced economic output and increased trade deficits. Developing nations hold the key to the effectiveness of any climate treaty. Until these nations are willing to commit to long term participation under the Rio treaty to reduce emissions, industrial nations cannot develop a rational plan for reducing their emissions. Even the U.S. Government's own Council of Economic Advisors, in a report to the president dated in February 1995 stated:

"Given the global scope of the issue, it will become increasingly important to coordinate national responses in order to avoid excessively costly or perverse outcomes. Focusing only on emissions from today's advanced industrialized countries would do little to prevent 'leakage' of emissions to other countries that are expanding their industrial bases."

Employment Loss by Industry, 2005

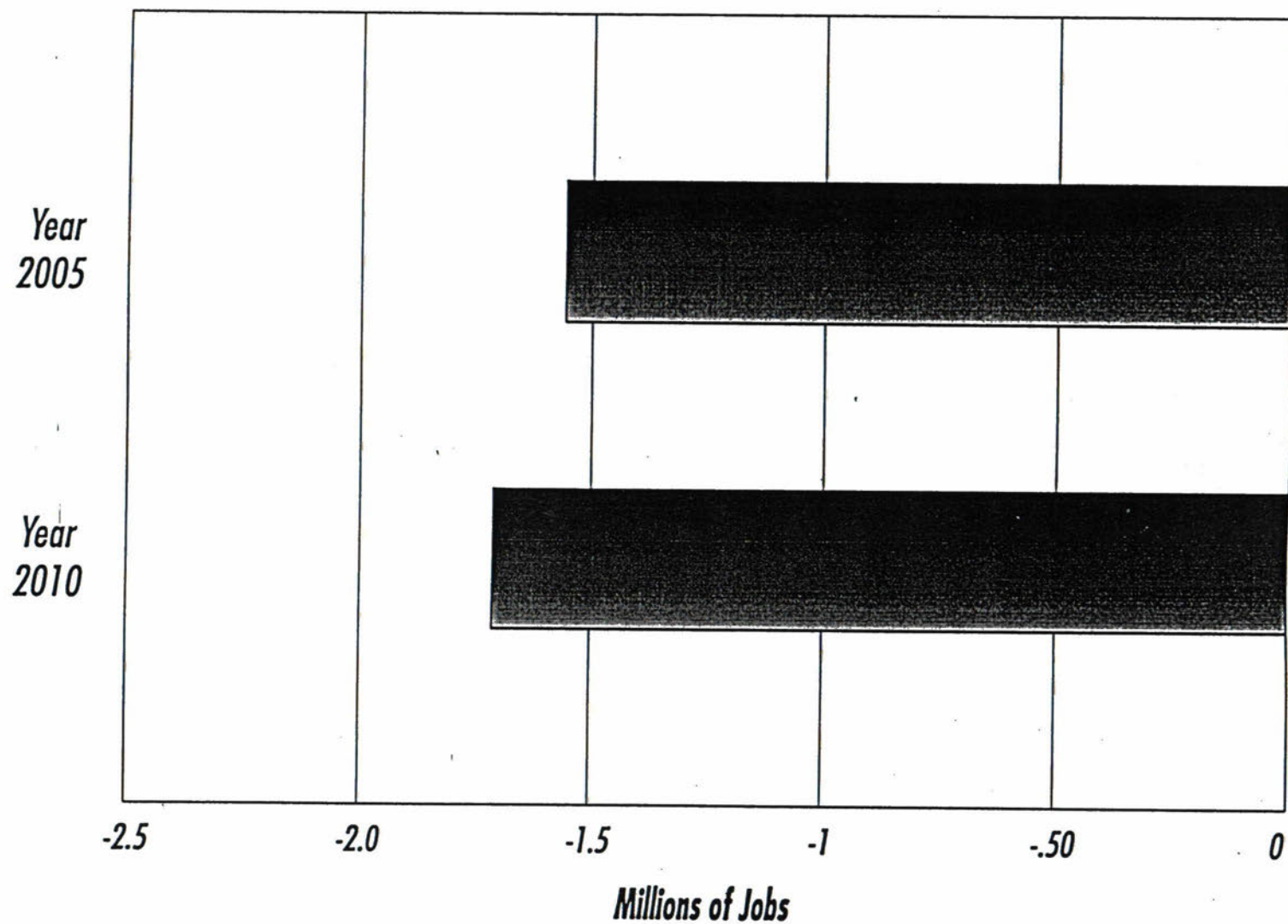
Stabilization at 1990 Levels by Year 2010



Source: DRI McGraw Hill

Total Employment Losses

From Carbon Reduction Policies, Stabilization at 1990 Levels



Source: DRI McGraw Hill

Accelerating Globalization?

The Economics Effects of Climate Change Policies on U.S. Workers

Robert E. Scott

Introduction

The Framework Convention on Climate Change, which the U.S. and other countries signed in 1992, committed the U.S. and other countries to a voluntary plan to reduce emissions of greenhouse gases. In 1995, at the first Conference of the Parties (COP-I), a document was produced which established a process designed "to elaborate policies and measures" which would "set quantified limitation and reduction objectives within specified time frames, such as 2005, 2010, and 2020" for greenhouse gas (GHG) "emissions by sources and removals by sinks."¹ At COP-II in 1996, the U.S. first endorsed the concept of "legally binding" emission targets. The signatories to the Convention are now engaged in negotiations that could lead to a treaty with binding commitments at the third Conference of the Parties in Kyoto, Japan in December 1997.

There is a high level of uncertainty about the benefits of policies to avoid climate change. In fact, it is precisely because of the existence of this uncertainty about the effects, and the costs, of climate change, that some economists have taken an interest in the theoretical aspects of climate change modeling (see, for example, Nordhaus 1994). Some have found that there are greater incentives to implement policies to reduce GHG emissions than would exist if the costs of climate change were known with certainty.

Because of the uncertainty surrounding the benefits of climate change policy, most analysts have focused on an assessment of the costs of GHG policies.² However, little attention has been paid to the distributional implications of climate change policies. This paper examines

these issues using a model developed by DRI/McGraw-Hill (1997). The results of this modeling exercise are analyzed and contrasted with a recent administration study of the costs of climate change policies (Interagency Analytic Team 1997). DRI/McGraw-Hill also prepared the most extensively cited model used in the IAT report. We refer here to that earlier effort as the IAT model.

There have been a number of surveys of the cost of climate change policies.³ We rely on some of these studies in our analysis. This report contributes an analysis of the distribution of the costs of climate change policies across society to the debate. We make no assessment of the potential benefits of GHG policies, in terms of potential risks or damages that could be avoided, nor do we take a position on the advisability of adopting any further policies to restrict GHG emissions. However, we recommend that if such policies are implemented, two specific, additional measures regarding adjustment assistance and border taxes are needed to limit their disruptive effects on the economy, and on the lives of American workers.

We begin by describing the baseline forecasts for the economy (business as usual case) and then review the overall effects of potential GHG policies on output (GDP) and consumption, including a comparison of the DRI/McGraw-Hill (1997) results with those of the IAT. The next section considers the effects of these policies on key sectors of the economy, including employment, wages, profits, and foreign trade. We then examine GHG policy-effects on industries and regions of the economy. The paper concludes with a discussion of policy implications and areas for future research.

The Macroeconomic Impacts of GHG Policies

The model used in this study is the DRI/McGraw-Hill macro-economic model. This is a short-run forecasting model with an input-output-based structure. Some analysts have criticized the use of the DRI model to analyze issues such as GHG policies because of its short-run orientation, arguing that the policies proposed should be designed to reduce energy use and carbon emissions over the next century.⁴ However, the policies discussed in IAT (1997) would take effect in the year 2000 and be phased in over 10 years. They would have substantial short-run impacts on economic output, which would exceed the costs identified in the other long-run models used in the IAT report.⁵ Therefore, it is appropriate to examine these adjustment costs when considering the distributional effects of GHG policies.

Many models have estimated the costs of stabilizing the emissions of carbon, on a national basis, at 1990 levels by the year 2010. This scenario has become the standard of comparison for modeling of the costs of GHG policies. The IAT chose this scenario as a baseline, and also ran a number of "sensitivity-test" scenarios which varied key assumptions, including a range of targets between 90% and 110% of 1990 level emissions in the year 2010. Most scenarios assume that emissions are held constant after the target is achieved in 2010. The European Union has proposed emission reductions of 15% of 1990 levels by 2010 as a starting point for the the Kyoto-round negotiations. It is also important to point out that ultimate stabilization of atmospheric CO₂ may require further reductions in global emission levels beyond these targets, with attendant increases in the costs of GHG policies.⁶ Comparison of cases 1 and 2 suggests that the costs of emissions control increase exponentially. Therefore adjustment costs could continue and expand if future COP meetings results in additional, increasingly restrictive agreements to reduce GHG emissions in the Annex-I countries, as seems likely.

Baseline forecasts

DRI/McGraw-Hill (1997) assumes that real GDP growth will average two percent per year between 2000 and 2010, and 1.5% per year thereafter. GDP growth declines after 2010 because the rate of growth of the labor force declines from about one percent per year between 2000 and 2010 to 0.5% per year thereafter, as the baby boom generation begins to exit the labor force. The energy intensity of the economy is forecast to decline by one percent per year throughout the forecast period. Carbon emissions therefore increase 1.3 percent per year between 2000 and 2010 and 0.8% per year thereafter.

Total carbon emissions in the baseline case are 1,746 million metric tons (MMT) in 2010 and 1,894 MMT in 2020. Actual emissions in 1990 in the U.S. were 1323 MMT, according to DRI/McGraw-Hill (1997).⁷ Therefore total emissions in the baseline case grow 32.0% and 43.2%, respectively, in 2010 and 2020 in this model. These are the amounts by which carbon emissions would have to be reduced to stabilize emissions at 1990 levels.⁸ Some fuels, such as natural gas and petroleum, emit much less carbon per unit of energy released, so energy use would not have to fall by this amount if fuel switching were to occur (as is assumed in the DRI model).

Policy Scenarios

It is assumed that a system of tradeable carbon emission permits is announced and implemented beginning in 2000. The number of permits in circulation is reduced each year from 2000 to 2010, until the emissions target is achieved. Permits are not traded internationally, but are tradeable within the domestic market, to facilitate adjustment at least possible cost. Three cases are analyzed⁹:

- Case 1:** **(Grandfathered Permits).** Allowance are issued to industry at no cost. Emissions are stabilized at 1990 levels in 2010.
- Case 2:** **(Grandfathered Permits, 90% of '90 Emissions).** Allowances are issued to industry at no cost. Emissions stabilized at 90% of 1990 levels in 2010.
- Case 3:** **(Auction, Deficit Reduction)** Allowances auctioned by U.S. Government, no revenue recycling. Emissions stabilized at 1990 levels in 2010.

Carbon prices range from \$180 to \$200 per ton in 2010 and \$270 to \$320 per ton 2020 in DRI/McGraw-Hill (1997), as shown in **Table 1**. These prices have very different effects on different types of fuel, as noted above. Gasoline prices increase only 31.5% to 49.2% in 2010, for example (\$.41 to \$.63/gallon). However, coal prices rise much more rapidly, 450% to 680%, because coal has a much higher carbon content per unit of energy, as noted above. Natural Gas, which is one of the most carbon-efficient fuels, rises substantially more in price than gasoline because fuel switching sharply increases demand, and capacity is slow to respond.

Energy prices in the IAT draft report are compared in the bottom two sections of Table 1. The base case prices are nearly identical in the two studies. However, carbon prices are much lower in the IAT scenarios. There are two reasons for this. First, the IAT model assumes slightly higher baseline improvements in energy efficiency (1.25% vs. 1.0% per year). Therefore, carbon emissions in 2020, for example, are projected to be 1805 MMT in the IAT base case, versus 1894 MMT in DRI/McGraw-Hill (1997), a difference of about 5%. Second, and more importantly, the IAT report apparently assumes larger price and substitution elasticities than DRI/McGraw-Hill (1997). The IAT report has been criticized because "The price elasticities for energy demands need further explanation. Some very rough ...calculations suggest that they may

be on the high side.¹⁰ These comments suggest that the estimates in DRI/McGraw-Hill (1997) may be more reliable than those developed for the IAT.¹¹

Effects on Output and Consumption

Figure 1 shows that in the cases considered here, GHG policies could have significant costs for the economy, especially in the next ten to fifteen years. Policies designed to stabilize U.S. emissions of greenhouse gases at 1990 levels in 2010 — the least restrictive policies now being discussed for the Kyoto negotiations — could reduce the level of national output by 1.8 to 2% in the short run. If GHG emissions are reduced by 10% in 2010, then the short-run costs increase sharply, to 2.9% of GDP and 3.6% of consumption. The maximum impact occurs in 2007 in all three scenarios, seven years after the permit system begins to be phased in, but three years before emissions are fully reduced to the target level. Output falls because of the increase in energy prices, shown in Table 1 above, which depresses consumption and investment spending.

Overall inflation rates, shown in Figure 2, rise by 0.25 to 1 percentage points during the initial implementation period. By 2020, in the grandfathered permits cases, the cumulative effect of these price effects causes a 7% to 9% increase in the level of the GDP price deflator, relative to the base case, because businesses will pass along the cost of permits to their customers. This increase in the *level* of the GDP deflator is permanent, even though inflation returns to base case levels by 2015.

If permits are auctioned by the government, the policy will have a more depressing effect on output, because the permit fees will cause a sharp, permanent increase in government savings. The effect of the permits is similar to that of a tax increase. Inflation increases in the short run, and then falls below the base case after 2008, reflecting the permanent suppression of demand

caused by this policy.

In all three scenarios, investment recovers and is increased as a share of GDP, relative to the base case, as shown in Figure 10, below. Firms and consumers increase their spending on capital goods to increase energy efficiency, effectively substituting capital for energy and accelerating the replacement of the existing capital stock. For example, total purchases of vehicles in 2020 in the three policy scenarios are 200,000 to 500,000 units higher than in the base case. As a result of the increased investment, the available stock of effective non-residential capital increases steadily throughout the forecast period, as shown in Table A, above. By 2020, it is 85 to 10% higher than in the base case.

The increase in investment is effectively financed through a forced increase in national savings in the three policy scenarios. If the permits are simply granted to businesses, free of charge, then business revenues and corporate profits will increase dramatically. Part of these retained earnings will then be available to finance increased investment spending. Savings through the federal budget also increase in all three models, after an initial adjustment period. If permits are grandfathered, then corporate profit tax revenues will increase. If the permits are auctioned by the government, then the revenues will flow directly into the treasury. The model assumes in all cases that the government uses the increased revenues to reduce the deficit or, if there is a surplus, to reduce the stock of outstanding federal debt, increasing the effective rate of government savings.

The increase in national savings and investment that would result from a system of energy permit sales is a key element in all models of the effects of GHG policies. In the long run, the increase in savings and investment causes GDP to be higher in 2020 than in the base case, in all

three scenarios, as shown in Figure 1. Furthermore, GDP is growing 0.1 to 0.2 percentage points faster than in the base case in all three scenarios in 2020. Hence, the stimulus to investment provided by GHG policies could slightly increase the underlying rate of growth of the domestic economy, in the long run. However, the assumption that permit sales would increase national savings is highly questionable, for reasons discussed below. In the absence of the stimulus to savings and investment, GDP levels and growth rates would be lower throughout the forecast period.

Figure 3 demonstrates that the increase in real energy prices has a bigger effect on consumption than it does on output. GHG policies have a larger impact on consumption than on GDP for at least two reasons. First, a larger share of output is devoted to investment, for reasons explained above, and thus consumption must decline as a share of national income. Second, the increase in energy prices will force consumers to reduce real purchases of other goods, holding everything else constant (unless overall demand for energy is price elastic, which is not the case in most models).

Consumption losses reach a peak of 2.2 to 3.6 percent in 2007, relative to the base case, as shown in Figure 2. Consumption also recovers, following the GDP path in figure 1. However, overall consumption levels remain about one-half percent below the base case in 2020 in all three scenarios, despite the increased levels of output in that year, reflecting the increase in savings discussed above.

Comparisons with IAT Estimates.

The IAT estimates generated much smaller projections of the losses than would result under similar policy scenarios. For example, Figure 4 compares predicted changes in total

consumption from the base case, assuming grandfathered permits in both the IAT and the DRI/McGraw-Hill (1997) models. The maximum loss in the IAT model, of 1.4%, occurs two years earlier (2006) and is only 55% as large as the maximum loss in the DRI/McGraw-Hill (1997) model of 2.5% of base consumption. The difference between the two forecasts reflects the two key differences in energy forecasts: 1) lower base case energy use in the IAT model; and 2) higher price elasticities in that model.

The Reliability of Critical Assumptions

There are substantial economic and practical reasons to question some of the assumptions underlying both the IAT and the DRI/McGraw-Hill (1997) models. One key assumption concerns the way that revenues from the sale of permits are used in the economy. Figure 5, which contrasts two scenarios from the IAT report, illustrates the effects of different ways of handling permit revenues on total consumption in the U.S. If permit revenues are recycled to consumers, rather than being used for deficit reduction, losses to consumers will not fade away over time.¹² In this case, consumption will fall and remain at a lower level throughout the forecast period. Given the political realities of the federal budget processes, it is highly unlikely that permit revenues of the type envisioned here would be used to reduce the budget deficit or the federal debt. For example, forecasts in mid-1997 that the federal budget could achieve a small surplus within the next few years if the economy continues to grow at its current pace have generated a wide range of proposals for using projected revenues for new tax cuts, and/or public spending increases. Therefore, national savings are unlikely to increase as assumed in these models.

Higher levels of federal spending for consumption purposes, for example for defense spending, will not stimulate growth in the way envisioned in the DRI model. Thus the permits are

not likely to stimulate as much growth in GDP, nor as rapid a recovery, as is forecast in either the DRI/McGraw-Hill (1997) or IAT (1997). On the other hand, some type of public investment, in areas such as R&D, educational programs and other types of public infrastructure, could have an even larger impact on productivity and economic growth rates than the private investment spending that drives the DRI/McGraw-Hill results. Therefore, the ultimate effects of GHG policies on the economy will be heavily effected by the ways in which the resulting revenues are utilized.

For these reasons it is unlikely that all of the GHG revenue collected by the government would go to deficit reduction. Some federal revenues will probably be returned to consumers (through tax cuts) or otherwise result in new public consumption expenditures. While tax cuts or other expenditures could stimulate the economy, they could not fully offset the depressing effects of GHG policies. Therefore, output is likely to fall with GHG policies, in the long run, in contrast with the case reviewed here.¹³ Figure 4 shows that consumption will fall when the permit system is put in place in 2000, recover slightly, and then begin to decline again. The sustained decline is caused by the increase in the cost of carbon permits and energy prices shown in Table 1, above.¹⁴ The increased cost of energy puts an increasing drag on the rate of growth of economic output. This is the most important long-run cost of GHG policies.

The initial decline in consumption shown in Figure 4 is smaller if all the revenues are returned to consumers, perhaps through reductions in income or other labor taxes (such as the social security tax). This "revenue neutral" policy has a less depressing effect on total output and consumption than the grandfathered permits policy. Losses begin to increase in 2015 because of the long-run effects of higher energy prices. The losses and distortion effects shown in Figure 4

would increase with the size of the effective carbon tax. Permit fees as large as those estimated in DRI/McGraw-Hill (1997, \$180 to \$320 per ton, Table 1 above) would have proportionately larger effects on consumption than the IAT cases (in which permit fees are only \$95 per ton in 2010 and \$125 in 2020).

One final economic reason for questioning the results of both the IAT and DRI/McGraw-Hill (1997) is that investment may not respond in the way assumed in the models. In each case (except for the auction, 100% to consumer case shown in Figure 4), it is assumed that increases in savings by the business and government sector stimulate a proportionate increase in domestic investment.¹⁵ However, even though corporate retained earnings would rise sharply if permits were grandfathered to existing energy users, there is no guarantee that the resulting excess cash would be invested in the U.S. Investment opportunities elsewhere in the world could be more attractive, particularly if there are parts of the world not subject to GHG policies (as discussed below). In fact, recent empirical research has shown that in the long run, about one-quarter of any given change in savings has flown out of the U.S. in the past. This ratio could change in the future, as well. For these reasons, investment (and therefore GDP and consumption) might not receive the stimulus expected in the IAT and DRI/McGraw-Hill (1997) models even if savings are increased. In fact, increased corporate earnings could accelerate capital flight problems that are discussed below.

On balance, we expect that GHG policies designed to stabilize emissions at 1990 levels will reduce consumption by at least \$50 to \$100 billion per year, on average, between 2000 and 2020. Losses are likely to continue and grow in the future because the policies will reduce the economy's potential growth rate, because permit revenues are likely to be spent on tax cuts or

new public expenditures, and because savings and investment will be diverted to other countries because of the effects of GHG policies on economic incentives. However, the Kyoto negotiations also need to consider the distribution of the benefits and the costs of these policies.

Distributional Effects of GHG Policies

Since 1973, U.S. production workers have experienced a steady decline in their real wages and earnings, as shown in Figure 6. After rising steadily at an average rate of \$0.14 per hour (in \$1982) through 1973, real compensation began to decline steadily thereafter at a rate of \$.035 per hour. This decline in production worker incomes contrasts sharply with the continued growth in real hourly earnings of the top twenty percent of the labor force, which has been maintained throughout the 1980s and 1990s. Earnings inequality, the gap between the top and bottom classes of wages earners, has increased sharply as a result. For example, the ratio of the top to the bottom deciles of workers has increased from 3.7 to 4.5 since 1973, an increase of more than 20%.

Wages have been eroding and income inequality has been increasing for a number of reasons, including declining rates of unionization, falling real values of the minimum wage, deregulation and increased rates of immigration. Rapid growth in foreign trade and investment are also important causes of declining real wages (Mishel, Bernstein and Schmitt, 1997). Unless these issues are considered in the development of GHG policies, those measures will exacerbate the effects of globalization on American workers. Recent reports suggest that trade may be responsible for at least 20 to 25% of the increase in U.S. income inequality in this period (Tyson, 1997).¹⁶ With these facts in mind, we turn next to an analysis of the effects of GHG policies on labor and other factors of production, and then examine the effects of GHG policies on trade in

some detail.

The effects of GHG policies on employment in DRI/McGraw-Hill (1997) are illustrated in **Figure 7**. As GDP and consumption fall after the permit system is introduced, unemployment (not shown) rises initially and peaks (relative to the base case) in 2006. Overall, unemployment (not shown) is increased by 0.6 to 1.1 percentage points in. To put this in perspective, in the 1990-1991 recession in the U.S., unemployment increased by 2.2 percentage points from its 1989 low of 5.3 percent. Thus, the effects of GHG policies on unemployment are projected be one-quarter to one-half as large as the last U.S. recession.

Job displacement peaks in 2007 or 2008 and persists, as shown in **Figure 7**, even as excess unemployment is eliminated. Displacement persists, though at lower levels, throughout the forecast period because real wages are depressed by the rise in energy prices (and the overall price level), causing workers to drop out of the labor force. Job losses are especially large in the scenario with the lowest emission targets (grandfathered permits, 90% of '90 emissions), in which energy prices must rise most rapidly.

GHG policies have a strikingly consistent, negative impact on real wages, as shown in **Figure 8**.¹⁷ The rate of growth in real wages is reduced by 0.4 to 0.55 percentage points immediately after the introduction of the permit system in 2000. These reductions in real wage growth, relative to the base case, persist for over a decade. The losses are largest with the most restrictive emission limits (90% of '90 emissions), and least for the case with grandfathered permits and 1990 emission targets. In the latter case there is a small, offsetting, positive effect from the increased ability of corporations to grant wage increases when permits are grandfathered, which increases corporate revenues.

The decade-plus suppression of wage growth rates could cumulatively reduce the growth in the level of real wages by more than 50% between 1995 and 2020, relative to the base case, as shown in **Figure 9**. Real wages decline in all three scenarios between 2000 and 2006, and by 2020 they are only 3% to 4% higher than they were in 1995 (versus a 9% increase in the base case). This translates into an average growth rate of less than 0.2% per year. With such low rates of wage growth the continued increase in inequality will lead to falling wages for most workers. Only the top groups of wage earners are likely to experience any real wage gains over this period.

Impacts on the Business Sector

If GHG policy simply grants permits to business at no cost, then businesses currently using energy will effectively capture the stream of income that is equal to the value of those permits. They can choose to either use the permits themselves, or sell them to other users on the open market. The advantages of this system are that: 1) as the number of permits in circulation is reduced between 2000 and 2010, the lowest cost means of eliminating energy use will be identified by market forces; and 2) the grandfathering of permits will provide some compensation to businesses that will face higher costs of energy because of the implementation of GHG policies.

Under this policy scenario, businesses will capture revenue stream, which will grow in value with the prices of permits, if the permits are given away, as shown in **Figure 10**. Corporate profits (before taxes) are forecast to rise steadily in the base and auction, deficit reduction cases from \$500 billion in 1995 to \$1.6 trillion in 2020. This reflects both the growth of the capital intensity of the economy (the capital stock is growing faster than in the base case) and an increase in the expected returns to capital, as well as the general growth in real output. If permits are

grandfathered, annual corporate profits in 2020 will increase by an additional \$1.1 to \$1.2 trillion dollars, an increase of about 66%, as a result of the infusion of GHG permit revenues and associate increases in the prices of domestic products.¹⁸

Investment as a share of GDP will increase in all three GHG scenarios, as shown in **Figure 11**. Higher energy prices will increase the levels of investment in both residential and non-residential goods, including houses, cars and producer durable equipment (production machinery). This will have important side effects, by stimulating the production of capital goods and construction sectors, as shown below. The increase in investment, if it materializes, is the key to generating increased levels of GDP in the DRI/McGraw-Hill forecasts.

A policy induced increase in the level of profits will cause profits to rise sharply as a share of GDP in the two cases where permits are simply given to businesses (grandfathered), as shown in **Figure 12**. This sizeable increase in profits reflects returns on the incremental investment shown in Figure 11, and also returns on the asset value of carbon permits in circulation. In the DRI/McGraw-Hill model, increasing profits have a positive macroeconomic impact, because they provide savings to fund the investment growth. However, rising profits, as a share of national income, also imply a fall in the labor share of income, providing further evidence that production workers will be squeezed by GHG policies. The profit share of output increases by 9.4 and 11.2 percentage points, respectively, in the two cases with grandfathered permits in 2020, with the larger effect occurring with the restrictive target of 90% of '90 emissions. In the base case, profits rise gradually from 7.4% to 15% of GDP. In Scenario's 1 and 2, profits rise to 24.6% to 26.5% of GDP. Such large increases in capital's share of national income would virtually ensure a sizeable increase in the inequality of income distributions in the U.S. .

Effects of GHG Policies on Trade and Investment flows

By 2020, U.S. Imports would rise sharply under GHG policies because higher energy prices would make foreign goods (made with cheaper energy inputs) more attractive, as shown in **Figure 13**. In the short run, as output falls due to the introduction of the permit system, imports will decline slightly. After 2007 they surpass the base case (no GHG policies), and by 2020 they are \$175 to \$275 billion higher than in the base case. Imports rise most rapidly under the scenario with the most restrictive limits on GHG gases (90% of '90 emissions), because the high costs of carbon permits. The auction, deficit reduction case has the smallest effect on imports, because output is slightly lower than in the case with grandfathered permits (at '90 emission levels).

Real exports, shown in **Figure 14** would fall below base case exports until at least 2013, for all three policy scenarios. Exports recover somewhat thereafter, because of the effects of increased domestic productivity. In particular, in case 2 (permits auctioned, revenues used for deficit reduction) exports are \$25 billion higher than in the base case by 2020.

On balance, the increase in imports is considerably larger than the increase of exports, in the long run, in all three cases. Therefore the trade deficit (imports less exports) increases sharply as a share of GDP, as shown in **Figure 15**. The balance improves slightly during the initial period of adjustment to GHG policies, between 2000 and 2010, because of the decline in consumption, but the deficit expands rapidly thereafter. By 2020, the deficit has increased to between 6.0% and 7.5% of GDP, as compared with a 1997 deficit of approximately 2% of GDP. The trade deficit is forecast to grow substantially in the base case, as well. However, the GHG policies would add between \$149, \$287 and \$240 billion to the trade deficit in 2020 in cases 1 through 3, respectively. The trade deficit would increase by 1.3, 2.7 and 2.1 percentage points of GDP in the

respective cases.

Deficit increases of this size would have huge impacts on traded goods, especially manufacturing-sector products. We have estimated that \$1 billion worth of exports would generate approximately 14,000 domestic jobs, including direct and indirect employment effects, in 1995 (Scott and Lee, 1997). Using this multiplier, the forecast increases in the trade deficit could eliminate a gross total of 2 to 4 million job opportunities in goods producing and related industries. As shown below, the DRI/McGraw-Hill industry projections for 2020 do not reflect employment losses of these magnitudes, because the model assumes that the economy returns to full employment and displaced workers are reabsorbed into other industries by that time.¹⁹ However, if the forecast changes in trade flows are correct, then 2 to 4 million fewer jobs will exist or be created in industries producing traded goods, and related inputs, could occur with GHG policies, as compared with base case employment forecasts. In the long run, increased imports will cause shifts in employment within the manufacturing sector, and between manufacturing and services. As a result, gross job displacement is likely to exceed the net job losses that are discussed below.

If GHG policies do eliminate such a large number of manufacturing jobs, they will have a much larger impact on wages and incomes, especially for non-college educated workers, than is suggested by the DRI/McGraw-Hill macroeconomic model, because wages and incomes are much higher in manufacturing than in other sectors of the economy. Further research is needed to separately estimate the effects of GHG policies on the wages and incomes of blue- and white-collar workers.

There is also a more fundamental set of international trade and investment issues that are

not addressed in the DRI model, as suggested by outside reviewers of the IAT, noted above. The DRI model assumes that the share of imports coming from the Annex-I countries (that will impose GHG emission limits) and non-Annex-I countries (which will presumably not be limited, for some time to come) will remain fixed in the base case. However, the structure of trade flows has shifted rapidly in the past 10 years, even without the incentives provided by GHG policies. The share of U.S. imports originating in the developing countries increased from 29.1% in 1978 to 36.4% in 1990, even while the ratio of imports to value added in the manufacturing sector was increasing sharply, from 18.3% to 30.7% (Sachs and Shatz 1994, 10 and 12).

GHG policies will also create incentives to accelerate the pace of globalization and integration of the world economy. Globalization will take at least two forms. First, the share of U.S. imports originating in developing countries will grow, even more rapidly than it has in the past (for example, Mexico and China have experienced some of the most rapid rates of growth in U.S. imports in the 1990s). Second, investment will be diverted from the U.S. to non-Annex I countries, especially Mexico and other countries with large supplies of low-wage, semi-skilled labor. The pool of investment capital available for investing abroad could also be increased if grandfathered permit policies are implemented, as shown above. For the past two decades trade has grown twice as fast as world income, and foreign direct investment has grown four times as fast as income. Globalization is likely to accelerate if GHG policies are implemented that do not limit or otherwise control production shifts designed to escape GHG limits.

Sectoral and Regional Impacts of GHG Policies

Tables 2 and 3 forecast the effects of GHG policies on total and sectoral employment, at a fairly aggregated level in the economy (1- and 2-digit SIC categories of output). Employment

changes in 2007 (Table 2) will be dominated by the initial reduction in output, relative to the base case, as noted above. Employment changes will be almost universally negative, and will be spread more or less evenly across the economy. Total losses are greatest when GHG limits are most restrictive (90% of '90 emissions). DRI/McGraw-Hill predicts that a net total of 1.5 to 2.6 million jobs, or about 1.0% to 1.8% of total employment in the base case, will be lost in this first recession. At the high levels of aggregation shown in Table 2, only the energy-related sectors are predicted to experience very large job losses in the short run, including mining (down 11.5% to 15.4%) and petroleum refining (down 2.5% to 7.4%)

In 2020 employment changes are more mixed (Table 3). Total employment declines by 400,000 to 1 million jobs (0.1% to 0.4% of base case employment in 2020), because of the reduction in real wages discussed above. However, employment grows in some sectors (such as other services, retail trade and durable goods) while declining in others (including mining, transportation and non-durables manufacturing). Contract construction employment increases in the two cases with less restrictive limits on carbon emissions because of increased levels of investment. Significant employment losses spread to a much wider range of industries, as the effects of higher energy costs and related changes in other costs are spread throughout the economy. Mining losses rise to 22% to 24% of the base case and petroleum refining employment declines by 17% to 24%. Several industries are forecast to have significant job losses under grandfathered permits, but gains when permits are auctioned and the revenues used to reduce the federal deficit or increase savings, including apparel products, leather products, electrical machinery and miscellaneous manufacturing. These are all sectors that are open to international competition, where production is highly sensitive to wage levels. Nominal wages would be about

six percent lower than in the base case by 2020 in the auction, deficit reduction scenario.

However, wages are higher than in the base case when permits are grandfathered, which explains why employment impacts differ at the sectoral level in these scenarios.²⁰

Employment shifts between industries could contribute to the downward pressure on wages discussed above. **Table 4** reproduces forecasts for employment changes in 2020 from **Table 3** for a selected group of the most highly aggregated industries, and also includes information on average production worker wages in these sectors in 1995. This table strikingly illustrates one reason why wages grow so slowly in these scenarios. 400,000 to 500,000 job opportunities in mining, transportation and public utilities, where wages average between \$14.22 and \$15.32 per hour, would be eliminated (relative to base-case forecasts), while 240,000 to 290,000 jobs would be created in retail trade, which had wages averaging \$7.70 per hour in 1995. In addition, 180,000 to 340,000 manufacturing jobs, paying between \$11.60 and \$12.90 per hour, would also be eliminated if GHG emission quotas were allocated to industry (rather than auctioned to raise government revenues). This process of structural change resulting from GHG policies will contribute to increasing inequality within labor markets in the U.S.

DRI/McGraw Hill also provides detailed forecasts at the 3 digit level for industries, and at the 2 digit level for the 10 census regions of the U.S. **Table 5** reports the industries that are predicted to gain or lose more than 5% of base-case employment in 2020. Losses outweigh gains in **Table 4**, in several ways. The number of industries experiencing losses of more than 5% of output is more than twice as large as the number with gains of more than 5%. In addition, there are 13 industries that lose more than 10% of output in 2020, including Rubber and Plastics footwear (-56%) coal mining (-45%), other leather goods (-34%) and electric utilities (30%).

However, there are no industries that gain more than 7.1% in total output. These trends reflect the broader tendency for employment to fall in manufacturing, especially durable goods, and rise in services sectors, including education services, retail and wholesale trade and state and local governments, as shown in Tables 3 and 4, above. Other individual industries that would be especially hard hit by GHG policies include kitchen products, apparel, toys, and various other mining industries (fertilizers, nonferrous metals and iron and ferroalloy ores).

Coal mining is one of largest and most heavily affected industries under GHG policies.²¹ Coal output is projected to fall by 45 to 50% in 2020, relative to a base case with no restrictions on carbon emissions. The coal industry employed 116,000 workers in 1995. DRI/McGraw-Hill's (1997) base case forecasts that coal industry employment will decline to 80,000 workers in 2020. GHG policies will eliminate another 35,000 to 38,000 jobs in this industry by 2020, reducing total employment to between 42,000 and 45,000 workers. GHG policies will double projected job losses in this hard-hit sector between 1995 and 2020.

The tendency for GHG policies to shift employment from manufacturing to services would be much more pronounced if trade and foreign investment effects were larger, for the reasons noted above. In addition, given the large increase in imports and the trade deficit, shown in Figures 12 and 14 above, DRI may be underestimating the effect of the GHG policies on output at the sectoral level. The shift of employment from manufacturing to services, the growth of imports and the decline in the price competitiveness of U.S. products would all have depressing effects on U.S. wages, for the reasons discussed above.

The shift from manufacturing to services, especially retail trade, is illustrated in Table 6, which summarizes forecast changes in population and employment in the 10 census regions of the

U.S. in 2020, under the case 1 assumptions (grandfathered permits, 1990 emission limits).

Manufacturing employment (shown in the last column) declines in 9 of 10 regions, rising only in the Pacific Northwest, where it is attracted by the availability of relatively cheap hydro-powered electricity. Retail trade experiences employment gains in 7 of the 9 regions that experience declining manufacturing employment. Mining, especially coal mining, declines sharply in all regions of the country, as noted above. Construction absorbs some of excess labor in regions that are forecast to enjoy stable or rising population levels because of GHG policies. Overall, employment declines in 6 of the regions (more than 1% in the East South Central and West South Central areas), and population declines in 3 of the 10 regions. Changes in energy costs, and the location of employment opportunities drive population shifts. In general, there is a substantial shift of jobs and population to the Pacific Northwest, with the other 7 regions not noted here experiencing small net gains or losses of jobs and employment in Case 1.

Regional and industrial shifts in production and employment will reinforce the tendency of GHG policies to increase income disparities in the U.S. The movement of labor out of high-wage sectors, such as manufacturing and mining, and into low wage sectors, such as retail trade, will tend to increase income inequality across the U.S., as the supply of good jobs for the bottom three-fourths of the labor force is reduced. Regionally, the Pacific Northwest, which already enjoys relatively high standards of living, will experience employment and population gains, while relatively low-income regions such as the East South Central will experience job and populations losses. These changes will tend to increase the disparity which exists in wages and income distributions among these regions, by increasing labor demands in the regions that gain and reducing labor demand in the regions that lose jobs and population.

Policy Implications and Areas for Future Research

To date, the discussion of GHG policies has paid inadequate attention to sectoral, regional and other adjustment policies needed to minimize the negative effects of GHG policies on the distribution of income. Previous research on GHG policies has focused almost exclusively on the identification of costs and benefits at the macroeconomic level of the economy. This analysis adds consideration of equity issues to the debate.

Optimal GHG Control Strategies

As noted above, policy makers are discussing a range of goals for the Kyoto-COP-III meetings and potential agreements. These range from stabilizing emissions in the Annex-I countries at 110% of 1990 levels by 2010 (IAT, 1997), or 2020, to reducing them by up to 20% as soon as 2005.²² DRI/McGraw-Hill (1997) estimates that stabilizing or reducing emissions at 1990 levels will require an effective carbon permit price of \$180 to \$192/ton in 2010, and \$270 to \$281 per ton in 2020 (Table 1, above). Further emission reductions would require substantially higher carbon prices.

Nordhaus (1994, 93-96) has developed a simple simulation model of the costs and benefits of global climate change which identifies optimal emission control rates and the carbon taxes needed to achieve those levels of control (the carbon tax would have essentially the same effect as a carbon permit-fee on energy use and carbon emissions). His model suggests that very small and gradual controls are needed, with carbon taxes of only \$5.29 per ton (in 1989 \$), rising to \$17.75 per ton in 2075.²³ He reviews a number of other, earlier studies which also reached similar conclusions. Fankhauser and Tol (1996) also review a number of recent estimates of the marginal damage of a ton of carbon emissions of \$5 to \$125 per ton of carbon, "with most estimates in the

lower end of this range." This literature suggests that the emission limits considered in IAT (1997) and DRI/McGraw-Hill (1997) may be too restrictive, in the sense that marginal costs would exceed marginal benefits at the given levels of carbon emission limits.

Measures to Offset the Effects of GHG Policies on Income Distribution

This report makes no assessment of the potential benefits of GHG policies, in terms of potential risks or damages that could be avoided, nor does it take a position on the advisability of adopting any further policies to restrict GHG emissions. However, we recommend that if such policies are implemented, two specific, additional measures are needed to limit their disruptive effects on the economy, and on the lives of American workers.

The first concerns the impact of GHG policies on globalization of trade and investment. If two different sets of standards or timetables for emission reductions are established for developed and developing countries, they will create incentives for firms to increase imports and move production and investment out of the U.S., in order to take advantage of lower energy prices and less restrictive emission limits in the developing countries. There are policies available which can reduce the trade and investment distorting effects of GHG policies.

In order to reduce or eliminate the negative effects of GHG policies on U.S. trade and investment, it could even be necessary to establish a border equalization tax policy. This tax would rebate the cost of emission limits on the energy content of exports, and assess an equivalent fee on products imported into the U.S. This kind of policy could eliminate the incentive to import goods and move plants abroad to escape U.S. emission limits. Other policies which could reduce the effects of GHG policies on trade and foreign investment include quotas on energy intensive imports, and safeguard measures to limit import surges. However, each of these measures could

conflict with our obligations under the GATT, increasing the difficulty of developing a comprehensive GHG policy package.

The second type of policy that would be needed is a set of measures that would provide substantial assistance to the workers and communities damaged by the creation of greenhouse gas policies. For workers, such a program should involve meaningful retraining opportunities, and several years of income support while involved in those activities. For particularly hard hit sectors and regions, special programs could be required to provide for early retirements, buyouts and to ensure continuation of health and pension benefits. For communities, there are many options including, but not limited to, industrial and R&D policy support.

Worker retraining policies, especially in the trade adjustment area, have established a poor track record, which may raise questions about the wisdom of incorporating such measures into a GHG policy or treaty package. These policies have failed for several reasons. They have historically been poorly funded, not providing sufficient resources for meaningful retraining nor the time and family income needed to sustain it. In addition, commitments have often been dishonored in the past, when funding for adjustment programs was terminated or drastically reduced after the policy had been implemented. For these reasons, a much larger and more dependable commitment of resources would be needed to compensate workers and communities for the costs of GHG policies.

Limitations and Areas for Future Research

Finally, we conclude by noting three areas of uncertainty. First, there is substantial uncertainty about the pace of global warming and the precise climactic impact of a given volume of CO₂ emissions. Second, this report analyzes the costs, but not the potential benefits of climate

change policy, including any possible economic benefits. Third, there are many unknowns about the costs of reducing emissions. The DRI model provides one way to estimate those costs. This model could overstate or understate the costs of reducing GHG emissions. If the energy efficiency of the economy grows more slowly than is expected in the base case, then greater reductions in energy use will be required to meet any given standard, which would dramatically increase the costs of compliance. On the other hand, in the past such modeling exercises have produced estimates that have proved, in retrospect, to significantly overestimate the costs of new pollution controls. However, even if the models discussed in this report overestimate the costs of GHG policies by 50% or more, the actual costs would still be large and significant.

In addition to these general areas of uncertainty, this report has raised a number of specific concerns that require future research. These include the effect of GHG policies on foreign trade and investment, including sectoral details and relationships between the major accounts (merchandise, services, current and capital accounts); and if permits are traded internationally, or joint implementation is allowed (neither of these alternatives was considered in this report), the implications for trade and exchange rates in a general equilibrium context. Another major area of concern is the system for implementing permits, how they will be created and traded, the nature of the property rights involved, and the wealth effects of grandfathering or other forms of distribution to the private sector. There is a related set of issues concerning the distribution of income between labor and capital, and the future rate of return on capital, that GHG policies will also intersect with. Finally, further disclosure, review and debate is needed about the technical assumptions of the models used to analyze GHG policies. This review should include the relevant price and/or substitution elasticities and the potential (and cost) of increasing the energy-efficiency

of the domestic economy without GHG policies. Differences in base case level of energy use, during the forecast period, can have a very large impact on the cost of limiting carbon emissions and this issue has not been adequately addressed in the literature.

References

- Bernstein, Paul M., W. David Montgomery and Thomas F. Rutherford. 1997. "World Economic Impacts of US Commitments to Medium Term Carbon Emissions Limits," Washington, D.C.: Charles River Associates Incorporated, CRA No 837-06.
- Bovenberg, A. Lans and Ruud A. de Mooij, 1994. "Environmental Levies and Distortionary Taxation," *The American Economic Review*, 94(4), 1085-1089, (September).
- Boyd, Roy, Kerry Krutilla and W. Kip Viscusi. 1995. "Energy Taxation as a Policy Instrument to Reduce CO₂ Emissions: A Net Benefit Analysis," *Journal of Environmental Economics and Management*, 29, 1-24.
- DRI/McGraw-Hill. 1997. "The Impact of Carbon Mitigation Strategies on Energy Markets, the National Economy, Industry and Regional Economies," July.
- Fankhauser, Samuel and Richard S. Tol. 1996. "Climate Change Costs: Recent Advancements in Economic Assessments," *Energy Policy*, 24(7), 665-673.
- Goulder, Lawrence H. 1995. "Effects of Carbon Taxes in an Economy with Prior Tax Distortions: An Intertemporal General Equilibrium Analysis," *Journal of Environmental Economics and Management*, 29, 271-297.
- Interagency Analytic Team. 1997. "Economic Effects of Global Climate Change Policies." Draft of May 30, as released to the House Commerce Subcommittee on Energy and Power. Washington, D.C.: Climate Change Task Force. Manuscript.
- Hoeller, Peter, Andrew Dean and Jon Nicolaisen. 1991. "Macroeconomic Implications of Reducing Greenhouse Gas Emissions: A Survey of Empirical Studies." *OECD Economic Studies*, 16, Spring, 45-78.
- Hoerner, J. Andrew and Frank Mueller. 1993. "The Impact of a Broad-Based Energy Tax on the Competitiveness of U.S. Industry," *The Natural Resources Tax Review*, July-August 1993, 428-458.
- Hoerner, J. Andrew and Frank Mueller. 1996. "Carbon Taxes for Climate Protection in a Competitive World," Environmental Tax Program, Center For Global Change, College Park, MD. Manuscript, June.
- Maddison, David. 1995. "A Cost-Benefit Analysis of Slowing Climate Change," *Energy Policy*, 23(4/5), 337-346.

- Mendeloff, John. 1988. *The Dilemma of Toxic Substance Regulation*. Cambridge, MA: The MIT Press.
- Mishel, Lawrence, Jared Bernstein and John Schmitt. 1997. *The State of Working America, 1996-97*. Armonk, NY: M.E. Sharpe.
- Nordhaus, William D. 1994. *Managing the Global Commons: The Economics of Climate Change*. Cambridge, MA: The MIT Press.
- Nordhaus, William D. and Zili Yang. 1996. "A Regional Dynamic General-Equilibrium Model of Alternative Climate-Change Strategies," *The American Economic Review*, 86(4), 741-765. September.
- Repetto, Robert and Duncan Austin. 1997. *The Costs of Climate Protection: A Guide for the Perplexed*. Washington, D.C.: World Resources Institute.
- Sachs, Jeffrey, and Howard J. Shatz. 1994. "Trade and Jobs in U.S. Manufacturing." *Brookings Papers on Economic Activity*: 1. 1-84.
- Scott, Robert and Thea Lee. 1997. "Trade Deficit, Job Losses Soar Since NAFTA." Washington, D.C.: Economic Policy Institute Trade Fax, February 19.
- Tyson, Laura. 1997. "Inequality Amid Prosperity," *The Washington Post*. July 8.
- Wigley, T.M.L., R. Richels and J.A. Edmonds. 1996. "Economic and Environmental Choices in the Stabilization of Atmospheric CO₂ Concentrations," *Nature*, 379, 18 January, 240-243.
- Yellen, Janet. 1997. "Statement before the House Commerce Subcommittee on Energy and Power," July 15. Typescript.

Endnotes

1. This section is based on, and the quotes are drawn from Bernstein, Montgomery and Rutherford (1997).

2. Nordhaus (1994), which estimates optimal GHG policies from an explicitly defined welfare model is a notable exception. Other examples include Boyd, Krutilla and Viscusi (1995) and Madisson (1995).

3. See, for example, Hoeller, Dean and Nicolaisen (1991) and Repetto and Austin (1997).

4. See, for example, comments on the IAT draft report in letters released to the House Subcommittee on Energy and Power, as an appendix to Yellen (1997):

Dale Jorgenson and William D. Nordhaus (April 24, 1997) "This model is ... highly inappropriate...extremely sensitive to assumptions about energy prices." The letter also criticized the "use of fixed-coefficient, input-output model." and Raymond J. Kopp (May 15, 1997) stated that the DRI model is "...useful only for the analysis of short-term adjustments, and even here, one should proceed with caution..." because the model is "driven from fixed coefficient input-output tables that can give very distorted views of the adjustment behavior of the economy."

5. The IAT report utilized three models. In addition to the DRI model discussed here, the IAT also developed forecasts for a similar set of policy scenarios using the Markal-Macro and Second Generation Models (SGM). These are simulation-type models that calculate equilibrium output levels, given constraints (such as available energy resources) and a set of initial conditions and assumptions about the structure of the economy. The Markal-Macro and SGM models are not designed to estimate adjustment costs or economic disequilibria that will result from policy changes. Hence the DRI model is better suited to the analysis of displacement issues, while the general class of simulation models are more appropriate for estimating long-run consequences. Note, however, that the IAT was criticized by reviewers for: 1) failing to utilize a full computable general equilibrium model, rather than the Markal-Macro or SGM; and 2) because neither of those models included a well developed foreign trade sector. See comments by Nordhaus and Jorgenson (previously cited), Ray Kopp, John Weyant and Richard Richels, in letters released to the House Subcommittee on Energy and Power, as an appendix to Yellen (1997).

6. See Wiley, T.M.L., R. Richels and J.A. Edmonds 1996.

7. Note that IAT (1997, Table 1) reports that total carbon emissions in 1990 were 1338 MMT, 1.1% more than is reported for 1990 consumption levels in DRI/McGraw-Hill (1997).

8. These target reduction levels are 5% to 8% larger than those required in IAT (1997). The difference is explained by the combination in the IAT report of more rapid declines in the energy intensity of the economy (1.25 percent per year vs. 1.0 percent per year), and the slightly higher baseline level of carbon emissions. The efficiency assumption is the most important difference, by far, between the two baseline cases.

9. A fourth case and a new base case are also analyzed in DRI/McGraw-Hill (1997). These cases assume that the energy intensity of the domestic economy in the "heroic base case" improves at 1.75% per year. This corresponds to a similar scenario in the IAT report. Results parallel those of the cases discussed below. The scenario in case 4 is otherwise identical to case 1 (grandfathered permits). Case 4 and its comparable base case are not analyzed here because the "heroic base case" scenario is highly unlikely to occur.
10. Comments on the IAT draft report released to the House Subcommittee on Energy and Power, as an appendix to Yellen (1997) in letter from Richard Richels, May 30, 1997. See also letter from Larry Goulder, June 2, 1997, "The report seems consistently to employ assumptions and policy scenarios that contribute to low costs of emissions reductions."
11. This view is also supported by Ray Kopp, in a letter of May 30, 1997, who noted that "All of the departures from AEO97 used in the draft report serve to decreased carbon emissions [in the base case] and therefore make attainment of a 1990 stabilization less costly." (Letter released to the House Subcommittee on Energy and Power, as an appendix to Yellen, 1997).
12. Figure 4 is derived from two of the scenarios shown in Figure 16 (p. 28) of the IAT draft report.
13. If public investment were to be increased using GHG revenues, then output, consumption and other segments of the economy could achieve higher levels in the long run than in the cases considered here. However, increases in public investment would appear less likely to obtain than general or targeted tax cuts, in the present political environment in the U.S.
14. Bovenberg and de Mooij (1994) have shown that, in theory, revenue raising environmental taxes can lower economic output because they "exacerbate, rather than alleviate, preexisting tax distortions." Goulder (1995) develops a general equilibrium model which shows that the problem with the carbon tax is its "focus on intermediate inputs and its relatively narrow base in comparison with income taxes." In principle, raising the cost or limiting the supply of energy inputs will change the shape and position of the production possibility frontier, generally reducing the amount of output that can be generated with any given set of other inputs.
15. For example, comparing Case 1 and the Base Case, the increase in investment is about 90% as large as the increase in total national savings.
16. Mishel, Bernstein, and Schmitt (1997, 195) estimate that trade could be responsible for more than 30% of the increase in income inequality in the U.S. between 1979 and 1989.
17. The effects on real wages are estimated by dividing the employment cost index by the consumer price index series in DRI-McGraw-Hill (1997, 20 and exhibit 15). The base case value for this series is then contrasted with each of the forecasts to determine the change in the real value of compensation. Note that DRI-McGraw Hill draws a sharp contrast between changes in the nominal wage series for case 3 (permit auctions) which decline sharply, and the other policy cases, where nominal wages increase because of increases in corporate revenues and hence the

ability to pay. However, the variation in these results is eliminated when real wage series (and the corresponding differences of consumer prices in each case) are considered.

18. This increase in before-tax corporate profits appears to primarily reflect an increase in the implicit rate of return on capital. The cumulative increase in fixed nonresidential capital between 2000 and 2020 in the three cases analyzed here is between \$1.0 and \$1.4 trillion, roughly equivalent to the increase in annual corporate profits by 2020. Therefore most of the increase in profits would appear to reflect higher returns on existing capital stock. This implicit forecast of increased returns is unrealistic, unless the world-wide corporate rate return on invested capital rises sharply because of GHG policies. However, an alternative view might treat the incremental profits as the returns on the imputed capital value of carbon emission permits. This view suggests that grandfathering of permits will not only transfer revenues to permit holders, but also new assets with a significant capital value. The implicit rate of return of capital, and wealth transfers associated with the permits, are important issues for future research.

19. Note that the DRI/McGraw-Hill (1997) forecasts for the three scenarios contain puzzling and potentially contradictory results. The Merchandise trade balance worsens by less than \$100 billion in each case, although the calculated trade balances (including services) decline much more sharply, as indicated in the text. It is unlikely that services trade can or will account for these differences. In addition, the current account balance *improves* by \$87 to \$175 billion in the three GHG scenarios, presumably because of the increase in national savings. However, improvements of this magnitude in the current account are unlikely unless they are mirrored in changes in the trade balances, which dominate current account transactions.

20. Exchange rates are essentially unchanged in the DRI/McGraw-Hill (1997) forecasts, so changes in nominal wages and prices directly effect competitiveness. The rigidity of exchange rates in these forecasts is a potential source of error.

21. There is a greater percentage drop in employment in rubber and plastic footwear under GHG policies, as shown in Table 4. However, output in this industry was less than \$1 billion in 1995, as compared with coal industry output of over \$28 billion in that year.

22. Association of Small Island States, 1995, "Draft Protocol Submitted to the United Nations Framework Convention on Climate Change," as referenced in Repetto and Austin (1997, 1).

23. Nordhaus and Yang (1996) develop a regional bargaining model which generates slightly higher optimal permit prices of roughly \$30 per ton of carbon in 2090, versus \$21 in the DICE model developed in Nordhaus (1994).

Statement of Cecil E. Roberts
President
United Mine Workers of America
on the
DRI and EPI Economic and Employment Impact Analyses
September 17, 1997

Today we are releasing the results of two economic and employment studies of climate change policies. These studies, conducted by DRI McGraw Hill (DRI), the same economic forecasting firm used by the Clinton and Bush administrations, and the Economic Policy Institute (EPI), a well known Washington-based economic think tank, should give pause to the administration and its negotiators in the Berlin Mandate process.

Background

As you know, the U.S. is participating in negotiations pursuant to the Berlin Mandate to amend the 1992 Framework Convention on Climate Change, also known as the Rio Treaty. Negotiations are scheduled to conclude in December at a meeting in Kyoto, Japan. We believe the Berlin Mandate is a flawed instrument for dealing with climate issues. It is flawed because it specifically exempts more than half of the world's future emissions from any controls, while asking for substantial sacrifices from American workers and consumers. And as currently structured, it will do nothing to address the climate change issue.

Job Losses

The job losses that are likely to result from carbon reduction efforts are staggering. DRI projects that a policy aimed at reducing emissions in 2010 to 1990 levels will cost nearly 1.6 million jobs in 2005. Job losses will hit every region of the country and every industrial sector (with the exception of the federal government). For most industries and regions there is no recovery throughout the forecast period, which runs to 2020. The coal industry is devastated, but numerous other industries are hard hit--110,000 jobs lost in the transportation and public utility

sector, 199,000 jobs lost in the manufacturing sector, 426,000 jobs lost in the services sector and 182,000 jobs lost in state and local governments as the tax base erodes.

For a policy to reduce emission 10% below 1990 levels by 2010, DRI projects the loss of nearly 2.3 million jobs by 2005, increasing to a high of 2.7 million lost American jobs.

Economic Output and Trade

DRI projects that climate policies will reduce U.S. gross domestic product 1.8% to 2.9% during the forecast period. This means that the U.S. economy will lose over \$200 billion annually at the peak of the phase-in effects in 2005-2010. Climate policies limited to developed nations are also likely to significantly increase the U.S. trade deficit. EPI notes that the DRI model may underestimate the trade flow implications of such policies. EPI estimates that real imports are likely to increase substantially and real exports are likely to decline. EPI estimates that this could result in an increase of up to \$240 billion in the U.S. trade deficit. If this occurs, EPI estimates that job losses could be as high as 2-4 million.

Wage Growth

The EPI report notes that carbon reduction policies are likely to depress wage growth, as higher wage jobs are knocked out of the economy and only partially substituted with lower wage jobs. EPI estimates that future wage growth could be cut by 50%. This will exacerbate the stagnation and decline in real wages that American workers have endured for the last two decades and will tend to increase the already wide income disparity in our economy.

Energy Prices

The policies analyzed by DRI were based upon the U.S. proposal for a carbon permit trading scheme modeled on the U.S. acid rain sulfur dioxide trading program. DRI estimates that carbon permit prices would have to be \$180-190 per ton (1995 dollars) in 2010 to reduce

emissions to 1990 levels, and would rise to \$270-280 per ton in 2020.

The carbon permits will act like a carbon tax, raising the price of energy based on its carbon content. Coal, with the highest carbon content of all fossil fuels, will be taxed the highest. But all fossil fuels are projected by DRI to increase in price. Gasoline prices are projected to increase \$0.41-\$0.64 per gallon. Electricity prices will increase over 11 cents per kilowatthour and natural gas prices will increase \$1.14 per therm (100,000 Btu). For an average American family these energy price increases will add nearly \$900 per year to the annual household energy bill by 2005, increasing to about \$2,200 per household by 2020.

Energy taxes are highly regressive by nature. Families, regardless of income, must heat and cool their homes, cook their food and travel to work. For example, the U.S. Department of Energy estimates that a family with an annual income of less than \$10,000 still spends nearly \$1,000 per year in energy costs in the home. Energy taxes, or equivalent carbon permit schemes, will be crushing for low-income workers and seniors living on fixed incomes.

Conclusion

The upcoming U.N. climate treaty is **All Pain and No Gain** for American workers and consumers. It is a bad deal for American families, and will provide a perverse incentive for American corporations to relocate their operations abroad. That is why the labor movement has taken positions warning the administration to avoid signing a treaty amendment that harms workers, consumers and our economy. We have had unanimous votes on climate policies at the Industrial Union Department of the AFL-CIO, the Transportation Trades Department, the Maritime Trades Department, and the full AFL-CIO Executive Council. Because of concerns about increased energy prices, the National Council of Senior Citizens (NCSC) has adopted similar positions. The fear that we may be on the verge of signing a bad deal also motivated the Senate in July to adopt unanimously a resolution calling on the administration to insist that all nations participate in any new commitments and that any proposed treaty not harm the American economy. The studies we have released today clearly show that efforts to reduce greenhouse

gases in the short time frames being discussed will have significant negative effects in terms of lost jobs, higher consumer energy prices, and higher trade deficits. I repeat, this is a bad deal for American families.

For those who question the science of climate change, this is a dumb idea. For those who believe the science is compelling, this is a dumb idea. Developed nations alone cannot address this issue, and we believe developing nations will be less likely to join a treaty after we have built in trade and economic advantages for those nations through a flawed treaty. The U.S. should not compound the flaws of the Berlin Mandate by signing a flawed treaty in Kyoto.

Labor Union Climate Change Resolutions

- AFL-CIO
- Industrial Union Department, AFL-CIO
- Transportation Trades Department, AFL-CIO
- Maritime Trades Department, AFL-CIO
- ICEM

American Federation of Labor and Congress of Industrial Organizations



815 Sixteenth Street, N.W.
Washington, D.C 20006
(202) 637-5000

JOHN J. SWEENEY
PRESIDENT

Albert Shanker
Vincent R. Sombrotto
John T. Joyce
Jay Mazur
George J. Kourpas
Michael Sacco
Gloria T. Johnson
J. Randolph Babbitt
Pat Friend
Sumi Haru
Leon Lynch
Arthur Moore
Jake West

EXECUTIVE COUNCIL

RICHARD L. TRUMKA
SECRETARY-TREASURER

Edward T. Hanley
Gerald W. McEntee
Morton Bahr
Lenore Miller
John N. Sturdivant
Ron Carey
Douglas H. Dority
Clayola Brown
Michael Goodwin
Carroll Haynes
Doug McCarron
Arturo S. Rodriguez
Alfred K. Whitehead

LINDA CHAVEZ-THOMPSON
EXECUTIVE VICE PRESIDENT

Wayne E. Glenn
William H. Bywater
Robert A. Georgine
John J. Barry
Frank Hanley
Arthur A. Coia
George F. Becker
M.A. "Mac" Fleming
Joe L. Greene
James LaSala
Andrew McKenzie
Robert A. Scardelletti
Andrew L. Stern

James E. Hatfield
Marvin J. Boede
Gene Upshaw
Mike Biler
James J. Norton
Frank Hurt
Stephen P. Yokich
Carolyn Forrest
Sonny Hall
William Lucy
A.L. "Mike" Monroe
Robert E. Wages

AFL-CIO Executive Council February 20, 1997 Statement

U.N. CLIMATE CHANGE NEGOTIATIONS

The U.S. government is involved in United Nations negotiations pursuant to the "Berlin Mandate" for an amendment to the Rio Treaty on Climate Change. The Rio Treaty committed the United States and other nations to voluntarily stabilize carbon emissions at 1990 levels by the year 2000. Current negotiations are aimed at mandatory reductions below 1990 levels after the year 2000.

The Berlin Mandate specifically excludes developing nations from emission reduction requirements while legally binding the United States to future emission reductions. By exempting developing nations from any future commitments, the Berlin Mandate ensures that there will be no meaningful worldwide effort to stabilize atmospheric concentrations of carbon dioxide.

We believe the parties to the Rio Treaty made a fundamental error when they agreed to negotiate legally-binding carbon restrictions on the United States and other industrialized countries, while simultaneously agreeing to exempt high-growth developing countries like China, Mexico, Brazil and Korea from any new carbon reduction commitments. As much as 60 percent of global carbon emissions are expected to come from such countries in the next few decades, with China becoming the single-largest emitter in the near future. The exclusion of new commitments by developing nations under the Berlin Mandate will create a powerful incentive for transnational corporations to export jobs, capital, and pollution, and will do little or nothing to stabilize atmospheric concentrations of carbon. Such an uneven playing field will cause the loss of high-paying U.S. jobs in the mining, manufacturing, transport and other sectors.

Carbon taxes, or equivalent carbon emission trading programs, will raise significantly electricity and other energy prices to consumers. These taxes are highly regressive and will be most harmful to citizens who live on fixed incomes or work at poverty-level wages.

As corporations shut down domestic factories, mines and mills as a result of higher energy

costs, they will have additional incentives, beyond the search for cheap labor and anti-labor regulatory regimes, to locate new capacity off-shore, in countries with no carbon reduction commitments. Carbon emissions, therefore, will be transferred to the developing world along with the jobs, thus providing no real benefit to the environment.

The U.S. government has not completed a thorough economic analysis of the effects of a treaty amendment on the U.S. economy, even though U.S. negotiators have been at the bargaining table for over 18 months and have agreed to a December 1997 deadline for reaching agreement on this far-reaching treaty amendment.

The AFL-CIO Executive Council calls upon the responsible agencies of the U.S. government to provide it and its affiliates with any existing studies of the economic impact of future treaty obligations and, further, make available the results of the economic modeling effort currently being undertaken by the government within 30 days of completion.

The AFL-CIO Executive Council further urges that in the ongoing negotiations to amend the Rio Treaty on climate change, the United States insist upon the incorporation of appropriate commitments from all nations to reduce carbon emissions; and seek a reduction schedule compatible with the urgent need to avoid unfair and unnecessary job loss in developed economies. The President should not accept and the Congress should not ratify any amendment or protocol that does not meet these standards.



IUD Resolution On U.N. CLIMATE CHANGE NEGOTIATIONS

The United States is involved in United Nations Negotiations pursuant to the "Berlin Mandate" for an amendment to the Rio Treaty on Climate Change.

The Berlin Mandate specifically excludes developing nations from emission reduction requirements while legally binding the U.S. to future emission reductions.

The exclusion of new commitments by developing nations under the Berlin Mandate will create an uneven playing field in favor of developing nations such as China, India, Mexico and Brazil in the competition for jobs and economic growth.

Such an uneven playing field will cause the loss of high-paying U.S. jobs in the mining, utility and manufacturing sectors.

Processes which generate carbon emissions will be transferred to the developing world along with the jobs, thus providing little or no real benefit to the environment.

The U.S. government has not completed a thorough economic analysis of the effects of a treaty amendment on the U.S. economy;

THEREFORE, BE IT RESOLVED:

That the Industrial Union Department of the AFL-CIO calls upon the Congress and the President of the United States to refrain from entering into or ratifying any treaty amendment or protocol that causes the loss of U.S. jobs; and

That the U.S. renegotiate the Berlin Mandate to ensure that all nations have appropriate commitments to reduce carbon emission to prevent the transfer of jobs and emissions to the developing world.

Adopted by IUD November 13, 1996

PETER S. GICCO
PRESIDENT
202-442-7842

JOSEPH B. UEHLEIN
SECRETARY-TREASURER
202-442-7811

VICE PRESIDENTS

MORTON BAHR
PRESIDENT, IUA

JOHN J. SARRY
PRESIDENT, IAW

GEORGE BECKER
PRESIDENT, IAW

MOE BILLER
PRESIDENT, IAW

WILLIAM H. BYWATER
PRESIDENT, IAW

RON CAREY
PRESIDENT, IAW

FRANK W. CARTER
PRESIDENT, IAW

SUSAN V. COWELL
VICE PRESIDENT, IAW

DOUGLAS H. DORIT
PRESIDENT, IAW

BARBARA J. EASTER
SECRETARY-TREASURER, IAW

SANDRA FELDMAN
VICE PRESIDENT, IAW

WAYNE E. GLENN
PRESIDENT, IAW

MICHAEL GOODWIN
PRESIDENT, IAW

FRANK HANLEY
PRESIDENT, IAW

FRANK HURT
PRESIDENT, IAW

GLORIA T. JOHNSON
CHAIR, WOMEN'S COUNCIL

CHARLES W. JONES
PRESIDENT, IAW

GEORGE J. KOURPIA
PRESIDENT, IAW

WILLIAM LUCY
SECRETARY-TREASURER, IAW

FRANK D. MARTINO
PRESIDENT, IAW

JAY MAZUR
PRESIDENT, IAW

LENORE MILLER
PRESIDENT, IAW

JAMES J. NORTON
PRESIDENT, IAW

CECIL E. ROBERTS
PRESIDENT, IAW

ANDREW L. STERN
PRESIDENT, IAW

ROBERT E. WAGES
PRESIDENT, IAW



A SENSIBLE AND FAIR POLICY ON GREENHOUSE EMISSIONS

As the international community takes steps to reduce the levels of greenhouse gases in the environment, the United States should not be asked to shoulder an unfair level of responsibility that would jeopardize our economy and the millions of industrial and transportation jobs it supports. In 1992, the United States signed the Rio Framework Convention on Climate Change which required a reduction in greenhouse gases such as carbon dioxide to 1990 levels by the year 2000. In 1995, the United States and other parties to the 1992 climate convention agreed in the "Berlin Mandate" for a process of new negotiations to establish emission reduction goals for the next century. The Berlin Mandate calls for developed countries, such as the United States, to take the lead in combating climate change, but excludes developing nations from any new obligations to further reduce greenhouse emissions.

This double standard means that while global warming is an international problem and that most of the world's future growth of carbon emissions will come from high-growth countries like Mexico, China, and Korea, the U.S. is being asked to do more than its fair share. Even more troubling is the fact that the problem of global warming will not be adequately addressed. Companies wishing to avoid emission control requirements will simply move their operations to countries that were able to evade the provisions embodied in the Berlin Mandate.

The United Nations is currently conducting negotiations that will determine the magnitude of the reductions that the U.S. will have to undertake under the Berlin Mandate and the timetable required for meeting these objectives. In these negotiations the Clinton Administration is supporting an emission control program modeled after the 1990 Federal acid rain law. In order to meet the goals of this program, an increased energy tax on carbon fuels several times larger than all current state and federal energy taxes combined, or an equivalent permit trading program, would have to be imposed on consumers of fossil fuels. The negative impact this would have on our economy cannot be overstated.

It is clear that the use and transportation of coal would be greatly curtailed if not eliminated, gasoline prices would skyrocket, and the increased cost of basic electricity would be felt in the production of almost every consumer good. The Department of Commerce has estimated that a carbon tax sufficient to reduce CO₂ emissions by 20% would result in 800,000 jobs lost by the year 2000 and 1.7 million jobs by 2010. An independent research corporation found that 1.4 million American jobs could be "severely at risk" under a carbon tax of \$24 per ton. This includes over 132,000 rail workers, 76,300 transit employees, 157,000 involved in water transportation, and 625,200 aviation workers. The entire economy would be placed at risk with little or no environmental benefit. Transportation labor is not opposed to reasonable steps that will reduce greenhouse gases, but we cannot support policies that unfairly harm American workers while allowing less developed nations to avoid any responsibility for solving this global problem.



MARITIME TRADES DEPARTMENT

AMERICAN FEDERATION OF LABOR and CONGRESS OF INDUSTRIAL ORGANIZATIONS

815 SIXTEENTH STREET, N.W., SUITE 510
WASHINGTON, D.C. 20006 (202) 628-6300
FAX: (202) 347-1137

MICHAEL SACCO
PRESIDENT

WILLIAM F. ZENGA
VICE PRESIDENT

FRANK PECQUEX
EXECUTIVE SECRETARY-TREASURER

U.N. CLIMATE CHANGE NEGOTIATIONS

AFFILIATES:

Aluminum, Brick and Glass Workers
International Union
American Guild of Variety Artists
Federation of Professional Athletes, AFL-CIO
United Automobile, Aerospace and
Agricultural Implement Workers of America
International Union
International Brotherhood of Boilermakers,
Iron Ship Builders, Blacksmiths,
Forgers and Helpers
United Brotherhood of Carpenters and
Joiners of America
International Chemical Workers Union
Communications Workers of America
Distillery, Wine and Allied Workers
International Union, AFL-CIO/CLC
International Brotherhood of Electrical
Workers
International Union of Elevator Constructors
International Union of Operating Engineers
International Association of Fire Fighters
International Brotherhood of Firemen and Oilers
United Food and Commercial Workers
International Union
Glass, Molders, Pottery, Plastic and Allied Workers
International Union, AFL-CIO/CLC
American Federation of Grain Millers
Graphic Communications International Union
Hotel Employees and Restaurant Employees
International Union
International Association of Bridge, Structural
and Ornamental Iron Workers
Laborers' International Union of
North America
AFL-CIO Laundry and Dry Cleaning
International Union
International Leather Goods, Plastic,
Novelty and Service Workers Union
International Longshoremen's
Association, AFL-CIO
International Association of Machinists
and Aerospace Workers
National Marine Engineers' Beneficial
Association
United Mine Workers of America
International Union of Allied, Novelty and
Production Workers, AFL-CIO
Office and Professional Employees
International Union
International Brotherhood of Painters and
Allied Trades
United Paperworkers International Union
Operative Plasterers' and Cement Masons'
International Association of the United States
and Canada
United Association of Journeymen and
Apprentices of the Plumbing and
Pipe Fitting Industry of the
United States and Canada
Retail, Wholesale and Department Store Union
United Rubber, Cork, Linoleum and Plastic
Workers of America
Seafarers International Union of
North America
Service Employees International
Union, AFL-CIO
Sheet Metal Workers International Association
American Federation of State, County
and Municipal Employees
United Steelworkers of America
United Textile Workers of America
Transportation - Communications Union

The U.S. government is involved in United Nations negotiations pursuant to the "Berlin Mandate" for an amendment to the Rio Treaty on Climate Change. The Rio Treaty committed the United States and other nations to voluntarily stabilize carbon emissions at 1990 levels by the year 2000. Current negotiations are aimed at mandatory reductions below 1990 levels after the year 2000.

The Berlin Mandate specifically excludes developing nations from emission reduction requirements while legally binding the United States to future commitments, the Berlin Mandate ensures that there will be no meaningful worldwide effort to stabilize atmospheric concentrations of carbon dioxide.

We believe the parties to the Rio Treaty made a fundamental error when they agreed to negotiate legally-bind carbon restrictions on the United States and other industrialized countries, while simultaneously agreeing to exempt high-growth developing countries like China, Mexico, Brazil and Korea from any new carbon reduction commitments. As much as 60 percent of global carbon emissions are expected to come from such countries in the next few decades, with China becoming the single-largest emitter in the near future. The exclusion of new commitments by developing nations under the Berlin Mandate will create a powerful incentive for transnational corporations to export jobs, capital, and pollution, and will do little or nothing to stabilize atmospheric concentrations of carbon. Such an uneven playing field will cause the loss of high-paying U.S. jobs in the mining, manufacturing, transport and other sectors.

Carbon taxes, or equivalent carbon emission trading programs, will raise significantly electricity and other energy prices to consumers. These taxes are highly regressive and will be most harmful to citizens who live on fixed incomes or work at poverty-level wages.

ICEM

International Federation of Chemical, Energy, Mine and General Workers'

Climate Change

The nations of the world are involved in the United Nations negotiations pursuant to the Berlin Mandate for amendment to the Framework Convention on Climate Change (RIO Treaty).

In view of the far-reaching implications of this Convention, not only for the future of the planet, but also for the livelihoods of workers involved in the resource and energy-using industries, and for global economic growth, the ICEM calls upon the parties to the Framework Convention on Climate Change to insist upon a treaty amendment that:

1. Places the highest priority on the needs of workers and consumers who will shoulder the greatest burdens of efforts to address global climate change.
2. Promotes improvements in energy efficiency in all countries, and provides assistance for this purpose to developing countries.
3. Includes the protection of existing jobs and the creation of new ones, and the improvement of living standards in all countries as a critical goal to be met in any climate treaty.
4. Provides adequate time for both developed and developing countries to meet the needs of the environment and the needs of working people.

All 50 States Lose Jobs by 2005

State	Jobs Lost	State	Jobs Lost
Alabama	49,410	Montana	5,310
Alaska	3,460	Nebraska	4,630
Arizona	33,800	Nevada	1,190
Arkansas	11,490	New Hampshire	5,860
California	154,750	New Jersey	47,850
Colorado	16,730	New Mexico	4,140
Connecticut	10,320	New York	101,100
Delaware	4,990	North Carolina	47,560
District of Columbia	4,840	North Dakota	1,110
Florida	74,030	Ohio	86,140
Georgia	60,990	Oklahoma	7,150
Hawaii	2,610	Oregon	21,390
Idaho	6,540	Pennsylvania	72,060
Illinois	68,710	Rhode Island	3,640
Indiana	37,380	South Carolina	27,210
Iowa	11,480	South Dakota	1,530
Kansas	10,850	Tennessee	57,620
Kentucky	27,920	Texas	125,410
Louisiana	19,620	Utah	9,470
Maine	3,410	Vermont	2,250
Maryland	37,040	Virginia	48,120
Massachusetts	22,360	Washington	23,320
Michigan	55,990	West Virginia	17,070
Minnesota	18,130	Wisconsin	26,830
Mississippi	15,630	Wyoming	5,040
Missouri	22,730		
		TOTAL	1,548,920

"The Impact of Carbon Mitigation Strategies on Energy Markets, The National Economy, Industry, and Regional Economies"

Prepared by Data Resources, Inc.

September 17, 1997

Overview

In response to international efforts to address global climate change, the Clinton Administration has proposed adoption of legally binding targets and timetables for reducing manmade emissions of carbon dioxide to 1990 levels or lower. As the energy sector accounts for the majority of these emissions, any proposals to reduce carbon emissions would disproportionately affect the energy sector.

For this reason, The Labor Management Positive Change Process Fund (LMPCP), a cooperative program between the United Mine Workers of America - BCOA, — commissioned a study to determine the effect emission mitigation strategies would have on energy markets, the national economy, industry, and regional economies. In order to ensure objectivity, the LMPCP commissioned Data Resources Inc., the same respected research firm employed by the Federal Government, to conduct the study.

Unfortunately, for the American worker the study confirmed our worst fears. Without a requirement in place that would commit developing nations like China and Mexico to similar emission reduction policies as developed nations, the entire U.S. economy would be placed at risk with little or no environmental benefit.

If the current proposal is enacted, use and transportation of coal would be greatly reduced if not eliminated, gasoline prices would skyrocket, millions of jobs would be lost and hundreds of thousands more sent overseas, and the increased cost of electricity would be felt in the production of almost every consumer good.

Specific study results are summarized below.

- Energy industries would be devastated, with coal mining by far the hardest hit of all the industries followed by electric utilities, natural gas, gas utilities, petroleum refining, and crude petroleum.
- If emissions are stabilized at 1990 levels by 2010:
 - nearly one out of every two coal miners will lose their jobs.
 - 1.7 million more American jobs will be eliminated.
- If emissions are stabilized by 2010, by 2020 gasoline prices would rise 43%, fuel oil prices by 119%, and electricity prices by 94%.

- Among others, this would hit low-income workers, senior citizens, retirees and those who live on fixed incomes particularly hard.
- If emissions are stabilized at 1990 levels by 2010, every region of the country suffers heavy employment losses. The sharpest employment decline occurs in the East South Central region (220,000 jobs) followed by the West South Central region (270,000 jobs). The largest absolute employment losses occur in the South Atlantic region where 430,000 jobs will be lost.
- Every sector of the economy — with the exception of the federal government — will suffer job losses. Energy industries are particularly hard hit, but other sectors also suffer — 110,000 jobs lost by 2005 in the transportation and public utility sector, 199,000 jobs lost in the manufacturing sector, 426,000 jobs lost in the services sector, and 182,000 jobs lost in state and local governments.

**Economic Policy Institute Analysis of the Economic Effects of Climate Change
Policies on U.S. Workers
September 1997**

The Economic Policy Institute (EPI), a Washington, D.C.-based economic think tank with an impressive track record of analysis in wage and employment forecasts, was asked to review the DRI study with special attention to employment impacts.

EPI's analysis supports the DRI results. It also highlights additional negative impacts, including further wage erosion among American workers and significant increases in the American trade deficit if the treaty is signed as proposed. Specific EPI analysis results are summarized below.

- Wages Decline:

GHG policies could cut wage growth in half over the next two decades. Real wages decline in all three scenarios between 2000 and 2005, and by 2020 they are only 3% to 4% higher than they were in 1995 (versus a 9% increase in the base case). With such low rates of wage growth, the continued increase in inequality will lead to falling wages for most workers, and will exacerbate the widening income inequality in America.

- Good Jobs Lost:

In the short run, overall employment growth will decrease by 1.5 to 2.6 million jobs in 2006.

In the long run, 400,000 to 500,000 high paying job opportunities in mining, transportation, and public utilities and 180,000 to 340,000 high-wage manufacturing jobs would be eliminated in 2020.

- Trade Deficit Widens

The GHG policies would increase the trade deficit by up to \$240 billion. Deficit increases of this size would have huge impacts on traded goods, especially manufacturing-sector products.

- Energy Prices Skyrocket:

Emission policies will sharply increase energy prices in the U.S. In the first DRI scenario:

- By 2010, gasoline prices will rise to \$1.73 per gallon, 33% more than it will cost with no treaty;

- By 2020, the price per gallon will jump to \$2.06 per gallon or 43% more than it will cost with no treaty;
- Natural Gas prices will increase 129% in 2010 and jump 157% by 2020;
- Coal prices will rise 482% in 2010 and jump a staggering 761% by 2020;
- Electricity prices will increase 66% in 2010 and 94% in 2020.

Energy prices increase even more sharply in an alternative scenario which assumes more restrictive limits on emissions.

Biography of CECIL E. ROBERTS, JR.

Cecil Edward Roberts, Jr., a sixth-generation coal miner and one of the labor movement's most stirring orators, became president of the United Mine Workers of America on October 22, 1995, having served as vice president of the union since December 1982. Roberts succeeds Richard L. Trumka, who was elected secretary-treasurer of the AFL-CIO.

In 1984, Roberts served on the UMWA negotiating team that won the first national coal industry agreement in 20 years without a strike. Again in 1988, he was part of the bargaining team that secured major contract gains without a strike. In 1984 and 1987, he headed the union's negotiating team that won contract improvements from coal operators in the West. He played a key role on the negotiating team which won a 1993 agreement with the Bituminous Coal Operators Association, ending a bitter 8-month selective strike. The agreement included major gains in job security, the largest pension increase in UMWA history, and the Labor-Management Positive Change Process that empowers UMWA members with a voice in coal mining operations.

In 1989, Roberts was the on-the-scene leader and day-to-day negotiator in the UMWA's militant 10-month strike against the Pittston Co., which had cut off health benefits to its retirees and was trying to walk away from its obligations to the UMWA Health and Retirement Funds. For his role in that successful strike, Roberts received the Rainbow Coalition's Martin Luther King award as well as awards from Citizen Action and the Midwest Academy.

Born to Evelyn and Cecil E. Roberts, Sr., on October 31, 1946, Roberts grew up on Cabin Creek in Kanawha County, WV. His great-uncle, Bill Blizzard, was a legendary organizer during the West Virginia mine wars of the 1920s and a UMWA District president under John L. Lewis. Both of his grandfathers were killed in the mines.

After college and military service in Vietnam, Roberts began work at Carbon Fuels' No. 31 mine in Winifred, W.Va., in 1971. He worked for 6 years in a variety of underground jobs including general inside laborer, shuttle car operator, unitrack operator, greaser, beltman and mechanic.

His fellow Local Union 2236 members elected him to the local's mine, safety and political action committees. He became active in the Miners for Democracy movement that restored control of the UMWA to its membership in December 1972.

In 1976, he taught contract education classes for District 17. He served as an investigator for district and International attorneys in the Carbon Fuels lawsuit which ended in a major UMWA victory when the U.S. Supreme Court ruled that an International union cannot be held liable for unauthorized work stoppages in which only local unions are involved.

In 1977, his local elected him a delegate to the District 17 convention, where he chaired the constitution committee. The same year, he was elected vice president of District 17 by a 2-to-1 margin. In May 1981, he was reelected without opposition.

On November 9, 1982, Roberts was elected vice president of the UMWA, again by a 2-to-1 margin, running on a slate headed by Trumka and including John J. Banovic, who was elected secretary-treasurer. The Trumka-Roberts-Banovic team was reelected without opposition 5 years later.

On November 10, 1992, Roberts was reelected by an 80-percent margin to his third term as vice president. Trumka was reelected president and Jerry D. Jones, secretary-treasurer.

In December, 1995, Roberts assumed the UMWA presidency, following Richard Trumka's resignation to become the AFL-CIO's new secretary-treasurer. Subsequently, Jones was named vice president and Carlo Tarley was appointed by Roberts to be the UMWA's new secretary -treasurer.

In August 1997, Roberts was elected by acclamation to a new, five-year term, winning the support of 99 percent of the locals participating in the union's nominating process. He is once again joined at the union's helm by Vice President Jones and Secretary-Treasurer Tarley. Also of note, for the first time in UMWA history, the entire leadership team's slate, including tellers and auditors, ran unopposed.

In addition to serving as UMWA president, Roberts has also held office or worked on behalf of several other organizations over the years, including serving on the Committee for Employer Support of Veteran Employment and the West Virginia Employment Opportunities and Economic Development Commission. In 1985, he was elected president of the National Council of the Holmes Safety Association.

Roberts has also served on the boards of directors of Blue Cross and Blue Shield of Southern West Virginia and the Cabin Creek Clinic in Cabin Creek, W.Va., and on the Advisory Committee of the Black Lung Program at the Cabin Creek Clinic. He has been elected as General Vice President of the National Council of Senior Citizens by their Executive Board. He has also been appointed to serve as a member of the West Virginia University Institute for Labor Studies and Research Advisory Board in 1996. He is a member of the Vietnam Veterans of America and the American Legion.

Roberts graduated in 1964 from East Bank High School in East Bank, W.Va. He was drafted into the U.S. Army in May 1966, serving a year in Vietnam with the 196th Light Infantry Brigade, Americal Division. After his military service, he attended Beckley Junior College for two years, majoring in sociology. In 1987, he graduated from West Virginia Technical College.

Roberts is married to the former Carolyn Sue Stewart. They have a son, Kyle Edward, a daughter, Melissa Dawn, and two grandsons, Aaron and Brandon.

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. resume	[Personally Identifiable Information] [partial] (1 page)	00/00/1997	b(6)

COLLECTION:

Clinton Presidential Records
Staff Secretary
Todd Stern
OA/Box Number: 11211

FOLDER TITLE:

Opposition [1]

2019-0774-S

rs3406

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

PETER B. LILLY

Present Position: President and Chief Operating Officer, Peabody Holding Company, Inc., St. Louis, Mo., July 1995-present.

Responsibilities: Responsible for overseeing Peabody Holding's North American coal operations that produce approximately 143 million tons of coal annually.

Past Positions: Executive Vice President, Peabody Holding Company, Inc., St. Louis, Mo., 1994-1995.
President, Eastern Associated Coal Corp., Charleston, W.Va., 1991-1994.
President, Kerr-McGee Coal Corporation and Senior Vice President, Kerr-McGee Corp., Oklahoma City, Okla., 1989-1991.
Vice President-Marketing and Planning, Kerr-McGee Coal Corporation, 1988-1989.
General Manager, Galatia Mine, Kerr-McGee Coal Corporation, Harrisburg, Ill., 1983-1988.
Director of Administration, Kerr McGee Coal Corporation, 1981-1983.
Manager-Maintenance Planning, Kerr-McGee Coal Corporation, 1980-1981.
Management Consultant (Coal Industry), Emory Ayers Associates, New York, N.Y., 1977-1980.

Education: U.S. Military Academy, West Point, N.Y., B.S. General Engineering and Applied Science, 1970.
Harvard University, M.B.A., Finance, Industrial Marketing and Operations Management, 1977.
Northwestern University, Kellogg Graduate School of Management, Advanced Executive Program, 1988.

Military Service: U.S. Army, 1970-1975, Captain.

Activities: Chairman, West Virginia Coal Association (1993-1994); member, National Coal Council (1989-present); Board of Directors, American Mining Congress (1989-1991); Board of Directors, National Coal Association (1989-1991 and 1995-present); Board of Advisors, West Virginia University, Morgantown, W.Va. (1991-present); and Young Presidents' Organization.

Born: [REDACTED] (b)(6)

Immediate Family: Brenda, wife; Lauren Elizabeth, daughter, born [REDACTED] Peter Ernst, son, born [REDACTED]

Office Address: Peabody Holding Company, Inc.
701 Market Street, Suite 700
St. Louis, Missouri 63101-1826
Phone: (314) 342-7780
Fax: (314) 342-7720

JA
C**Support for the ad must be made by Sept. 17, 1997.**

Memo to: Coordinating Council

From: Susan Moya *Susan*

Date: August 11, 1997

Subject: (1) Help Needed to Identify and Get Groups to Sign on to Mega Ad
(2) Sample Letters to the Editor/Op Eds/message papers
(3) August 8 Edition of "Climate Times"
(4) August 6 Edition of CEI's "May Cooler Heads Prevail"
(5) Article entitled "Greenpeace Cuts Staff, Spending and Mission"

(1) An effort is under way to get at least 25 - 50 of the top organizations in the states identified in the attached memo signed on by mid-September to a mega ad which will be run in selected publications to demonstrate widespread concern about the Administration's policy direction leading to mandatory greenhouse gas reductions. The memo from Diane Steed, President of the Coalition for Vehicle Choice, provides details - states where help is needed, text of ad, etc. There is no charge to be listed on the ad, so please do what you can to make this effort a success.

at
cluded
(2) Attached, as promised, are sample Letters to the Editor, op eds and message papers to help your grassroots efforts. We need to get our messages included in as many local papers as possible to provide balance to the President's public "education" campaign. If you need help in writing or placing your piece, let me know. I can be reached at (202) 682-8284.

(3) The August 8 edition of "Climate Times" is attached. It provides a good accounting of what happened in Bonn.

(4) Also attached is a copy of "May Cooler Heads Prevail", a bi-weekly newsletter produced by the Competitive Enterprise Institute. You can receive this publication by calling (202) 331-1010 or via the internet <http://www.globalwarming.org>

(5) Finally, I've enclosed an article which appeared in yesterday's Washington Times concerning Greenpeace. A little good news is always welcome.

attachments

cc: Bill Rozett
Randy Eminger
Terry Ross

John Paul
Matt Hare
Melissa Hart

Al Covelli

"Millions of Americans"
draft ad copy

This December, the Clinton Administration is likely to sign onto a United Nations global climate agreement that will hurt American families and workers. They call it an "environmental" agreement. But it's not. It's really one of the most important economic and trade agreements the US will ever be asked to sign.

The agreement will force Americans to go on a severe energy diet -- while letting countries like China, India and Mexico off the hook. A US Department of Energy study says that because it will be cheaper to make things like cars, steel, cement and chemicals overseas, that's where American jobs will go. And the price of nearly everything -- food, clothing, gasoline, and other everyday necessities -- will go up.

Not everybody's fooled by this seemingly harmless "environmental" agreement. In July, 93 US Senators voted for a resolution warning the Administration not to sign onto a one-sided agreement that would hurt the US economy. And millions of Americans represented by the organizations listed above agree.

Mr. President, here's our two cents worth on the issue: don't rush into an unwise and unfair United Nations agreement that's bad for America. Let's take time and get this one right.

8/1

MR. PRESIDENT:

95 U.S. SENATORS
AND MILLIONS OF AMERICANS
CAN'T BE WRONG.

THE GLOBAL CLIMATE TREATY DOESN'T HAVE SIDES
FOR AMERICA, OR THE WORLD

SEP-19-1997 16:50

SIERRA CLUB D.C.

P.03/05

ALG 88 '97 16:16 FR CJC+G WPH DC

202 528 5168 TO

P.02/03

August 8, 1997

MEMORANDUM FOR: _____

FROM: _____

SUBJECT: Authorization for Global climate Ad

As you know, the Administration is currently negotiating an international agreement on global climate policy that would have devastating consequences for Americans. To send the Administration a message, we will be running advertising in selected publications to demonstrate widespread concern about its current policy direction leading to mandatory greenhouse gas reductions. In fact, you may already have signed onto an earlier ad called "Lots of Pain. No gain."

However, to sustain this message and demonstrate a growing army of groups concerned with the policy, we are beginning now to gather signatories on a new ad that would capitalize on the fact that 95 Senators voted for a Senate resolution asking the president not to sign any international agreement that will hurt the US economy. The ad will be developed around the theme: "95 Senators and millions of Americans can't be wrong." The copy will explain the issue and the concerns and they will list influential groups within each state & the goal of listing at least 1000 groups. Draft ad copy is attached.

Accordingly, please indicate below your willingness to be included on such an ad. And please be sure to indicate your phone and fax number below so that if there are any major changes in the ad before we do to press, we can run them by you. Please fax this form to us as soon as possible to (202) 628-5164.

If you have any questions, don't hesitate to give us a call at (800) AUTO-411.

YES, I agree to allow the name of my organization to appear at the bottom of a "Millions of Americans Can't be Wrong" global climate ad.

NAME: _____

Organization: _____

Date: _____

Phone: _____

Fax: _____

ALB 88 '97 16:16 FR CUC+D WASH DC

282 638 5168 TO

P.03/03

"Millions of Americans"
draft ad copy

This December, the Clinton Administration is likely to sign onto a United Nations global climate agreement that will hurt American families and workers. They call it an "environmental" agreement. But it's not. It's really one of the most important economic and trade agreements the US will ever be asked to sign.

The agreement will force Americans to go on a severe energy diet -- while letting countries like China, India and Mexico off the hook. A US Department of Energy study says that because it will be cheaper to make things like cars, steel, cement and chemicals overseas, that's where American jobs will go. And the price of nearly everything -- food, clothing, gasoline, and other everyday necessities -- will go up.

Not everybody's fooled by this seemingly harmless "environmental" agreement. In July, 95 US Senators voted for a resolution warning the Administration not to sign onto a one-sided agreement that would hurt the US economy. And millions of Americans represented by the organizations listed above agree.

Mr. President, here's our two cents worth on the issue: don't rush into an unwise and unfair United Nations agreement that's bad for America. Let's take time and get this one right.

2/1

TOTAL PAGE.03

Post-it® Fax Note 7671		Date	# of pages 5
To Paul Regley		From Dan Reeker	
Co./Dept. Auto industry		Co. anti GW ad.	
Phone # as promised.		Phone #	
Fax # enjoy!		Fax #	

This p-only is my
Transcription of small
print.

----- Message Contents -----

Someone just leaked us the advance text of a auto industry ad against global warming action.

Headline:

"MR PRESIDENT: 95 U.S. SENATORS AND MILLIONS OF AMERICAN CAN'T BE WRONG

Subhead:

"The Global Climate Treaty Doesn't Make Sense for America or The World"

Text:

"This December, the Clinton Administration is likely to sign onto a UN global climate agreement that will hurt American families and workers. They call it an "environmental" agreement. But it's not. It's really one of the most important economic and trade agreements the US will ever be asked to sign.

"The agreement will force Americans to go on a severe energy diet -- while letting countries like China, India and Mexico off the hook. A US Dep. of Energy study says that because it will be cheaper to make things like cars, steel, cement and chemicals overseas, that's where American jobs will go. And the price of nearly everything -- food, clothing, gasoline, and other everyday necessities -- will go up.

"Not everybody's fooled by this seemingly harmless "environmental" agreement.

In July, 95 US senators voted for a resolution warning the Administration not to sign onto a one-sided agreement that would hurt the US economy. And millions of Americans represented by the organizations listed above agree.

"Mr. President, here's our two cents worth on the issue: don't rush into an unwise and unfair UN agreement that's bad for America. Let's take time and get this one right."

clip: deposition
'97 SEP 18 PM7:13**OZONE ACTION**

1636 Connecticut Ave, NW
Washington, DC 20009
Phone 202-265-6738
FAX 202-986-6041

MEDIA RELEASE

For further information contact: Kelly Sims (202) 265-6738

**REPORT RELEASED PROVIDING 24 REASONS WHY EARLY ACTION IS
NECESSARY TO PREVENT GLOBAL WARMING**

September 18, 1997 - Washington, DC - Ozone Action released a report today detailing the case for early and substantial action to combat the threat of global warming. The report provides 24 reasons why early and strong reductions are a fundamental element of a coherent strategy to deal with the threat of global warming. On October 6, the Clinton Administration is scheduled to hold a White House conference on climate change before announcing a long-awaited policy decision on climate change.

To date, the Administration has rejected an early target and has no stated policy on the amount of the emissions reduction target. Moreover, the Administration advocates a system of "borrowing" which would allow any nation to "borrow" emissions from future generations, thereby further delaying real reductions.

"The Clinton Administration will be judged upon whether it sets an early and strong target for emissions reductions. If it does not, a climate change treaty signed this December could do more harm than good," said John Passacantando, Executive Director of Ozone Action. The Intergovernmental Panel on Climate Change (IPCC) states that to stabilize the climate at current levels, carbon emissions would have to be reduced by 50-70%. "A 20% reduction of carbon emissions below 1990 levels by 2005 would be a responsible first step towards these goals," said Passacantando.

For a copy of the report, or a list of the 24 reasons, please contact Kelly Sims, Science Policy Director, at Ozone Action.

###

2010 P.02

CONTACT: Candida Sampson (202) 383-9723
Catherine Pulley (202) 383-9744

MEDIA ADVISORY

CLIMATE TREATY DEBATE INTENSIFIES WITH DEBUT OF NEW AD CAMPAIGN

WHAT: News conference previewing a new advertising campaign aimed at increasing Americans understanding of the proposed United Nations global climate plan.

WHO: Global Climate Information Project
Representatives from more than 20 citizens groups, agriculture, industry and small business organizations.

WHEN: Tuesday, September 9, 1997
10:00 a.m.

WHERE: First Amendment Lounge
National Press Club
14th and F St., N.W.

###

8:30 a.m.-Noon. PUBLIC HOUSING - The Urban Institute hosts a forum on "Community Building in Public Housing."

Highlights:

9 a.m. Tom Kingsley, director, and Art Naparstek, senior associate, The Urban Institute.

9:10 a.m. Sen. Barbara Mikulski, D-Md.

9:30 a.m. Kevin Marchman, acting assistant secretary, HUD.

10:15 a.m. Elinor Bacon, deputy assistant secretary, HUD, and panelists Sharon Harrison Brown, Oakland; Ricardo Diaz, Milwaukee; Pat Esparza, El Paso; Mel Mosley, Akron, and Harry Thomas, Seattle.

Location: The Urban Institute, 5th Floor, Conference Room A, 2100 M St. NW.

Contact: 202-857-8709.

9 a.m. COMPUTERS-LEGISLATION - Sen. Mike Enzi of Wyoming holds a computer demonstration to show technology being used to conduct legislative business throughout the country.

Location: room 290, Russell.

Contact: Coy Knobel, 202-224-3424.

9:30 a.m. SENTENCING GUIDELINES - Sen. Edward Kennedy, D-Mass., and Rep. John Conyers, Jr., D-Mich., sponsor a symposium on federal sentencing guidelines, with federal judges, lawyers and former prosecutors Joseph DiGenova and John Nields.

Location: Room 2141, Rayburn.

Contact: Melanie Sloan, 202-225-6906.

10 a.m. SIERRA LEONE - The National Press Club hosts Mrs. Patricia Kabbah, First Lady of Sierra Leone, beginning a two-week public awareness tour in the United States and detailing events in her country since a military junta took control in May, 1997.

Location: National Press Club.

Contact: Annie Howell, 202-434-8519, or Jennifer Bones, 202-434-8570.

10 a.m. CENSUS-NEW COMPUTER - Federal and local government officials dedicate the Bureau of the Census' new computer facility, with Rep. Steny Hoyer, D-Md.; Lee Price, Commerce Department; Martha Farnsworth-Riche, Bureau of the Census; Nelson Alcalde, GSA/NCR; William Kirwan, president, University of Maryland, and Gary Allen, Mayor, City of Bowie.

Location: 17101 Melford Blvd., Bowie, Md.

Contact: Cherie McClung or Christine Braswell, 202-708-5101.

Note: Above item also listed in the Metro Daybook.

10 a.m. GLOBAL CLIMATE - Citizen groups, labor, agriculture, small business and industry organizations hold a news conference to discuss an advertising campaign on the proposed U.N. Global Climate Treaty.

Location: National Press Club.

Contact: Richard Pollack, 301-421-4748, or Catherine Pulley, 202-383-9744

10 a.m. GAS CONNECTORS - The Consumer Product Safety Commission holds a news conference to issue a warning about dangerous gas connectors that connect home appliances to gas lines.

Location: CSPC offices, 4th floor hearing room, 4330 East West Highway, Bethesda.

Contact: kathleenv Begala, 301-504-0580.

opposition

Climate Change Press Guidance
September 9, 1997

BACKGROUND: A major industry ad campaign was launched today on the issue of global warming. The first ad suggests that the United States is about to sign a UN agreement that would force developed countries to accept binding greenhouse gas emissions targets while exempting developing countries altogether.

- The United States has consistently maintained that meaningful obligations from developing countries must be a cornerstone of any treaty we sign.
- The U.S. position on developing country obligations goes well beyond what other nations have put forward in the negotiations, and we have indicated further additions to that position are likely.
- Broad bipartisan support (reflected in President Bush's signing and the Senate's ratification of the 1992 Framework Convention on Climate Change) exists for the basic concept that developed and developing nations cannot be expected to assume the same obligations in tackling this problem. A similar differentiated approach has worked effectively in addressing the problem of ozone depletion.

opposition

White House Climate Change Task Force

734 Jackson Place, NW • Washington, DC 20503
202/343-1060 • fax 202/343-1163

TO: Todd Stern
Staff Secretary

CC: Natalie Wymer

THROUGH: Dirk Forrister
Chair, White House Climate Change Task Force

FROM: Paul Risley
White House Climate Change Task Force

DATE: Tuesday, September 9, 1997

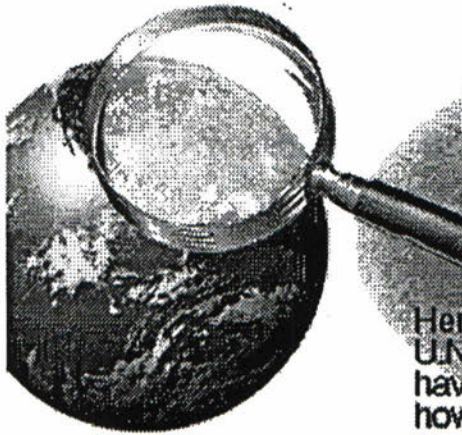
RE: **Additional information regarding Industry Ad Campaign**

1. A staffer at Environmental Media Services (Arlic Schardt's group) reports that a group with a name similar to "Climate Change Coalition" has reserved radio time for purchase on Washington DC's WMAL for the last week of September, first week of October. The reserved buy is for a total purchase of \$ 90,000, though the price has not been paid yet.

Experienced radio ad buyers say that a two week, 90 K purchase on WMAL is a serious buy -- but it could represent either a large overall media campaign (if they bought similar amounts of time on other comparable Washington DC radio and tv stations), or it could be indicative of a modest media campaign (if WMAL was the largest radio station on which they've bought time).

2. The PR firm representing the coalition that unveiled today's ad campaign is Shandwick & Associates -- a firm that lists former Senator Don Reigle of Michigan as its' Washington Office head. Richard Pollack is employed by Shandwick. Pollack worked for Ralph Nader in the 1970s, directing Nader anti-nuke activities. He most recently worked as a producer for ABC's "Good Morning America."

*Web
opposition*



Welcome To The Web Site Of The Global Climate Information Project

This is your opportunity to learn about
global climate science and its economic
implications for American consumers

Here you can examine the fairness of the
U.N. climate change treaty... read what others
have to say about the process... and find out
how to get involved

Global Climate Information Project

Why We're Concerned

☐ The U.N. Climate Change Treaty

Fairness Concerns

☐ Science Concerns

Economic Considerations

☐ Americans Speak Out

What You Can Do

☐ Other Sites On Climate Change



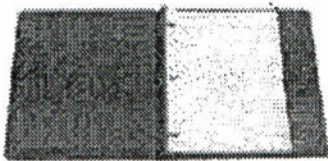
Why We're Concerned

The United Nations is rushing to finalize an international climate treaty by December 1997 that will have major impacts on the U.S. economy, jobs and lifestyles. Because the treaty exempts 132 of 166 nations, it will have little or no environmental benefit.

List of Sponsors

- ☐ Air Transport Association of America
- ☐ American Automobile Manufacturers Association
- ☐ American Corn Growers Association
- ☐ American International Automobile Dealers Association
- ☐ American Petroleum Institute
- ☐ American Plastics Council
- ☐ The American Portland Cement Association
- ☐ American Trucking Associations
- ☐ Association of American Railroads
- ☐ The Center for Energy and Economic Development
- ☐ Coalition for Vehicle Choice
- ☐ The Fertilizer Institute
- ☐ National Association of Farmer Elected Committees
- ☐ National Association of Manufacturers
- ☐ National Automobile Dealers Association
- ☐ National Black Chamber of Commerce, Inc.
- ☐ The National Cattlemen's Beef Association
- ☐ National Grange
- ☐ National Mining Association
- ☐ National Rural Electric Cooperative Association
- ☐ The Seniors Coalition
- ☐ The Small Business Survival Committee

[Home](#) | [Why We're Concerned](#) | [U.N. Treaty](#) | [Fairness Concerns](#) | [Science Concerns](#) |
[Economic Considerations](#) | [Americans Speak Out](#) | [What You Can Do](#) | [Other Sites](#)



The U.N. Climate Change Treaty

United Nations Framework Convention on Climate Change

International negotiations are underway aimed at curbing greenhouse gas (ghg) emissions. A treaty, to be finalized by the end of 1997, is expected to require "legally-binding" cutbacks in energy usage by developed nations only.

Summary of the Rio "Climate Change Treaty"

Concerned about the possibility of global warming, the U.S. and other nations met in Rio de Janeiro in 1992, under the auspices of the United Nations, at the "Earth Summit" and signed the United Nations Framework Convention on Climate Change (UNFCCC). The UNFCCC calls on industrialized nations to aim to voluntarily limit their greenhouse gas emissions to 1990 levels by the year 2000. The parties agreed to continue to periodically review the need to consider additional commitments.

The "Berlin Mandate"

In 1995 in Berlin, the UNFCCC member nations agreed to negotiate setting new commitments for limiting greenhouse gas emissions after the year 2000 for developed nations. All "developing" nations (132 out of 166) are exempted from further commitments. This "Berlin Mandate" process is aiming at finalizing a treaty or protocol at Kyoto, Japan (December 1-10, 1997). Proposals under discussion would require "legally-binding" cutbacks in energy usage.

Treaty Text

The U.S. Negotiating Position

The U.S. Administration has said it would support "quantified and legally-binding" emission targets, an international emission trading system, and creation of a United Nations-type body that would oversee monitoring and enforce compliance. The U.S. has not yet specified its proposed targets and timetables, however, it did agree to the Summit of Eight official communiqué (released June 22, 1997), which says these nations intend to commit to "binding targets that will result in reductions of greenhouse gas emissions by 2010."

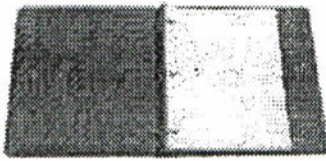
Other Nations' Proposals

Other nations also have proposed a wide range of reduction targets and timetables from 1990 levels. These proposals would be applicable only to the U.S. and other developed nations. The major proposals include:

- ☐ The European Union – a 7.5% emission reduction by 2005 and a 15% reduction by 2010;
- ☐ Brazil – a 30% reduction by developed countries by 2020;
- ☐ The Alliance of Small Island States – reduce developed country CO₂ by at least 20% by 2005;
- ☐ The United Kingdom – a 20% reduction in greenhouse gases by 2010.

Further listing of proposals

[Home](#) | [Why We're Concerned](#) | [U.N. Treaty](#) | [Fairness Concerns](#) | [Science Concerns](#) | [Economic Considerations](#) | [Americans Speak Out](#) | [What You Can Do](#) | [Other Sites](#)



The U.N. Climate Change Treaty

Other Countries' Proposals

MAJOR

BERLIN MANDATE PROPOSALS

EMISSION REDUCTIONS FROM 1990 BASELINE

	GAS	EACH ANNEX 1 PARTY BINDING TARGETS	2005	2010	2020
Alliance of Small Island States	CO2	Flat Rate	20%		
Germany Austria	CO2	a	10%	15-20%	
United Kingdom	CO2	a		20%	
European Union	CO2 CH4 N2O	Differentiated for EU Members Only	?	15%	?
Denmark	CO2	a	20%		
Netherlands	GH	a	Average 1-2% Per Year	Average 1-2% Per Year	Average 1-2% Per Year

Netherlands/EU	GH/ CO2	a	10/8%	15/13%	
France Spain	GH	Differentiated	Per Capita or Unit of GDP	Per Capita or Unit of GDP	Per Capita or Unit of GDP
Japan	CO2	Differentiated	Average Tons/CO2PerCapita Over x Years, or Reduce CO2 Average of x % Over x Years	Average Tons/CO2PerCapita Over xYears, or Reduce CO2 Average of x % Over x Years	Average Tons/CO2PerCapita Over xYears, or Reduce CO2 Average of x % Over x Years
Australia	GH	Differentiated (-30%to+40% of 1990)		GDP, Population, Emissions Intensity	GDP, Population, Emissions Intensity
Norway	GH	Differentiated	Emissions Intensity; GHG, GDP Per Capita	EmissionsIntensity; GHG, GDP Per Capita	EmissionsIntensity; GHG, GDP Per Capita
Russia	GH	FlatRate for Annex II Parties Differentiated for Countries in Transition		b	c d
US	GH	Flat Rate ?	Multi-Year "Budgets" ?	Multi-Year "Budgets" ?	Multi-Year "Budgets" ?

a) Assumes EU members comply collectively as a Party = EU "Bubble"

b) Stabilization at base year level (1990 or other)

c) Post 2010 target to be set for Annex II Parties by 2007

d) Stabilization at 1990 or other base year until Party exceeds average GDP per capita for CITs

[Home](#) | [Why We're Concerned](#) | [U.N. Treaty](#) | [Fairness Concerns](#) | [Science Concerns](#) |
[Economic Considerations](#) | [Americans Speak Out](#) | [What You Can Do](#) | [Other Sites](#)



Fairness Concerns

Fairness Concerns

Four Out of Five Nations Are Exempt

The agreement would be binding only on the U.S. and other industrialized nations. 132 out of 166 nations – e.g., China, India, Brazil, Mexico, south Korea, most OPEC nations and others – are exempt under present rules and have made it clear they will not agree to any commitments. Nations not affected by the UN proposals account for about half of the current carbon emissions and will account for about 75% over the next century, so that reductions by developed countries only will have little environmental benefit.

Oil producing and other developing nations have proposed that they be reimbursed for the economic losses they would suffer if the industrialized world cuts back on its use of fossil fuel. The negotiating text before the UN includes a proposal for developed countries to compensate oil producing and other nations, which will not be bound by the agreement, for "social and economic losses arising from implementation of the present instrument" and developing countries "shall have a claim ... for the loss of income from export of fossil fuel products, raw material other than fossil fuels or finished or semi-finished goods."

Unless all nations participate in an agreement, global emissions levels will continue to rise. This means that Americans could end up making sacrifices for little or no environmental benefit.

Bert Bolin, Chairman of the UN committee to study climate science, said, "It is obvious ... that no reasonable future reductions by [developed] countries would stabilize global emissions."

34 Countries Committing to Emissions Reduction Targets and Timetables

132 Exempt Countries

Loss of U.S. Sovereignty

The U.S. has indicated its support of a United Nations body to oversee the assessment of compliance and to implement restrictions.

Other countries also are suggesting they know best how Americans should live – e.g., the U.K.'s Foreign Secretary, Robin Cook has said "the lifestyle of America and elsewhere cannot be contained much beyond another quarter of a century."

"Even though anthropogenic global warming may never occur, policy proposals now under consideration are sure to begin melt-down of national sovereignty. Legally binding measures to reduce greenhouse gas emissions must be enforced to be meaningful. The enforcement must come from outside the borders of sovereign nations...Aside from the inevitable economic costs that must be borne by every nation, the diminution of national sovereignty is a price every nation should question before adopting any legally binding protocol to solve a suspected problem that may not exist." (*eco-logic Bonn*, March 6, 1997, published by Sovereignty International, Henry Lamb, editor.)

[Home](#) | [Why We're Concerned](#) | [U.N. Treaty](#) | [Fairness Concerns](#) | [Science Concerns](#) |
[Economic Considerations](#) | [Americans Speak Out](#) | [What You Can Do](#) | [Other Sites](#)



Fairness Concerns

34 Countries Committing To Emissions Reduction Targets And Timetables

	European Union	Countries in Transition (CIT)
Australia	Austria	Bulgaria
Canada	Belgium	Czech Republic
Iceland	Denmark	Estonia
Japan	Finland	Hungary
New Zealand	France	Latvia
Norway	Germany	Lithuania
Switzerland	Greece	Russian Federation
United States	Ireland	Poland
	Italy	Romania
	Luxembourg	Slovak Republic
	Netherlands	Ukraine
	Portugal	
	Spain	
	Sweden	
	United Kingdom	



Fairness Concerns

132 Exempt Countries

Parties Exempt Under the Berlin Mandate From New Commitments

Albania	Chad	Georgia	Liechtenstein	Niger	Slovenia
Algeria	Chile	Ghana	Malawi	Oman	Sri Lanka
Antigua & Barbuda	China	Grenada	Malaysia	Pakistan	Sudan
Argentina	Colombia	Guatemala	Maldives	Panama	Swaziland
Armenia	Comoros	Guinea	Mali	Papua New Guinea	Syrian Arab Rep.
Azerbaijan	Congo	Guinea Bissau	Malta	Niue	Thailand
Bahamas	Cook Island	Guyana	Marshall Islands	Paraguay	Togo
Bahrain	Costa Rica	Haiti	Mauritania	Peru	Trinidad & Tobago
Bangladesh	Cote d'Ivoire	Honduras	Mauritius	Philippines	Tunisia
Barbados	Croatia	India	Mexico	Qatar	Turkmenistan
Belize	Cuba	Indonesia	Micronesia	Republic of Korea	Tuvalu

Benin	Democratic Republic of the Congo	Iran	Moldova	Saint Kitts & Nevis	Uganda
Bhutan	Democratic People's Republic of Korea	Israel	Monaco	Saint Lucia	United Arab Emirates
Bolivia	Djibouti	Jamaica	Mongolia	Saint Vincent and the Grenadines	United Republic of Tanzania
Botswana	Dominica	Jordan	Morocco	Samoa	Uruguay
Brazil	Ecuador	Kazakhstan	Mozambique	San Marino	Uzbekistan
BurkinaFaso	Egypt	Kenya	Myanmar	Saudi Arabia	Vanuatu
Burundi	El Salvador	Kiribati	Namibia	Senegal	Venezuela
Cambodia	Eritrea	Kuwait	Nauru	Seychelles	Viet Nam
Cameroon	Ethiopia	Lao People's Democratic Rep.	Nepal	Sierra Leone	Yemen
Cape Verde	Fiji	Lebanon	Nicaragua	Singapore	Zambia
Central African Rep.	Gambia	Lesotho	Nigeria	Solomon Islands	Zimbabwe

34 Countries Committing to Emissions Reduction Targets and Timetables

[Home](#) | [Why We're Concerned](#) | [U.N. Treaty](#) | [Fairness Concerns](#) | [Science Concerns](#) | [Economic Considerations](#) | [Americans Speak Out](#) | [What You Can Do](#) | [Other Sites](#)



Science Concerns

Science Concerns

"The headlines a year and a half ago positively brimmed with assurance: "Global Warming: No Longer in Doubt," "Man Adversely Affecting Climate, Experts Conclude," "Experts Agree Humans Have 'Discernible' Effect on Climate," "Climate Panel Is Confident of Man's Link to Warming." The official summary statement of the UN-sponsored Intergovernmental Panel on Climate Change (IPCC) report that had prompted the headlines seemed reasonably confident, too: "... the balance of evidence suggests that there is a discernible human influence on global climate." But as negotiators prepared to gather in Bonn in July to discuss a climate treaty that could require nations to adopt expensive policies for limiting their emissions of carbon dioxide and other greenhouse gases, many climate experts caution that it is not at all clear yet that human activities have begun to warm the planet or how bad greenhouse warming will be when it arrives." (Science, May 16, 1997)

While potential global climate change is an issue of concern, it is crucial that public policy is based on taking the right actions at the right time. The science and economics say there's time to do this right -- it is not prudent to rush to take short-term actions that would severely impact the economy and preclude more cost-effective long-term solutions. It is fair to say that the science still is not in and there are remaining uncertainties about the causes, timing and complete effects of climate change. The models used to develop global warming projections are still evolving and cannot yet take into account major factors -- e.g., cloud and ocean processes, sunspots, and natural variations in the climate. Further research is needed not only to improve the accuracy and reliability of the models, but also to further our scientific understanding of climate systems and the causes and effects of climate change.

"Delaying the implementation of emissions controls for ten to twenty years will have little effect on atmospheric concentrations [of greenhouse gas emissions]." (U.S. Congress Office of Technological Assessment)

The Greenhouse Effect Explained

The "greenhouse effect" is a natural process that allows the earth to be warm enough to sustain life. Gases in the atmosphere act like a blanket and trap or slow down some infrared radiation, or heat, emitted by the earth, thus warming the earth's surface. Water vapor makes up about 97% of all greenhouse gases (ghgs). The remaining 3% is composed of primarily of carbon dioxide (CO₂), methane and nitrous oxide. Man-made

global emissions of carbon dioxide are less than 4% of total (natural plus man-made) annual emissions. Apparently, nature also removes slightly more carbon dioxide than it emits every year, effectively cutting the annual rate of growth of atmospheric carbon dioxide concentration in half. The concern is whether increasing amounts of man-made greenhouse gases may be warming the earth enough to significantly change weather patterns. Man-made CO₂ comes primarily from deforestation and burning fossil fuels such as coal, oil and natural gas. Methane and nitrous oxide come from a variety of sources, including mining, farming and waste disposal.

More Detailed Explanation

What We Know About the Science

Is The Earth Warming?

There is conflicting scientific data over whether there is a warming trend. Global surface temperature estimates indicate a rise of between 0.3 and 0.6 degrees C (0.5 to 1.1 degrees F) since the late 19th century. This change is within the range of natural variability. Most of the warming in the surface measurements occurred before 1940, well before any significant increase in man-made ghg emissions. However, National Aeronautic and Space Administration (NASA) satellite measurements show no net warming over the past 18 years -- in fact, they show a slight cooling trend over the last eighteen years.

Are Humans Causing the Warming?

The Scientific "Consensus"

What are the Effects If Any?

[Home](#) | [Why We're Concerned](#) | [U.N. Treaty](#) | [Fairness Concerns](#) | [Science Concerns](#) | [Economic Considerations](#) | [Americans Speak Out](#) | [What You Can Do](#) | [Other Sites](#)



Science Concerns

Detailed Greenhouse Effect Explanation

The Greenhouse Effect

The greenhouse effect does exist - it's a naturally occurring phenomenon. Certain gases in the atmosphere act like a blanket and trap infrared radiation, or heat, that would otherwise escape from the earth's atmosphere into outer space. The greenhouse effect keeps the earth warmer than it would otherwise be - without it life on earth would not be possible.

The controversy is over whether or not a build-up of greenhouse gases from human activities is causing the earth's temperature to rise beyond natural levels, and what the effects of this might be.

The greenhouse gas that is most abundant, and has the largest effect on climate, is water vapor. Water vapor makes up 97% of all greenhouse gases. Of the 3% of greenhouse gases not comprised of water vapor, the largest component is carbon dioxide. About 4% of the carbon dioxide going into the atmosphere is a result of man's activities, but it is this piece, and the fact that it is increasing, which is causing concern. Most of the "man-made" carbon dioxide comes from burning fossil fuels such as coal, oil and natural gas.

These are hydrocarbon fuels, made of various combinations of hydrogen and carbon atoms. When they burn, the hydrocarbon molecules are broken apart, producing energy, and the separated hydrogen and carbon atoms combine with oxygen from the air to result in carbon dioxide (CO₂) and water (H₂O). Because the fossil fuels had been trapped far beneath the surface of the earth, the release of this carbon dioxide represents an addition to the amount of carbon dioxide in the air.

Once released from beneath the earth's surface, the carbon atoms become a part of a complex and little understood series of events known as the carbon cycle. Over time, much of the carbon dioxide is absorbed into plants when they breathe, and that carbon becomes stored in the body of the plant itself. When plants are burned, such as in wood stoves, or when alcohol made from plants is burned, the carbon dioxide that results does not automatically represent a man-made addition to the greenhouse effect, since the carbon in plants originally came from the air, and was therefore already a part of the carbon

cycle that transfers carbon back and forth between the atmosphere and the surface of the earth. Burning vegetation only increases the greenhouse effect if it is done on a massive scale without offsetting growth of replacement vegetation. Unfortunately, ongoing massive deforestation in developing nations has not been offset by new forest growth elsewhere, and therefore does currently represent a significant portion of man-made greenhouse gas emissions.

While carbon dioxide accounts for about two thirds of man-made greenhouse gas emissions, methane (CH₄), nitrous oxide (N₂O)) and certain specialty chemicals account for the remaining portions. Measurements show that greenhouse gas concentrations in the air are increasing. Since pre-industrial times (i.e., about 1750), concentrations of carbon dioxide, methane and nitrous oxide have grown by about 30%, 145% and 15%, respectively.

The administration's support for drastic action is being carried under the banner of science. Yet, the science is very far from certain. The arguments are based on computer models that still leave much to be desired. Even so, analyses based on what have been learned so far are available to guide us in policy decisions. In fact, three relatively independent combined climate and economic calculations have recently been developed that are essentially in agreement, and two points worthy of note emerge from these analyses.

The first is that appreciable effects of global warming are not likely to occur before 100-150 years or so from now. Even then, the effects are not nearly as severe as once predicted. The sea level rise is predicted to be about one foot and the average global temperature change will amount to about one degree Centigrade (about two degrees Fahrenheit).

The second is the remarkable conclusion that no real benefit is to be derived by applying corrective measures much before 30 to 40 years from now.

In tracing the various possible projections of increasing atmospheric carbon dioxide, it becomes evident that a choice among them need not be made before that time. Since very little climate change would occur by then, a choice of correctives could wait. Of course, the interval would also provide additional technical advance in choice of energy sources and energy efficiencies.

In the face of scientific developments, it is clear that no rational justification can be presented to the Congress or the American people for rushing into a binding agreement that will unilaterally cut our energy usage. Not when that agreement could have a devastating effect on our economy, our standard of living, and our future ability to compete in the global marketplace. For now, there are no firm answers, and we should not act as if there are. (Dr. William A. Nierenberg, Long Beach-Press Telegram, July 27, 1997 "Global warming: In search of good science, good policy")

Science Concerns

Are Humans Causing the Warming?

Even though a 1995 UN science report said that "the balance of evidence suggests a discernible human influence on global climate," it also noted an inability to quantify that influence and many remaining uncertainties -- stating, for example that "our ability to quantify the human influence on global climate is currently limited because the expected signal is still emerging from the noise of natural variability and because there are uncertainties in key factors." These include the magnitude and patterns of long term natural variability.

The argument that there is human-caused climate change rests on estimates generated by complex computer models, which attempt to reproduce little understood climate processes.

- The 1995 UN science report computer projections were for a temperature increase of 2.5 degrees C (4.5 degrees F) by 2100 and a sea level rise of 50 cm (20 inches). This 1995 projection scaled back their 1992 estimates of temperature and sea level increases by 33% and 25%, respectively. More recent computer projections have lowered the temperature projections to 2 degrees C (3.6 degrees F).
- Important processes such as clouds, oceans, aerosols, sun spots and the hydrological cycle (evaporation, snow, ice, precipitation, soil moisture, etc.) are not well understood fundamentally, nor can they be reflected reliably in models because of uncertain science and computational limitations. "[Current climate] models just don't handle processes like clouds, water vapor and precipitation systems well enough to accurately predict how strong global warming will be." *Dr. Roy Spencer, NASA Marshall Space Flight Center.*
- Scientists at MIT have said that "unfortunately current models are both uncertain predictors of the climate response to human influences and inadequate tools for assessing natural variability. In addition, data on global climate and human influences in past decades and our understanding of the cooling effects of aerosols are far from ideal." (*H.D. Jacoby, R. G. Prinn, R. Schmalensee, MIT Joint Program on the Science and Policy of Global Change, "Needed: A Realistic Strategy for Global Warming", July 1997.*)
- An article in the May 16, 1997 issue of Science reflects the growing skepticism and realization that it may be a decade or more before human effects can be discerned about natural climate variability. It states that "many climate experts caution that it is not at all clear that human activities have begun to warm the planet -- or how bad

greenhouse warming will be when it arrives." One senior climate modeler said "the more you learn, the more you understand that you don't understand very much."

Is the Earth Warming?

The Scientific "Consensus"

What are the Effects If Any?

[Home](#) | [Why We're Concerned](#) | [U.N. Treaty](#) | [Fairness Concerns](#) | [Science Concerns](#) |
[Economic Considerations](#) | [Americans Speak Out](#) | [What You Can Do](#) | [Other Sites](#)



Science Concerns

The Scientific "Consensus"

The U.S. Administration states that the science is "clear and compelling," based on the supposed consensus of 2,000 (and sometimes 2,500) scientists that "the balance of evidence suggests a discernible human influence on global climate." This statement comes from the 'Summary for Policymakers' of the UN Intergovernmental Panel on Climate Change (IPCC).

The IPCC published three reports of published research on climate change in 1995 on: science; impacts, adaptation and mitigation; and economics. The contributors and reviewers of all three volumes total about 2,100, relatively few of which are specialists in atmospheric physics. Most are economists, social scientists, policy experts, and government functionaries.

Chapter Eight of the report, "Detection of Climate Change and Attribution of Causes" which provided the background for the "discernible impact" statement, had four lead authors and 32 contributors (not 2,000). After it had been peer-reviewed and approved by the contributors, the chapter was modified so as to change the tone, creating considerable controversy.

From this material, the 'Summary for Policymakers' was written. As one of the IPCC lead authors, Keith Shine said, "We produce a draft, and then the policymakers go through it line by line and change the way it is presented... It's peculiar that they have the final say in what goes into a scientists' report."

Robert Reinstein, former chief State Department negotiator on the climate treaty under President Bush agrees that the wording of the summary was negotiated at length by international delegations. "Because of this," he said, "the summary must be considered purely a political document, not a scientific one."

Ben Santer, one of the lead authors of the controversial Chapter Eight, said, "It's unfortunate that many people read the media hype before they read the chapter. I think the caveats are there. We say quite clearly that few scientists would say the attribution issue was a done deal."

In July 1996, over 100 European and American scientists issued the "Leipzig Declaration," warning that there is still no scientific consensus on the subject of climate change. "On the contrary," the statement says, "most scientists now accept the fact that actual observations from earth satellites show no climate warming whatsoever."

What are the Effects If Any?

A great deal of recent media attention has been focused on the possible connection between global warming and extreme weather events. In fact, the 1995 UN science report stated that "overall, there is no evidence that extreme weather events, or climate variability, has increased, in a global sense, through the 20th Century." (*Section 3.5, pg. 173.*)

- ☐ Hurricanes and Tornadoes
- ☐ Heat Waves
- ☐ Drought
- ☐ Sea-Level Rise
- ☐ Agriculture
- ☐ Health

Hurricanes and Tornadoes

Although some people have argued that hurricanes are becoming stronger and more frequent and that droughts and floods are becoming more common, recent work by scientists worldwide dispute this hypothesis. Observational data show that the frequency of both hurricanes and violent tornadoes have not increased in recent decades. Sound theoretical arguments have been advanced that indicate even if global warming does occur, the frequency and aerial extent of hurricanes are not likely to increase. (*Macdonald, Norman J., and Sobel, Joseph P., Changing Weather? Facts and Fallacies about Climate Change and Weather Extremes, Accu- Weather, Inc., 1995, page 3.*)

There is basically no trend of any sort in the number of hurricanes experienced in any of the four regions [central Atlantic, east coast of the U.S., Gulf of Mexico, and Caribbean Sea, for the period 1947 to 1987] with respect to variations in temperature. (*S.B. Idso, R.C. Balling, Jr., and R.S. Cervený, "Carbon Dioxide and Hurricanes: Implications of Northern Hemispheric warming for Atlantic/Caribbean storms," Meteorology and Atmospheric Physics, Vol. 42 (1990), p. 261.*)

Heat Waves

The 1995 UN science report found that there was no evidence of an increase in extreme maximum temperatures across the United States. (*IPCC Climate Change 1995, Working Group I, section 3.5.2.4.*)

Drought

Recent droughts in the Southwest and the excessive rainfall in the East are related to certain unusual features of the jet stream. There is substantial evidence that variations in the jet stream and associated drought conditions over the Southwest were due in part to abnormally cold sea temperatures over the central and eastern equatorial Pacific. (*Doel, Randall M., NOAA Environmental Research Laboratories, Climate Diagnostic Center.*)

Sea-Level Rise

The much-feared threat of a future sea-level rise is diminishing, according to published scientific estimates, and there is a good chance that a warming may cause sea level to drop -- as increased evaporation from the ocean puts more ice on the polar caps. *Fred Singer, Ph.D., President, Science and Environmental Project (Wall Street Journal, April 30, 1997, Global Warming Chills Out.)*

While sea levels have always fluctuated throughout history, increases in global average temperatures have the potential to impact sea levels in three ways. Water expands in volume as its temperature increases above current levels, and this "thermal expansion" is the primary driver of predictions of rising sea levels. In addition, any melting of the polar ice caps could augment the sea level rise. Offsetting these factors, higher average temperature could result in an increase in precipitation. This could have the effect of removing water from the sea through evaporation, and depositing the water via increased snowfall in polar regions, resulting in a buildup of water stored as accumulated snow and ice away from the sea. Current estimates are that sea levels have risen five to ten inches over the past 100 years, with the UN's scientific panel on climate change predicting in 1995 a 20 inch increase over the next 100 years. This prediction compares to their 1990 estimate of a 26 inch increase over 100 years. Models which assign more importance to the precipitation effect predict smaller sea level changes and some models even show a sea level decrease.

Agriculture

"Global changes in temperature and precipitation patterns during the next century are not likely to imperil food production for the world as a whole." *U.S. Department of Agriculture Economic Research Service, June 1995.*

"The effects of the increasing atmospheric level of CO₂ on photosynthetic capacity for the enhancement of food production and the output of rangelands and forests, appear far more important than any detectable change in climate." *Sylvan H. Wittwer, "The Global Environment: It's Good for Food Production," 1997.*

Health

"Fewer than 50 years ago malaria was endemic in many mid-latitude countries of the temperate zones and occasionally reached as far north as the Arctic Circle. The Netherlands, which last time we checked was a tad north of the tropical rain forests, wasn't declared malaria-free until 1970." *Dr. Paul Reiter, Global Warming and Mosquito-borne Disease in the U.S., The Lancet, 1996.* "Singapore, which is located just 2 degrees from the equator, reported no deaths from malaria in 1994. Malaysia, just next door, suffers from endemic malaria and dengue fever. The difference is not the climate, but the wealth of the two areas." *Thomas Gale Moore, WHO Cares!, World Climate Report.*

- "Simple steps, such as screens on windows, the elimination of standing water, and suburbanization (which reduced population density and thus the risk of transmission) were largely responsible for eliminating mosquito-borne diseases. As evidence, we previously reported on a 1995 dengue pandemic that infected a Mexican state that borders Texas. Reynosa, Mexico reported 2,361 cases; the entire state of Texas reported eight cases. The only reasonable explanation for the difference is living standards. Where people enjoy good sanitation and public education, have the knowledge and the willingness to manage fresh water around households, implement programs to control mosquitoes, and employ screens and air-conditioning, these mosquito-borne diseases cannot spread. If the climate does warm, these factors will remain." *Thomas Gale Moore, "The Big Scare", World Climate Report, December 30, 1996.*

"Evidence for the importance of context can be found in the historic extent of malaria. Between 1780 and 1840 virtually all people living in Ontario, as far north as Ottawa, suffered from a disease ... now recognized as being *benign tertian Malaria* ... Few climatologists would argue that there has been significant regional cooling in Ontario since 1840, so why did the incidence of malaria change from being almost universal to afflicting fewer than one patient per decade? Today, Ontario continues to host three species of anopheline mosquitoes capable of transmitting malaria. However, the large swamps in the south of the province have been drained, other surface waters are well managed, and disease surveillance leads to rapid isolation of patients and severance of the parasite-host cycle essential to further transmission of the disease. It is clear that public health measures, case management, and land use play a [more] significant role in determination of the prevalence of malaria than climate." *Hadi Dowlatabadi, "Assessing the Health Impacts of Climate Change," Degrees of Change Newsletter, Global Change Integrated Assessment Program, Carnegie Mellon, September, 1996.*

Economic Concerns

ECONOMIC CONCERNS

How the Kyoto Treaty Would Affect Us

"It is a fact that limiting carbon dioxide emissions will mean significant changes in energy use and energy sources." (Senator John Chafee, Committee on Environment and Public Works hearing, July 17, 1997.) The tie between energy usage and economic growth is well-documented. Using coal, oil and natural gas is a large source of man-made greenhouse gas emission but provides our lowest cost sources of energy. Thus global climate policy has the potential of completely upsetting the economy. Even with market-based measures and trading -- which could result in relatively more cost-effective approaches -- great harm could be done to the world's economy and jobs if the targets and timetables are too stringent. The American people have the most to lose under drastic energy cutback plans. Greenhouse gas emissions caps and cuts will put the U.S. on an energy diet. To return U.S. emissions to 1990 levels by 2010 would require a more than 20% cut in energy use. A proposal by the European Union to reduce greenhouse gas emissions by 15% by 2010 would mean the U.S. would have to cut energy use by more than 30%.

How the Treaty Would Affect the Economies of Nations

How the Treaty Would Affect the Average American

Frequently Asked Questions

The Government's Abandoned Economic Models

The U.S. Administration repeatedly assured Congress and the American public that no actions would be taken without a thorough understanding of the economic impacts as determined through an open public process. Three economic models were developed, but the government recently announced it is scrapping its attempt to use these three economic models for analyzing options. "The effort to develop a model or set of models that can give us a definite answer as to the economic impacts of a given climate change policy is futile," said Janet Yellen, chair of the President's Council of Economic Advisors to a House Subcommittee. Ms. Yellen told the House Commerce Subcommittee that government efforts to craft a model "was not successful."

[Home](#) | [Why We're Concerned](#) | [U.N. Treaty](#) | [Fairness Concerns](#) | [Science Concerns](#) |
[Economic Considerations](#) | [Americans Speak Out](#) | [What You Can Do](#) | [Other Sites](#)

Economic Concerns

How the Treaty Would Affect the Economies of Nations

Reputable economic studies have estimated that proposals under consideration could mean a loss of economic growth of hundreds of billions of dollars per year for the United States. Both developed and developing nations will be impacted by proposals to reduce energy usage.

A U.S. Department of Energy study conducted by the Argonne National Laboratory concluded that constraints on developed nations – and not on developing nations – would mean output and employment would drop in the basic chemicals, iron and steel, petroleum refining, aluminum, paper and cement industries. If fuel prices were raised significantly, the study said that operations and jobs in these sectors probably would move to developing countries. The study predicted the following effects if fuel prices rose dramatically due to a high tax on carbon-based fuels:

- ☐ About 20 - 30% of the basic chemical industry would move to developing countries within 15 to 30 years.
- ☐ All primary aluminum smelters in the U.S. would close by 2010 if the tax was expanded to all forms of energy.
- ☐ The study concludes that the "imposition of increased energy costs will devastate the U.S. steel industry without a significant decrease in worldwide energy related emissions from steel making" -- that production will be simply shifted to developing countries such as Brazil, Korea, Mexico and maybe China because U.S. costs will be higher. It estimates that employment in the U.S. steel industry would drop by 65%.
- ☐ Domestic paper production would be displaced by imports.
- ☐ Output of U.S. petroleum refiners probably would drop 20% due to demand reduction.
- ☐ Between 23-35% of the cement industry would shut down, with imports displacing domestic production.

How the Treaty Would Affect The Average American

Frequently Asked Questions

[Home](#) | [Why We're Concerned](#) | [U.N. Treaty](#) | [Fairness Concerns](#) | [Science Concerns](#) |
[Economic Considerations](#) | [Americans Speak Out](#) | [What You Can Do](#) | [Other Sites](#)

Economic Concerns

How the Treaty Would Affect The Average American

Reputable economic studies have estimated that such an "energy diet" would result in higher electricity and home heating costs, bigger bills at the gas pumps and more expensive transportation. Charles River Associates, an independent economic research company, has projected that to just return the U.S. emissions to 1990 levels by 2010 would have the following impacts on U.S. consumers:

Consumer Goods	Price Increase	%Increase
Refined petroleum products -including gasoline/home heating oil	\$0.50 per gallon	38% / 48%
Electricity	1.93 cents/kWh	23%
Natural Gas	\$2.255 per MCF	46%

- ☐ Energy price increases will, unfortunately, impact most severely those who can least afford it – the working poor and those on fixed incomes.

Examples Of Possible Effects Of Mandatory Reductions In Greenhouse Gas Emissions To Achieve A 20% Reduction :

- ☐ Consumers
- ☐ Senior Citizens
- ☐ Labor
- ☐ Small Business
- ☐ Farmers and Ranchers
- ☐ Outdoor Enthusiasts
- ☐ Travel, Tourism, and Hospitality
- ☐ Local Governments
- ☐ Motorists

How the Treaty Would Affect the Economies of Nations

Frequently Asked Questions

[Home](#) | [Why We're Concerned](#) | [U.N. Treaty](#) | [Fairness Concerns](#) | [Science Concerns](#) |
[Economic Considerations](#) | [Americans Speak Out](#) | [What You Can Do](#) | [Other Sites](#)

Consumers

- ☐ Higher home utility bills.
- ☐ New zoning rules to discourage suburban development, and force people to use mass transit.
- ☐ Smaller housing units that require less energy.
- ☐ Forced carpooling.
- ☐ Higher costs for consumer goods (particularly those with high petroleum content – such as cosmetics or those that require more energy in the manufacturing process), due to higher energy costs for manufacturers.
- ☐ Higher costs for food, due to higher fuel costs for farmers, food processors, restaurant owners.
- ☐ Higher costs for leisure activities such as travel, restaurant food, movies, etc.
- ☐ Higher costs for medical care to cover increased energy costs of hospitals, clinics, doctors' offices.
- ☐ Higher taxes to cover local energy cost increases.

Senior Citizens

- ☐ Less mobility due to higher gasoline/travel costs.
- ☐ Less disposable income due to higher costs for basics such as food, medical care, home heating and air conditioning, etc.
- ☐ Less availability of full-size sedans.

Labor

- ☐ Potential loss of thousands of jobs if production would move off-shore to Mexico, China, Brazil, Indonesia and other developing nations not subject to mandatory CO2 reductions.

Small Business

- ☐ Restrictions on the availability of, and higher prices for, full-size pickup trucks and cargo vans.
- ☐ Higher gasoline prices.
- ☐ Increased costs of doing business due to higher prices for supplies, utility bills and shipping. Energy-intensive businesses will be particularly hard hit.
- ☐ New federal regulations and paperwork burdens.

Farmers and Ranchers

- ☐ Higher fertilizer prices.
- ☐ Limitations on production.
- ☐ Requirements for no-till soil preparation.
- ☐ Limitations and restrictions on livestock production to reduce methane emissions.
- ☐ Further restrictions on timber harvesting.

Outdoor Enthusiasts

- ☐ Higher fuel prices that will affect pleasure boaters, fishermen, motorcyclists, snowmobilers, campers, etc.
- ☐ Higher prices for all recreational equipment, due to higher energy costs for manufacturers.
- ☐ Possible restrictions on boating and other activities using gasoline or diesel motors.

Travel, Tourism, and Hospitality

- ☐ Higher costs of operation due to higher utility bills, higher food costs, higher transportation costs.
- ☐ Higher prices for air, rail and bus travel due to higher fuel taxes.
- ☐ Possible drop in business due to higher prices, higher fuel costs to patrons, and overall reduction in discretionary income.

Local Governments

- ☐ Higher costs for educational systems to pay for increased cost of gasoline for school buses, higher costs for food, higher utility bills, etc.
- ☐ Reduced highway revenue due to reduced gasoline sales.

Motorists

- ☐ Reduced vehicle choice and utility, higher federal gas mileage standards for new cars, pickups, minivans, and sport-utility vehicles would necessitate significant downsizing, diminishing safety. Heavier cars and trucks needed to carry people, goods, and equipment and tow boats and trailers would be restricted.
- ☐ Higher gasoline taxes.
- ☐ New mileage taxes or tolls.
- ☐ Possible restrictions on driving.
- ☐ Higher prices for new cars and trucks.
- ☐ Less funding for highway construction improvements.



Economic Concerns

Frequently Asked Questions

An independent study by Charles River Associates of how a treaty would affect the U.S. and other nations answered the following questions:

☐ **HOW AMBITIOUS IS A GOAL OF STABILIZING EMISSIONS AT 1990 LEVELS?**

One proposal being considered in the current UN negotiations would cap carbon emissions from industrial countries at 1990 levels from 2010 onward. By 2010, emissions from the U.S. and the European Union are forecasted to exceed 1990 levels by 20% in absence of such limits. By 2030, U.S. emissions could exceed the cap by 50%. Other countries, with no obligation to cap their emissions, will continue to increase their emissions as their energy use expands, diluting any effect of the caps on industrialized countries.

☐ **WHAT ARE EMISSION CAPS AND TRADING AND HOW DO CARBON TAXES FIT IN?**

To enforce a cap of U.S. carbon emissions at 1990 levels, regulators could impose a tax or establish a tradable permit ("ration coupon") system. The tax or permit price required in 2010 would be \$177 per ton of carbon. As the economy grows, this tax or permit price would rise to over \$400 per ton by 2030. Since energy is used in the production of every good and service in the economy, carbon taxes or permit prices would show up in the prices of all household goods, electricity, and heating expenses.

☐ **WHAT IS CARBON LEAKAGE AND WHAT DOES THAT MEAN FOR OECD COUNTRIES EMISSION LIMITS?**

The industrialized countries will have to increase their energy prices to induce reduced energy consumption. This reduction in demand will cause energy prices to drop in the rest of the world, causing energy-intensive industries to relocate to countries with lower energy prices. This "carbon leakage" from industrialized to non-industrialized countries means that any gains made by developed countries to reduce their emissions would be significantly offset by additional increases in developing nations. For every three tons of emissions reductions in the industrialized countries, there will only be 2 tons reduction in total global emissions, maybe less.

□ **WHAT IS THE EFFECT OF EMISSION LIMITS ON U.S. ECONOMIC GROWTH?**

If the U.S. agrees at December's Kyoto meeting to cap emissions at 1990 levels from 2010 onwards, losses in gross domestic product (GDP) will begin immediately as consumers reduce their savings and businesses change their investment plans to prepare for a future with much more expensive energy. The rate of growth in the economy will decrease, as incentives for investment are reduced and funds are diverted into projects for replacing fossil fuels rather than producing goods and services for consumers.

□ **WHAT WILL BE THE IMPACTS OF EMISSION LIMITS ON ECONOMIC GROWTH FOR WORLD REGIONS?**

The impacts of requiring developed countries to stabilize emissions at 1990 levels by 2010 would have very different impacts in different world regions. For the industrialized countries, emission limits will have clearly negative effects since these countries will bear the cost of reducing emissions. Developing countries will have mixed impacts, with an overall negative effect. They will benefit from lower world energy prices due to the developed countries' reduced demand for energy, but with developed nations less well off, demand for goods produced in developing countries will decline. Prices of exports from developed countries will rise due to increased energy costs. OPEC experiences the greatest losses, due to reduced energy exports and lower world energy costs.

□ **WHAT WILL BE THE EFFECTS OF EMISSION LIMITS ON INTERNATIONAL TRADE?**

Emission limits on developed countries only will reduce demand for imports, and make goods produced more expensive. Lower energy costs will shift investment in energy intensive industries away from the developed countries and toward countries without emission limits. Energy intensive industries in the U.S. will lose world markets to their competitors in countries without emissions limits.

How the Treaty Would Affect the Economies of Nations

How the Treaty Would Affect the Average American

[Home](#) | [Why We're Concerned](#) | [U.N. Treaty](#) | [Fairness Concerns](#) | [Science Concerns](#) |
[Economic Considerations](#) | [Americans Speak Out](#) | [What You Can Do](#) | [Other Sites](#)



Americans Speak Out

Americans Speak Out

A diverse group of Americans are speaking out about their concerns on the impact that this treaty would have on their lifestyles, jobs and economic well-being.

- ☐ Small Business
- ☐ Labor Unions
- ☐ Lower Income Citizens
- ☐ Farmers/Ranchers
- ☐ Business and Trade Associations
- ☐ Motorists
- ☐ Recreation
- ☐ Public Policy Groups
- ☐ Elected Officials
 - ☐ State and Local Officials
 - ☐ Federal Officials

[Home](#) | [Why We're Concerned](#) | [U.N. Treaty](#) | [Fairness Concerns](#) | [Science Concerns](#) |
[Economic Considerations](#) | [Americans Speak Out](#) | [What You Can Do](#) | [Other Sites](#)

Motorists

National Motorists Association

American mobility has been, and is, crucial to the development of the U.S. economy. Because this mobility would be severely restricted by large increases in gasoline taxes and increases in federal fuel economy standards for cars and light trucks, the National Motorists Association opposes the current climate treaty negotiations that mandate greenhouse gas emission caps. We further believe that the dubious foundations on which the "global warming" theory is based does not justify the economic and social dislocation to be created by these proposed treaty provisions.

Small Business

Small Business Survival Committee

The impact of an international treaty that would require the United States to meet binding greenhouse gas emissions reduction targets would be a bureaucratic nightmare for the small business community. Any energy-intensive business – bakeries, dry cleaners, auto repair shops - even ironically recycling shops would be forced to operate smaller, less business-useful vehicles, pay higher gas taxes and a new carbon tax, and be required to navigate yet another layer of federal regulations and mandates – the obvious consequence would be the destruction of American jobs and businesses.

US Chamber of Commerce

Requiring binding targets and timetables to reduce worldwide emissions of greenhouse gases would result in higher energy prices and lead to a wide variety of restrictions on economic growth in the U.S. If the U.S. were required to comply with aggressive efforts to cap emissions, the resulting economic dislocation and negative impact on small businesses would far outweigh any potential environmental benefit. Additionally, this would be a largely self-defeating policy that leaves all developing countries exempt from any meaningful discipline to curb emissions.

Recreation

American Recreation Coalition

Almost every American enjoys some form of outdoor recreation – time spent which yields improved physical and mental health, stronger family and community bonds and better job performance. Recreation often requires durable vehicles with rugged frames, strong suspension, ample cargo space, higher ground clearance, engines with ample torque, good towing capabilities and off-road capabilities. If the trucks, vans and sport utility vehicles so vital to America's recreation community today lose these unique features, as could be the case if a mandatory greenhouse gas emissions controls resulted in markedly higher vehicle fuel economy standards, the opportunities and quality of experience for American recreationists would be sorely degraded.

National Marine Manufacturers Association

Mandatory emissions controls on carbon dioxide emissions would mean higher motor vehicle fuel economy standards for U.S. vehicles. Higher Corporate Average Fuel Economy standards would mean smaller, lighter cars and trucks that would be unable to pull most boats and trailers. This would produce disastrous and unintended consequences for boat builders, trailer manufacturers and thousands of small boat dealers by reducing the availability of vehicles with adequate and safe towing capabilities.

Recreation Vehicle Industries Association

Americans love to recreate – it's a great part of the American lifestyle. Many Americans drive to their favorite beach or campground or national forest in a recreational vehicle which is large enough to be comfortable and accommodate the family. Our members are concerned about mandatory greenhouse gas emissions controls that would raise the price of gasoline and force Americans into smaller lighter vehicles and restrict their ability to enjoy the great outdoors. U.S. negotiators should refuse to sign onto a treaty that requires compulsory reductions in carbon dioxide emissions.

National Association of RV Parks and Campgrounds

The National Association of RV Parks and Campgrounds, representing 3,300 facilities in the United States, believes that there is not enough evidence, at this time, that global climate change is occurring to the extent that it would have catastrophic consequences. We oppose any international treaty that would force the U.S. to act prematurely in regards to global climate change.



Americans Speak Out

Labor Unions

Since developing countries don't face the same commitments it could mean U.S. businesses will be at a competitive disadvantage. If U.S. production is restricted by caps on energy usage, the result could be a flow of production and jobs overseas with little or no reduction in greenhouse gas emissions.

Transportation Trades Department of the AFL-CIO

(from A Sensible And Fair Policy On Greenhouse Emissions.) "The U.S. should not be asked to shoulder an unfair level of responsibility that would jeopardize our economy and the millions of industrial and transportation jobs it supports Companies wishing to avoid emission control requirements will simply move their operations to countries that were able to evade the provisions embodied in the Berlin Mandate The Clinton Administration is supporting an emission control program modeled after the 1990 Federal acid rain law. In order to meet the goals of this program, an increased energy tax on carbon fuels several times larger than all current state and federal energy taxes combined, or an equivalent permit (rationing) trading program, would have to be imposed on consumers of fossil fuels. The negative impact this would have on our economy cannot be overstated. It is clear that the use and transportation of coal would be greatly curtailed if not eliminated, gasoline prices would skyrocket, and the increased cost of basic electricity would be felt in the production of almost every consumer good The entire economy would be placed at risk with little or no environmental benefit."

Industrial Union Department, AFL-CIO

(Resolution on U.N. Climate Change Negotiations, adopted by IUD November 13, 1996) -- The exclusion of new commitments by developing nations under the Berlin Mandate will create an uneven playing field in favor of developing nations such as China, India, Mexico and Brazil in the competition for jobs and economic growth. Such an uneven playing field will cause the loss of high-paying U.S. jobs in the mining, utility and manufacturing sectors. Processes which generate carbon emissions will be transferred to the developing world along with the jobs, thus providing little or no real benefit to the environment. The Industrial Union Department of the

AFL- CIO calls upon the Congress and the President of the United States to refrain from entering into or ratifying any treaty amendment or protocol that causes the loss of U.S. jobs; and that the U.S. renegotiate the Berlin Mandate to ensure that all nations have appropriate commitments to reduce carbon emission to prevent the transfer of jobs and emissions to the developing world.

AFL-CIO Executive Council

(February 20, 1997 Statement on U.N. Climate Change Negotiations) -- By exempting developing nations from any further commitments, the Berlin Mandate ensures that there will be no meaningful worldwide effort to stabilize atmospheric concentrations of carbon dioxide. We believe the parties to the Rio Treaty made a fundamental error when they agreed to negotiate legally-binding carbon restrictions on the United States and other industrialized countries, while simultaneously agreeing to exempt high-growth developing countries like China, Mexico, Brazil, and Korea from any new carbon reduction commitments. As much as 60 percent of global carbon emissions are expected to come from such countries in the next few decades, with China becoming the single-largest emitter in the near future. The exclusion of new commitments by developing nations under the Berlin Mandate will create a powerful incentive for transnational corporations to export jobs, capital, and pollution, and will do little or nothing to stabilize atmospheric concentrations of carbon. Such an uneven playing field will cause the loss of high-paying U.S. jobs in the mining, manufacturing, transport and other sectors. Carbon taxes, or equivalent carbon emission trading programs, will raise significantly electricity and other energy prices to consumers. These taxes are highly regressive and be most harmful to citizens who live on fixed incomes or work at poverty-level wages. As corporations shut down domestic factories, mines and mills as a result of higher energy costs, will have additional incentives, beyond the search for cheap labor and anti-labor regulatory regimes, to locate new capacity off-shore, in countries with no carbon reduction commitments. Carbon emissions, therefore, will be to the developing world along with the jobs, thus providing no real benefit to the environment. The AFL-CIO Executive Council further urges that in the ongoing negotiations to amend the Rio Treaty on climate change, the United States insist upon the incorporation of appropriate commitments from all nations to reduce carbon emissions; and seek a reduction schedule compatible with the urgent need to avoid unfair and unnecessary job loss in developed economies. The President should not accept and the Congress should not ratify any amendment or protocol that does not meet these standards.

American Federation of Labor - Congress of Industrial Organizations (AFL-CIO).

Statement by Bill Cunningham to the FCCC Ad Hoc Group on the Berlin Mandate Bonn, Germany, March 5, 1997. (On behalf of the AFL-CIO, the Australian Council of Trade Unions, the International Federation of Chemical,

Energy Mine and General Workers' Unions.) " ... we as organized labor find it amazingly that harsh, arbitrary flat rate reductions in greenhouse gas emissions are being, proposed and contemplated without regard to their impact on working, people. It is unquestionably the case that harsh uniform reduction targets will impose high costs, indeed punishments, on particular regions and particular countries. And these countries will not just be developed nations in Annex 1. In a global market place, the impacts of what is done by developed countries will flow through to many developing nations. There is ample evidence that many developing nations will suffer adversely from uniform action by the developed world. That such flat rate reductions are being contemplated is even more galling when we find that there is no scientific evidence that flat rate reductions by the developed world will solve the greenhouse problem. In fact it might even exacerbate it. Energy-efficient industries may be closed down in some countries to be replaced by less-efficient industries in others. If the enhanced greenhouse effect is a global environmental problem that must be addressed, and there seems consensus here that it is, then measures to address it must also be global. The burden must also be shared, and shared equitably. If there is industry restructuring, that must be done, then labor will do its share. And let there be no mistake, whatever happens with respect to greenhouse, it will be working people who finally pay, most of the cost. Whatever taxes Governments raise, whatever regulations they impose, whatever measures business introduces - it will be working, people who finally must implement the changes and pay much of the cost. We therefore urge you to exercise caution. The global environment is at stake here today, but not only the environment. And not only business profits or government revenues either. You hold in your hands the power to destroy the jobs, incomes and livelihoods of millions of working people. And beyond them, the many millions more in their families and communities, and the service industries dependent on them. The precautionary principle is one that is often cited here, but all-too-often only with only with regard to science and the environment. But people do not recover rapidly either from reckless decision making. Industries and people must not be arbitrarily penalized for limited and possibly negligible environmental benefit.

United Mine Workers

"This is a debate about trade and jobs The Senate's 95-0 vote of approval for the Byrd-Hagel Resolution of Climate Change (S. Res. 98) isn't just good news for UMWA families, but for the more than one million Americans who stand to pay with their jobs for a UN climate change treaty which, as currently proposed, simply cannot work. Clearly, the Senate understands that this is no longer a debate about the environment, but about trade, jobs and America's economic future By exempting China and other countries from any restrictions at all on greenhouse gas emissions, the proposed UN treaty would have the effect of encouraging impacted industries to simply shut down, pack up and head overseas. In other words, the global climate won't change ... but America's economy will.



Americans Speak Out

Lower Income Citizens

The National Black Chamber of Commerce

"Constraints on energy use would be particularly harmful to those Black-owned businesses seeking to enter the marketplace; as well as individuals on fixed incomes, those living in rural areas and/or who are otherwise dependent on personal transportation for work and other worthwhile social activities, and those Black-owned businesses who depend on transportation to compete effectively against their foreign counterparts as a result of higher fuel costs." Resolution on Global Climate Change, adopted August 3, 1997.

Consumer Alert

Scientific uncertainty about both the levels of mankind's contribution to greenhouse gas emissions and the global warming theory should act as a brake on discussions of stringent steps developed countries would have to take to reduce carbon dioxide emissions. What policy makers are ignoring are the probable effects of their hasty actions on people in developed countries – they will be the ones who bear the costs of tight restrictions, high energy taxes, and higher prices for energy use. Loss of jobs and lower living standards for many will impact the poor the hardest.

Jack Kemp

"This burden of drastically increased heating, cooling and transportation costs could hardly come at a worse time for lower-income families. The working poor, and people just getting off welfare and beginning, to pay their own way, are already challenged to make ends meet in today's economy. But our diplomatic negotiators have spared little attention for the potentially devastating consequences that their proposals would have for millions of lower income Americans." Wall Street Journal, July 25, 1997.

[Full Text of Editorial](#)



Americans Speak Out

Farmers/Ranchers

American Farm Bureau Federation

Binding and enforceable controls on greenhouse gas emissions that would apply only to developed countries would severely disadvantage U.S. farmers and ranchers in today's global markets. Without proper scientific and economic analysis and assessment, U.S. farmers and ranchers may be placed at a serious disadvantage with agricultural producers in countries which do not plan to reduce greenhouse gases.

National Grange

The National Grange is opposed to mandatory caps on emissions of carbon dioxide. The small business people and farmers that comprise our membership are very concerned about the likely increases in the price of basic fuels and the predictable negative impact on the availability and price of work vehicles that would result from attempting to comply with the treaty as it is now being negotiated. We are particularly concerned that this climate treaty negotiation will be inordinately costly to our membership who make their livelihood in farming.

Holstein Association of America

The Holstein Association of America is opposed to attempts to cap greenhouse emissions and is concerned about the resulting increase in energy prices. Our membership is comprised of farmers and breeders who are not able to pass along the increased cost of business that will occur as energy taxes are raised. An additional concern is the probable increase in fuel economy standards that will also result from efforts to implement this international treaty.

National Association of Farmer Elected Committeemen

Climate change energy proposals can potentially increase input costs to America's food producers and cause economic burdens to them and their rural communities. The Administration and Congress evaluate the scientific,

economic, environmental and social impact of imposing global environmental regulations on America's farmers and rural communities before entering into any such treaty or agreement. Any international treaty or agreement on global warming and greenhouse gas emissions should not cause unprecedented and unfair economic hardships for America's food and fiber producers. Any treaty or agreement on global climate changes and greenhouse emissions should not place America's food producers at an unfair disadvantage against its international economic competitors.

- ☐ **Small Business**
- ☐ **Labor Unions**
- ☐ **Lower Income Citizens**
- ☐ **Farmers/Ranchers**
- ☐ **Business and Trade Associations**
- ☐ **Motorists**
- ☐ **Recreation**
- ☐ **Public Policy Groups**
- ☐ **Elected Officials**
 - ☐ **State and Local Officials**
 - ☐ **Federal Officials**

[Home](#) | [Why We're Concerned](#) | [U.N. Treaty](#) | [Fairness Concerns](#) | [Science Concerns](#) |
[Economic Considerations](#) | [Americans Speak Out](#) | [What You Can Do](#) | [Other Sites](#)



Americans Speak Out

Business and Trade Associations

Associated General Contractors

The climate change treaty currently being negotiated to require drastic curbs in carbon dioxide emissions would result in higher energy prices and higher motor vehicle fuel economy standards. The membership of the Associated General Contractors of America is comprised of businesses that would be negatively impacted by any rise in the price of energy, and in particular are concerned that efforts to raise fuel economy standards would restrict the availability of work vehicles necessary in the construction industry.

National Association of Plumbing-Heating-Cooling Contractors

The contracting industry is comprised of small business people who rely heavily upon the availability and relative low cost of vans and other work vehicles. For this reason, the National Association of Plumbing, Heating and Cooling Contractors opposes an international treaty capping emissions of carbon dioxide. This treaty will lead to higher U.S. motor vehicle fuel economy standards and unnecessary energy taxes.

Emergency Nurses CARE

Binding controls on carbon dioxide emissions could lead to higher vehicle fuel economy standards. And safety experts agree that higher fuel economy standards would mean smaller, lighter cars and trucks that provide less protection to their occupants in crashes.

National Concrete Masonry Association

The National Concrete Masonry Association is concerned that the international climate treaty negotiation to set binding targets and timetables for carbon dioxide emissions reduction could increase transport fuel costs and restrict the availability of vehicles necessary for our members to operate their businesses efficiently and profitably.



Americans Speak Out

Public Policy Groups

Committee for A Constructive Tomorrow (CFACT)

With 25,000 supporters nationwide and a scientific advisory board that includes some 45 recognized experts from universities and laboratories around the world, CFACT stands firmly opposed to an international agreement that would mandate cuts in so-called "greenhouse gas" emissions. Accurate satellite measurements and recent temperature records in the Arctic reveal global cooling, not warming, over the past five decades. In addition, only 3% of the carbon dioxide emitted into the atmosphere comes from man-made sources, so any forced reductions of man-made CO₂ would have a negligible impact at best. Since any proposed cuts in greenhouse gases would not be based on sound science and would have a major, indeed catastrophic negative impact on people worldwide, CFACT urges the nations of the world to reject these ill-advised mandates.

Coalitions for America

The international treaty now being negotiated to require mandatory reductions in carbon dioxide emissions will hit every American where it hurts – in the pocketbook. The United States should not sign up to any treaty that will place us at a competitive disadvantage in the world market and place us at the mercy of an international regulatory body to settle enforcement disputes.

Competitive Enterprise Institute

The push to restrict greenhouse gas emissions is portrayed as an attempt to protect our planet. In fact, it would weaken the two major forces that enable civilization to protect itself – economic growth and technological advancement. The scientific basis for global warming fears are exceedingly slim, but the human costs of these proposed policies are far, far greater than their advocates acknowledge. These policies would cripple the economies of the developed world and relegate the Third World to perpetual poverty. They are totally unjustified.



Americans Speak Out

State and Local Officials

American Legislative Exchange Council

Congress must evaluate the economic, environmental, and societal impact of imposing involuntary limits on greenhouse gas emissions before moving any further with complying with the Rio Treaty. If the Congress finds compliance entails great cost and possible adverse consequences to the environment and society, it should take such steps as are appropriate to withdraw from the Rio Treaty, pursuant to Article 25 of that Treaty.

National Black Caucus of State Legislators

RESOLUTION 97-28, approved Dec. 7, 1996/. WHEREAS, energy use is the foundation for economic growth and a rising standard of living; and a growing body of economic studies demonstrate that any U.S. effort to significantly limit near-term greenhouse gas emissions, would slow economic growth, cost hundreds of thousands of American jobs, and reduce investments in more energy efficient technologies or facilities; and mandatory constraints on fossil fuel use would raise the cost of monthly electricity, heating and cooling bills; limit personal mobility; and could seriously disrupt our economy and our lives, as did gasoline lines and high energy prices in the 1970s and early 1980s; and constraints on energy use would be particularly harmful to those on fixed incomes; those living in rural areas and/or dependent on private vehicles to transport themselves and their families to work, school and stores; and those whose businesses could no longer compete as effectively against their foreign counterparts as a result of the higher cost for fuel. THEREFORE BE IT RESOLVED BY THE 20TH ANNUAL LEGISLATIVE CONFERENCE OF THE NATIONAL BLACK CAUCUS OF STATE LEGISLATORS (NBCSL), ASSEMBLED IN BILOXI, MISSISSIPPI, DECEMBER 3-7, 1996, That the NBCSL dedicates itself to educating its members, constituents and others that there is no compelling scientific reason for near-term limits on greenhouse gas emissions; and that the economic results of such limitations would lead to an increase in living expenses through job loss and the higher costs of essential items such as food and clothing; and the NBCSL supports climate policies that are balanced and cost-effective measures that do not unfairly burden the citizens of a particular community,

state of country and the NBCSL is opposed to any global climate proposals that are not justified by sound science and sound economic policy.

The Southern Legislative Conference

The negotiations are quietly in process and the endpoint is quickly approaching with very little input from the states' policymakers. However, the consequences of a treaty on the U.S. economy have not been fully analyzed and understood. This issue has particular relevance now as states are beginning to focus on economic development strategies to enhance their competitiveness globally. Energy use is the foundation for economic growth and a rising standard of living. A growing body of economic studies demonstrate that any U.S. effort to significantly limit near-term greenhouse gas emissions could slow economic growth, cost hundreds of thousands of American jobs, and reduce investments in more energy-efficient technologies or facilities. Ill-advised policies on climate change could raise the cost of monthly electricity, heating, and cooling bills; limit personal mobility; and could seriously disrupt our economy. Further, ill-advised policies could be particularly harmful to those on fixed incomes; those living in rural areas and/or dependent on private vehicles to transport themselves and their families to work, school, and stores; and those whose businesses could no longer compete as effectively against their foreign counterparts as a result of the higher cost for fuel. Indeed the outcome of a legally-binding agreement could impose a heavy burden on U.S. economic growth. Southern states will be burdened by the loss of manufacturing jobs. as the incentive to move industry abroad to those exempt high-growth developing countries would be heightened. New jobs in Mexico and China and Brazil will likely mean lost jobs in the U.S.A. The Southern Legislative Conference supports climate policies that are balanced and rely on voluntary, cost-effective measures that do not unfairly burden the citizens of a particular community, state of country. Also, the members of The Southern Legislative Conference believe that the U.S. should not agree to any international global climate proposals that are not justified by sound science and sound economic policy. (Global Climate Resolution, The Southern Legislative Conference, Sponsored by Rep. Denny Dobbs, Georgia.)

The Western Governors' Association

We urge that the President and the U.S. Department of State international negotiating team to proceed cautiously with regard to new aims and post-2000 commitments for greenhouse gas mitigation strategies that would place an undue cost burden on energy consumers of the states while supporting agreements for globally applicable provisions that will significantly reduce the impacts of greenhouse gas emissions. The Western Governors' Association supports a national policy on global climate change that is consistent with efforts to develop cost-effective alternative energy sources and more efficient use of energy. (Western Governors' Association, 2/4/97, Resolution 97 - 002, SPONSOR: Governor Schafer)

Resolution of the American Legislative Exchange Council

Whereas, the shortcomings and failures of the GCMs in their ability to replicate current conditions or predict future conditions are well-known and acknowledged within the climatological community; and there are dramatic differences between climate conditions as observed during the last 100 years and climate conditions calculated using the GCMs; and policy makers cannot make informed judgments about "dangerous anthropogenic interference with the climate system" for the further reason that there is wholly inadequate information concerning positive and negative impacts resulting from any assured climate change; and a strategy to arbitrarily limit greenhouse gas emissions can be self-defeating since limits on emissions necessarily lead to higher prices for energy; and urges the U.S. Congress to evaluate the economic, environmental, and societal impact of imposing involuntary limits in greenhouse gas emissions; and embrace as a central part of the U.S. climate change action strategy the proposition that the single best policy for the U.S. economy, and its citizens, and for the environment, is one of low cost and abundant energy; and that if Congress finds compliance with the Rio Treaty entails great cost and discourages low cost and abundant energy from domestic sources that Congress take such steps as are appropriate to withdraw from the Rio Treaty, pursuant to Article 25 of the Treaty.

Midwestern Legislative Conference of The Council of State Governments

Supports climate policies that are balanced and cost-effective, and that do not unfairly burden the citizens of a particular community, state or country and is opposed to any global climate proposals that are not justified by sound science and sound economic policy.

Southern Legislative Conference

The outcome of a legally-binding agreement could impose a heavy burden on U.S. economic growth. Southern states will be burdened by the loss of manufacturing jobs, as the incentive to move industry abroad to those exempt high-growth developing countries would be heightened. New jobs in Mexico, China and Brazil will likely mean lost jobs in the U.S. The U.S. should not agree to any international global climate proposals that are not justified by sound science and sound economic policy.

- ☐ **Small Business**
- ☐ **Labor Unions**
- ☐ **Lower Income Citizens**
- ☐ **Farmers/Ranchers**
- ☐ **Business and Trade Associations**



Americans Speak Out

Federal Officials

Senate Resolution 98, cosponsored by 65 Senators and approved by the Senate in a 95-0 vote on tbd date. S. Res. 98 maintains that the United States should not sign any agreement which would 1) mandate new commitments to limit or reduce greenhouse gas emissions for developed countries, unless the agreement also mandates specific scheduled commitments to limit or reduce greenhouse gas emissions for developing countries or that 2) cause economic harm to the U.S. economy. 6.9.2.1. Full Text of S.Res.98 (Attached)

Senator Trent Lott (R-MS)

There is no guarantee those nations will be any more interested in curtailing energy use then than they are now. Today, China is accelerating its use of fossil fuels, and by 2015, will likely pass the U.S. in total carbon emissions. Is it fair to let them off the hook now while we are subject to such stringent regulations? American taxpayers must be assured that any new environmental programs actually provide benefits and are grounded in sound science. We must not enter into any agreement which puts us at a significant disadvantage in the global arena. (8/18/97)

In a letter to President Clinton, dated July 17, 1996, six Democratic Senators said ... "We are deeply concerned about some of the proposals that have been put forward to require binding emission targets and timetables, as well as harmonized policies and measures to achieve those targets and timetables ...". "These proposals would result in significant economic penalties and dislocations (e.g., job losses, reduced international competitiveness, and diminished economic productivity). Indeed, it has been estimated that some of the proposals under consideration could have serious implications for the U.S. economy and our international competitiveness: our gross domestic product could be reduced by \$200 billion; 600,000 Americans could lose their jobs, and consumers could be faced with overnight gasoline tax increases of 500 per gallon or more." "Because an adequate basis of analysis and assessment is not complete, we believe that it is premature for the United States to agree to any particular numerical target or date for carbon dioxide emission reductions, or for the United States to agree to any particular mandatory policy or measure related to carbon dioxide emissions. Since developing countries are projected to have rapid growth in their emissions of greenhouse gases, we

believe that any future agreement that the United States enters into must adequately address the role of developing countries in meeting the common obligations of the Climate Treaty for all countries to develop and implement national programs to address greenhouse gas emissions. We would find it difficult to support an unbalanced agreement—one that does not fairly treat the respective obligations of the developed world and the developing world with regard to greenhouse gas emissions. Such an unbalanced agreement would be unjustified on the merits as a response to the potential for future climate change. Moreover, an unbalanced agreement would harm U.S. competitiveness and prosperity, and would thus be politically untenable. For our part, we are prepared to support continued appropriations for the Global Environment Facility and for country studies to facilitate efforts to develop an international framework in which all countries play a meaningful and commensurate role." (Senators Bennett Johnston, John Breaux, Robert Byrd, Wendell Ford, Howell Heflin, Byron Dorgan)

Frank E. Murkowski (R-AK), Chairman of the Senate Energy and Natural Resources Committee

"If the climate change negotiations were strip poker, our negotiators would be down to their skivvies, he said." "They are playing blind-man's poker. They've anted-up without even knowing the stakes of the game," said Murkowski, "and millions of Americans could pay through job losses and higher energy taxes without any meaningful impact on global emissions." According to Murkowski, legally binding commitments that apply only to developed nations will export jobs to developing countries who do not have to comply with emission limits, placing the U.S. at a competitive disadvantage, while failing to address the explosion of greenhouse gas emissions produced by nations such as China and India. Chairman Murkowski said that the continuing erosion of the negotiating position is likely to result in a treaty amendment or a new protocol that the Senate will be unable to ratify. "Our negotiators have once again been outmaneuvered by the developing nations. If human-induced climate change is not a problem, then we will have agreed to unilateral measures that will harm our economy and competitiveness without positive benefits. But if human-induced climate change is eventually proven to be a problem, we will have exempted the developing nations the future big emitters from a sharing in the burdens of greenhouse gas reductions", Murkowski said. "It is a win/win situation for the developing nations, and a lose/lose situation for the U.S. taxpayers and the economy," the Chairman added. (Press Release, date tbd, Senator Frank Murkowski, Chairman, Senate Committee on Environment and Natural Resources.)

"The Senate Subcommittee on International Economic Policy, Export and Trade Promotion ... has held extensive hearings on the potentially serious economic harm of a U.N. treaty and the uncertain science that underpins it." "We are dealing with an issue that has potentially drastic consequences for America. We must approach this issue seriously, deliberately seek the most sound information and not rush into signing a treaty that would provide a

"solution" to an "unclear problem. The course of action we take will have a lasting impact on our economy, environment, energy use, economic growth, trade, jobs, global competitiveness, national defense and, perhaps most important our national sovereignty." (Senator Chuck Hagel, Letter to the Editor, Washington Post, July 15, 1997. Cosponsor of Senate Resolution 98.)

"The big carbon dioxide emitters of the developing world, including -- in addition to China --- India, Mexico, Brazil, South Korea, and Indonesia, cannot expect to continue their extremely inefficient methods for fossil fuel combustion, producing huge, growing quantities of carbon dioxide, and at the same time insist that only the developing nations agree to legally-binding targets and schedules for limiting these gases," Senator Byrd said. "If developing countries are not also on the hook, industries may be tempted to move their facilities, their jobs and their potentially even greater emissions overseas, where they would not be subjected to the same types of environmental constraints. We have seen too much of that kind of industrial exportation already in West Virginia," Byrd said. "The developing world should be encouraged to expand its own industries in an environmentally responsible manner, knowing that it, too, must prepare to meet limits on greenhouse gas emissions, and not sink to the temptation for quick and dirty development by harboring industrial fugitives from the developed world's mandatory controls," Byrd said. "What is good for the developed goose should be good for the developing gander, in that both should be responsible for their actions if the effort to clean up the global barnyard is to be anything other than a halfway effort," Byrd said. "Without the participation of the developing world, the goals of the treaty will be largely frustrated, since the amount of carbon dioxide which will be produced by the developing world will exceed, in total, that produced by the developed nations very soon, by the year 2015," said Byrd. (News from Senator Robert C. Byrd, West Virginia, June 12, 1997. Cosponsor of Senate Resolution 98.)

- ☐ **Small Business**
- ☐ **Labor Unions**
- ☐ **Lower Income Citizens**
- ☐ **Farmers/Ranchers**
- ☐ **Business and Trade Associations**
- ☐ **Motorists**
- ☐ **Recreation**
- ☐ **Public Policy Groups**
- ☐ **Elected Officials**
 - ☐ **State and Local Officials**
 - ☐ **Federal Officials**

[Home](#) | [Why We're Concerned](#) | [U.N. Treaty](#) | [Fairness Concerns](#) | [Science Concerns](#) |
[Economic Considerations](#) | [Americans Speak Out](#) | [What You Can Do](#) | [Other Sites](#)

What You Can Do

Sample Letter

Dear Senator:

I am very concerned that the United Nations climate change negotiations scheduled to end in December 1997 will hurt the United States. We must not agree to any plan that binds U.S. consumers and industry to expensive energy cutbacks, jeopardizing our nation's economic growth, our jobs, and our global competitiveness.

In light of the current state of the science, I seriously question whether any agreement is necessary this year. We have time to more fully understand the implications of climate change, develop appropriate technological responses, and negotiate meaningful roles for all nations.

No plan should be agreed to that mandates new commitments to limit or reduce greenhouse gases for the United States unless it also mandates new specific scheduled commitments to limit or reduce greenhouse gas emissions for developing nations within the same compliance period. Without them, we would damage our economy for no environmental benefit.

Any agreements made by the Administration must be done with full understanding of the economic, social, and internationally competitive implications, and with the full consent of Congress.

Your leadership on this issue is crucial to protect the continued environmental and economic health of the United States.

Sincerely yours,

Contact Your Elected Officials

If you want to be kept informed, click here

[Home](#) | [Why We're Concerned](#) | [U.N. Treaty](#) | [Fairness Concerns](#) | [Science Concerns](#) |
[Economic Considerations](#) | [Americans Speak Out](#) | [What You Can Do](#) | [Other Sites](#)

U.S. Senate Directory

Click on your state below for the names, mailing addresses, phone, fax and e-mail addresses for your senators. For a list of tips on writing to your senators, [click here](#).

- | | | |
|--|---|---|
| ☐ Alabama | ☐ Louisiana | ☐ Ohio |
| ☐ Alaska | ☐ Maine | ☐ Oklahoma |
| ☐ Arizona | ☐ Maryland | ☐ Oregon |
| ☐ Arkansas | ☐ Massachusetts | ☐ Pennsylvania |
| ☐ California | ☐ Michigan | ☐ Rhode Island |
| ☐ Colorado | ☐ Minnesota | ☐ South Carolina |
| ☐ Connecticut | ☐ Mississippi | ☐ South Dakota |
| ☐ Delaware | ☐ Missouri | ☐ Tennessee |
| ☐ Florida | ☐ Montana | ☐ Texas |
| ☐ Georgia | ☐ Nebraska | ☐ Utah |
| ☐ Hawaii | ☐ Nevada | ☐ Vermont |
| ☐ Idaho | ☐ New Hampshire | ☐ Virginia |
| ☐ Illinois | ☐ New Jersey | ☐ Washington |
| ☐ Indiana | ☐ New Mexico | ☐ West Virginia |
| ☐ Iowa | ☐ New York | ☐ Wisconsin |
| ☐ Kansas | ☐ North Carolina | ☐ Wyoming |
| ☐ Kentucky | ☐ North Dakota | |
-

Alabama

Senator Jeff Sessions (R)

Mailing address: United States Senate, Washington, D.C. 20510

District Office Phone: 334-265-9507

Washington, DC Phone: 202-224-4124

Fax: n/a

E-mail: senator@sessions.senate.gov

Senator Richard C. Shelby (R)

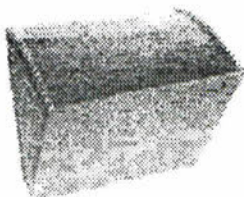
Mailing address: United States Senate, Washington, D.C. 20510

District Office Phone: 205-759-5047

Washington, DC Phone: 202-224-5744

Fax: 202-224-3416

E-mail: senator@shelby.senate.gov



Other Sites On Climate Change

We've compiled the following links as a potential resources that can supplement the information available on the Global Climate Information Project site. We do not take any responsibility for the information presented at these sites, nor to the availability of these sites.

The Science & Enviromental Policy Project: www.his.com/~sepp/

Competitive Enterprise Institute: www.cei.org

World Climate Report: www.nhes.com

Global Climate Coalition: www.worldcorp.com/dc-online/gcc/

NASA Current Atmospheric Temperatures:
www.ssl.msfc.nasa.gov/newhome/essd_strat_temp.htm

"Cooler Heads" Coalition: www.globalwarming.com

George C. Marshall Institute: www.marshall.org

American Petroleum Institute: www.api.org/globalclimate/starta.htm

"The Junk Science Home Page": www.junkscience.com

[Home](#) | [Why We're Concerned](#) | [U.N. Treaty](#) | [Fairness Concerns](#) | [Science Concerns](#) |
[Economic Considerations](#) | [Americans Speak Out](#) | [What You Can Do](#) | [Other Sites](#)



THE U.N. GLOBAL CLIMATE TREATY ISN'T GLOBAL

CHECK IT OUT FOR YOURSELF: 1-888-54FACTS or www.climatefacts.org

Americans Will Pay the Price

The United Nations is negotiating a climate treaty that will require severe restrictions on the amount of energy we use. And it puts the entire burden on the U.S. and a few other countries.



50 Cents More for Every Gallon of Gasoline

Economists predict that reducing our energy use by more than 20% will require price increases for most types of energy. Natural gas could go up 45%, electricity costs could increase by 20%, and gasoline prices could go up by 50 cents a gallon.

Most Countries Are Exempt

Americans will pay more for everything that requires energy to transport or manufacture, while 132 of 166 countries, including India, China and Mexico, are exempt.

It's Not Global and It Won't Work.

Paid for by: Air Transport Association of America, American Automobile Manufacturers Association, American Corn Growers Association, American Farm Bureau Federation, American International Automobile Dealers Association, American Plastics Council, American Portland Cement Alliance, American Trucking Associations, Association of American Railroads, Center for Energy and Economic Development, Coalition for Vehicle Choice, The Fertilizer Institute, National Association of Farmer Elected Committees, National Association of Manufacturers, National Automobile Dealers Association, National Black Chamber of Commerce, Inc., National Cattlemen's Beef Association, National Grange, National Mining Association, National Rural Electric Cooperative Association, The Seniors Coalition, The Small Business Survival Committee

"Cost More"
60 SECOND RADIO

SFX: Low music builds under the announcer sections. The eavesdropper sounds like he's somewhere in the real world.

ANNOUNCER

The U.S. is preparing to sign a United Nations global climate treaty.

CURIOUS

(as if he's overheard the announcer)
UN climate treaty...global warming right?

ANNOUNCER

(as if she hasn't heard him)
But their global treaty isn't global. 132 out of 166 countries are exempt. So while we're forced to lower energy use by more than 20%, countries like India, China and Mexico are not.

SKEPTICAL

So...how will that work?

ANNOUNCER

For the U.S. to meet these reductions, economists predict drastically higher prices for most types of energy. Natural gas and electricity will cost more. Gasoline and home heating oil could increase by as much as 50-cents a gallon. And higher energy costs mean higher costs for food, clothing -- most things we need.

INDIGNANT

So we pay higher prices and those other countries are exempt?

ANNOUNCER 2

The UN's proposal isn't global and it won't work. Call toll free and find out more. 1-888-54FACTS. 1-888-54FACTS. Paid for by more than 20 concerned organizations, including (sponsors).

“Imagine That”
60 SECOND RADIO

SFX: UN GENERAL ASSEMBLY

We hear the sounds of a large meeting in progress. Voices in all languages. A gavel is heard.

ANNOUNCER

The U.S. is preparing to sign a United Nations climate treaty that would force us to cut our energy use by more than 20%, while exempting countries like China, India and Mexico.

SFX: MIDDLE CLASS HOME

Kids, a dog, and the TV make up the sounds of a busy home.

ANNOUNCER

Economists predict that energy costs could skyrocket. Just imagine the impact on our lives...

SFX: ADDING MACHINE

HUSBAND

Whoa! We can't afford this.

WIFE

What hon?

SFX: MORE ADDING MACHINE

HUSBAND

Our electric bill is up over 20% and our gas bill is 45% more.

SFX: GAS STATION

The “ding, ding” tells us we have arrived. An individual gets out of a car and prepares to fill it up. An engaged gas pump reminds us they are spending money.

ANNOUNCER

And gasoline prices could go up by 50 cents a gallon.

“Imagine That” - page 2

WIFE AT THE PUMP

Fifty cents more a gallon?

SFX: SUPER MARKET

Beeps and cash register noises are evident.

ANNOUNCER

Increases in energy costs will make food, clothes, almost everything we buy, more expensive.

HUSBAND AT THE REGISTER

That's my total? For three bags of groceries?

ANNOUNCER

The UN climate proposal costs more, isn't global and won't work. Call toll free and find out more: 1-888-54FACTS. 1-888-54FACTS. Paid for by more than 20 concerned organizations, including (sponsors).

Global Climate Information Project

Air Transport Association of America
American Automobile Manufacturers Association
American Corn Growers Association
American Farm Bureau Federation
American International Automobile Dealers Association
American Petroleum Institute
American Plastics Council
American Portland Cement Alliance
American Trucking Associations
Association of American Railroads
Center for Energy and Economic Development
Coalition for Vehicle Choice
The Fertilizer Institute
National Association of Farmer Elected Committees
National Association of Manufacturers
National Automobile Dealers Association
National Black Chamber of Commerce, Inc.
The National Cattlemen's Beef Association
National Grange
National Mining Association
National Rural Electric Cooperative Association
The Seniors Coalition
The Small Business Survival Committee
United Mine Workers of America, AFL-CIO
United Transportation Union, AFL-CIO

Fact Sheet On The U.N. Climate Plan

Life exists on Earth because of a natural "greenhouse effect" that traps heat in the atmosphere and maintains livable temperatures. The issue is whether man-made greenhouse gases, which account for less than 4%, are causing "global warming." Although the science is still uncertain, the U.N. is leading negotiations on a plan that would require legally binding energy cuts by only 34 of the 166 nations that are participating in the negotiations. The target for conclusion of these negotiations is December 1997.

ON THE ECONOMICS

- To return the U.S. to 1990 emission levels would require a cut in energy usage of more than 20%. Economists say this could mean natural gas price increases of 45%, electricity cost increases of more than 20%, and gasoline price increases of 50 cents a gallon.
- The Argonne National Laboratory, under contract for the U.S. Department of Energy, studied what impact constraints on developed countries only would have on six large energy-intensive industries subject to foreign competition. They found that 60 to 100% of U.S. primary aluminum production capacity would disappear, that the chemical and steel industries together would lose 300,000 jobs, and that domestic oil would lose 20% of its output, as many U.S. refineries became non-competitive and shut down.

ON THE ROLE OF DEVELOPING NATIONS

Negotiating countries, including the U.S., have already agreed under the Berlin Mandate that no new commitments will be asked of developing countries. However, developing nations must be part of the solution for any climate plan to work.

- "It is obvious... that no reasonable future reductions by Annex I (developed) countries (alone) would stabilise global emissions" - Bert Bolin, Chairman of the U.N. Intergovernmental Panel on Climate Change (IPCC), February - March 1997 IPCC Report.
- "If the United States not only stabilizes emissions but reduces greenhouse gas emissions by 50 percent, and if every other industrial country also reduces greenhouse gas emissions by 50 percent, and the developing countries continue on their current path, then worldwide greenhouse gas emissions will, by the year 2030, increase by 250 percent." - Al Gore, April 7, 1992.

WHAT SHOULD BE DONE

- We have time to do this right. The U.S. Congress Office of Technology Assessment has said, "Delaying the implementation of emissions controls for ten to twenty years will have little effect on atmospheric concentrations (of greenhouse gas emissions)."
- Instead of setting binding targets in December, let's do first things first:
 - ✱ Accelerate scientific research on the causes, effects and timing of climate trends.
 - ✱ Thoroughly analyze the impact of any proposed climate plan on jobs, trade, consumers and the U.S. economy and competitiveness.
 - ✱ Accelerate research on advanced technologies that hold the promise of improved energy efficiency without hurting consumers or the economy.
 - ✱ Create programs that can help developing nations cut carbon emissions without jeopardizing their growth.



Welcome To The Web Site Of The Global Climate Information Project

This is your opportunity to learn about
global climate science and its economic
implications for American consumers

Here you can examine the fairness of the
U.N. climate change treaty... read what others
have to say about the process... and find out
how to get involved

Global Climate Information Project

- Why We're Concerned
- The U.N. Climate Change Treaty
- Fairness Concerns
- Science Concerns
- Economic Considerations
- Americans Speak Out
- What You Can Do
- Other Sites on Climate Change

Advertising Slides

Clinton Library Transfer Form

Case #, if applicable	2019-0774-S	Accession #		
Collection/Record Group	Clinton Presidential Records	Series/Staff Member	Todd Stern	
Subgroup/Office of Origin	Staff Secretary	Subseries		
Folder Title	Opposition [2]	OA/ID Number	11211	Box Number
Description of Item(s)	2 Slides - Advertising Slides on Climate			

Donor Information

Last Name:	First Name:	Middle Name:	Title:
Affiliation:	Phone (Wk):	Phone (Hm):	
Street:	City:	State (or Country):	Zip:

Transferred to:	Audio/Visual Department
Other (Specify):	

Transfer Point	During Processing
New Location	

Transferred by:	Debbie Bush
Received by:	

Date of Transfer	8/14/2019
Date of Receipt	