

American Labor Unions'
Resolutions on Climate Change

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

Transportation Trades Department,
AFL-CIO

Industrial Union Department,
AFL-CIO



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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.



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.

THEREFORE BE IT RESOLVED:

■ That transportation labor call on the Clinton Administration to renegotiate the terms of the Berlin Mandate so that all nations bear an equal level of responsibility for addressing the concerns arising out of greenhouse emissions;

■ That TTD will urge the Clinton Administration and the Congress not to accept any treaty or other agreement that will force the U.S. to adopt policies that will damage our economy and result in massive job loss; and

■ That TTD will educate and inform transportation workers about the damage the Berlin Mandate could have on the financial health of the transportation industry and the security of thousands of jobs.

Resolution No. 2-97(f)

(Adopted February 15, 1997)

FOR MORE INFORMATION CALL: 202-628-9262



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

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PRESIDENT

"UN Map"
30 SECOND TV

1. **GRAPHIC: THE WORLD ACCORDING TO THE UN**

2. **PAPER MAP OF THE WORLD**

Pan across a map of the world. A pair of hands takes hold of the map and begins to cut it.

ANNOUNCER, V.O.

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

3. **CLOSE ON SCISSORS CUTTING MAP**

4. **SUPER: 132 OF 166 COUNTRIES EXEMPT.. SOURCE: UNITED NATIONS**

ANNOUNCER, V.O.

But their global agreement isn't global.
132 of 166 countries are exempt. So
while the United States is forced to make
drastic cuts in energy use, countries like
India, China and Mexico are not.

5. **PIECES OF THE MAP**

Cut out pieces of the map fall to the floor. We read the names China, India, Mexico, and other countries that are exempt from the treaty.

6. **SUPER: SOURCE: UNITED NATIONS AND U.S. DEPT. OF ENERGY**

ANNOUNCER, V.O.

Countries responsible for almost half the
world's emissions won't have to cut back.

7. **REVISED MAP**

A pair of hands holds up the map. There are many countries cut out of it. The U.S. and other developed countries remain on their own.

“UN Map” - page 2

8. **SUPER:** **1-888-54FACTS**
 www.climatefacts.org

9. **SUPER:** **SPONSORED BY:**
 (List of sponsors)

ANNOUNCER, V.O.

Check it out for yourself. It's not global
and it won't work.

Global Climate Information Project News

For Immediate Release

Contact: Richard Pollock or Candida Sampson
202-383-9700

NEW AD CAMPAIGN AIMS TO INCREASE AWARENESS OF PROPOSED U.N. CLIMATE TREATY

Washington, D.C., September 9, 1997 - A diverse group of more than 20 organizations today introduced the first in a series of national television, print and radio advertisements aimed at increasing public awareness of the proposed United Nations climate treaty scheduled to be decided this December in Kyoto, Japan.

Supported by organizations representing small business, industry, agriculture, labor and citizen groups, the ad campaign highlights the fact that the proposed treaty would cause the United States and other developed countries to have to significantly cut energy usage. The proposed treaty, however, would exempt developing countries such as Brazil, China, India and Mexico - some of the world's high growth industrial players. The sponsors are concerned that the treaty is not global and would not work.

With only 34 out of 166 countries required to make energy reductions under the proposed treaty, there can be very little environmental progress. Nations not affected by the U.N. proposals contribute approximately half of the world's current carbon emissions and will account for about 75 percent over the next century.

The campaign echoes concerns raised recently in a resolution passed 95-0 by the U.S. Senate urging rejection of a treaty that would exclude developing nations or severely damage the U.S. economy.

(more)

Even the least onerous of the major treaty proposals on the table would require a U.S. energy cutback of more than 20 percent. Economists predict that 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. In addition, a recent study by the Argonne National Laboratory for the U.S. Department of Energy found six major U.S. industries - aluminum, cement, chemical, oil, paper and steel - would be severely affected, resulting in job loss and increased prices.

Created by Goddard*Claussen/First Tuesday, the ads will begin airing on September 10 on CNN's "Business Today" and will include accompanying national print and radio spots. In addition to the ads, the sponsors have activated a toll-free telephone number, 1-888-54-FACTS, and a website, <http://www.climatefacts.org>, which provide up-to-date information on the proposed U.N. climate treaty.

Sponsors of the campaign include the 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., 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, and United Transportation Workers, AFL-CIO.

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Selected Quotes

"It is obvious that the signing of this treaty will severely tie the hands of farmers and hamper their ability to make a living and feed the world. The ACGA calls on the Administration to re-examine the climate-change treaty and make sure that any agreement calls for only voluntary reductions in greenhouse gas emissions, weighing the cost to industry."

—Gary Goldberg, National President, American Corn Growers Association

"Global climate change requires global solutions. The U.S. cement industry wants to do its part, but unless all nations are involved, we will gain nothing environmentally, yet we will jeopardize the economic well-being of the United States by restricting our ability to provide for domestic infrastructure needs."

—Richard C. Creighton, President, American Portland Cement Alliance

"Simply put, agreeing to a treaty based on unsound science is a dangerous gamble that could devastate U.S. industry and cost many hard-working Americans their jobs."

—Allen R. Schaeffer, Vice President for Environmental Affairs, American Trucking Associations

"The proposed Kyoto treaty is like a card game where the deck is stacked. American workers are being dealt a losing hand through the negotiating process. In the end, there will be no real environmental benefit and America's working families will be forced to pay higher energy and consumer costs while we export U.S. jobs to countries that are exempted from action under the treaty."

—Stephen L. Miller, President, Center for Energy and Economic Development

"NADA is extremely concerned with the international negotiations concerning global warming which could dramatically affect CAFE standards. NADA is heavily involved with legislative efforts to force the Administration to reject international treaty provisions that allow some nations to escape responsibility for reducing greenhouse gases, thereby placing a greater burden on the U.S."

—Frank McCarthy, Executive Vice President, National Automobile Dealers Association

"Skyrocketing fuel costs are the worst nightmare of every senior citizen who lives on a fixed income and marshals their resources to take care of themselves and have a little left over to visit their families. It is a knife that cuts past the quick and into their very hearts."

—Nona Wagner, The Seniors Coalition

"As it currently stands, the climate agreement will impose major new production costs on U.S. agricultural producers. It will severely disadvantage farmers in international markets and disrupt family farm and ranch operations."

—Bob Stallman, American Farm Bureau Federation (President, Texas Farm Bureau)

NATIONAL ASSOCIATION OF FARMER ELECTED COMMITTEEMEN

RESOLUTION ON GLOBAL CLIMATE CHANGE

WHEREAS, America's farmers and rural communities are directly affected by international environmental treaties and agreements concerning global climate changes and greenhouse gas emissions; and

WHEREAS, America's agriculture producers compete economically against both developed and developing countries; and

WHEREAS, the impact of international treaties and agreements on America's food producers is immediate and affects their economic livelihoods in very direct ways; and

WHEREAS, climate change energy proposals can potentially increase input costs to America's food producers and cause economic burdens to them and their rural communities; and

WHEREAS, the scientific evidence to quantify the human influence on global climate is uncertain;

NOW THEREFORE BE IT RESOLVED, that the *National Association of Farmer Elected Committeemen* urges that 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; and

BE IT FURTHER RESOLVED, that 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; and

BE IT FURTHER RESOLVED, that 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.

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Iowa - American Corn Growers Association

August 19, 1997

The Honorable William J. Clinton
President of the United States
The White House
Washington, D.C. 20500

Dear Sir:

As a concerned citizen of Iowa, and a representative of Iowa corn producers serving on the board of directors of the American Corn Growers, I would urge you to reconsider your commitments to the U.N. Climate Change Treaty.

It is my belief this treaty, while having good intentions, will not deliver the desired results of reducing greenhouse gas emissions, but could have the opposite effect. Allowing agriculture producers of third world and developing countries to be exempt from proposed rules and regulations while forcing U.S. Producers to comply, will cause a significant shift in world production of the basic ag commodities. Multi-National companies who purchase ag commodities will shift their source of supply to areas of the world that are not regulated. There would probably be a large shift of processing facilities from the U.S. to these developing countries as well.

It is a proven fact that a growing corn crop is a tremendous user of carbon dioxide as well as a sink for many other pollutants, including sulfur. Any program or treaty that shifts corn production from the U.S. to other parts of the world would only add to our pollution problems.

Projections indicate U.S. Producers would face production cost increases of 50% or more. Iowa and U.S. farmers are already facing tremendous financial pressure due to the phasing out of any 'safety net' support of prices for their commodities. Any further increase in production costs will drive thousands of farmers from the land. Resulting loss of U.S. agricultural production would have a negative impact on our balance of trade.

In closing I would urge you to consider all aspects of any treaty that would adversely affect American agriculture and include agricultural representatives in any discussions of such treaties.

Charles Pyatt
President, Iowa Chapter
American Corn Growers Association
2637 Floyd Line St.
Greene, IA 50636-8900

P.O. Box 481 • Greene, Iowa 50636 • (515) 823-5881

**Statement by Bob Stallman
President, Texas Farm Bureau
Press Conference on Global Climate Change
September 9, 1997**

Good morning. I am Bob Stallman, a rice farmer from Colorado County, Texas. I am president of the Texas Farm Bureau. Today, I am representing the American Farm Bureau, the nation's largest organization of farmers and ranchers.

Farm Bureau is very concerned that the proposed climate agreement threatens U.S. agriculture. U.S. and international negotiators are pressing for legally binding reductions in greenhouse gas emissions. New regulatory controls for agriculture have been proposed. They include new taxes on fuel and fertilizer, forced mileage requirements for light trucks and other motor vehicles, controls on planting, cultivation and harvesting and production of crops and livestock.

These new regulations may be counter-productive. U.S. farmers are already leading the world in conservation tillage and efficient use of fuel and fertilizer--practices which significantly reduce greenhouse gases. Imposition of new, heavy-handed, "one size fits all" regulations will interfere with these economically efficient and environmentally advanced farm management plans--production practices which have significantly reduced greenhouse gas emissions when compared to practices in other countries.

Fuel cost increases imposed by the treaty mean big hardships for family farms like mine. A sixty cent-per-gallon increase in diesel and gasoline and 50 percent hike in electricity costs are possible, according to some analysts. More conservative estimates by the Commerce Department say that a 26 cent per gallon increase in motor fuel costs is likely. Fuel and energy-related inputs such as fertilizer and pesticides account for about one-fourth of farm operation expenses.

Farmers will be dealt a double-blow overseas. No controls would be placed on some of our strongest competitors in international agricultural markets. More than 130 countries, including Mexico, China, South Korea, Chile, India and Argentina, are exempt. Some of these developing countries have lower labor and production costs and would be given a major competitive advantage.

The agreement makes no sense. It won't help the environment and it will hurt the economy. By the administration's own projections, carbon dioxide emission increases from developing countries will soon out pace those of the United States or other developed nations. Such measures would create a giant cloud over the future viability and competitiveness of U.S. agriculture.

As it currently stands, the climate agreement will impose major new production costs on U.S. agricultural producers, severely disadvantage farmers in international markets and disrupt family farm and ranch operations. Farm Bureau welcomes this unprecedented opportunity to join with industry, labor and consumer interests in opposing the proposed climate agreement.



AMERICAN FARM BUREAU FEDERATION®

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What is Farm Bureau?

The American Farm Bureau Federation is the world's largest voluntary organization of farmers and ranchers. More than 4.7 million family members belong to county or parish Farm Bureaus which, in turn, comprise state Farm Bureau organizations in all 50 states and Puerto Rico.

AFBF represents all commodity interests and is involved in all issues which are of concern to the nation's farmers and ranchers, including taxation, property rights and services to the farm community. It is farm people joining together to solve common problems.

The organization has never been a government agency and is not politically partisan, rather it seeks support on a bipartisan basis. As the nation's largest farm organization, AFBF has established programs that are directed by policies developed and voted upon by farm representatives at the county, state and national level.

The president, vice president and members of the board of directors must be farmers and are elected by voting delegates from state Farm Bureaus. The president is a full-time executive who directs the day-to-day operations of the organization and speaks as the official voice of the American Farm Bureau Federation.

In 1919, a small group of farmers from a dozen states gathered in Chicago and founded the American Farm Bureau Federation. Their goal was to speak for themselves through their own national organization. It soon became local, statewide, national and international in its scope and influence.

Through the years thousands of elected leaders served on county and state Farm Bureau boards, with many serving as voting delegates in state and American Farm Bureau Federation business meetings. Membership is on a family basis in all states. Payment of dues is voluntary and includes county, state and AFBF membership.

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BOB STALLMAN
President, Texas Farm Bureau

Voting delegates of the Texas Farm Bureau elected Bob Stallman as the organizations' eighth president on December 1, 1993. Stallman joined the TFB board as District 11 director in December of 1987, and was elected vice-president in 1991. He was elected to the American Farm Bureau Federation Board of Directors in January, 1994.

A third generation rice farmer, Stallman began farming in 1975. He formed a family partnership with his father and brother. In 1989, he took over the family farming operation when the partnership was dissolved.

Stallman has been an active Farm Bureau leader since 1975 and served the Colorado County Farm Bureau in various leadership positions as well as several Texas Farm Bureau statewide committees.

The Colorado County farmer graduated from Columbus High School and received a Bachelor of Arts degree with honors from the University of Texas in 1974.

He is a past member of the Columbus ISD board of trustees, serving six years, and was president and vice-president. Stallman was selected as 1986 "Man of the Year in Agriculture" by the Columbus Rotary Club.

In 1996, he was appointed to the Citizens' Committee on Property Tax Relief by Governor George W. Bush, and was appointed to the Commission on 21st Century Production Agriculture by House Agriculture Committee Chairman Pat Roberts.

He has served on the American Farm Bureau Federation Farm Bill Task Force, Texas Department of Agriculture Farm Bill Task Force, National Center for Food and Agricultural Policy Working Group on Price and Income Stability, and the 1995 Texas Rice Task Force.

He is a member of the Texas A&M College of Agriculture Development Council and serves as co-chairman of the Texas Agricultural Summit Executive Committee.

The Texas Farm Bureau is the largest farm organization in Texas, with over 300,000 family members.

RESOLUTION 97-28

Global Climate Change

WHEREAS, the amount of greenhouse gases in the Earth's atmosphere is increasing as a result of human activities, and this is cause for thorough scientific research and analysis; and

WHEREAS, many in the scientific community recognize that current climate models cannot accurately forecast the timing, magnitude or likely regional impacts, if any, of human activities on the global climate; and

WHEREAS, thousands of U.S. companies, in an effort to comply with the aim of the 1992 Rio Treaty, voluntarily participate in U.S. government programs aimed at limiting greenhouse gas emissions; and

WHEREAS, energy use is the foundation for economic growth and a rising standard of living; and

WHEREAS, 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

WHEREAS, 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

WHEREAS, 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

BE IT FURTHER RESOLVED, that the NBCSL 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

BE IT FURTHER RESOLVED, that the NBCSL is opposed to any global climate proposals that are not justified by sound science and sound economic policy; and

BE IT FINALLY RESOLVED, that this resolution be dispatched to the President of the United States, the Vice President of the United States, and appropriate members of Congress and Congressional Committees.

PROPOSED RESOLUTION SUBMITTED BY:

Representative Bettye Davis (AK)

RESOLUTION APPROVED WEDNESDAY, DECEMBER 4, 1996 BY:

Committee on Transportation and the Environment

COMMITTEE ACTION CERTIFIED BY:

Representative Bettye Davis (AK), Chair

Committee on Transportation and the Environment

RESOLUTION RATIFIED IN PLENARY SESSION, SATURDAY, DECEMBER 7, 1996.

RATIFICATION CERTIFIED BY:

Representative Lois DeBerry (TN), President

NATIONAL BLACK CHAMBER OF COMMERCE, INC.**RESOLUTION****on****Global Climate Change**

WHEREAS, in December, 1997, in Kyoto, Japan, the parties to the United Nations Framework Convention on Climate Change plan to adopt a protocol or another legal instrument that strengthens commitments to limit greenhouse gas emissions by developed countries for the post-2000 period; and

WHEREAS, the amount of greenhouse gases in the Earth's atmosphere may be increasing as a result of human activities, and this is cause for thorough scientific research and analysis; and

WHEREAS, many in the scientific community recognize that current climate models cannot accurately forecast the timing, magnitude or likely regional impacts, if any, of human activities on global climate generally; and

WHEREAS, thousands of U.S. companies, including small and minority-owned businesses, in an effort to comply with the aim of the 1992 Rio Treaty, voluntarily participate in U.S. government programs aimed at limiting greenhouse gas emissions; and

WHEREAS, energy use is the foundation for economic growth and a rising standard of living, especially in growth-dependent urban areas; and

WHEREAS, a growing body of economic studies demonstrate that any U.S. effort to significantly limit energy use through taxes, caps or limits on greenhouse gas emissions, as proposed by the Administration, would slow economic growth, cost hundreds of thousands of American jobs, especially in urban areas seeking to revitalize, and would further reduce or delay investments in more energy-efficient technologies or facilities; and

WHEREAS, notwithstanding the potential severe economic impacts on Americans, which disproportionately affect U.S. urban economic growth, the Administration, in its testimony before the U.S. House of Representatives (Commerce Subcommittee on Energy and Power, by the Chair, Council of Economic Advisors, July 15, 1997) announced its attempts to produce an economic analysis of climate policy a "failure" and that "the effort to develop... a(n) answer to the economic impacts of a given climate change policy is futile," and

WHEREAS, urban communities are the venue for 98 percent of all Black-owned businesses; and

WHEREAS, mandatory constraints on fossil fuel use would raise the cost of monthly electricity, heating and cooling bills; limit personal mobility; and could seriously disrupt urban economies and our lives, as did gasoline lines and high energy prices did in the 1970's and early 1980's; and

WHEREAS, 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;

THEREFORE, BE IT RESOLVED AT THE NATIONAL BLACK CHAMBER OF COMMERCE'S (NBCC) 5TH ANNUAL BUSINESS CONVENTION, ASSEMBLED IN DENVER, COLORADO, JULY 31 THROUGH AUGUST 3, 1997, that the NBCC dedicates itself to educating its members, constituents and others that there is no scientific reason for limits on greenhouse gas emissions; and that the economic implications for urban areas and specifically Black-owned businesses would lead to an increase in costs and lost jobs, as well as higher living expenses in terms of such essential items as housing, food and clothing; and

BE IT FURTHER RESOLVED, that the NBCC supports climate policies that are balanced and cost effective, and that do not unfairly burden Black minority-owned businesses and the citizens of a particular urban area or community, state or country; and

BE IT FURTHER RESOLVED, that the NBCC urges the Administration to renew its efforts to provide all Americans with an economic analysis and assessment of global climate policies and options, and that the NBCC is opposed to any global climate proposals that are not justified by sound science and sound economic policy and fairness to U.S. interests; and

BE IT FURTHER RESOLVED, that the United States should not be a signatory to any protocol to, or other agreement regarding the United Nations Framework Convention on Climate Change of 1992, at negotiations in Kyoto in December, 1997, or thereafter, which would mandate new commitments to limit or reduce greenhouse gas emissions for the U.S., unless the protocol or other agreement also mandates new specific scheduled commitments to limit or reduce greenhouse gas emissions for developing countries within the same compliance period, would result in job loss or serious harm to the economy of the United States; and;

BE IT FINALLY RESOLVED, that this RESOLUTION be dispatched to the President of the United States, the Vice President of the United States, and appropriate Members of Congress and Congressional Committees.


HARRY C. ALFORD
PRESIDENT/CEO

8/3/97


ARTHUR A. FLETCHER
NATIONAL DIRECTOR

8/3/97

97- 177

FOR IMMEDIATE RELEASE

CONTACTS:

RICHARD SEIBERT (202) 637-3157

ROB SCHWARZWALDER (202) 637-3090

**NAM PRESIDENT JERRY JASINOWSKI,
IN TESTIMONY TO HOUSE INTERNATIONAL RELATIONS COMMITTEE,
URGES REJECTION OF PROPOSED GLOBAL CLIMATE TREATY**

WASHINGTON, D.C., July 24, 1997 – In testimony today before the full House Committee on International Relations, National Association of Manufacturers President Jerry Jasinowski urged Members of Congress to reject proposed U.S. participation in the proposed treaty on global climate change.

“We should avoid a herd mentality that says, ‘Sign first, ask questions later’,” said Jasinowski. “The Administration’s proposal is based on woefully inadequate research and analysis. It is driven not by compelling scientific data, economic analysis or a coherent management strategy, but by a desire to obtain a treaty for its own sake. There should be much more thorough public debate and much more comprehensive scientific analysis before our country agrees to an international treaty dealing with worldwide emissions of carbon dioxide.

“The policies articulated in the proposed treaty would hurt the health of our economy, make our industries less competitive internationally, cost American jobs, significantly raise prices for consumers and encourage greater output of damaging greenhouse gases from developing countries. These are hardly the results advocates of either economic growth or an improved global environment should seek,” Jasinowski noted in his testimony to the Committee.

Following is a summary of Jasinowski’s comments; for the complete text, call Rob Schwarzwald at (202) 637-3090.

“First, the science on which the treaty is based is, at best, highly uncertain. With over 97 percent of carbon dioxide emissions coming from natural sources, we simply lack the scientific data needed to determine how human activity affects global climate over time.

“Second, the economic effects of the proposed treaty on industries, workers and consumers would be profoundly negative. Less than two weeks ago, the Department of Energy released a report prepared by the Argonne National Laboratory

-MORE-



NAM ON GLOBAL CLIMATE TREATY/Page Two

stating that six energy-intensive industries, which account for over 70 percent of the manufacturing use of energy for heat, power and electricity generation, would experience substantially higher fuel prices. This means not only loss of production and higher costs to consumers, but lost jobs.

“Third, enactment of the treaty, without compliance in the developing world, will not only hurt American competitiveness, but will encourage greater pollution in the nations which lack basic environmental protections. Within the next five decades, developing nations are expected to contribute 76 percent of total greenhouse gas emissions and up to 85 percent of the projected worldwide increase in carbon dioxide emissions.

“Fourth, the Administration’s proposal lacks a management framework. We lack information about how this climate modification program would work. What is the regulatory or tax mechanism for implementing the program? Who monitors compliance, and who will enforce it? The Administration has not provided a coherent management strategy.

“Fifth, we are making steady, demonstrable progress in the reduction of carbon dioxide emissions. Between 1950 and 1985, carbon dioxide emissions per unit of our gross domestic product fell 1.3 percent a year as a result of more energy-efficient technologies and lifestyles in our country.

“Contrary to the opinion of some extreme environmentalists, the resources of American business are not limitless. People really do lose jobs. Companies really do shut their doors. And corporations really will move overseas for the sake of their economic survival.

“Plunging ahead in the name of environmental purity, without the benefit of scientific support, without concern for economic impact and with disregard for the effect of one’s policies on people in the emerging nations of Asia and Latin America, is the worst form of arrogance,” Jasinowski concluded.

-NAM-

**Small
Business**

SURVIVAL

Committee

FOR IMMEDIATE RELEASE

September 8, 1997

News

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-

PUBLIC OPINION ON GLOBAL CLIMATE ISSUES

Tracking Public Opinion and Attitudes

May 1997

Charlton Research has been examining public perception on environmental issues including global climate change for the past decade. Charlton Research recently conducted a nationwide public opinion study regarding global climate issues to gauge attitudes among the general public on the current debate on global climate change. This survey was sponsored by the Small Business Survival Committee.

EXECUTIVE SUMMARY

- Knowledge of US global climate policy is low. Further, the public does not feel represented on global climate issues.
- Americans believe that global climate change is a international issue that needs to be addressed by all nations, including developing countries.
- The public does not feel the United States should pay for other countries to obtain new technologies so they can limit their emissions of carbon dioxide.
- By two to one, respondents oppose the Clinton-Gore proposal that would require the United States to pay a fee to other countries if it uses more energy than its quota would allow.
- People feel global climate policy also needs to reflect economic considerations.
 - Policy must be market-based, cost-effective and comprehensive.
 - It should not be limited to selected countries or one economic sector.
 - It must not hinder economic and job growth.
- Americans oppose energy-use quotas and international permits.
- The public favors voluntary energy reductions, such as driving motor vehicles less often, and voluntary reduction of home heating and air conditioning.
- People oppose increasing gasoline and energy prices for individuals to reduce energy use.

A MAJORITY OF AMERICANS DO NOT FEEL REPRESENTED ON GLOBAL CLIMATE POLICY

Although there has been extensive media coverage of global climate issues, public knowledge of US global climate policy is low. Only four percent of respondents said they were familiar with US global climate policy. Respondents do not feel they are being adequately represented on this issue. In fact, seven-out-of-ten respondents feel government officials are making decisions that will affect them without regard to public opinion on global climate issues. (See Figure 1)

Furthermore, the public does not want government to take immediate steps to reduce global warming concerns. Instead, nearly three-fourths of respondents said the government should continue voluntary programs, continue research and avoid any treaty commitments that would lock the United States in to long-term costly programs if environmental benefits are not assured and costs would be high. (See Figure 2)

GLOBAL CLIMATE ISSUES NEED TO BE ADDRESSED INTERNATIONALLY

The environment is an international issue for the American public, and Americans feel strongly that it should be addressed by all nations. Respondents do not feel that the United States and Europe should be the only nations to limit energy use. Instead, all nations, including developing countries such as China, India and Mexico, need to address global warming concerns. (Figure 3)

Further, the public strongly opposes United States taxpayers bearing the financial burden for developing nations to obtain new technologies so they can limit their emissions of carbon dioxide.

AMERICANS DO NOT FEEL REPRESENTED ON GLOBAL CLIMATE POLICY

Which one of the following policy options would you select:

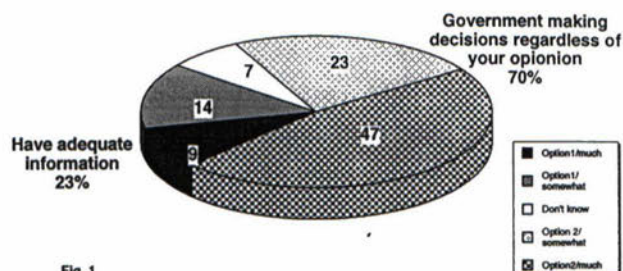


Fig. 1

GOVERNMENT SHOULD AVOID LONG-TERM GLOBAL CLIMATE POLICY PROGRAMS

Which one of the following policy options would you select:

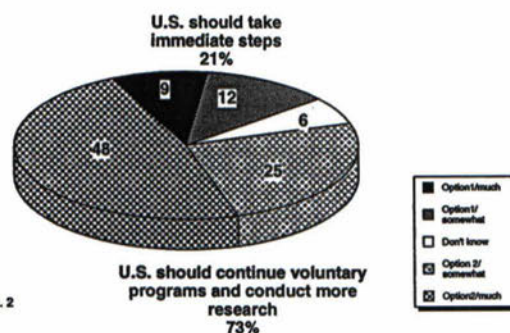


Fig. 2

GLOBAL WARMING CONCERNS NEED TO BE ADDRESSED BY ALL COUNTRIES

Global warming concerns need to be addressed on a global scale by all countries including China, India and Mexico and not just by a select few countries such as the US and Europe.

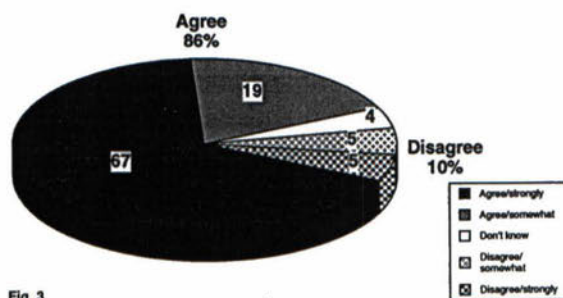


Fig. 3

GLOBAL CLIMATE POLICY MUST NOT HINDER US ECONOMIC GROWTH

Global climate policies must have their foundations in sound economic policy and must not hinder economic growth. Three-fourths of respondents favor global climate policies that are market-based and cost effective. In addition, three-fifths oppose the Administration's international permit proposal. (See Figures 4 and 5)

PUBLIC OPPOSES A SYSTEM OF INTERNATIONAL PERMITS FOR ENERGY USE

Do you favor or oppose a proposed system of international permits under which countries would be given an energy-use quota.

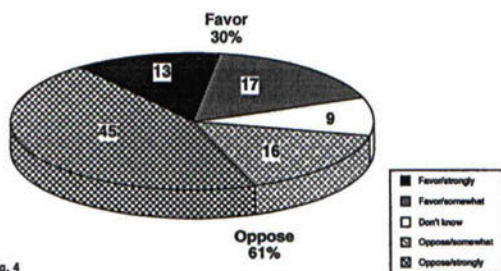


Fig. 4

POLICIES SHOULD BE MARKET-BASED AND COST-EFFECTIVE

Policies developed to address global warming concerns should be market-based and cost effective.

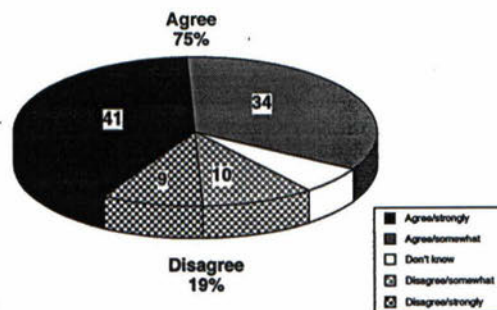


Fig. 5

AMERICANS OPPOSE INCREASED GASOLINE PRICES AND MANDATORY ENERGY RESTRICTIONS

Respondents were asked a series of trade-off questions on potential methods to reduce energy use. In every situation, Americans opposed paying more for gasoline and other energy needs. For example, 53% of respondents favor giving up the use of motor vehicles one or two days every week versus only 29% of respondents who favor the government increasing the price of gasoline by 50 cents per gallon. Respondents were also more willing to reduce home heating and air conditioning by regulating their thermostats rather than paying 50% more to heat and cool their homes.

Respondents were also read a list of energy saving measures that could be used to reduce energy consumption and address global warming. Eighty-eight percent of respondents were not at all willing to allow the government to limit the size home they could buy. Eighty-two percent of respondents were also not at all willing to pay 75 cents more per gallon of gasoline, and 68% opposed a 50 cent per gallon of gas increase. (See Figure 6)

INDIVIDUALS UNWILLING TO MAKE FINANCIAL AND LIFESTYLE SACRIFICES

Now I am going to read you a list of things that you could personally do to address the issues of global warming. Please tell me on a scale of one to ten with one meaning "not at all willing" and ten meaning "extremely willing" how willing you would be to ...

	Not at all willing %	Moderately willing %	Extremely willing %	Don't know %
Let the government limit the size home you buy	88	6	4	2
Pay 75 cents more per gallon of gasoline	82	10	8	*
Pay 50 cents more per gallon of gasoline	68	18	13	1
Agree to a rationing plan—reducing vehicle use to 1-2 days a week	57	23	18	2
Index home mortgages so that people who live close to work will pay less interest	56	20	21	3
Commit your family to use vehicle less and public transportation, walking, and biking more	51	26	20	3
Restrict drivers' licenses to people over 21 and under 80	45	20	32	3

Fig. 6

METHODOLOGY

A national telephone survey was conducted from May 17 - 23, 1997 among 800 adults 18 years and older. The margin of error for a sample of this size is $\pm 3.5\%$. The sample was proportionate to the country's demographics, including geography, gender and ethnicity.

Charlton Research Company is a research and consulting firm which has been developing campaign and communications strategies for business and political clients since 1983. The company specializes in analyzing changes in today's socio-political and economic environments. By combining research findings with public policy issues and political insights, we provide clients with timely, cost-effective, intelligence and advice.

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SMALL BUSINESS GROWTH STRATEGIES

Greenhouse-gas treaty has small businesses stewing

World leaders, led by U.S. policy-makers, are negotiating an international treaty that would require nations to make reductions in greenhouse gas emissions, particularly carbon dioxide.

Even though the environmental and economic implications of such a policy are enormous, few Americans are aware that the United States is moving to support such a treaty.

"Before the U.S. commits its citizens to a bleak future through international treaties, there should be open debate and further research not only on global warming, but on the effect of these policies on consumers," said Frances Smith, executive director for Consumer Alert.

Reducing carbon dioxide means burning less oil, gas and coal. Such a policy could dramatically affect every industry in America — both big and small — and affect the lifestyle of every American.

For America's small businesses, the treaty could be especially harsh. Energy-intensive operations such as bakeries, dry cleaners, auto repair shops, small manufacturers and, ironically, recycling businesses would be immediately hit.

Based on options already considered by our government, small businesses would be forced to operate much smaller, less useful vehicles, pay higher gas taxes and a new carbon tax, all while coping with a slew of additional regulatory mandates.

Carbon dioxide is an essential part of the natural process and should not be confused with harmful smog and other pollutants. Only 2 percent of so-called greenhouse gases are manmade.



LEGISLATIVE ISSUES

KAREN KERRIGAN

For the reason that it is a natural byproduct, carbon dioxide reductions are not easily achieved through technological advances such as those that have so dramatically reduced smog emission.

Any effort to reduce carbon dioxide will require drastically decreasing energy consumption. That's the rub. Although there's no debate that carbon-dioxide concentrations have been accumulating in the atmosphere, the jury is still out on whether these gases are warming our planet — or how fast.

During the past 40 years, a period when manmade carbon-dioxide emission increased significantly, satellite measurements of global temperature show little if any increase, despite reports to the contrary.

Currently, there is no scientific consensus regarding global warming. Respected scientists fall on both sides of the debate. Though Clinton administration officials denied they would

break with a past policy of supporting only voluntary restrictions to meet emission targets, U.S. Undersecretary of State Timothy Wirth abandoned that policy at a July 1996 Geneva meeting of world leaders.

According to Wirth, "The science calls upon us to take urgent action. We believe that circumstances warrant the adoption of realistic but binding targets."

The binding nature of the agreement would be particularly costly and burdensome for American business, asserts the Center for the Study of American Business. An international agency would be established and given "the power to punish businesses, governments, and other organizations that fail to meet the targets."

With the draft protocol pushing for reducing greenhouse gas emissions to 1990 levels, Yale University economist William Norhaus estimated the proposal will cost the economy a staggering \$7 trillion. The U.S. Environmental Protection Agency has considered various taxes, ranging from \$125 to \$355 per metric ton of carbon emissions, as a way to discourage businesses from using energy.

According to the calculations of Lawrence Horwitz, of the economic consulting firm DRI/McGraw, a \$200 carbon tax would cost the economy \$350 billion a year or 4.2 percent of its gross domestic product.

Domestic job losses would average 1.1 million a year over 15 years. That

figure has stunned businesses and workers alike. United Mine Workers of America President Cecil Roberts said that the treaty turned from an environmental debate to a trade and jobs debate because America would be required to reduce its carbon dioxide emissions, while nations such as China, Korea, Mexico and India would be exempt.

"The result: no meaningful environmental improvement, but a significant cost to American workers and consumers," said Roberts in a Feb. 5 statement.

Countries already enjoying lower labor and production costs would instantly receive another competitive edge because of their exemption from the treaty.

The Center for the Study of American Business is calling on Congress to begin an intensive review of the sudden shift in U.S. policy. According to the center, the international treaty "is likely to have more widespread effects on the people and the economy of the U.S. than many of the issues that now occupy a more central stage in Washington. Congress should act now before international agreements become set in the stone of international law."

Kerrigan is president of the Small Business Survival Foundation. Write, fax (415-398-2494) or e-mail (sanfrancisco@amcity.com) her c/o San Francisco Business Times. ■

The Washington Times

http://www.washtimes.com

WASHINGTON, D.C., FRIDAY, JUNE 20, 1997 **

How green is unemployment

By Karen Kerrigan

Rainforest activist rock star Sting topped the charts a few years ago with these lyrics, "Every breath you take, every move you make, I'll be watching you." Today, it's no small irony that the environmentalist entertainer's hit song could serve as a fitting anthem for the Clinton/Gore approach to so-called global warming.

You may be surprised to learn that the seven breaths of air you've exhaled in reading to this point may have contributed to global warming, albeit infinitesimally. But like countless other essential activities, the very act of breathing produces the main villain in the debate over global climate change: carbon dioxide (CO2).

This highlights the reality that CO2 is an essential part of the natural process and should not be confused with harmful smog and other pollutants. Indeed, just two percent of so-called greenhouse gases are man-made. But for the very reason that it is a natural byproduct, CO2 reductions are not easily achieved through technological advances like those that have so dramatically reduced smog emission. Any effort to reduce CO2 will require drasti-

cally decreasing energy consumption. And that's the rub.

While there's no debate that CO2 concentrations have been accumulating in the atmosphere, the jury is still out on whether these gases are warming our planet — or how fast. In fact, during the last 40 years, a period when man-made CO2 emissions increased significantly, satellite measurements of global temperature show little if any increase. So, in weighing the debate, a dose of skepticism may be healthy. After all, a great many of today's most ardent global warming doomsayers were warning of global cooling just two decades ago.

World leaders, led by U.S. negotiators, have been meeting to grapple with this issue for several years. Now, with critical scientific questions still unresolved, the Clinton administration is putting on the negotiating table a draft treaty that could vastly harm the U.S. economy, wreak havoc with small businesses and their workers, give U.S. competitors a major advantage in the world marketplace, and prove ineffective in reducing greenhouse emissions. This treaty may wind up being one of the most massive shifts in the balance of trade our nation has ever seen — yet the administration is rushing ahead with its ill-conceived policy. And it is doing so in the absence of sound scientific consensus or a rigorous evaluation of the treaty's economic impact on

American businesses, consumers, and jobs.

None-the-less President Clinton is expected to reaffirm his support for a U.N.-controlled effort to regulate U.S. CO2 emissions at the Summit of Eight Conference in Denver, Colorado this weekend. Unfortunately, the reaffirmation will be missed, or ignored, by the media — an outcome the Clinton administration is fully counting on in order to pursue its controversial stealth policy initiative. If the media did a proper job of dissecting the proposal — and reporting on the widespread and growing opposition to it — surely the American public would recoil at the details. That is why the details and flaws of the policy need to be fully exposed.

As Rep. John Dingell has publicly stated, the administration's approach to this issue and the treaty itself is "badly conceived and poorly executed." While Mr. Dingell wonderfully articulates all the treaty's shortcomings, listed below are several areas where the Clinton/Gore proposal is fundamentally flawed:

First, the so-called "draft protocol" would put the U.S. at a competitive disadvantage by subjecting Americans to stringent and precise CO2 reductions while emissions in countries like China and India go unimpeded. The proposal sets no defined reductions for so-called developing countries, which already

have lower labor and production costs. The result is a no-brainer — business and industry (those that can afford to) will move offshore. With industry go jobs... and lots of them.

The unilateral approach makes little "environmental sense" because it is universally acknowledged that the CO2 emission increases of countries like China and India will far exceed those of so-called developed countries, and indeed may overwhelm whatever CO2 mitigation efforts may be undertaken by the U.S. and other nations. For example, placing restraints on U.S. electricity generation when coal-fired electricity for China's 1.2 billion citizens goes unabated, amounts to an act of futility.

Second, the plan would require a complicated national accounting of man-made CO2, with offsets for so-called "sinks" that absorb CO2 emissions. Just how would a National Office of Global Warming Emissions (a.k.a. Hot Air Headquarters) determine whether a tree was absorbing naturally occurring or man-made CO2? The complexity of such a rubric would be mind boggling even to those most knowledgeable about this issue. And it would be incomprehensible to the men and women who run America's small businesses, forced to participate in this silly accounting exercise. But lest the local pizza parlor cheat on its CO2 budget, the proposal also requires countries to set up "national compliance and enforcement programs." In this case — "every move you make, I'll be

watching you" — seems especially apt.

Third, the Clinton/Gore proposal would hand over international compliance authority to a yet-to-be defined multilateral secretariat, with full powers to penalize nations that fail to achieve their binding



CO2 reductions. The proposal apparently would relegate the U.S. to only one of a number of votes determining whether nations are complying, and sanctions for those who don't comply. That's far weaker than our standing in the United Nations Security Council, where we hold permanent veto power over measures conflicting with U.S. interests. Thus, the administration's greenhouse gas proposal would place our economic fate in the hands of a global environmental police force.

Who gets hurt? All of us will, but most immediately energy-intensive operations like bakeries, dry cleaners, auto repair shops, and ironically recycling businesses — and their employees. Based on various options already raised by our government, small businesses would be forced to operate much smaller, less business-useful vehicles (read: higher CAFE standards which happen to kill people), pay higher gas

taxes and a new carbon tax, all the while coping with a slew of new mandates on their operations.

All American business would be hurt by the climate change treaty. And, if business is hurt naturally its workers will suffer too. A \$200-a-ton carbon tax, an option that would ensure CO2 emissions below 1990 levels, would cost the U.S. economy \$350 billion a year in reduced production of goods and services calculates Dr. Lawrence Horwitz of DRI/McGraw Hill. In human terms, 1.1 million workers would lose their jobs each year over a 15-year period. Cutting the tax in half to "only" \$100-a-ton is still a painful alternative — 520,000 jobs are projected to be lost annually.

With respected scientists falling on both sides of the global warming debate, it's foolish to agree to a binding international treaty which immediately gives many of our global competitors a colossal advantage while pushing America towards economic chaos. Even some scientists who endorse the theory of global warming say we can wait for the science to "firm up" before we endorse drastic action.

The administration's abrupt shift in global climate change policy — from one of voluntary to mandatory compliance — should be raising red flags all over Capitol Hill, and in the media. The public deserves open, honest and vigorous debate of such an important matter especially when the impact of the new treaty will lower U.S. living standards, restrict lifestyle choices, kill jobs and limit the economic freedoms and opportunities of all Americans.

Karen Kerrigan is the president of the Small Business Survival Committee in Washington.



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 105th CONGRESS, FIRST SESSION

Vol. 143

WASHINGTON, FRIDAY, JULY 25, 1997

No. 107

Senate

EXPRESSING SENSE OF SENATE REGARDING U.N. FRAMEWORK CONVENTION ON CLIMATE CHANGE

The result was announced—yeas 95,
nays 0, as follows:

[Rollcall Vote No. 205 Leg.]

YEAS—95

Abraham	Faircloth	Lugar
Akaka	Feingold	Mack
Allard	Ford	McCain
Ashcroft	Frist	McConnell
Baucus	Glenn	Mikulski
Bennett	Gorton	Moseley-Braun
Biden	Graham	Moynihan
Bingaman	Gramm	Murkowski
Bond	Grassley	Murray
Boxer	Gregg	Nickles
Breaux	Hagel	Reed
Brownback	Hatch	Robb
Bumpers	Helms	Roberts
Burns	Hollings	Rockefeller
Byrd	Hutchinson	Roth
Campbell	Hutchison	Santorum
Chafee	Inhofe	Sarbanes
Cleland	Inouye	Sessions
Coats	Jeffords	Shelby
Cochran	Johnson	Smith (NH)
Collins	Kempthorne	Smith (OR)
Conrad	Kennedy	Snowe
Coverdell	Kerry	Specter
Craig	Kohl	Stevens
D'Amato	Kyl	Thomas
Daschle	Landrieu	Thompson
DeWine	Lautenberg	Thurmond
Dodd	Leahy	Torricelli
Domenici	Levin	Warner
Dorgan	Lieberman	Wellstone
Durbin	Lott	Wyden
Enzi		

NOT VOTING—5

Bryan	Grams	Reid
Feinstein	Harkin	

The resolution (S. Res. 98) was agreed
to.

The preamble was agreed to.

The resolution, with its preamble, is
as follows:

S. RES. 98

Whereas the United Nations Framework
Convention on Climate Change (in this reso-
lution referred to as the "Convention"),
adopted in May 1992, entered into force in
1994 and is not yet fully implemented;

Whereas the Convention, intended to ad-
dress climate change on a global basis, iden-
tifies the former Soviet Union and the coun-
tries of Eastern Europe and the Organization
For Economic Co-operation and Develop-
ment (OECD), including the United States,
as "Annex I Parties", and the remaining 129
countries, including China, Mexico, India,
Brazil, and South Korea, as "Developing
Country Parties";

Whereas in April 1995, the Convention's
"Conference of the Parties" adopted the so-
called "Berlin Mandate";

Whereas the "Berlin Mandate" calls for
the adoption, as soon as December 1997, in
Kyoto, Japan, of a protocol or another legal
instrument that strengthens commitments
to limit greenhouse gas emissions by Annex
I Parties for the post-2000 period and estab-
lishes a negotiation process called the "Ad
Hoc Group on the Berlin Mandate";

Whereas the "Berlin Mandate" specifically
exempts all Developing Country Parties
from any new commitments in such negotia-
tion process for the post-2000 period;

Whereas although the Convention, ap-
proved by the United States Senate, called
on all signatory parties to adopt policies and
programs aimed at limiting their greenhouse
gas (GHG) emissions, in July 1996 the Under-
Secretary of State for Global Affairs called
for the first time for "legally binding" emis-
sion limitation targets and timetables for
Annex I Parties, a position reiterated by the
Secretary of State in testimony before the
Committee on Foreign Relations of the Sen-
ate on January 8, 1997;

Whereas greenhouse gas emissions of De-
veloping Country Parties are rapidly increas-
ing and are expected to surpass emissions of
the United States and other OECD countries
as early as 2015;

Whereas the Department of State has de-
clared that it is critical for the Parties to
the Convention to include Developing Coun-
try Parties in the next steps for global ac-
tion and, therefore, has proposed that con-
sideration of additional steps to include lim-
itations on Developing Country Parties'
greenhouse gas emissions would not begin
until after a protocol or other legal instru-
ment is adopted in Kyoto, Japan in Decem-
ber 1997;

Whereas the exemption for Developing
Country Parties is inconsistent with the
need for global action on climate change and
is environmentally flawed;

Whereas the Senate strongly believes that
the proposals under negotiation, because of
the disparity of treatment between Annex I
Parties and Developing Countries and the
level of required emission reductions, could
result in serious harm to the United States
economy, including significant job loss,
trade disadvantages, increased energy and
consumer costs, or any combination thereof;
and

Whereas it is desirable that a bipartisan
group of Senators be appointed by the Major-
ity and Minority Leaders of the Senate for
the purpose of monitoring the status of nego-
tiations on Global Climate Change and re-
porting periodically to the Senate on those
negotiations; Now, therefore, be it

Resolved, That it is the sense of the Senate
that—

(1) the United States should not be a signa-
tory to any protocol to, or other agreement
regarding, the United Nations Framework
Convention on Climate Change of 1992, at ne-
gotiations in Kyoto in December 1997, or
thereafter, which would—

(A) mandate new commitments to limit or
reduce greenhouse gas emissions for the
Annex I Parties, unless the protocol or other
agreement also mandates new specific sched-
uled commitments to limit or reduce green-
house gas emissions for Developing Country
Parties within the same compliance period,
or

(B) would result in serious harm to the
economy of the United States; and

(2) any such protocol or other agreement
which would require the advice and consent

of the Senate to ratification should be ac-
companied by a detailed explanation of any
legislation or regulatory actions that may be
required to implement the protocol or other
agreement and should also be accompanied
by an analysis of the detailed financial costs
and other impacts on the economy of the
United States which would be incurred by
the implementation of the protocol or other
agreement.

SEC. 2. Secretary of the State shall trans-
mit a copy of this resolution to the Presi-
dent.



Farmers
Against
Climate
Treaty

'97 OCT 10 AM 7:26

Opposition

Executive Summary

GLOBAL CLIMATE CHANGE TREATY

Potential Economic Impact of the Global Climate Treaty on the Agricultural Sector

This analysis would suggest that a scenario of higher energy prices would have a significant negative impact on the agricultural sector at nearly all levels. Total annual U.S. farm production expenses would rise over \$10 billion under the low energy price scenario and more than \$20 billion under the high energy price scenario. Given that U.S. net farm income has averaged \$42.7 billion per year over the 1991 to 1995 period, this would represent a 24 percent and 48 percent decrease in net farm income under the respective low/high energy price scenarios.

Certainly the high energy price scenario has the potential for causing an economic downturn in the agricultural sector that could parallel the experience of the mid-1980s. Not only would net farm income be impeded in the short term but a downturn in land prices would shrink asset values and, most likely, result in another mini-Depression in the farm sector. The increased production costs are expected to reduce profits and income to farmers, and invariably slow farm loan and mortgage repayments. Consequently, this scenario also would bode poorly for lenders who are extending credit to farmers.

Although the low energy price increase scenario would be less dramatic, it would still have a significant impact on agriculture. Depending on how it was implemented, it would probably produce a situation of stagnation with low profits and slowly declining land prices over an extended period of time.

Another outcome of either scenario would be the increased consolidation of agricultural production. Many small farmers who typically have a higher average cost of production would be forced to sell to large farmers. Young farmers just starting or those farmers who have recently taken on increased debt to expand their operations could find themselves in an unprofitable situation that might force them to abandon agriculture. Not only would this impinge on lenders but it also would have an adverse economic impact on small towns and rural America in general.



**Farmers
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Fact Sheet

GLOBAL CLIMATE CHANGE TREATY

Background:

There is concern by some scientists that "greenhouse gas" emissions are causing increases in average global temperatures and adverse changes in the world's climate and weather. Greenhouse gases include carbon dioxide, nitrous oxide and methane.

The global climate change theory is controversial. Although the scientific body of the United Nations recently agreed that human activities appear to have a measurable effect on global temperatures, there is disagreement on the magnitude of the change, the role greenhouse gases play and the relative contribution from humans vs. natural causes.

Controversy notwithstanding, the U.S. State Department is leading efforts by 160 nations in establishing legally binding, numeric limits on greenhouse gases.

Treaty History:

In 1992, leaders from more than 100 nations signed an agreement known as the Framework Convention on Climate Change that called for voluntary, non-binding measures to limit greenhouse gases. The agreement, also called the "Rio Treaty," was ratified by the U.S. Senate in 1992.

In 1995, in Geneva, Switzerland, parties to the agreement took a dramatic new tack and committed to establishing mandatory, legally binding caps on greenhouse gases. The parties also agreed that these new limits would apply only to "developed" countries and will not apply to "developing" nations such as China, Mexico, India or South Korea.

The United Nations attributes more than 20 percent of all human-caused greenhouse gases to agricultural production. Included in U.N. regulatory proposals are new taxes on fossil fuels and fertilizer, prescribed changes in cultivation practices, and restrictions on production amounts for some crops and livestock.

The treaty would then be referred to the Senate for ratification and potential adoption into the U.S. law.

Farm Bureau Position:

Farm Bureau will oppose any climate change agreement that unfairly disadvantages American farmers and ranchers in the production and trade of agricultural commodities. Farm Bureau supports voluntary measures to reduce greenhouse gases until mandatory, enforceable, limits are justified.



**Farmers
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Time Line

GLOBAL CLIMATE CHANGE TREATY

How the Global Climate Change Treaty Developed:

May 1992	Adoption of the United Nations Framework Convention on Climate Change, New York.
June 1992	Convention signed at the Earth Summit, Rio de Janeiro, Brazil.
October 1992	Convention ratified by the United States.
March 1994	Convention enters into force.
March/April 1994	First Conference of the Parties, Berlin.
July 1996	Second Conference of the Parties, Geneva
December 1996	Negotiating session, Geneva.
February/March 1997	Negotiating session, Bonn, Germany.
July/August 1997	Negotiating session, Bonn, Germany.

What's Scheduled to Happen:

Oct. 6, 1997	The White House will begin an all-out push for Global Climate Change Treaty.
Oct. 21-31, 1997	Final negotiating session, Bonn, Germany.
Dec. 1-12, 1997	Final Global Climate Change Treaty meeting and agreement, Kyoto, Japan.
January 1998	Ratification of the final agreement by participating nations begins.



**Farmers
Against
Climate
Treaty**

**Statement of the American Farm Bureau Federation
Presented by Bryce Neidig,
President, Nebraska Farm Bureau Federation
October 8, 1997**

Good morning. I am Bryce Neidig, a farmer from northeastern Nebraska near the town of Madison, where my family and I operate a corn, soybean and alfalfa farm. I am president of the Nebraska Farm Bureau and serve on the board of directors of the American Farm Bureau Federation, the nation's largest organization of farmers and ranchers, which I am representing today.

Few issues have galvanized agriculture like this one. You have heard this morning from a broad range of agricultural interests, including general farm organizations and commodity groups representing millions of Americans involved in agriculture. It might surprise you, but we do not always agree on all agricultural policy issues. But it's clear that we all have strong concerns about the impact of this treaty on U.S. agriculture.

Our concerns have been raised early and often, with negligible results. Last November, Farm Bureau and 17 other farm organizations detailed our concerns with the agreement and requested a full economic assessment of the agreement on agriculture. We have not received one.

Last November, a bipartisan group of 14 members of the Senate Agriculture Committee asked the Administration to provide other basic information before we complete final negotiations on the treaty. To our knowledge, little if any information has been provided in response to this request.

However, because of the leadership of Senator Byrd and Senator Hagel, similar concerns were conveyed to the Administration in July through Senate Resolution 98 which passed 95-0 with the strong support of labor, consumer, business and agricultural groups. Unfortunately, we still do not know the answers to these basic questions. Final treaty negotiations are scheduled in Kyoto, Japan, only six weeks from now.

Lacking information, we have attempted to provide our own. Included in your packets is an economic analysis by economists at the American Farm Bureau Federation.

Preliminary projections are based upon the Commerce Department's projection that a 25-cent per gallon increase may result from the agreement. Agriculture is energy intensive. With a 25-cent per gallon increase, our analysis projects a 24 percent loss in net farm income. Our economists believe that a 50 cent increase is more likely. This means that farmers will probably take an even bigger hit-- a 48 percent decrease in net farm income. Impacts for individual commodities range from a 20 percent reduction in net farm income for soybean producers to an 84.5 percent reduction in net farm income for hog farmers.

Economic impacts of this magnitude will hurt smaller, family farms most. Younger farmers, with proportionately higher debt could be forced to sell to larger-scale producers. Farm loans could be jeopardized and land values could fall. We believe that the proposed agreement has the very real potential impact of causing an economic downturn in the agricultural sector that would parallel the experience of the mid-1980s.

I'm a farmer, not a scientist. But I believe there is still a legitimate, active debate about the role of human-caused greenhouse gases, their role in climate change and the necessary action. Most important, we need to know what will be expected of American farmers and ranchers.

The current proposal for legally binding reductions in greenhouse gas emissions for developing countries is unacceptable to U.S. agriculture. That's why Farm Bureau has created FACT-- Farmers Against the Climate Treaty. We are inviting other agricultural groups to join. FACT is designed to accomplish changes, delay or withdrawal of the current agreement if our concerns are not met. Specifically, we are requesting that the Administration:

- 1) Withdraw U.S. support for legally-binding enforceable reductions in greenhouse gases and support continued voluntary efforts as prescribed by the 1992 Rio Summit.
- 2) Specify what controls or practices are likely to be imposed on agriculture as a result of legally binding, enforceable emissions reductions.
- 3) Complete a full economic analysis of the proposed agreement's impact on agriculture, including how and to what extent emission controls would disadvantage agricultural producers in this country compared to countries with less stringent controls or no controls at all.

Thank you. Now we will debut the 30-second T.V. advertisement focusing on agriculture's concerns with the climate treaty. Then we will take your questions.



**Farmers
Against
Climate
Treaty**

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Climate Treaty Would Cripple Farm Economy

FOR IMMEDIATE RELEASE

WASHINGTON, October 8, 1997-- The proposed United Nations Climate Change Treaty has the potential of "causing an economic downturn in the agricultural sector that would parallel....the mid-1980s," according to the American Farm Bureau Federation.

Speaking at a news conference here, Bryce Neidig, president of the Nebraska Farm Bureau, said the American Farm Bureau Federation was launching "FACT: Farmers Against the Climate Treaty." "Few issues have galvanized agriculture like this one has," said Neidig, who explained that AFBF was inviting other agricultural organization to join FACT.

Citing an analysis by AFBF economists, Neidig said the climate treaty, as it now stands, would cause at least a 24 percent loss in net farm income. That projection, he explained, assumes the imposition of a 25-cent tax on fuels to bring the U.S. in compliance with the treaty's goals for greenhouse gas emissions. He said, however, that industry estimates of a 50-cent per gallon tax increase is more likely, which would cause a nearly 50 percent plunge in net farm income.

(more)

The impacts, Neidig said, would vary by commodity. Net profits for corn growers could be slashed by 23 to 51 percent, depending on the amount of the fuel tax. Net profits for hog producers could be reduced 40-85 percent.

"Economic impacts of this magnitude will hurt smaller, family farms the most," said Neidig. "Younger farmers, with proportionately higher debt, could be forced to sell to larger-scale producers. Farm loans could be jeopardized and land values could fall."

NATIONAL

Grange News



1616 H St. NW, Washington, D.C. 20006-4999 • Tel: 202-628-3507 • FAX: 202-347-1091

For Immediate Release:
October 8, 1997

Contact: Tom Rugg
(202) 628-3507

Grange Voices Concern Over Global Climate Treaty

Washington, DC--Citing the devastating effects the United Nations Global Climate Treaty would have on small farmers and ranchers, Kermit W. Richardson, Master (President) of the National Grange, joined other agricultural leaders on Capitol Hill today to state his objections to the proposed treaty.

Richardson explained how the treaty will have major impacts on crop and livestock production practices and fuel costs. Richardson also pointed out how the treaty will put American agriculture at a competitive disadvantage in world trade because emission controls would apply only to the U.S. and developed nations. Developing nations like Mexico, China, Chile and India would not have to comply to the treaty.

Speaking on the inequities of the agreement, Richardson said, "The agreement would be binding on only the U.S. and other industrialized nations. China, India, Mexico and 129 other nations are exempt under present rules, and these countries have made it clear they have no interest in participating." Richardson added, "This will put American agricultural producers at a serious competitive disadvantage in world trade, knowing that emissions controls would apply only to the U.S. and other developed nations. If this agreement is to be truly global, it must have the equal participation of every nation."

Richardson also expressed his concerns that the treaty would result in higher fertilizer prices, higher energy prices, limitations on production and requirements for plowless soil preparation—all of which would severely impact farm income.

Richardson concluded his remarks by stating that the National Grange would like to see more extensive scientific examination and public debate on the role greenhouse gases play in the climate change debate. "This examination and debate must include the agriculture community," he said. "The Grange supports and encourages all voluntary initiatives to reduce greenhouse gas emissions, as well as the acceleration of scientific research on the causes, effects and timing of climate trends. However, we will oppose mandatory limits on emissions without an extensive debate on the issue."

Founded in 1867, the National Grange is the nation's oldest general farm organization representing 300,000 members in 37 states.

November 8, 1996

The President
The White House
Washington, DC 20500

Dear Mr. President:

Last summer, participants in the second Conference of Parties of the United Nations' Framework Convention on Climate Change (UNFCCC) agreed to negotiations for legally binding numeric limits on greenhouse gas emissions. This dramatic shift from voluntary to enforceable caps on greenhouse gases was led by the U.S. According to your spokespeople, there is now a consensus in the world scientific community which demands urgent action to reduce greenhouse gas emissions.

There is less than agreement outside the United Nation's scientific body. Furthermore, there is still a lively debate among respected scientists about the human versus natural sources of greenhouse gases and their effect on climate. Controversy notwithstanding, the climate change treaty is moving full-speed ahead with the Administration's enthusiastic support. A final agreement is scheduled to be completed in December of 1997, with ratification by individual countries beginning in 1998. If ratified by the U.S. Senate, the treaty will be binding on the U.S. and other developed countries and may be incorporated into U.S. law. However, developing countries will not have to comply.

Of great concern to agriculture are reports under consideration by the U.N. scientific panel which blame agriculture for more than 20 percent of human-caused greenhouse gas emissions. Specifically, we are concerned about proposals for the following:

- fuel economy requirements
- reduction or phaseout of the use of diesel fuel
- limitations on production per acre for some crops
- requirements for "plowless" soil preparation
- mandatory fallowing of crop land
- limits and restrictions on livestock production to reduce methane emissions
- restrictions on use of fertilizer
- restrictions on timber harvesting
- restrictions on processing, manufacturing and transportation of food products

Unfortunately, these proposals ignore agriculture's positive role in reducing greenhouse gases by removing carbon dioxide from the atmosphere through photosynthesis. Most importantly, they cavalierly disregard the most valuable function of modern agriculture -- feeding a hungry world. Ironically, rice production has been singled out as the number one culprit in human-caused methane emissions.

We are very concerned that these recommendations or similar ones will be incorporated in the final climate change agreement, ratified and imposed on U.S. farmers and ranchers through U.S. laws. Binding and enforceable controls would apply only to developed countries and would severely disadvantage U.S. farmers and ranchers in today's global markets.

Moreover, we are deeply concerned and surprised that the Administration has not actively consulted with agriculture as the agreement has been developed. We respectfully request that the Administration take the following actions:

- 1) The Administration must fully and actively consult with agriculture. Agricultural interests have not been considered by the Department of State and other U.S. agencies which are closely involved with the development of the climate change agreement. The agreement must include an open and extensive public debate which involves agricultural producers and members of Congress, USDA and other agencies.
- 2) The Administration should withdraw its support for legally binding and enforceable caps on emissions until there is a stronger consensus from the scientific community that they are justified. If it is determined that controls are justified, they should be accomplished voluntarily or in ways which minimize disruption of U.S. agricultural producers.
- 3) The final climate change agreement, scheduled for completion in December of 1997, must be delayed to provide sufficient time for consultation with agriculture and for adequate risk, cost and benefit assessment.

Without proper scientific and economic analyses 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.

If the Administration does not adequately address the above concerns, we may raise them with Congress during the ratification process.

Sincerely,

AMERICAN FARM BUREAU FEDERATION
AMERICAN CROP PROTECTION ASSOCIATION
AMERICAN SHEEP INDUSTRIES ASSOCIATION
AMERICAN SOYBEAN ASSOCIATION
CENEX
NATIONAL ASSOCIATION OF WHEAT GROWERS
NATIONAL CATTLEMEN'S BEEF ASSOCIATION
NATIONAL CORN GROWERS ASSOCIATION
NATIONAL COTTON COUNCIL
NATIONAL FOOD PROCESSORS ASSOCIATION
NATIONAL GRANGE
NATIONAL MILK PRODUCERS FEDERATION
NATIONAL PORK PRODUCERS COUNCIL
THE FERTILIZER INSTITUTE
UNITED AGRIBUSINESS LEAGUE
UNITED FRESH FRUIT AND VEGETABLE ASSOCIATION
USA RICE
WESTERN GROWERS ASSOCIATION

EDWARD G. LUCAS, INDIANA, CHAIRMAN
JIM BURNS, NORTH CAROLINA
CORNELIUS L. MESSERSMITH
H. MCCONNELL, KENTUCKY
CONTRERRELL, GEORGIA
SANTORUM, PENNSYLVANIA
ROBERTS, KANSAS
LES E. GRASSLEY, IOWA
GALLAGHER, TEXAS
TY E. CRAIG, IDAHO
TOM HARKIN, IOWA
PATRICK J. LEAHY, VERMONT
KENT CONRAD, NORTH DAKOTA
THOMAS A. DASCHLE, SOUTH DAKOTA
MAX BAUCUS, MONTANA
J. ROBERT KERRY, MASSACHUSETTS
TIM JOHNSON, SOUTH DAKOTA
MARY LANDRIEU, LOUISIANA

United States Senate

COMMITTEE ON
AGRICULTURE, NUTRITION, AND FORESTRY
WASHINGTON, DC 20510-6000
202-224-2035

March 14, 1997

The Honorable Al Gore
Vice President
The White House
Washington, D.C.

Dear Mr. Vice President:

Farm state members of Congress have become increasingly concerned with the lack of adequate attention given to agricultural concerns as the Administration works on the United Nations Framework Convention on Climate Change (UNFCCC). As you know, this treaty, if ratified, could affect U.S. agricultural production and competitiveness.

American agricultural interests must be adequately represented during the upcoming negotiations. This representation will ensure the continued success of farmers and ranchers and allow them to maintain their productivity, which ultimately benefits consumers. We believe we can address the global greenhouse gas issue and protect the environment while carefully considering the interests of America's farmers, ranchers and consumers. However, before the United States is committed to a final international agreement to limit greenhouse gases, it is essential that we know more about the treaty's impact on our nation's largest employer and the world's most efficient producers of food and fiber.

We will be closely monitoring the negotiations as work continues on the final agreement before its submission to the Senate for ratification. We request an analysis and briefing by the Administration on the following issues as soon as possible:

- 1) The potential effects of climate change on U.S. agriculture and livestock production.
- 2) The estimated greenhouse gas emissions resulting from the production of crops and livestock in the U.S.
- 3) The net contribution of U.S. forests and crops in the sequestration of greenhouse gases.
- 4) Actions or controls necessary to reduce agricultural greenhouse gas emissions to comply with obligations that may arise under the treaty and an economic analysis of their impact on U.S. farmers and ranchers.

- 5) Whether and to what extent greenhouse gas emission controls would disadvantage agricultural producers in this country compared to producers in other countries with less stringent emission controls or no controls at all.

We understand that serious discussions in preparation for the Kyoto meeting may commence during July and August of this year. We firmly believe this information, as well as the Administration's formal economic analysis, should be submitted to Congress well before then so that the various options for U.S. policy may be understood and their impact on American agriculture and the American economy may be carefully assessed.

We look forward to working with you on this important issue.

Sincerely,

Al Gore

Tom Vane

Paul Cook

John Vane

Rick Santorum

James Helms

Max Baucus

Jim Johnson

Wendell

For Roberts

Lyndon

Chuck Stanley

Al Gore

Cheney

cc: The Honorable Madeleine Albright
The Honorable Dan Glickman



**STATEMENT BY
THE FERTILIZER INSTITUTE**

October 8, 1997

Contact: Ron Phillips (media) 202-608-5903
Everett Zillinger (Government Affairs) 202-608-5913

In Washington, it is said, it is impossible to kill a bad idea. In 1993 when the Administration proposed a tax on British Thermal Units (Btu) of energy we pointed out that an energy tax is a double tax on farmers. That's one reason Congress chose not to implement that tax.

The United Nations Climate Treaty and the Administration's proposed emissions trading scheme to comply represent a back door attempt to implement the Btu tax that was rejected more than four years ago. That's why we in production agriculture and agribusiness strongly oppose the U.N. Climate Treaty as currently proposed. America's food producers and agriculture input suppliers and service providers would pay twice—through direct increased energy prices and through higher costs for the inputs used by farmers. The cost of the treaty's misguided policies will cause unprecedented and unfair economic hardships for America's food and fiber producers. The U.N. Climate Treaty as proposed would result in:

--A BACK-DOOR BTU TAX—The U.N. treaty is being used to create a back door Btu/energy tax for U.S. farmers and citizens. An emissions cap and trading scheme as proposed by the Clinton Administration would put a cap on this country's energy use and economic growth. A cap on energy use, by design, limits supply and raises prices resulting in an energy tax. Increases in gasoline and diesel fuel prices are estimated to range from 25 to 60 cents a gallon—a huge increase in the cost of production for farmers and agribusiness. Not only do farmers pay these direct energy costs, but then they pay again when purchasing the inputs they use in their farming operation. The first attempt to create a Btu/energy tax in 1993 was then overwhelmingly defeated in Congress. The treaty proposes to go around Congress and impose a Btu/energy tax through a legally binding UN treaty.

--PERMITTED AGRICULTURE—The current Administration position proposes using expensive tradable permits and credits to reduce greenhouse gas emissions for U.S. farmers, livestock producers, agribusiness and industry. Farmers and ranchers would be forced to spend millions of dollars to purchase these permits and credits in order to

expand their farming or business operations. Thus, such a scheme would limit new efficiencies in agriculture.

It is particularly galling that this kind of economic destruction would be wreaked upon agriculture. Agriculture is the sector that has contributed most to voluntary implementation of measures that help reduce greenhouse gas emissions.

--Increased intensification and efficiencies have boosted per acre crop production. In the past ten years, per acre corn production has risen from 114.6 bushels per acre to 126.4 bushels per acre, thus increasing the sequestration of carbon dioxide on the same amount of land.

--Since 1990, conservation tillage use has increased from 26.1 percent of acreage to 35.8 percent. Each 1 percent increase represents 7.9 pounds per acre in carbon dioxide sequestered.

--Over the past decade, corn yields have risen while the average nitrogen rate per acre has declined, meaning farmers are becoming more efficient in their use of inputs. This greater efficiency increases production while reducing total energy use.

--Agribusiness, in addition to working with farmers to produce these achievements, has contributed directly. Since 1987, U.S. nitrogen fertilizer producers have decreased emissions 74.6 percent while phosphate fertilizer producers have decreased emissions 73.3 percent.

Voluntary measures do work. The U.N. Treaty on Global Climate Change should not be used as a vehicle for more bureaucracy, more regulations and more taxes. Furthermore, we object to a strategy that places a double burden on the one sector of the economy that is moving to implement voluntary measures. We strongly urge Congress not to allow the United Nations to dictate U.S. farm, energy, and economic policy through a misguided legally binding international treaty.



American Corn Growers Association

P.O. Box 18157 • Washington, DC 20036 • 202-835-0330 • Fax: 202-429-3741

Statement of Gary Goldberg, National President American Corn Growers Association

Agriculture is at a crossroads. While we are being asked to look to the world as an open marketplace, the proposed Global Climate Change Treaty is shutting the door to dealing with our competitors on a level playing field. This is contrary to trade agreements like NAFTA and GATT and will cause severe economic hardships on the American agricultural producer.

Under current terms of the treaty, 132 so-called "developing" countries would be exempt from the same mandatory restrictions that would be required of developed countries. Many of these developing countries, such as Brazil, Argentina, South Korea, China and Mexico directly compete with United States farmers. If this treaty demands that we be forced to restrict our use of diesel fuel, restrict livestock production, restrict the use of fertilizers and herbicides and alter traditional farming practices while farmers in developing countries are not placed with those same restrictions, how are we to compete freely and fairly? The simple answer is "we can't," and that's why the American Corn Growers Association opposes the Global Climate Change Treaty.

Is global climate changes and greenhouse gas emissions a major problem that must be addressed this year? That depends on which scientist you visit with. The scientists who drafted and approved the Second Assessment Report on climate change from the United Nations stated that "no study to date has positively attributed all or part" of the 1 degree F rise in the Earth's temperature during the past 100 years to human causes. Sylvan Wittwer, Director Emeritus of the Michigan State University Agricultural Experiment Station and author of "Food, Climate and Carbon Dioxide" states that "to date, our knowledge of the climate effects of the rising carbon dioxide and other greenhouse gases in the atmosphere is inadequate for initiating any global attempt to change the climate." And only 13 percent of the scientists responding to a survey conducted by Greenpeace believe that catastrophic climate change will result from continued patterns of energy use.

But in all honesty, is there a problem with greenhouse gas emissions? The answers to this question needs to be looked at and studied so that it can be answered with credibility and accuracy. No one is saying the potential problems with climate change should be ignored, just that scientific analysis should be investigated so that long-term solutions could be planned. And if it is found that the problems are that severe, then every country of the world needs to play a role in reducing the danger. Exempting 132 countries, which emit over 50 percent of all greenhouse gas emissions at this time and increases to 68 percent by the year 2025, will not solve the problem and only make it worse by placing more of the burden upon the United States.

Simply put, the current proposals by the United Nations on global climate change will have a profound negative effect on the future of American agricultural production and will drive tens of thousands of farmers off their lands. Economic studies have shown that the amount of energy needed to be cut to meet greenhouse gas emission reductions would result in diesel fuel increases of close to 60 cents per gallon, a 52 percent rise in farmstead electrical rate increases and a 14 percent raise in farm input costs. How can the America farmer be expected to feed this country and much of the rest of the world with those kinds of added costs, especially while our competitors are left free and clear of these same restrictions. And how can the American consumer be asked to pay substantially higher food costs when these input costs are passed on?

Probably the biggest disappointment in the entire debate over global climate change has been the lack of agricultural input on this issue. Farmers have not been asked to be part of the debate, even though we will be required to cut back on emissions. In addition, the environmental steps taken by agriculture, such as minimum or reduced tillage, filter strips, integrated pest management, reduced fertilizer usage and other conservation practices have been ignored. Well we will be ignored no more, and this press conference and the many diverse agricultural associations that make up part of this coalition is proof to that fact.

Simply put, the Global Climate Change Treaty is a bad treaty, with harmful restrictions and detrimental results. We propose that more scientific study go into researching greenhouse gas emissions and that more voluntary measures be implemented. In addition, any treaty must measure the economic impact that the treaty would have and that those groups, such as agriculture, be brought into the discussion before the fact, not afterwards.



**Farmers
Against
Climate
Treaty**

Frequently Asked Questions

GLOBAL CLIMATE CHANGE TREATY

Q. Is climate change an accepted scientific fact?

A. No. There are concerns that "greenhouse gases" are contributing to increases in global average temperatures and cause adverse changes in the world's climate and weather. Although there is data to show slight increases in global temperatures, there is disagreement about the magnitude of the change and the relative contribution of human vs. natural causes. Despite such controversy, the Global Climate Change Treaty is being actively pursued by the United Nations and the United States.

Q. Why is agriculture concerned with the proposed treaty?

A. Of great concern to agriculture are reports under consideration by the United Nations scientific panel that blame agriculture for more than 20 percent of human-caused greenhouse gas emissions and U.S. agriculture for one-third of all of America's greenhouse gas emissions. Unfortunately, these proposals ignore agriculture's positive role in reducing greenhouse gases by removing carbon dioxide from the atmosphere through plant photosynthesis. Most importantly, the U.N. panel has disregarded the most valuable function of modern agriculture--feeding a hungry world. Ironically, rice production has been singled out as the No. 1 culprit in human-caused methane emissions.

Q. How would agriculture be impacted by this treaty?

A. Suggested control measures for the agriculture industry to reduce greenhouse gas emissions include:

- Increased fuel economy requirements.
- Reduction or phaseout of the use of diesel fuel.
- Limitations on production per acre for some crops.
- Requirements for "plowless" soil preparation.
- Mandatory fallowing of cropland.
- Limits and restrictions on livestock production.
- Restrictions on timber harvesting.
- Restrictions on processing, manufacturing and transportation of food products.

Q. What are the major greenhouse gases and what are agriculture's sources of these emissions?

A. The three major greenhouse gases are carbon dioxide, methane and nitrous oxide. While the primary cause of increased concentrations of greenhouse gases is the burning of fossil fuels for energy, land use and livestock agriculture are considered by the Intergovernmental Panel on Climate Change as major emission contributors for the three most prevalent gases. Agriculture sources are as follows:

Carbon dioxide (CO₂) -- agricultural sources include soil tillage, which releases carbon into the atmosphere, and fossil fuel use (motor fuel, electricity, heating fuel).

Methane (CH₄) -- agricultural sources are ruminant animals, rice paddies, wetlands, agricultural burning, animal waste and fossil fuel burning.

Nitrous oxides (N₂O) -- agricultural sources are cultivated soils, fertilizer application, burning of crop residues and fossil fuel use.

Q. What does agriculture have to offer?

A. Agriculture and forestry are in the unique position of being the only industries that may be able to act as a mitigator for greenhouse gases. Currently, it is unknown as to the extent that agricultural cropping practices and conservation reserve lands remove these gases from the air. This process of "sequestration" is one that may allow agriculture to be considered a "sink" for such gases. Some suggest that agriculture in North America is already a net sink when weighing the industry's sequestration vs. its emissions. To date this unique aspect of agriculture is being ignored.

Q. What is the timetable for the treaty and how would controls of emissions be enforced in the U.S.?

A. International parties to the agreement will meet again at a series of discussions throughout the fall of 1997. Final adoption of the international protocol by the Convention of Parties is scheduled for December 1997, in Kyoto, Japan.

The protocol must then be ratified by participating nations before it is binding. In the United States, ratification requires a two-thirds vote by the Senate. It is unlikely that changes can be made once a final agreement is reached. After ratified by independent nations, the protocol may be adopted into law and carried out through new or existing regulation at the national, state and local levels.

The potential impact on food and agriculture is real, not theoretical. Freon and methyl bromide were banned by the Montreal Protocol, which was incorporated in the 1990 Clean Air Act amendments and subsequent regulations. These actions are having a major impact on American farmers and ranchers.

Q. Why has the Clinton administration committed the United States to a binding international agreement to limit greenhouse gas emissions?

A. In July the Clinton administration told a U.N. climate change conference that voluntary efforts to limit greenhouse gas emissions had failed. The administration then proposed legally binding targets and timetables to reduce the fossil fuel emission--principally, carbon dioxide and methane--in industrialized countries. However, the administration has refused to announce specific U.S. targets and timetables for reducing emissions until after the November election. This suggests their proposal is politically motivated--it allows them to appear protective of the environment while avoiding public discussion of the high costs associated with reducing greenhouse gas emissions. After all, every American would have to substantially reduce their use of energy in order to implement the administration's proposal. And there are only two ways to forcibly limit energy use--rationing permits or massive new energy taxes. Both would drive up the cost of gasoline, electricity, food, manufacturing and transportation. No wonder the administration doesn't want the American public to know they have committed the United States to a radical--and costly--shift in climate policy.

Q. But don't human activities affect climate?

A. Scientists believe it's possible--but like advocates of the "global cooling" theory of the 1970s, proponents of man-made "global warming" may be overstating their case.

Q. What other natural causes might affect climate?

A. Solar activity for one. *Science* magazine recently reported that new evidence about sunspot cycles places "the sun's fingerprints ... all over the climate record.... The correlation implies that the sun could have been responsible for as much as half of the warming of the past century." Other natural causes include 10,000-year shifts in ocean currents.

Q. Suppose climate change is happening and we just don't know it. Is anything being done to reduce the risk of climate change?

A. Yes. Industrialized countries that signed the Rio Treaty in 1992 developed action plans to return their greenhouse gas emissions to 1990 levels by 2000. Most countries, including the United States, have relied on voluntary efforts, such as energy-efficiency improvements in heating, cooling, lighting and transportation. Resources also are being conserved through various waste-reduction and recycling efforts. And industry constantly invests in new technologies to reduce energy use.

Q. If scientists do find evidence that human activity significantly affects climate, will developing nations need to reduce emissions?

A. Yes. According to the United Nations, developing countries likely will be responsible for as much as 68 percent of all energy-related carbon dioxide emissions by 2025 and approximately 76 percent of these emissions by 2050. So if climate change is real, developing nations will need to take action.

Q. But don't we waste lots of energy?

A. No, it's not true, as some claim, that the nation or the world can cut energy use 20 percent to 30 percent at no cost. As a U.N. report on climate change points out, these estimates are based on the notion that for one reason or another markets don't induce enough energy conservation. This cannot be the case. History shows that companies are constantly using energy more efficiently--from 1974 to 1991, energy intensity in U.S. manufacturing declined 48 percent while productivity rose 58 percent. This trend toward growing energy efficiency will continue. Clearly, companies would go out of business if they wasted 20 percent to 30 percent of their energy budget. And what family would waste that amount of money on unneeded heat, electricity or gasoline bills when that same money could be spent on food, clothing, medicines and school supplies?



**Farmers
Against
Climate
Treaty**

Economic Analysis

GLOBAL CLIMATE CHANGE TREATY

Treaty Threatens to Impose Severe Impacts on Farms

The higher energy prices that would accompany measures to limit greenhouse gas emissions would severely affect farmers and ranchers. According to an analysis by the American Farm Bureau Federation, **net farm income nationwide could be slashed by 24 percent if the equivalent of a 25-cent gas tax were imposed and by 48 percent if a 50-cent tax were enacted.** (The 25-cent scenario comes from a recent Commerce Department estimate regarding the treaty's impact. The 50-cent scenario comes from several industry estimates. The AFBF analysis used both, calling them the "low" energy price increase scenario and the "high" increase scenario.)

"The high energy increase scenario has **the potential for causing an economic downturn in the agricultural sector that would parallel the experience of the mid-1980s,**" notes Terry Franci, an AFBF senior economist.

Farm income would be sliced and land prices would fall, causing another "mini-depression" in the farm sector, Franci says. Increased production costs would eat into profits and jeopardize farm loan and mortgage repayments. The "low" energy price scenario would be less drastic, he says, but would probably induce stagnation in the farm sector, characterized by low profits and slowly declining land prices over an extended period.

Under both scenarios, the nation would see **increased consolidation of agricultural production.** Smaller-scale farmers, because of higher production costs, would be forced to sell to larger-scale producers. Younger farmers, or those who have taken on debt, "would probably find themselves in an unprofitable situation and be forced to abandon agriculture," says Franci.

The impacts of higher energy prices vary by commodity. While the increase, by percentage, of a 25-cent hike in fuel costs for wheat and cotton is similar, around 13 percent, it translates into a \$7.29 per acre increase in production expenses for wheat and a \$35 per acre increase for cotton.

For hog producers, an increase in production expenses from increased fuel costs seems relatively small, 4.9 and 10.3 percent for the two scenarios. However, that translates into slashed profits of 40 to 84.5 percent, depending on the fuel price hike.

"Livestock feeders and dairy farmers operate on a very thin margin," explains Franci. "Relatively small changes in the cost of production can result in very significant changes in the resulting profits."

An analysis of six commodities illustrates the impact of higher energy prices:

- Corn:** Production costs would **rise 15.5 percent** under the "low" increase scenario and **31.7 percent** under the "high" scenario. Returns, or net profits, to producers would be **cut by 23 and 51.6 percent**, respectively.
- Soybeans:** Production costs would **rise 13.7 percent** under the "low" increase scenario and **27.3 percent** under the "high" scenario. Returns to producers would be **cut by 10.3 and 20.5 percent**, respectively.
- Cotton:** Production costs would **rise 12.7 percent** under the "low" increase scenario and **25.4 percent** under the "high" scenario. Returns to producers would be **cut by 24.6 and 49.1 percent**, respectively.
- Wheat:** Production costs would **rise 13.4 percent** under the "low" increase scenario and **26.7 percent** under the "high" scenario. Returns to producers would be **cut by 28.6 and 57.2 percent**, respectively.
- Hogs:** Production costs would **rise 4.9 percent** under the "low" increase scenario and **10.3 percent** under the "high" scenario. Returns to producers would be **cut by 40 and 84.5 percent**, respectively.
- Milk:** Production costs would **rise 3.8 percent** under the "low" increase scenario and **7.5 percent** under the "high" scenario. Returns to producers would be **cut by 26.9 and 53.1 percent**, respectively.



**Farmers
Against
Climate
Treaty**

Potential Economic Impact of the Global Climate Treaty on the Agricultural Sector

*By Terry Francel
Senior Economist and Commodity Specialist
American Farm Bureau Federation
October 1997*

Implementation of the Global Climate Change Treaty is expected to increase the prices of fuel and related energy products substantially. The American Petroleum Institute estimates that the climate agreement could increase prices for gasoline, diesel fuel and electricity by 50 percent or more, depending on the emission targets that are prescribed. Cost estimates by the administration have been lower, but the U.S. Commerce Department recently agreed that capping carbon dioxide emissions at 1990 levels requires the equivalent of a 25 cent-per-gallon fuel tax. These estimates are utilized to set the parameters used in this study and will be referred to as the low/high levels in the subsequent analysis.

Agricultural production is an energy-intensive process. The immediate focus is often on the cost of fuels and oils. However, an even more important consideration is in the area of manufactured inputs, fertilizer and pesticides or chemicals. These are very energy-sensitive products. For example, energy (natural gas) typically accounts for 75 percent of the cash cost of manufacturing anhydrous ammonia, a basic feedstock or ingredient for all nitrogen fertilizer products. Nearly all the manufactured inputs have cost structures for which energy is equivalent to 50 percent or more of the underlying cash production costs. Consequently, from a farm production standpoint, the increase in fuel and oil costs account for only about 30 percent of the total increase in manufactured inputs cost resulting from the higher energy prices. Fertilizer, pesticides and other chemicals account for 70 percent of the increase in manufactured inputs cost.

Study Methodology

The following projection is based upon static analysis. In other words, a point in time, or baseline, is selected and the impact of the changing parameter, in this study energy prices, is incorporated. In this case, it is assumed that the full impact of the energy price change occurs in year one. Consequently, if the price change were stretched out over a number of years, one would look at a baseline relative to the year when the total changes were implemented. During the intervening years, there would be a gradual increase in agriculture production costs. For example, for the macro analysis a 1995 baseline was utilized. If price increases were incorporated over a five-year period, then this analysis would be comparing the 1995 baseline to the impact in the year 2000.

This analysis looks at both the micro and macro impact on agriculture. Six representative commodities have been chosen for the micro analysis, four are crops and two are livestock. By looking at the different commodities, the range of effects can be measured. Some commodity production is very energy intensive, while others are less affected by changes in energy prices. For example, corn and cotton crops use a lot of nitrogen fertilizer and pesticides, products that are very energy sensitive with respect to their cost structure and prices. Soybean production, on the other hand, is less sensitive to energy cost fluctuations.

The macro analysis utilizes U.S. farm production expenses for 1995 as the base. From there the impact of the change in energy prices, 25 cents per gallon or 50 cents per gallon increase in fuel prices and related energy products, is applied. The parameters established are as follows:

Cost Changes

	<u>Low</u>	<u>High</u>
Fuel and electricity prices	25 percent	50 percent
Pesticides/chemical	20 percent	40 percent
Fertilizer		
Corn/cotton	20 percent	40 percent
Wheat/soybean	15 percent	30 percent
Custom operations/hauling	15 percent	30 percent
Other expenses	5 percent	10 percent

Micro-Analysis

The following tables show the impact of the higher energy prices on four crops--corn, cotton, soybeans and wheat--and two livestock--hog and dairy. The baseline year is 1994. The 1994 base year production cost figures come from USDA's ERS Farm Business Economics Report, 1994, ECI-1995. They represent the average U.S. cash production cost.

The information most relevant to this analysis is in two categories, total variable cash expenses and the gross value of production minus variable cash expense or net profit. The following table summarizes that information.

Impact of Higher Energy Costs on Agriculture¹ (dollars per acre/hundredweight)

	<u>Base</u>	<u>Low</u>	<u>High</u>	<u>Base</u>	<u>Low</u>	<u>High</u>
	Corn			Cotton		
Variable cash expenses	147.08	169.92	193.65	276.95	312.17	347.38
Percent change		15.5%	31.7%		12.7%	25.4%
Value of production less						
cash expense (net profit)	99.11	76.28	52.54	143.36	108.14	72.93
Change		-23.0	-47.0		-24.6	-49.1
	Soybeans			Wheat		
Variable cash expenses	75.76	86.11	96.45	54.58	61.87	69.15
Change		13.7%	27.3%		13.4%	26.7%
Value of production less						
cash expense (net profit)	100.91	90.56	80.22	25.48	18.19	10.91
Change		-10.3%	-20.5%		-28.6%	-57.2%
	Hogs			Milk		
Variable cash expenses	38.44	40.32	42.41	11.35	11.78	12.20
Change		4.9%	10.3%		3.8%	7.5%
Value of production less						
cash expense (net profit)	4.70	2.82	0.73	1.60	1.17	0.75
Change		-40.0%	-84.5%		-26.9%	-53.1%

1. For detail, see Appendix A, B and C.

Total variable cash expenses increased from 12.7 percent to 15.5 percent under the 25 cents per gallon price increase in fuel scenario. Under the 50 cents per gallon price increase scenario variable cash costs rise anywhere from 25.4 percent to 31.7 percent. Although in percentage terms the changes are much the same, when viewed in dollar terms there is a much greater difference. Under the lower energy price scenario, total variable cash expenses for wheat increased by only \$7.29 per acre, whereas the cotton variable cash expenses increased more than \$35 per acre. A similar difference is noted under the high energy price scenario.

Much the same outcome is noted when measured by the gross value of production less cash expenses or net profit.. Under the low price scenario, this number is reduced by 10 percent for soybeans to more than 20 percent for cotton, corn and wheat. Under the high price scenario, the net returns to soybean production are reduced 20 percent while net returns for corn, cotton and wheat are all reduced approximately 50 percent.

The impact of higher energy prices on the livestock side are demonstrated in the analysis of hog production and milk production. Total variable cash expenses for hogs increases 4.9 percent and 10.3 percent, respectively, given the low/high energy price scenarios. However, it should be noted that the gross value of production less cash expenses, or net profits, are reduced 40 percent and almost 85 percent, respectively. These numbers reflect the fact that livestock feeders and dairy farmers operate on a very thin margin. Relatively small changes in the cost of production can result in very significant changes in the resulting profits.

For milk, total variable cash expenses increased 3.8 percent and 7.5 percent, respectively, low/high energy price scenario. Likewise, the gross value of production less cash expenses are reduced 26.9 percent and 53.1 percent, respectively, given the low/high energy price scenarios.

It should be noted that in all cases the gross value of production or price received by farmers is based on the 1994 year. Obviously, commodity prices vary from year-to-year. For example, milk prices declined rather significantly in late 1996 and early 1997. In the case of milk, the higher variable cash expenses would have simply exacerbated the losses producers were already experiencing.

Macro-Analysis

The table entitled U.S. Farm Production Expenses shows the impact of the low/high energy prices on the total agricultural sector. As can be seen by the columns on the right hand side showing the difference, total U.S. farm production expenses would rise over \$10 billion under the low energy price scenario and more than \$20 billion under the high energy price scenario. Given that annual U.S. net farm income has averaged \$42.7 billion over the 1991 to 1995 period, this would represent a 24 percent and 48 percent decrease in the net farm income under the respective low/high energy price scenarios.

It should be noted that there are a couple of categories of expenses that are expected to decline. First is the livestock and poultry purchase category under farm-origin inputs. When farmers who feed livestock bid on the feeder animals--calves, pigs or chicks--their bid is predicated on the potential profit of feeding that animal/bird. When feed prices increase they compensate by lowering the bid for these young animals. While that reduces production expenses it also is an overall negative to gross farm revenues. For the agricultural sector as a whole, it is a net loss.

The other area of reduced expenses, net rent to non-operator landlords, also has some rather ominous implications. It is a reflection of the higher cost of production, which means that farmers renting land will reduce their bid or the rental rate. (It may be a rather heroic assumption that this occurs in year one, but it

will happen over time if higher expenses reduce profits in successive years.) Associated with this reduction is the fact that land prices in general will also come under downward pressures. So this would also be viewed as a negative impact on assets and the farm sector financial balance sheet.

U.S. Farm Production Expenses
(million dollars)

	<i>Base Year</i>	<i>Impact of higher energy prices</i>		<i>Difference</i>	
	<u>1995</u>	<u>Low</u>	<u>High</u>	<u>Low</u>	<u>High</u>
Feed purchased	24,528	26,000	27,471	1,472	2,943
Livestock & poultry purchased	12,557	11,929	11,301	-628	-1,256
Seed purchased	5,463	5,791	6,119	328	656
Farm-origin inputs	<u>42,548</u>	<u>43,720</u>	<u>44,891</u>	<u>1,172</u>	<u>2,343</u>
Fertilizer & lime	10,034	11,790	13,545	1,756	3,511
Fuels & oils	5,687	7,109	8,531	1,422	2,844
Pesticides	<u>7,719</u>	<u>9,263</u>	<u>10,807</u>	<u>1,544</u>	<u>3,088</u>
Manufactured inputs	23,440	28,162	32,883	4,722	9,443
Total interest charges	12,757	13,395	14,033	638	1,276
Other operating expenses	59,964	62,962	65,960	2,998	5,996
Capital consumption	19,107	20,062	21,018	955	1,911
Taxes	6,891	7,236	7,580	345	689
Net rent to non-operator landlords	<u>10,873</u>	<u>10,295</u>	<u>9,753</u>	<u>-578</u>	<u>-1,120</u>
Other overhead expenses	36,871	37,593	38,351	722	1,480
Total production expenses	175,581	185,832	196,118	10,251	20,537
Percent change		5.8%	11.7%		

U.S. Production Cash Costs
(dollars per acre)

Appendix A

<u>Corn</u>	<u>1994</u>	<u>Impact of higher energy prices</u>	
		<u>Low</u>	<u>High</u>
Gross value of production:	296.32		
Cash Expenses:			
Fertilizer, lime & gypsum	46.07	55.28	65.38
Pesticides	25.22	30.26	35.30
Custom Operations	10.05	11.56	13.07
Fuel, lube and electricity	18.96	23.70	28.44
Other ¹	<u>46.78</u>	<u>49.12</u>	<u>51.46</u>
Total, variable cash expenses	147.08	169.92	193.65
Percent change		15.5%	31.7%
Total, fixed cash expenses	50.13	50.13	50.13
Total, cash expenses	197.21	220.05	243.78
Gross value of production less cash expenses	99.11	76.28	52.54
Percent change		-23.0%	-47.0%

<u>Soybeans</u>	<u>1994</u>	<u>Impact of higher energy prices</u>	
		<u>Low</u>	<u>High</u>
Gross value of production:	219.56		
Cash Expenses:			
Fertilizer, lime & gypsum	9.25	10.65	12.03
Pesticides	24.45	29.34	34.23
Custom Operations	3.73	4.29	4.85
Fuel, lube and electricity	7.93	9.91	11.90
Other ¹	<u>30.40</u>	<u>31.92</u>	<u>33.44</u>
Total, variable cash expenses	75.76	86.11	96.45
Percent change		13.7%	27.3%
Total, fixed cash expenses	42.89	42.89	42.89
Total, cash expenses	118.65	129.00	139.34
Gross value of production less cash expenses	100.91	90.56	80.22
Percent change		-10.3%	-20.5%

(1) Includes seed, repairs, hired labor, other variable cash expenses and ginning for cotton.

U.S. Production Cash Costs
(dollars per acre)

Appendix B

<u>Cotton</u>	<u>1994</u>		
Cotton	421.04		
Cottonseed	<u>56.35</u>		
Total, gross value of production	477.39		
		Impact of higher energy prices	
		<u>Low</u>	<u>High</u>
Cash Expenses:			
Fertilizer, lime & gypsum	38.16	45.79	53.42
Pesticides	49.87	59.84	69.82
Custom Operations	19.59	22.53	25.47
Fuel, lube and electricity	31.03	38.79	46.54
Other ¹	<u>138.30</u>	<u>145.22</u>	<u>152.13</u>
Total, variable cash expenses	276.95	312.17	347.38
Percent change		12.7%	25.4%
Total, fixed cash expenses	57.08	57.08	57.08
Total, cash expenses	334.03	369.25	404.46
Gross value of production less cash expenses	143.36	108.14	72.93
Percent change		-24.6%	-49.1%

<u>Wheat</u>	<u>1994</u>		
Wheat	103.64		
Wheat straw	<u>1.31</u>		
Total, gross value of product	104.95		
		Impact of higher energy prices	
		<u>Low</u>	<u>High</u>
Cash Expenses:			
Fertilizer, lime & gypsum	15.21	17.49	19.77
Pesticides	6.18	7.42	8.65
Custom Operations	4.87	5.60	6.33
Fuel, lube and electricity	8.12	10.15	12.18
Other ¹	<u>20.2</u>	<u>21.21</u>	<u>22.22</u>
Total, variable cash expenses	54.58	61.87	69.15
Percent change		13.4%	26.7%
Total, fixed cash expenses	24.89	24.89	24.89
Total, cash expenses	79.47	86.76	94.04
Gross value of production less cash expenses	25.48	18.19	10.91
Percent change		-28.6%	-57.2%

(1) Includes seed, repairs, hired labor, other variable cash expenses and ginning for cotton.

U.S. Production Cash Costs
(dollars per hundredweight)

Appendix C

<u>Hog Production</u>	<u>1994</u>		
Market hogs	36.29		
Feeder pigs	4.52		
Cull stock	2.31		
Breeding stock	2.11		
Inventory change	0.44		
Other Income	<u>1.13</u>		
Total, gross value of production	46.80		
		Impact of higher energy prices	
		<u>Low</u>	<u>High</u>
Cash Expenses:			
Grain	11.54	12.35	13.16
Protein sources	9.35	9.72	10.10
Complete mixes	5.69	6.06	6.43
Other feed items	<u>0.59</u>	<u>0.63</u>	<u>0.67</u>
Total feed costs	27.17	28.76	30.36
Other variable cash expenses	11.27	11.56	12.05
Total, variable cash expenses	38.44	40.32	42.41
Percent change		4.9%	10.3%
Total, fixed cash expenses	3.66	3.66	3.66
Total, cash expenses	42.10	43.98	46.07
Gross value of production less cash expenses	4.70	2.82	0.73
Percent change		-40.0%	-84.5%

<u>Milk Production</u>	<u>1994</u>		
Milk	12.99		
Cattle	1.00		
Other income	<u>0.51</u>		
Total, gross value of production	14.50		
		Impact of higher energy prices	
		<u>Low</u>	<u>High</u>
Cash Expenses:			
Concentrates	3.69	3.84	3.95
Silage	1.41	1.51	1.61
Other feed	<u>2.07</u>	<u>2.07</u>	<u>2.07</u>
Total feed costs	7.17	7.42	7.63
Other variable cash expenses	4.18	4.36	4.57
Total, variable cash expenses	11.35	11.78	12.20
Percent change		3.8%	7.5%
Total, fixed cash expenses	1.55	1.55	1.55
Total, cash expenses	12.90	13.33	13.75
Gross value of production less cash expenses	1.60	1.17	0.75
Percent change		-26.9%	-53.1%

Opposition 5

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ANALYSIS

Potential Economic Impact of the Global Climate Treaty on the Agricultural Sector

By Terry Franci

Senior Economist and Commodity Specialist
Public Policy Division
American Farm Bureau Federation

Sept. 29, 1997

Executive Summary

This analysis would suggest that a scenario of higher energy prices would have a significant negative impact on the agricultural sector at nearly all levels. Total annual U.S. farm production expenses would rise over \$10 billion under the low energy price scenario and more than \$20 billion dollars under the high energy price scenario. Given that U.S. net farm income has averaged \$42.7 billion dollars per year over the 1991 to 1995 period, this would represent a 24% and 48% decrease in the net farm income under the respective low/high energy price scenarios.

Certainly the high energy price scenario has the potential for causing an economic downturn in the agricultural sector which could parallel the experience of the mid-1980's. Not only would net farm income be impeded in the short term but a downturn in land prices would shrink asset values and, most likely, result in another mini-depression in the farm sector. The increased production costs are expected to reduce profits and income to farmers, and invariably slow farm loan and mortgage repayments. Consequently, this scenario would also would bode poorly for lenders who are extending credit to farmers.

Although the low energy price increase scenario would be less dramatic, it would still have a significant impact on agriculture. Depending on how it was implemented, it would probably produce a situation of stagnation with low profits and slowly declining land prices over an extended period of time.

Another outcome of either scenario would be the increased consolidation of agricultural production. Many small farmers who typically have a higher average cost of production would be forced to sell to large farmers. Young farmers just starting or those farmers who have recently taken on increased debt to expand their operations could find themselves in an unprofitable situation that might force them to abandon agriculture. Not only would this impinge on lenders but it would also have an adverse economic impact on small towns and rural America in general.

Potential Economic Impact of the Global Climate Treaty on the Agricultural Sector

Implementation of the Global Climate Treaty is expected to increase the prices of fuel and related energy products substantially. The American Petroleum Institute estimates that the climate agreement could increase prices for gasoline, diesel fuel and electricity by 50 per cent or more, depending on the emission targets which are prescribed. Cost estimates by the Administration have been lower, but the U.S. Commerce Department recently agreed that capping carbon dioxide emissions at 1990 levels requires the equivalent of a 25 cent per gallon fuel tax. These estimates are utilized to set the parameters used in this study and will be referred to as the low/high levels in the subsequent analysis.

Agricultural production is an energy intensive process. The immediate focus is often on the cost of fuels and oils. However, an even more important consideration is in the area of manufactured inputs, fertilizer and pesticides or chemicals. These are very energy sensitive products. For example, energy (natural gas) typically accounts for 75% of the cash cost of manufacturing anhydrous ammonia, a basic feedstock or ingredient for all nitrogen fertilizer products. Nearly all the manufactured inputs have cost structures for which energy is equivalent to 50% or more of the underlying cash production costs. Consequently, from a farm production standpoint, the increase in fuel and oil costs account for only about 30% of the total increase in manufactured inputs cost resulting from the higher energy prices. Fertilizer, pesticides and other chemicals account for 70% of the increase in manufactured inputs cost.

Study Methodology -- The following projection is based upon static analysis. In other words, a point in time, or baseline, is selected and the impact of the changing parameter, in this study energy prices, is incorporated. In this case, it is assumed that the full impact of the energy price change occurs in year one. Consequently, if the price change were stretched out over a number of years, one would look at a base line relative to the year when the total changes were implemented. During the intervening years, there would be a gradual increase in agriculture production costs. For example, for the macro analysis a 1995 base line was utilized. If price increases were incorporated over a five-year period then this analysis would be comparing the 1995 base line to the impact in the year 2000.

This analysis looks at both the micro and macro impact on agriculture. Six representative commodities have been chosen for the micro analysis, four are crops and two are livestock. By looking at the different commodities, the range of effects can be measured. Some commodity production is very energy intensive while others are less affected by changes in energy prices. For example, corn and cotton crops use a lot of nitrogen fertilizer and pesticides, products that are very energy sensitive with respect to their cost structure and prices. Soybean production, on the other hand, is less sensitive to energy cost fluctuations.

The macro analysis utilizes U.S. farm production expenses for 1995 as

the base. From there the impact of the change in energy prices, 25 cents per gallon or 50 cents per gallon increase in fuel prices and related energy products, is applied. The parameters established are as follows:

Cost Changes		
	Low	High
Fuel and electricity prices	25%	50%
Pesticides/chemical	20%	40%
Fertilizer - Corn/cotton	20%	40%
Fertilizer - Wheat/soybean	15%	30%
Custom operations/hauling	15%	30%
Other expenses	5%	10%

Micro Analysis -- The following tables show the impact of the higher energy prices on four crops -- corn, cotton, soybeans and wheat -- and two livestock -- hog and dairy. The baseline year is 1994. The 1994 base year production cost figures come from the ERS Farm Business Economics Report, 1994, ECI-1995. They represent the average U.S. cash production cost.

The information most relevant to this analysis is in two categories, total variable cash expenses and the gross value of production minus variable cash expense or net profit. The following table summarizes that information.

Impact of Higher Energy Costs on Agriculture ¹ (dollars per acre/hundredweight)

	Base	Low	High	Base	Low	High
	Corn			Cotton		
Variable cash expenses	147.08	169.92	193.65	276.95	312.17	347.38
Percent change	15.5%	31.7%		12.7%	25.4%	
Value of production less cash expense (net profit)	99.11	76.28	52.54	143.36	108.14	72.93
Percent change		-23.0%	-47.0%		-24.6%	-49.1%
	Soybeans			Wheat		
Variable cash expenses	75.76	86.11	96.45	54.58	61.87	69.15
Percent change		13.7%	27.3%		13.4%	26.7%
Value of production less cash expense (net profit)	100.91	90.56	80.22	25.48	18.19	10.91
Percent change		-10.3%	-20.5%		-28.6%	-57.2%
	Hogs			Milk		
Variable cash expenses	38.44	40.32	42.41	11.35	11.78	12.20
Percent change		4.9%	10.3%		3.8%	7.5%
Value of production less cash expense (net profit)	4.70	2.82	0.73	1.60	1.17	0.75
Percent change		-40.0%	-84.5%		-26.9%	-53.1%

1. For detail, see Detailed U.S. Production Costs Charts

Total variable cash expenses increased from 12.7% to 15.5% under the 25 cents per gallon price increase in fuel scenario. Under the 50 cents per gallon price increase scenario variable cash costs rise anywhere from 25.4% to 31.7%. Although in percentage terms the changes are much the same, when viewed in dollar terms there is a much greater difference. Under the lower energy price scenario, total variable cash expenses for wheat increased by only \$7.29 per acre whereas the cotton variable cash expenses increased more than \$35 per acre. A similar difference is noted under the high energy price scenario.

Much the same outcome is noted when measured by the gross value of production less cash expenses or net profit. Under the low price scenario, this number is reduced by 10% for soybeans to more than 20% for cotton, corn and wheat. Under the high price scenario, the net returns to soybean production are reduced 20% while net returns for corn, cotton and wheat are all reduced approximately 50%.

The impact of higher energy prices on the livestock side are demonstrated in the analysis of hog production and milk production. Total variable cash expenses for hogs increases 4.9% and 10.3%,

respectively, given the low/high energy price scenarios. However, it should be noted that the gross value of production less cash expenses, or net profits, are reduced 40% and almost 85%, respectively. These numbers reflect the fact that livestock feeders and dairy farmers operate on a very thin margin. Relatively small changes in the cost of production can result in very significant changes in the resulting profits.

For milk, total variable cash expenses increased 3.8% and 7.5%, respectively, low/high energy price scenario. Likewise, the gross value of production less cash expenses are reduced 26.9% and 53.1%, respectively, given the low/high energy price scenarios.

It should be noted that in all cases the gross value of production or price received by farmers is based on the 1994 year. Obviously, commodity prices vary from year-to-year. For example, milk prices declined rather significantly in late 1996 and early 1997. In the case of milk, the higher variable cash expenses would have simply exacerbated the losses producers were already experiencing.

Macro-Analysis -- The table entitled U.S. Farm Production Expenses shows the impact of the low/high energy prices on the total agricultural sector. As can be seen by the columns on the right hand side showing the difference, total U.S. farm production expenses would rise over \$10 billion under the low energy price scenario and more than \$20 billion dollars under the high energy price scenario. Given that annual U.S. net farm income has averaged \$42.7 billion dollars over the 1991 to 1995 period, this would represent a 24% and 48% decrease in the net farm income under the respective low/high energy price scenarios.

**U.S. Farm Production Expenses
(million dollars)**

	Base Year	Impact of higher energy prices		Difference	
	1995	Low	High	Low	High
Feed Purchased	24,528	26,000	27,471	1,472	2,943
Livestock & poultry purchased	12,557	11,929	11,301	-628	-1,256
Seed Purchased	5,463	5,791	6,119	328	656
Farm-origin inputs	42,548	43,720	44,891	1,172	2,343
Fertilizer & lime	10,034	11,790	13,545	1,756	3,511
Fuels & oils	5,687	7,109	8,531	1,422	2,844
Pesticides	7,719	9,263	10,807	1,544	3,088
Manufactured inputs	23,440	28,162	32,883	4,722	9,443
Total interest charges	12,757	13,395	14,033	638	1,276
Other operating expenses	59,964	62,962	65,960	2,998	5,996

Capital consumption	19,107	20,062	21,018	955	1,911
Taxes	6,891	7,236	7,580	345	689
Net rent to nonoperator landlords	10,873	10,295	9,753	-578	-1,120
Other overhead expenses	36,871	37,593	38,351	722	1,480
Total production expenses	175,581	185,832	196,118	10,251	20,537
Percent change			5.8%	11.7%	

It should be noted that there are a couple of categories of expenses that are expected to decline. First is the livestock and poultry purchase category under farm-origin inputs. When farmers who feed livestock bid on the feeder animals -- calves, pigs or chicks -- their bid is predicated on the potential profit of feeding that animal/bird. When feed prices increase they compensate by lowering the bid for these young animals. While that reduces production expenses it also is an overall negative to gross farm revenues. For the agricultural sector as a whole, it is a net loss.

The other area of reduced expenses, net rent to non-operator landlords, also has some rather ominous implications. It is a reflection of the higher cost of production which means that farmers renting land will reduce their bid or the rental rate. (It may be a rather heroic assumption that this occurs in year one but it will happen over time if higher expenses reduce profits in successive years.) Associated with this reduction is the fact that land prices in general will also come under downward pressures. So this would also be viewed as a negative impact on assets and the farm sector financial balance sheet.

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Farmers Against Climate Treaty

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Economic Analysis

Treaty Threatens to Impose Severe Impacts on Farms

The higher energy prices that would accompany measures to limit greenhouse gas emissions would severely affect farmers and ranchers. According to an analysis by the American Farm Bureau Federation, **net farm income nationwide could be slashed by 24 percent if the equivalent of a 25-cent gas tax were imposed and by 48 percent if a 50-cent tax were enacted.** (The 25-cent scenario comes from a recent Commerce Department estimate regarding the treaty's impact. The 50-cent scenario comes from several industry estimates. The AFBF analysis used both, calling them the "low" energy price increase scenario and the "high" increase scenario.)

"The high energy increase scenario has **the potential for causing an economic downturn in the agricultural sector that would parallel the experience of the mid-1980s,**" notes Terry Francl, an AFBF senior economist.

Farm income would be sliced and land prices would fall, causing another "mini depression" in the farm sector, Francl says. Increased production costs would eat into profits and jeopardize farm loan and mortgage repayments. The "low" energy price scenario would be less drastic, he says, but would probably induce stagnation in the farm sector, characterized by low profits and slowly declining land prices over an extended period.

Under both scenarios, the nation would see **increased consolidation of agricultural production.** Smaller-scale farmers, because of higher production costs, would be forced to sell to larger-scale producers. Younger farmers, or those who have taken on debt, "would probably find themselves in an unprofitable situation and be forced to abandon agriculture," says Francl.

The impacts of higher energy prices vary by commodity. While the increase, by percentage, of a 25-cent hike in fuel costs for wheat and cotton is similar, around 13 percent, it translates into a \$7.29 per acre increase in production expenses for wheat and a \$35 per acre increase for cotton.

For hog producers, an increase in production expenses from increased fuel costs seems relatively small, 4.9 and 10.3 percent for the two scenarios. However, that translates into slashed profits of 40 to 84.5

percent, depending on the fuel price hike.

"Livestock feeders and dairy farmers operate on a very thin margin," explains Francl. "Relatively small changes in the cost of production can result in very significant changes in the resulting profits."

An analysis of six commodities illustrates the impact of higher energy prices:

Corn:	Production costs would rise 15.5 percent under the "low" increase scenario and 31.7 percent under the "high" scenario. Returns, or net profits, to producers would be cut by 23 and 51.6 percent, respectively.
Soybeans:	Production costs would rise 13.7 percent under the "low" increase scenario and 27.3 percent under the "high" scenario. Returns to producers would be cut by 10.3 and 20.5 percent, respectively.
Cotton:	Production costs would rise 12.7 percent under the "low" increase scenario and 25.4 percent under the "high" scenario. Returns to producers would be cut by 24.6 and 49.1 percent, respectively.
Wheat:	Production costs would rise 13.4 percent under the "low" increase scenario and 26.7 percent under the "high" scenario. Returns to producers would be cut by 28.6 and 57.2 percent, respectively.
Hogs:	Production costs would rise 4.9 percent under the "low" increase scenario and 10.3 percent under the "high" scenario. Returns to producers would be cut by 40 and 84.5 percent, respectively.
Milk:	Production costs would rise 3.8 percent under the "low" increase scenario and 7.5 percent under the "high" scenario. Returns to producers would be cut by 26.9 and 53.1 percent, respectively.

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Potential Economic Impact of the Global Climate T on the Agricultural Sector

Charts

U.S. Production Cash Costs (dollars per acre)

Appendix A

<u>Com</u>				<u>Soybeans</u>			
	1994	Impact of higher energy prices			1994	Impact of higher energy prices	
		Low	High			Low	High
Gross value of production:	296.32			Gross value of production:	219.66		
Cash Expenses:				Cash Expenses:			
Fertilizer, lime & gypsum	46.07	55.28	65.38	Fertilizer, lime & gypsum	9.25	10.00	10.00
Pesticides	25.22	30.26	35.30	Pesticides	24.45	25.00	25.00
Custom Operations	10.05	11.56	13.07	Custom Operations	3.73	4.00	4.00
Fuel, lube and electricity	18.96	23.70	28.44	Fuel, lube and electricity	7.93	8.00	8.00
Other ¹	46.78	49.12	51.46	Other ¹	30.40	31.00	31.00
Total, variable cash expenses	147.08	169.92	193.65	Total, variable cash expenses	75.76	86.00	86.00
Percent change		15.5%	31.7%	Percent change		13.0%	13.0%
Total, fixed cash expenses	50.13	50.13	50.13	Total, fixed cash expenses	42.89	42.89	42.89
Total, cash expenses	197.21	220.05	243.78	Total, cash expenses	118.65	128.89	128.89
Gross value of production less cash expenses	99.11	76.28	52.54	Gross value of production less cash expenses	100.91	90.00	90.00
Percent change		-23.0%	-47.0%	Percent change		-10.0%	-10.0%

(1) Includes seed, repairs, hired labor, other variable cash expenses and ginning for cotton.

U.S. Production Cash Costs (dollars per acre)

Appendix B

<u>Cotton</u>	<u>1994</u>			<u>Wheat</u>	<u>1994</u>		
Cotton	421.04			Wheat	103.64		
Cottonseed	<u>55.35</u>			Wheat straw	<u>1.31</u>		
Total, gross value of production	477.39			Total, gross value of product	104.95		
		Impact of higher energy prices				Imp	
		<u>Low</u>	<u>High</u>			<u>en</u>	<u>Lo</u>
Cash Expenses:				Cash Expenses:			
Fertilizer, lime & gypsum	38.16	45.79	53.42	Fertilizer, lime & gypsum	15.21	17	
Pesticides	49.87	59.84	69.82	Pesticides	6.18	7	
Custom Operations	19.59	22.53	25.47	Custom Operations	4.87	5	
Fuel, lube and electricity	31.03	33.79	45.54	Fuel, lube and electricity	8.12	10	
Other ¹	<u>138.30</u>	<u>145.22</u>	<u>152.13</u>	Other ¹	<u>20.2</u>	<u>21</u>	
Total, variable cash expenses	276.95	312.17	347.38	Total, variable cash expenses	54.58	61	
Percent change		12.7%	25.4%	Percent change		13	
Total, fixed cash expenses	57.03	57.03	57.03	Total, fixed cash expenses	24.89	24	
Total, cash expenses	334.03	369.25	404.46	Total, cash expenses	79.47	85	
Gross value of production less cash expenses	143.36	108.14	72.93	Gross value of production less cash expenses	25.48	16	
Percent change		-24.6%	-49.1%	Percent change		-28	
(1) Includes seed, repairs, hired labor, other variable cash expenses and ginning for cotton.							

U.S. Production Cash Costs (dollars per hundredweight)

Appendix C

<u>Hog Production</u>		<u>1994</u>		<u>Milk Production</u>		<u>1994</u>	
Market hogs		36.29		Milk		12.99	
Feeder pigs		4.52		Cattle		1.00	
Cull stock		2.31		Other income		0.51	
Breeding stock		2.11		Total, gross value of production		14.50	
Inventory change		0.44					
Other Income		1.13					
Total, gross value of production		46.80					
		Impact of higher energy prices				Impact of higher energy prices	
		<u>Low</u> <u>High</u>				<u>Low</u> <u>High</u>	
Cash Expenses:				Cash Expenses:			
Grain		11.54	12.35	13.16	Concentrates	3.69	3.69
Protein sources		9.35	9.72	10.10	Silage	1.41	1.41
Complete mixes		5.69	6.06	6.43	Other feed	2.07	2.07
Other feed items		0.59	0.63	0.67	Total feed costs	7.17	7.17
Total feed costs		27.17	28.76	30.36			
Other variable cash expenses		11.27	11.55	12.05	Other variable cash expenses	4.18	4.18
Total, variable cash expenses		38.44	40.32	42.41	Total, variable cash expenses	11.35	11.35
Percent change			4.9%	10.3%	Percent change		3.8%
Total, fixed cash expenses		3.66	3.66	3.66	Total, fixed cash expenses	1.55	1.55
Total, cash expenses		42.10	43.98	46.07	Total, cash expenses	12.90	13.90
Gross value of production less cash expenses		4.70	2.82	0.73	Gross value of production less cash expenses	1.60	1.60
Percent change			-40.0%	-84.5%	Percent change		-26.9%

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Frequently Asked Questions

Q&A on the Global Climate Change Treaty

Q. Is climate change an accepted scientific fact?

A. No. There are concerns that "greenhouse gases" are contributing to increases in global average temperatures and cause adverse changes in the world's climate and weather. Although there is data to show slight increases in global temperatures, there is disagreement about the magnitude of the change and the relative contribution of human vs. natural causes. Despite such controversy, the Global Climate Change Treaty is being actively pursued by the United Nations and the United States.

Q. Why is agriculture concerned with the proposed treaty?

A. Of great concern to agriculture are reports under consideration by the United Nations scientific panel that blame agriculture for more than 20 percent of human-caused greenhouse gas emissions and U.S. agriculture for one-third of all of America's greenhouse gas emissions. Unfortunately, these proposals ignore agriculture's positive role in reducing greenhouse gases by removing carbon dioxide from the atmosphere through plant photosynthesis. Most importantly, the U.N. panel has disregarded the most valuable function of modern agriculture--feeding a hungry world. Ironically, rice production has been singled out as the No. 1 culprit in human-caused methane emissions.

Q. How would agriculture be impacted by this treaty?

A. Suggested control measures for the agriculture industry to reduce greenhouse gas emissions include:

- ☐ Increased fuel economy requirements.
- ☐ Reduction or phaseout of the use of diesel fuel.
- ☐ Limitations on production per acre for some crops.
- ☐ Requirements for "plowless" soil preparation.
- ☐ Mandatory fallowing of cropland.
- ☐ Limits and restrictions on livestock production.
- ☐ Restrictions on timber harvesting.
- ☐ Restrictions on processing, manufacturing and transportation of food products.

Q. What are the major greenhouse gases and what are agriculture's sources of these emissions?

A. The three major greenhouse gases are carbon dioxide, methane and nitrous oxide. While the primary cause of increased concentrations of greenhouse gases is the burning of fossil fuels for energy, land use and livestock agriculture are considered by the Intergovernmental Panel on Climate Change as major emission contributors for the three most prevalent gases. Agriculture sources are as follows:

Carbon dioxide (CO₂) -- agricultural sources include soil tillage, which releases carbon into the atmosphere, and fossil fuel use (motor fuel, electricity, heating fuel).

Methane (CH₄) -- agricultural sources are ruminant animals, rice paddies, wetlands, agricultural burning, animal waste and fossil fuel burning.

Nitrous oxides (N₂O) -- agricultural sources are cultivated soils, fertilizer application, burning of crop residues and fossil fuel use.

Q. What does agriculture have to offer?

A. Agriculture and forestry are in the unique position of being the only industries that may be able to act as a mitigator for greenhouse gases. Currently, it is unknown as to the extent that agricultural cropping practices and conservation reserve lands remove these gases from the air. This process of "sequestration" is one that may allow agriculture to be considered a "sink" for such gases. Some suggest that agriculture in North America is already a net sink when weighing the industry's sequestration vs. its emissions. To date this unique aspect of agriculture is being ignored.

Q. What is the timetable for the treaty and how would controls of emissions be enforced in the U.S.?

A. International parties to the agreement will meet again at a series of discussions throughout the fall of 1997. Final adoption of the international protocol by the Convention of Parties is scheduled for December 1997, in Kyoto, Japan.

The protocol must then be ratified by participating nations before it is binding. In the United States, ratification requires a two-thirds vote by the Senate. It is unlikely that changes can be made once a final agreement is reached. After ratified by independent nations, the protocol may be adopted into law and carried out through new or existing regulation at the national, state and local levels.

The potential impact on food and agriculture is real, not theoretical. Freon and methyl bromide were banned by the Montreal Protocol, which was incorporated in the 1990 Clean Air Act amendments and subsequent regulations. These actions are having a major impact on American farmers and ranchers.

Q. Why has the Clinton administration committed the United States to a binding international agreement to limit greenhouse gas emissions?

A. In July the Clinton administration told a U.N. climate change conference that voluntary efforts to limit greenhouse gas emissions had failed. The administration then proposed legally binding targets and timetables to reduce the fossil fuel emission--principally, carbon dioxide and methane--in industrialized countries. However, the administration has refused to announce specific U.S. targets and timetables for reducing emissions until after the November election. This suggests their proposal is politically motivated--it allows them to appear protective of the environment while avoiding public discussion of the high costs associated with reducing greenhouse gas emissions. After all, every American would have to substantially reduce their use of energy in order to implement the administration's proposal. And there are only two ways to forcibly limit energy use--rationing permits or massive new energy taxes. Both would drive up the cost of gasoline, electricity, food, manufacturing and transportation. No wonder the administration doesn't want the American public to know they have committed the United States to a radical--and costly--shift in climate policy.

Q. But don't human activities affect climate?

A. Scientists believe it's possible--but like advocates of the "global cooling" theory of the 1970s, proponents of man-made "global warming" may be overstating their case.

Q. What other natural causes might affect climate?

A. Solar activity for one. *Science* magazine recently reported that new evidence about sunspot cycles places "the sun's fingerprints ... all over the climate record.... The correlation implies that the sun could have been responsible for as much as half of the warming of the past century.² Other natural causes include 10,000 year shifts in ocean currents.

Q. Suppose climate change is happening and we just don't know it. Is anything being done to reduce the risk of climate change?

A. Yes. Industrialized countries that signed the Rio Treaty in 1992 developed action plans to return their greenhouse gas emissions to 1990 levels by 2000. Most countries, including the United States, have relied on voluntary efforts, such as energy-efficiency improvements in heating, cooling, lighting and transportation. Resources also are being conserved through various waste-reduction and recycling efforts. And industry constantly invests in new technologies to reduce energy use.

Q. If scientists do find evidence that human activity significantly affects climate, will developing nations need to reduce emissions?

A.

A. responsible for as much as 68 percent of all energy-related carbon dioxide emissions by 2025 and approximately 76 percent of these emissions by 2050. So if climate change is real, developing nations will need to take action.

Q. But don't we waste lots of energy?

A. No, it's not true, as some claim, that the nation or the world can cut energy use 20 percent to 30 percent at no cost. As a U.N. report on climate change points out, these estimates are based on the notion that for one reason or another markets don't induce enough energy conservation. This cannot be the case. History shows that companies are constantly using energy more efficiently--from 1974 to 1991, energy intensity in U.S. manufacturing declined 48 percent while productivity rose 58 percent. This trend toward growing energy efficiency will continue. Clearly, companies would go out of business if they wasted 20 percent to 30 percent of their energy budget. And what family would waste that amount of money on unneeded heat, electricity or gasoline bills when that same money could be spent on food, clothing, medicines and school supplies?

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The Experts Speak

Experts voice treaty concerns

"I do not think the Senate should support a treaty that requires only half the world, i.e., the developed countries, to endure the economic costs of reducing emissions, while developing countries are free to pollute the atmosphere, and, in so doing, siphon off American industries. There are those who say that the U.S. is responsible for the situation developing. They claim that the United States should bear the brunt of the burden. But, the time for pointing fingers is over. In this particular environmental blame game, there are no winners. The world loses."

Sen. Robert Byrd (D-W.Va.)

"If the administration signs a treaty in Kyoto that exempts the developing world from legally binding reductions in greenhouse gas emissions or that hurts the U.S. economy--it will not see the light of day in the United States Senate."

Sen. Chuck Hagel (R-Neb.)

"Farm Bureau is very concerned that the proposed climate agreement threatens U.S. agriculture. New regulatory controls for agriculture have been proposed. They include new taxes on fuel and fertilizer, controls on planting, cultivation and harvesting and production of crops and livestock. Fuel cost increases imposed by the treaty mean big hardships for family farms like mine. A 60-cent-per-gallon increase in diesel and gasoline and 50 percent hike in electricity costs are possible."

Bob Stallman, Texas Farm Bureau president and family rice farmer

"The president still asserts that he wants legally binding commitments coming out of Kyoto. I view that as unnecessary and unwise. I regard

the policies being contemplated by international negotiators as tantamount to Russian roulette. There's a rush to judgment."

William O'Keefe, chairman of the Global Climate Coalition

"Bill Clinton appears determined to commit the United States to sharp cuts in CO2 emissions intended to stop global warming, a phenomenon that may not exist, could be a net plus if it does and may be impossible for human beings to control. The costs of imposing such restrictions, however, would be only too real. Millions of Americans would be laid off, consumer prices would rise as energy costs rise, economic growth would be slowed and overall standards of living would plummet. The U.S. Senate should be wary that the president's prescribed cure isn't worse than the disease."

Ryan Sager, research associate with the Environmental Policy Task Force at the National Center for Public Policy Research

"The economic consequences of the Clinton administration's proposal is a direct result of opposing policies for developing vs. industrialized nations. Developing nations are not subject to any greenhouse emissions cap under this plan, while industrialized nations are. Carbon taxes and regulatory fees resulting from this plan will increase production costs here, while leaving unaffected the production costs of developing nations. This will make the United States relatively less competitive. China, India, Brazil and other exempted developing countries will reap an instant trade advantage."

Nicole Crain, assistant economics professor at Shenandoah University in Winchester, Va.

"Everyone in America will be affected by the treaty. The price of gas will increase by up to 60 cents and the average household will be poorer by almost \$2,700 per year. The economic consequences, however, will not be uniform. Energy-intensive industries will be particularly hard hit."

John Shanahan, vice president and counsel of the Alexis de Tocqueville Institution

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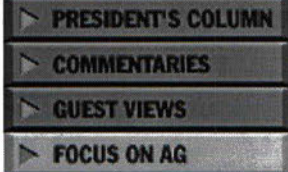
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For the week of October 13, 1997

Campaigning Toward Kyoto

By Bob Ellison

The consummate campaigner is in top form these days. President Bill Clinton wants to sign a Climate Change Treaty this December in Kyoto, Japan, and he wants the American people backing him when pen and ink hit paper. Therefore, the average person needs to learn more about the concept of global warming. But how? Dr. Carl Sagan has gone on to his great reward and you cannot make people listen to National Public Radio. Who is left? Who do people trust to tell them about the future? Why, it is as obvious as the television in front of your easy chair. That is why more than 100 weather forecasters were invited to the White House recently.

It was a brilliant move on Clinton's part. People trust weather forecasters and if they say global warming is a problem, then it must be true. And, for the most part, the forecasters are regular people. This was the chance of a lifetime to meet the president and vice president face to face, see the inside of the White House without a tour guide and be treated as honored guests by the most powerful person in the world. And Clinton made sure they knew they were being honored and not hustled. He told them he was happy to have them, that they could use the north lawn to do their television forecasts and that they did not even have to toe the line on global warming.

Did it work? *The New York Times* reported in its Oct. 2 issue that some of the prognosticators distanced themselves from the White House argument. But others, the *Times* reported, were thrilled to be the Commander-in-Chief's guest. Many said they would make global warming messages part of their forecasts and that they were impressed by Clinton and Vice President Al Gore's sincerity and respect.

Clinton even mentioned there are some experts who question whether there is any global warming. USDA Chief Meteorologist Al Peterlin is one of the skeptics, by the way. However, the president did not mention that many groups, including farmers, are worried that the proposed Climate Change Treaty will drive up production costs, harm the economy and benefit U.S. competitors to America's detriment. But why should he?

The president is a brilliant politician and communicator. Just ask

George Bush, Bob Dole, Newt Gingrich and Trent Lott. In the case of the Climate Change Treaty, the opponent is a coalition of industry, labor and consumer groups spending \$13 million on commercials to convince people the treaty is a bad thing. Clinton has countered that by having a hundred or so friends over to his house and just saying hello. No wonder you don't hear Republicans talking much about repealing the presidential term limit anymore.

*Bob Ellison is assistant director of broadcast services
for the American Farm Bureau Federation in Washington, D.C.*

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President's Column

AMERICAN FARM BUREAU

PRESIDENT'S COLUMN

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October 1997

A Presidential View

Global Warming Contention is so Much Hot Air

I went to a hearing in Washington a while back to present agriculture's concerns over global warming. Farmers are skeptical and we are not alone. Appearing with me on the panel were the head of the National Association of Manufacturers and a high-ranking AFL-CIO labor boss. This unanimity of opposition from productive elements of society floored the politicians. But they were not sufficiently stunned to put an end to this nonsensical, non-scientific debate on global warming.



**By Dean
Kleckner,
President,
American Farm
Bureau
Federation**

Scientists have long debated the concept of global warming, that man's industrial activities are leading to increased temperatures. Even though this has not been proved, some are eager to predict dire consequences of higher temperatures. Yet, temperatures rise and fall, on a time scale not conducive to today's 30-second sound bite mentality. Remember back to the 1950s and '60s and you will remember a similar, yet shorter lived witch hunt.

Then, consider the 1970s and '80s when there was talk of global cooling. This brought predictions of a new Ice Age. It should not surprise anyone that solutions proposed for both catastrophes are the same --greater international regulation and intrusion.

Not surprisingly, developed nations are the villains in this latest scenario, an accusation admitted to by a surprising number of countries who agreed to participate in a global warming summit conference in 1992. The U.S. attended the meeting and supported voluntary efforts to reduce emissions of various gases. Now, another conference is scheduled for December, and binding emission limits are being pushed by our own administration. People in agriculture, labor, business, science, even some in politics see the dangers to world progress, peace and prosperity.

Beggar the U.S. to Solve Any Problem

According to the hot air supporters, the most immediate way to lower emissions of such industrial gases as carbon dioxide, methane and nitrous oxide would be to drastically curtail energy use in the most energy intensive nations. That's us. To make sure we comply and cut our use, taxes would be imposed. Schemes mentioned so far would increase gasoline and diesel prices anywhere from 26 cents to 60 cents a gallon. We'd pay 25 percent more for electricity (an additional 2 cents per kilowatt-hour) and 16 cents more per therm for natural gas. Home fuel oil would rise 30 cents a gallon. All told, each household would pay about \$600 a year more in fuel costs. Many farmers would pay many times that. These proposals would also knock between one and three million Americans out of work.

There is some doubt that crippling the developed world would affect global warming at all. Many of our major competitors will continue business as usual. Underdeveloped, lesser developed and developing nations will be exempt from the global regulations that would be forced on us. So, China, India, Korea, Argentina, Brazil, Indonesia and other economic powerhouses would be able to out-compete us. First off, they would get the jobs forced from our shores, primarily in heavy industry. And they would have little incentive to clean up their atmosphere, while they are cleaning up economically. In less than two decades, developing countries would end up spewing more of the targeted gases than developed countries.

Farm Bureau favors a truly scientific debate, among climatologists and others with specific knowledge. I urge the doctors of philosophy who seek to interject themselves into the discussions to adopt the prime rule of medical doctors, "First, do no harm." Then recognize what many everyday people already know. Poverty is the greatest pollutant. Increased living standards will promote better education and awareness of how we can continue to use our resources productively, to benefit people now and in the future.

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▶ STATE ROUNDUP

Contacts: Don Lipton
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donl@fb.com

Mace Thornton
(847) 685-8755
macet@fb.com

FOR IMMEDIATE RELEASE

Climate Change Treaty Clouds Outlook for Farmers

WASHINGTON, September 9, 1997 -- The proposed United Nations Climate Change Treaty, in its current form, would substantially increase production costs for U.S. farmers and ranchers, put them at a disadvantage with foreign competitors and threaten their future economic viability, according to the nation's largest farm organization.

"Fuel cost increases imposed by the treaty would mean big hardships for family farms like mine," said Bob Stallman, president of the Texas Farm Bureau. Stallman, a Colorado, County, Texas, rice producer, said some experts project a 60-cent-per-gallon hike for gasoline and diesel fuel and a 50 percent increase in electricity costs if the treaty provisions take effect.

As it now stands, the treaty would force developed nations to meet legally binding targets to reduce their greenhouse gas emissions. For agriculture, said Stallman, that would mean new regulatory controls, such as new taxes on fuels and fertilizers and limits on the planting, cultivation, harvesting and production of crops and livestock.

The impact would be severe. "Fuel and energy-related inputs such as fertilizer and pesticides account for about one-fourth of farm operation expenses," Stallman noted.

Moreover, the farm leader asserted, the new regulations "may be counter-productive." U.S. farmers, he explained, already "lead the world" in conservation practices that reduce greenhouse gas emissions. New restrictions will "interfere with these economically efficient and environmentally advanced farm management plans."

Because the proposed treaty would exempt developing nations from the new environmental controls, said Stallman, "farmers will be dealt a double blow overseas." Competitors such as Mexico, China, Chile and Argentina would be exempt. With their lower labor and production costs, he said, they would "be given a major competitive advantage."

"The agreement makes no sense," said Stallman. "It won't help the environment and it will hurt the economy."

Stallman spoke today at a Washington news conference, at which representatives from labor, industry and agriculture explained their concerns about the treaty. The agreement will next be discussed at an October U.N. meeting in Germany. A final agreement is scheduled to be reached in Japan in December. The U.S. Senate would then have to ratify the resulting treaty for it to become binding on the United States.

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Opposition (T)

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.

(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.

6/1

MR. PRESIDENT:

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

**THE GLOBAL CLIMATE TREATY DOESN'T MAKE SENSE
FOR AMERICA, OR THE WORLD**

AUG 28 '97 16:16 FR OJC+HQ WASH DC

202 628 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 there 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: _____

ALJ 08 '97 16:16 FR CUC+D WASH DC

202 628 5166 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.

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2/1

*** TOTAL PAGE.03 ***

TOTAL P.05

Post-It® Fax Note 7671		Date	# of pages 5
To: Paul Rieley	From: Dan Becker		
Co./Dept. Auto industry	Co. anti GW ad.		
Phone # as promised	Phone #		
Fax # enjy	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."

1100 Connecticut Avenue
Suite 300
Washington, D.C. 20036

Telephone (202) 429-1800
Fax (202) 429-8655
E-mail: mbd@cats.com

July 11, 1997

Mongoven, Biscoe, & Duchin Inc. (MBD) is a public affairs management consulting firm which specializes in tracking and analyzing public interest groups and activists who seek changes in public policy. We also develop strategies for business to anticipate and cope with the actions of activist groups.

Global Warming is one issue of extraordinary economic and national interest that is currently being driven by activists who seek a fundamental change in America's way of life and its position in economic world leadership. The issue of alleged impending climate change of life-threatening proportion will dominate the public policy debate this year. Activists' proposed solutions to this unproven hypothesis run the gamut from high energy taxes to a moratorium on the search for new energy sources. These solutions, if adopted, could seriously impede business at all levels, as well as the daily life style of all Americans.

Between now and September, the major environmental activist organizations in the U.S. will launch a major propaganda campaign to persuade the American people that the science supporting the global warming theory is beyond debate and that Americans have a moral obligation to the world to modify their behavior.

The climate change issue will come to a critical juncture in December of this year at an international meeting in Kyoto, Japan which will result in a legally binding treaty that will seriously affect America's energy future and its sovereignty. President Clinton has promised that the United States will agree to specific targets and timetables for the reduction of CO₂ emissions in this country. He has declined to spell out the specifics of his policy, saying that he first has to convince the American people and Congress of the need for drastic restrictions on energy use. He has said he will convene a conference this September to make recommendations to him as to what limits should be imposed on industry and individuals.

The September Conference (likely to be chaired by Vice President Gore) will provide the President with the mandate for change that he wants. The Administration, with the cooperation of the activists and the media, will launch an all-out campaign to sell what may be ill-conceived energy-reduction proposals to the American people.

The Republican controlled Congress will have just finished a full-scale confrontation with the Administration over the new EPA clean air regulations and will have been vilified as anti-environment by the Administration, activists and the media. Facing an impending election, intense pressure will be applied on Republicans in Congress to appear "Green" by endorsing the results of the September Conference--unless major support for opposition is already in place.

Environmental activists will use any number of seemingly unrelated phenomena to gain support for targets and timetables. Activists will use the recurrence of El Nino, for instance, to show that the "climate timebomb" is exploding and carbon dioxide is to blame.

The effects of El Nino will be apparent in the United States in the late winter, soon after the signing of the Kyoto Declaration. The rains, winds, droughts, cool temperatures and hot temperatures this phenomenon brings to the United States will be directly linked to global warming.

This will complement the environmental community's on-going campaigns. The World Wildlife Fund in the United States is warning people that national parks will be dramatically altered by climate change unless the United States agrees to targets and timetables in Kyoto.

The Senate will have to ratify the Annex adopted in Kyoto and there undoubtedly will be heated debate at that time over ratification. But by then, the majority of the American people will have formed an opinion on this issue and many otherwise reasonable Senators will face severe (and highly orchestrated) constituent pressure--driven by activists--to vote for ratification. By that time, it will be too late for industry to go to the people for support for the rejection of the treaty.

The environmental community will receive strategic assistance from the executive branch. Many departments, including Agriculture and Health and Human Services, will release reports supporting ratification of strict targets and timetables. Further, the President's Council on Sustainable Development (PCSD) will hold a series of public forums to support the Kyoto Declaration. PCSD would like to hold these public meetings at strategically selected sites which have experienced weather-related natural disasters, such as Homestead, Florida and Grand Forks, North Dakota.

Rodrigo Prudencio of the National Wildlife Federation is the liaison between PCSD and the Clinton Administration on global warming, which demonstrates the closeness between the environmental community and the executive branch on this issue.

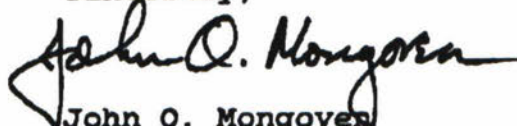
The Union of Concerned Scientists has geared up its Sound Science Initiative for the global warming debate. The organization claims to have assembled a database of hundreds of scientists who agree with its position on climate change and who are prepared to counter industry assertions in newspaper op-eds and other media when asked to do so.

We believe that American industry must act aggressively on this issue to counter the efforts of the myriad activist groups who are right now selling their viewpoint to the public. While we recognize that various industry associations are organizing efforts to counter activist and Administration pressure, we are convinced that every individual company must be fully aware of what the activists are doing on this issue so that they can counter those efforts on an individual and ongoing basis.

Accordingly, MBD is prepared to make available, to individual companies only, its ongoing monitoring and analysis of activist efforts on this issue, tailored to the needs of the specific company, for a fee of \$2500 per month. Our analyses will be individually disseminated in whatever form the client prefers--e-mail, telefax, mail or by telephone.

Background information on MBD and its principals is enclosed. If you would like a recommendation from one of our existing clients, please call me or Ron Duchin, MBD's senior vice president. I will contact you later this month if we have not heard from you.

Sincerely,


John O. Mongoven
President

P.S. We believe the sector that will be hardest hit by proposals now before the Administration to abate CO₂ emissions are energy and energy-source producers, especially all sectors of the petroleum industry. Proposals being floated in the Administration include a range of actions designed to discourage and limit exploration, increase fossil-fuel prices, decrease consumption and increase regulation of refineries and related activities. The proposed schemes include everything from eliminating all "subsidies" related to fuel consumption or energy production, such as charging oil users fees for the Corps of Engineers' navigation assistance and infrastructure projects, and eliminating the PDA.

*Opposition***ACTIVITY UPDATE:****EDUCATING THE PUBLIC ON GLOBAL CLIMATE CHANGE**

To: Friends of Citizens for a Sound Economy (CSE) and CSE Foundation
From: Paul Beckner, President
Date: August 6, 1997

Citizens for a Sound Economy (CSE) and CSE Foundation continue to serve as a "truth squad" to the "act now, research later" approach to global warming embraced by the Clinton Administration and the traditional command-and-control environmental activists.

Importantly, the Administration will represent the United States at a United Nations treaty signing on the issue in Kyoto, Japan, in December. Our goal is to show broad-based grassroots support of the position that, without conclusive evidence that global warming is taking place, the U.S. government should not agree to any U.N. treaty that would cause severe damage to our economy. Some of our recent activities are outlined below.

Truth Squad Activity. CSE worked to inject "the other side of the debate" around President Clinton and Vice President Gore's visit to the recent Lake Tahoe Environmental Summit. Our activities included:

- ❖ Sponsoring a rally on the lake in North Tahoe Regional Park. More than 150 people turned out—at a time that coincided directly with the President's speech—to hear from CSE and our allies about the issue of global warming and other ways in which we can modernize our approach to environmental protection. Participants included ranchers, miners, loggers, recreationalists, small-business owners, state and local officials and taxpayers and consumers in general. (Our rally turned out more than twice as many individuals who showed up for an opposing rally the same day!)
- ❖ Airing our 30-minute PBS-style "docu-video" on local cable stations during the evenings of the summit. This video features grassroots and grassroots citizens explaining in their own words why America needs to modernize its approach to environmental protection. The video featured a toll-free number that would connect viewers with CSE Foundation to receive more information.
- ❖ Airing radio ads on the issue of global warming that encourage listeners to call CSE for further information. (A copy of the script follows this update.)
- ❖ Handing out hundreds of novelty items, including T-shirts, frisbees, balloons, buttons, and bumper stickers with slogans such as "Global Warming? Show Me the Science!" and "No 50-cent Gas Tax – Say NO to the UN Treaty!" Beach balls were distributed not only at the rally but also to beach goers the day before the rally. And we distributed our 30-minute docu-video and four-color magazine on the general need to modernize our approach to environmental protection as well as informational booklets and pamphlets on the issue of global warming. Many participants took extra materials to distribute within their own networks.
- ❖ Conducting interviews with, and providing information to, regional reporters—from San Francisco to Sacramento to Lake Tahoe and Reno—sharing our views on the issue of global warming. We distributed a news release on our efforts in Lake Tahoe to media outlets nationwide and a localized op-ed to California and Nevada newspaper editors. Media covering the rally included four television crews and several print reporters. Our efforts received coverage in the Tahoe Daily Tribune, Mountain Democrat (Placerville, CA), and Reno Gazette-Journal.
- ❖ Hosting a policy briefing breakfast for reporters featuring Dr. Robert Balling of Arizona State University and CSE Policy Analyst Joel Bucher. Remarks focused on the science and economic implications of global warming and part of the discussion was localized for the greater Lake Tahoe region.

-- continues --

Global Warming Activity Update

August 6, 1997

Page two

Grassroots Advocacy. CSE worked to educate members of Congress on the issue of global warming, providing background material for members and help in preparing for congressional hearings. We also worked extensively to help pass the Hagel-Byrd Sense of the Senate resolution, lobbying in favor of the measure, helping our members get in touch with their Senators to urge them to support the resolution, and designating the vote on the resolution as a "key vote." (Key votes are used to determine the winners of CSE's Jefferson Awards, which are given at the end of each Congress to members who vote in favor of market-based economic policies.)

"It's Your Money" Radio Show. On July 12th, CSE discussed the issue of global warming on its new one-hour weekly radio program, "It's Your Money," which is carried on stations across the country. Featured guests included U.S. Senator Chuck Hagel (Neb.), Dr. Fred Singer from the Science and Environmental Policy Project, Dr. Robert Balling from Arizona State University, and Alden Meyer from the Union of Concerned Scientists. For a copy of this program, or to find out where the program is carried in your area, please call Beth Stevens at (202) 783-3870.

Earned Media. CSE and CSE Foundation continue to provide a leading consumer voice on global warming, responding to media inquiries and offering our policy staff as spokespeople on the issue. For instance, our Texas state chapter director, Peggy Venable, appeared on KIXL in Austin for an hour-long program discussing global warming and taking questions from callers. And Joel Bucher, policy analyst at CSE Foundation, did a half-hour radio interview last week with USA Radio Daily network on a program that goes out to its syndicates.

Coalition Activity. CSE continues to participate in key coalitions to share information among traditional and non-traditional allies on the issue and maximize donor resources. As part of this activity, we signed onto an ad that appeared in Roll Call that provided encouragement to Senators who had supported the Hagel-Byrd Sense of the Senate resolution.

Policy Research. CSE Policy Analyst Patrick Burns published, "Think Globally, Tax Locally: The EPA's Global Warming 'Action Plan,'" a review of some of the ways the Clinton Administration has proposed to comply with the United Nations treaty provisions. For a copy of this paper, call Beth Stevens at (202) 783-3870.

Future Plans. CSE and CSE Foundation will continue to serve as a "truth squad" whenever the issue of global warming is brought forth for public debate. Our goal is to ensure that the public hears the "other side of the story" on this important issue and that it is not misled by the rhetoric of the traditional command-and-control environmental activists. We welcome your participation and input on ways in which we can make a difference in this debate.

CSE is a non-partisan grassroots membership organization established in 1984 to promote market-based solutions to public policy problems; CSE Foundation is an educational affiliate. In order to continue with our ambitious agenda, we depend on the generosity of our supporters. For information, contact Beth Stevens:

(202) 783-3870 • 1250 H St. NW #700, Washington, DC 20005-3908 • <http://www.cse.org> • stevens@cse.org

Citizens for a Sound Economy

CSEAdvertising

☐ Print ☒ Radio ☐ Television ☐ Video

"HOTLINE" :60

7-18-97 Final

Announcer: The following paid for by the 250,000 members of Citizens for a Sound Economy.

SFX: Telephone rings and is answered; Voice 1 is filtered...

Voice 1: Global Warming Hotline.

Voice 2: Yeah, how come you guys are thinkin' about raising the gas tax by at least 50 cents a gallon?

Voice 1: Who said anything about a gas tax?

Voice 2: Doesn't the Clinton Administration want us all to drive less...

Voice 1: Well...

Voice 2: ...because driving is allegedly a big cause of global warming? So what better way for Clinton to discourage driving than to slap a big old tax on every gallon of gas?

Voice 1: But no one's ever talked about a 50-cent tax hike.

Voice 2: What about that EPA memo that said increasing the gas tax is a very real possibility?

Voice 1: You're not supposed to know about that.

Voice 2: But I do.

Voice 1: I see. What else you know?

Voice 2: I know a lot of scientists disagree with the gloom-and-doom predictions on global warming. Say, don't I know you?

Voice 1: Huh, can I put you on hold while I get my supervisor?

Announcer: Want to know more about global warming... what the science says and what some politicians have in mind? Call 1 (888) 783-3870 for a free information kit that just might make you mad. It'll at least help you understand more about the issue. Call 1 (888) 783-3870.

###



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](#)

oppos ho

GLOBAL CHANGE

A Review of Climate Change and Ozone Depletion

Published by the Pacific Institute for Studies in Development, Environment and Security in Oakland, California

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TO: Rosina Bierbaum

FROM: NICHOLAS A. SUNDT

GLOBAL CHANGE

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DATE: _____

NUMBER OF PAGES: _____

Todd - This is what was handed
out at the Press Conference today.

Rosina

cc. Nick L

Bill Antholis NSC

J. Adashek

"UN Map"
30 SECOND TV

1. **GRAPHIC: THE WORLD ACCORDING TO THE UN**

2. **PAPER MAP OF THE WORLD**

Pan across a map of the world. A pair of hands takes hold of the map and begins to cut it.

ANNOUNCER, V.O.

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

3. **CLOSE ON SCISSORS CUTTING MAP**

4. **SUPER: 132 OF 166 COUNTRIES EXEMPT. SOURCE: UNITED NATIONS**

ANNOUNCER, V.O.

But their global agreement isn't global. 132 of 166 countries are exempt. So while the United States is forced to make drastic cuts in energy use, countries like India, China and Mexico are not.

5. **PIECES OF THE MAP**

Cut out pieces of the map fall to the floor. We read the names China, India, Mexico, and other countries that are exempt from the treaty.

6. **SUPER: SOURCE: UNITED NATIONS AND U.S. DEPT. OF ENERGY**

ANNOUNCER, V.O.

Countries responsible for almost half the world's emissions won't have to cut back.

7. **REVISED MAP**

A pair of hands holds up the map. There are many countries cut out of it. The U.S. and other developed countries remain on their own.

"UN Map" - page 2

8. **SUPER:** 1-888-54FACTS
www.climatefacts.org

9. **SUPER:** **SPONSORED BY:**
(List of sponsors)

ANNOUNCER, V.O.

Check it out for yourself. It's not global
and it won't work.

"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).



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

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.

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



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 60 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.

Join Us: All. Thousands Association of America, American Automobile Manufacturers Association, American Life Group Association, American Farm Bureau Federation, American International Automobile Union, American Society of Mechanical Engineers, American Trucking Association, Association of American Railroads, Council for Energy and Environmental Development, Coalition for Vehicle Safety, Fire Protection Institute, National Association of Firearm Dealers, National Association of Manufacturers, National Automobile Dealers Association, National Business Chamber of Commerce, etc., National Oil-druck's Association, etc.

Global Climate Information Project News

For Immediate Release

Contact: Richard Pollock or Candida Sampson
202-383-9700

NEW AD CAMPAIGN AIMS TO INCREASE AWARENESS OF PROPOSED U.N. CLIMATE TREATY

Washington, D.C., September 9, 1997 - A diverse group of more than 20 organizations today introduced the first in a series of national television, print and radio advertisements aimed at increasing public awareness of the proposed United Nations climate treaty scheduled to be decided this December in Kyoto, Japan.

Supported by organizations representing small business, industry, agriculture, labor and citizen groups, the ad campaign highlights the fact that the proposed treaty would cause the United States and other developed countries to have to significantly cut energy usage. The proposed treaty, however, would exempt developing countries such as Brazil, China, India and Mexico - some of the world's high growth industrial players. The sponsors are concerned that the treaty is not global and would not work.

With only 34 out of 166 countries required to make energy reductions under the proposed treaty, there can be very little environmental progress. Nations not affected by the U.N. proposals contribute approximately half of the world's current carbon emissions and will account for about 75 percent over the next century.

The campaign echoes concerns raised recently in a resolution passed 95-0 by the U.S. Senate urging rejection of a treaty that would exclude developing nations or severely damage the U.S. economy.

(more)

Even the least onerous of the major treaty proposals on the table would require a U.S. energy cutback of more than 20 percent. Economists predict that 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. In addition, a recent study by the Argonne National Laboratory for the U.S. Department of Energy found six major U.S. industries - aluminum, cement, chemical, oil, paper and steel - would be severely affected, resulting in job loss and increased prices.

Created by Goddard*Claussen/First Tuesday, the ads will begin airing on September 10 on CNN's "Business Today" and will include accompanying national print and radio spots. In addition to the ads, the sponsors have activated a toll-free telephone number, 1-888-54-FACTS, and a website, <http://www.climatefacts.org>, which provide up-to-date information on the proposed U.N. climate treaty.

Sponsors of the campaign include the 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., 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, and United Transportation Workers, AFL-CIO.

###

Selected Quotes

"It is obvious that the signing of this treaty will severely tie the hands of farmers and hamper their ability to make a living and feed the world. The ACGA calls on the Administration to re-examine the climate-change treaty and make sure that any agreement calls for only voluntary reductions in greenhouse gas emissions, weighing the cost to industry."

--Gary Goldberg, National President, American Corn Growers Association

"Global climate change requires global solutions. The U.S. cement industry wants to do its part, but unless all nations are involved, we will gain nothing environmentally, yet we will jeopardize the economic well-being of the United States by restricting our ability to provide for domestic infrastructure needs."

--Richard C. Creighton, President, American Portland Cement Alliance

"Simply put, agreeing to a treaty based on unsound science is a dangerous gamble that could devastate U.S. industry and cost many hard-working Americans their jobs."

--Allen R. Schaeffer, Vice President for Environmental Affairs, American Trucking Associations

"The proposed Kyoto treaty is like a card game where the deck is stacked. American workers are being dealt a losing hand through the negotiating process. In the end, there will be no real environmental benefit and America's working families will be forced to pay higher energy and consumer costs while we export U.S. jobs to countries that are exempted from action under the treaty."

--Stephen L. Miller, President, Center for Energy and Economic Development

"NADA is extremely concerned with the international negotiations concerning global warming which could dramatically affect CAFE standards. NADA is heavily involved with legislative efforts to force the Administration to reject international treaty provisions that allow some nations to escape responsibility for reducing greenhouse gases, thereby placing a greater burden on the U.S."

--Frank McCarthy, Executive Vice President, National Automobile Dealers Association

"Skyrocketing fuel costs are the worst nightmare of every senior citizen who lives on a fixed income and marshals their resources to take care of themselves and have a little left over to visit their families. It is a knife that cuts past the quick and into their very hearts."

--Nona Wagner, The Seniors Coalition

"As it currently stands, the climate agreement will impose major new production costs on U.S. agricultural producers. It will severely disadvantage farmers in international markets and disrupt family farm and ranch operations."

--Bob Stallman, American Farm Bureau Federation (President, Texas Farm Bureau)

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.

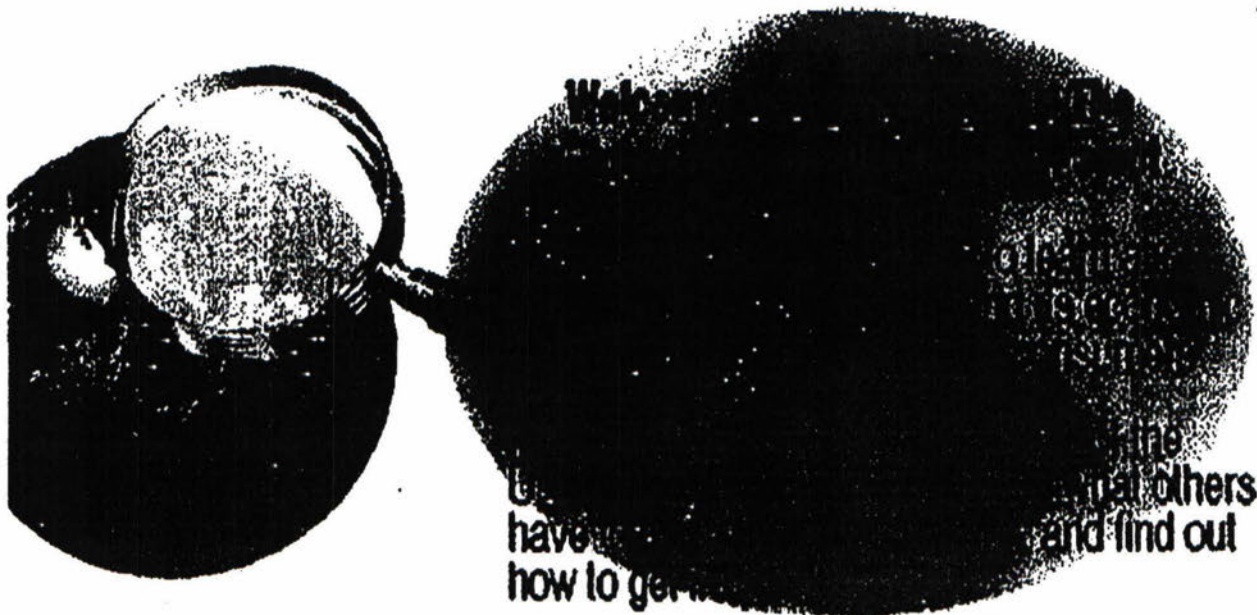
ON THE ROLE OF DEVELOPING NATIONS

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.



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



6

August 18, 1997

'97 SEP 10 PM1:41
New Mexico Operations
BHP Minerals

The President
The White House
Washington, D. C. 20500

Dear Mr. President:

We are Coal Miners who supply fuel to the Western U. S. Electricity market. Our business resides in the State of New Mexico and on the Navajo Nation.

We believe our coal is a safe and economic source of energy and is mined in harmony with the environment. This energy powers hospitals, factories, schools and thousands of households. Our jobs are not only important to our families but to thousands of people in the Four Corners area. Resource development is particularly critical to State, regional and Navajo Nation economies.

We know that you and your administration are presently involved in helping to shape policies concerning Global Climate Change. As our President, we simply ask you to evaluate all aspects of this issue. There are many opinions on Climate Change; some are driven more by passion than by conclusive scientific facts.

We care about the environment and about the world just as you and others do. We also believe that when you became our President you took on the responsibility to represent a balance of all Americans from coal miners and factory workers to scientists and school teachers.

Therefore, we wish you success in your negotiations on Climate Change and respectfully request that you remember to strike a fair balance. A fair balance in our view would not ask United States workers to sacrifice jobs or Americans to reduce their standard of living or quality of life while other nations profit without equal commitment or sacrifice.

Respectfully,

**Employees of BHP Minerals
New Mexico Operations &
Members of The International Union of Operating Engineers
Local 953**

xc: The Honorable Jeff Bingaman, New Mexico, U. S. Senate
The Honorable Pete Domenici, New Mexico, U. S. Senate
The Honorable Bill Redmond, New Mexico, U. S. Congress
The Honorable Steve Schiff, New Mexico, U. S. Congress
The Honorable Joe Skeen, New Mexico, U. S. Congress
Robert L. Rivera, Executive Director, New Mexico Mining Association

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Augusti M.J.	Purchasing
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Robert M. Watson	Area III Elect Maint
Myrtle Ath	P.S. & E A3 Maintenance
John Blazer	Area III Maint
Chas. Pahr	P.S. & E A3 Maint
Hervey Charley	A3 Maintenance
King Kegan	A3 Maintenance
Garrison	Area III Maintenance
Dale Young	Area III Maintenance
Therese Fulen	Area III Purchasing
Wesley	Area III Purchasing
Ken Kempa	Central Services
Ed Yarr	Navajo Maintenance
Thomas Palmer	A13 Maintenance

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<u>Kopf</u>	<u>Shop Foreman</u>
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<u>Eckes Ben</u>	<u>Engineer / EQ Clerk</u>
<u>Steve Hammann</u>	<u>ENVIRONMENTAL COORDINATOR</u>
<u>R. H.</u>	<u>MINING ENGINEER</u>
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<u>Orlando Istade</u>	<u>Environmental Specialist</u>
<u>Jim Luther</u>	<u>Environmental Specialist</u>
<u>Sean Fambler</u>	<u>Environmental Specialist</u>
<u>Christine Bishey</u>	<u>Environmental Specialist</u>
<u>Jim Skat</u>	<u>Environmental Coordinator</u>
<u>James S.</u>	<u>Reclamator</u>
<u>W. H.</u>	<u>Environmental Technician</u>
<u>Daniela D. Rosen</u>	<u>EQ Tech.</u>
<u>SHOWALTER, ALAN M.</u>	<u>EQ Tech.</u>
<u>[Signature]</u>	<u>MINE ENGINEER</u>

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Conan Young	OPER D
Robert B. B.	OPER "D"
Carl S. Swartz	OPER A
Harry M. Math	Oper D
Dwight C. Mason	Oper "D"
Roger Becker	Oper. C
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James Mason	oper. "A"
Eugene E. Chasby	Oper "C"
Wyd C. W.	Oper. "C"
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Don Galt	Mine
Danny J. Clyde	MINING FOREMAN
John B. J.	OPERATOR C.
Don Galt	Reclamation Foreman
Walt L. G.	OPR. C
Rogers C. L.	opr C
Don Shores	opr D
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Joe B. G.	Reclamation Dept.
David G. N.	Reclamation Dept.
Harold M.	// //
Sam J.	Reclamation Dept.
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J. M. [Signature]	Mine Superintendent
Steve Smith	Eng. Coordinator
P. K. [Signature]	Envir. Specialist
Brian Sambrity	Grade Control Engineer
Dynn [Signature]	Projects Engineer
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Alvin [Signature]	Engineering Supervisor
[Signature]	Chief Engineer
Eric Hartman	projects engineer
Wm. D. [Signature]	Engl & EQ Secretary
Cheryl [Signature]	Secretary
Dan [Signature]	Manager

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Lucas J. Martens	Mechanic
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Bobby R. Phillips	Maintenance "C" Oiler
Norman Rothel	Equipment Operator
George H. Bess	MAINT. FOREMAN
Derek Smith	mechanic
Ronald A. [unclear]	Mechanic
Dorey C. Muller	mechanic
Michael K. Lantz	MECHANIC
Bussell C. Leland	Electrician / operator
Jimmy R. Stumm	mechanic
Danny W. Dykes	Mechanic
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Vern Chadwick	Mechanic

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Walter D. Lucas	
Edna J. Smith	
Emmett Lucas Jr.	Operator C
Lark Bunn	Heavy Equip Oper.
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Frank E. Lee	Utility C Laborer
Jim Martin	Utility C Shop
Raymond Jim	Oiler
Curtis Raymond	Maint A Worker
Tommy Harris	OPER - A
Joyce Lee	operator - C
E. H. Hall	operator w/ family
Verne	oper
Art Vabbs	oper C
Charles Bunn Jr.	oper C
Sam H. Byer	oper D

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James J. Paul	Oper D
James Smith	OA
James Smith	TRUCK DRIV.
James Smith	Oper C
James A. Nelson	Oper D
Orville Ayers	OPERATOR-D (TRUCK DRIVER)
Dennis Beggs	Oper D
Kay May	Operator D (Truck Driver)
James H. Hille	MECHANIC
George L. Smith	Operator "A"
James D. Bacon	Maintenance
James H. Hille	Carp A'
James B. Jacobs	MAINT-A
James H. Hille	operator A
James H. Hille	MANIT-C
James H. Hille	Operator D

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- 4 Fan Sall Elton OPERATOR "D"
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- 7 Harrietta Lynch Supervisor
- 8 HARRIS BENALL OPERATOR - C DRILL
- 9 Mel TOUCHNE MAINTANCE
- 10 Norman BEGAYE UTILITY
- 11 _____
- 12 _____
- 13 _____
- 14 _____
- 15 _____
- 16 _____
- 17 _____

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Name	Classification
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Capin Doucay	SHIFT FOREMAN
John Nelson DSE	Dragline Oper A
Michael Lewis	Dragline Supervisor
Maunin	Dozer Operator
Gillian Bussay	dragline oiler
CEROY MAX	DOZER OPER
Raymond Iso	Dozer Oper
Russell S. Bussay	Dozer Operator

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Sam Yassin	Reclamation
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Kerry V. G.	Surveying
Al. L. H.	SECRETARY TO VP AND MANAGER
Robert Matter	Engineering
Ernest D. H.	ENGINEERING
James P. H.	Engineering
Russ Paul	OPR D
Gymn Byers	Safety and Health
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Michael J. Belas	Development Engineer - Mech.
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Harry James	Welder Dept.
Michael L. De	Elect. Dept.
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David R. G.	Iron Iron Maintenance

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Ann Baulinghouse Safety-SICC

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Thomas L. Dreyer Group Manager of MIP

Baron Dixon

Phil Chy

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Jerri W. Conrad

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Peter M. M.

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Mark L. M.

Jackie Q.

Training

Rock W. Faust

PROJECT MANAGER

Nettie Lee

Training

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Leon Cole	" "
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John Dan	welder
Pat Watson	OPER D A to Z
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Steve Kennedy	Maint Planner
Chalana D. Haters	Summer Student
V. A. Shi	Computer Tech
Oleen Barber	Whse / Purch. Agent
Timothy Smith	
Carlson Penally	Summer Student
John Jones	Summer Student
Yagorin Cook	Sr. Safety & Health Advisor
M. B. H.	Safety & Maintenance Superintendent

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Richard A. Frost Manager, Land & Water

Martha H. Cook Land Consultant

Genevieve S. Morris Executive Secretary

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Ronald Y. Burk	Sr Accountant
R. Toon	Supervisor - Eng Dept
Steph. E. J.	Network Admin.
Claron James	HR Secretary
Billy A. Lee	Secretary
Walt Warner	Jr. Clerk
Lucille M. Yazzie	Sr. Accountant
Nicholas D. Hunter	Contracts Adm.
Nelson W. Bradley	MSHA "A" Electrician
Ed Brees	Sr. Accountant
Quentin Carter	Maint C.
Jack U. Vey	Trk Superintendent
Kevin S. Trajillo	Labor Relations Supervisor
Elmer F. Linder Jr.	Executive General Counsel
Don Moseley	Pr. Govt. affairs

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<i>Wesley L.</i>	MINE supt.
<i>Wesley A. Salas</i>	Ast. Mine Superintendent
<i>BEGAY, Nanny C.</i>	H/E OPERATOR
<i>SIMMS, Ron...</i>	H/E OPERATOR
<i>Vazzie, Barnabas</i>	Dozer operator
<i>Con Shiley</i>	H/E OPERATOR
<i>Robert A. Buckner</i>	Driller
<i>Albert Nelson</i>	Blast/Drill Helper
<i>Hubert O'Leary</i>	DRILL operator
<i>WILLIAM</i>	EQUIPMENT OPERATOR
<i>Robert E. Hurdless Jr.</i>	H/E Operator
<i>Joe Smart</i>	Blast / Drills Supervisor
<i>Paul A. Hildebrand</i>	Field Maintenance
<i>Gon Hoskie</i>	Operator "D"
<i>Orvin Wain</i>	Operator "D"
<i>Lorrie John</i>	operator "D"
<i>Rossie Hollywood</i>	Drill Operator

BHP Employees & I.U.O.E. Members

Couch B Jim

Operator-C Blaster

Gregg Kelly

operator C. BLASTER

Leslie D. Mon

Operator 'D' TRUCK DRIVER

Justin N. Watchman

Operator D Truckdriver (TAXPAYER)

Walter L Lee

Operator C - Blaster

Paul A. Hanner Sr.

Operator A. truck & shovel

Matthew A. D.

Maint. D. D-B Helper

BHP Employees & I.U.O.E. Members

Joan Bennett

BHP Employees & I.U.O.E. Members

Corenda Jackson

Tom Haggie Jr

Jimmie Beatty

James Smith

Sammy Hunt

Sign up sheets are available at the following offices:

- ◆ Administration - Arlene Hoskie
- ◆ Production - Lyn Herrick

original
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Robert M. Davis

Lube & Compliance Supervisor

BHP Employees & I.U.O.E. Members:

NAME

POSITION/TITLE

Leslie Kelley	Maintenance B Time man
Jimmy Ketchum	MAINTENANCE SUPERVISOR
Russell Noy	Warehouse Partsperson
Robert John Sr	maintenance A
Tom Lynch	Maintenance A. Welder
Quane L. Glade	Maintenance A. Mechanic
Tony B. Bivins	Maintenance A Mechanic
George Parish	Maintenance A Mechanic
Harry Pappas	Maint. A - Mechanic
Robert J. Jiri	Maintenance Planner
Alfred Newman	Maint. A Mech
Tom R. Roney	Maint A" Mech.
Leslie Secord	Maint A Mech.
Robert J. Jiri	Maint A Mechanic
W. Allen Wyle	Maint "C" OILER.
Robert W. Wyle	MAINT C OILER.
Thomas Mancinelli	Maint A, mech.
Anderson Gould	Oper D Prod.
James B. Bivins	OPER D. TRUCK DRIVER
Sam M. M. M.	EQUIPMENT OPERATOR
Robert White	Oper C
Robert Charley	OPER D - TRUCK DRIVER

BHP Employees & I.U.O.E. Members:

NAME

POSITION / TITLE

Leonard Willie	Operator D - Truck Driver
Billy Bluff	Production Supervisor
Bengamin Lee Jr	oper B Dragline
Wesley Shurtman	Oper D. Truck Driver
Robert Luxchere	Operator D - Truck Driver
Ann Smully	Operator C.
Samuel L. L. L.	Operator A / loader
Mike Lyner	Oper. C, H.E.
Rory Kyle John	oper p1 truck driver
John Kane	oper 'A' dragline
Tom Bolini	Oper "A" SHOVEL
E. JACKSON	" S DRAGLINE
Ken M. Towne	Oper C
James R. R.	oper C
Robert B. R.	Oper C
Velma Begay	Ops. A
Walter Lyner	Oper L
Chris Elliman	Manager
Verfuerth Schumacher	Maintenance & Mechanic
John D. Smith	SUPERVISOR
Paul Bitouie	maint. A electrical

BHP Employees & I.U.O.E. Members:

NAME

POSITION / TITLE

Leo A. Lee	Utility C
Herbert Shultz	Maintenance A- Mechanic
Francis Lyle Higgins	Plant Operator
Michael E. Bova	Supervisor San Juan
Shawn A. Young	SAFETY ENGINEER
Ronald Koff	Maint A. Elect
Michael M. Warren	Maint "A" Electrician
Joe B. De	Utility C
Robert Vargo	Maint A
Fabian Blum	Utility C
Tommy Scott	Plant Oper.
John H. Blum	Operator C
Scott Russell	Engineer
Ken Schulz	OPER 'A'
Albert Kellywood	Maint D
Ryan Ford	Maint D
Wanda Bigg	OPER. C - Blaster
CH Beaulieu	Production
Robert Scie	PRODUCTION
NORMAN BEAULIEU	PRODUCTION
Albert J. Nelson	Maint. D.
LeRoy F. Buck	Maintenance "A" Mech.

BHP Employees & I.U.O.E. Members:

<u>NAME</u>	<u>POSITION / TITLE</u>
Leo Jones	Maint. "C"
Alan Glemmings	Project Engineer
Charlie Jones	Oper C. Blaster
Kenneth Lister	Oper C
Walter L Lee	Oper C Blaster
ALISTER HOEN	PROJECT ENGINEER
Jerry Burch	Asst. Mine Supt.
Valley Niz	Production Foreman
Frank Spence	Maint. Foreman
Bob Lynam	Maint A Mech
J. B. H. ob	Electrician M.S.H.A.
Bob Brown	Maint A Mech
Bob Brown	Maint. VC
Bob Brown	Maint A
Randy Buntinghouse	Partsperson
Ally	Production - Engineer Coord.
Engel H. Jones	Shor Man C
RA Brown	Maint "A"
Burbank	Maint. "A"
Ally	Maint "A"
Stan Jones	Maint. "C"
Ally	Maint Cool Plant

BHP Employees & I.U.O.E. Members:

NAME

POSITION / TITLE

Tod A. Haanes	Sr. Maintenance Eng'r.
Herman Collins	Production - operator
Robert Zabelo	maint. Coal plant
Wilson L. Ellis	Production - operator
Gandy K. House.	Production - Operator.
John Iso	Production - Operator
Mark D. Bohn	PSE Planner
Dean Peck	PSE Planner
James H. Tso	Production operation
Janis Johnson	Production-operator
Walt D. Hall	Production-operator
Thomas Leckie	Operator C
Edson M. Price	Supervisor.
Norman Cleaver	Maint. Electrician
Leo Wentz	Time man
Don Zucenas	Maintenance
Leslie J. Quinn	Plant Oper.
Clarence Clifford, Sr.	Field Crew Maintenance
Reggie Goff	Field Crew Maintenance
Vern R. Lee	Maint. Shop.
Ray Jackson	Maint. Foreman
Mike Bohn	Maintenance Shop

BHP Employees & I.U.O.E. Members:

NAME

POSITION / TITLE

Larry Lundy	Parts man
Albert Neer	MAINT. SHOP
Jack W. Ray	Operator
Harold Frank	MAINT - Elect.
Nelson Reeves	MAINT A. Welder
LeRoy W. Jordan	MAINT. Welder
Raymond J. J. J.	MAINT A. Welder
Alvin D. J.	MAINT A. welder
John Black	Purchasing Agent
Garry Petep.	Drill helper
Barbara J. J.	Operator C
Garry Pete	Oper. C
Arden Raymond	Plant oper.
Clifford J. J.	MAINT
SIMMS, R. J.	MAINT. "A" mechanic
	OPER. A DRAGLINE
Benny Stanley	PRODUCTION
Tom Blackwater	OPER. C - PRODUCTION
Billy Sam Lee	Drill & Plant operator
BEGAY, Henry C.	H/E OPERATOR
Hubert Clark	DRILL OPERATOR.

BHP Employees & I.U.O.E. Members:

NAME

POSITION / TITLE

Dayton Blackwater

A Welder San Juan mine

John Duggan
Gough & Co

" " "

Maintenance "A" Mechanic

David R. Mizz

MAINT A Mech.

John Duggan

Driver

Paul Grove

MAINT. A Welder

Michael A. R.

Maint Apprentice

Eddie Charles

Opn "A" D/L

Arnold C. Begay

OPER. C. PRODUCTION

Harold Barker

Operator "C"

Arnold C. Begay

Operator C

Stanley Rinaldy

Oper. P.

~~DUPLICATE~~

Roni Hollywood

Drill Operator

Donald Begay

Tech.

Salini H. Rossi

Technician

Chris Antini

Operator

Robert Buckner

Driller

~~DUPLICATE~~

Paul E. H.

Operator D

Mark D. Pearce

Trainer

Nattie Lee

Adm. Assistant - Tong

EQ

BHP Employees & I.U.O.E. Members:

NAME

POSITION / TITLE

Steve Lyne	Env. Coordinator
James Kanner	Secretary
Frank D. Boy	Electrical Engineer
Rosaline Fulton	Receptionist
John B. Brown	Environmental Specialist
John Brown	Long range planning engineer
SA Mad	Mining engineer
Erwin Mark	Apprentice Mechanic
David A. Lee	Maintenance "A" Diesel mechanic
Al Phamme	MAINTENANCE ENGINEER.
Bill B	MAINTENANCE "C" OILER
Ernest A. Charky	TIRE MAN
Michael J. Grace	MAINT A. MBRH
Maria M. Jones	Summer Tutor
Jim Hull	Draftsman / Surveyor
Natlon Beyaz	Maint "C"
dyd Cambridge	MAINT "B" FIREMAN.
Robert Harris	Welder A"
Shellie Remington	Buyer DUPLICATE
Sperry Vally	Equip Operator DUPLICATE
John Brown	Equip. Operator
MA B. Pina	Operator 'D'

BHP Employees & I.U.O.E. Members:

NAME

POSITION / TITLE

Harry D. Beyer	operator D
Arland Beyer	well C-production
Jim Estrada	Blastee Operator C
Joseph Paul	Operator D <u>DUPPLICATE</u>
Ken Lippert	Operator C.
James Smith	O.A. <u>DUPPLICATE</u>
Rob Paul	Operator C
Arnold Dan	Blasting
Steve Funk	Production Supervisor
Victor W. Tallman	operator C-
Robert O. Wilcox	CITIZEN
David Miller	oper. C.
John House	oper. C.
Geo. O'Brien	OPER. A. <u>DUPPLICATE</u>
Wm. H. King	Oper C Driver
Harold King	Opn C
Leslie King	Opn - C
Thomas Kellwood	Op - D.
Conner + Brady	OP - D
Tommy J. Lorch	4H FOREMAN
Jimmy Hester	OP - D

BHP Employees & I.U.O.E. Members:

NAME	POSITION / TITLE
<i>Ray Cagy</i>	Prod. Supt.
<i>John Jones</i>	Operator - C Truck/Shovel
<i>Mike Goff</i>	OPER. C
<i>Robert Goff</i>	OPER. A.
	<u>DUPLICATE</u>
<i>Dennis Beyer</i>	oper. D
<i>Wallace Lewis</i>	oper. D
	<u>DUPLICATE</u>
<i>Kay May</i>	" D
<i>Lee White</i>	OPER. D
<i>Jim G. Weimer</i>	OPER. "C"
<i>James May</i>	oper. "D"
	<u>DUPLICATE</u>
<i>Burnett Colcland</i>	Oper. "A"
<i>Lorita C. Begay</i>	Operator "D"
<i>Frank H.</i>	Operator "D"
<i>J. H.</i>	operator D
<i>Derrick McEak</i>	operator "D"
<i>Ernest C. Becken</i>	Supervisor
	<u>DUPLICATE</u>
<i>May Denise</i>	Operator D
<i>Elmer Lewis</i>	Utility C
<i>May May</i>	UTILITY "C"
	<u>DUPLICATE</u>
<i>Ernest Briggs Jr.</i>	Maints. A. under
<i>Waryl C. Bunt</i>	MAINT C
<i>Johnny Townsend</i>	Production Supervisor

BHP Employees & I.U.O.E. Members:

NAME

POSITION / TITLE

Jeffrey	CHIEF ENGINEER	DUPLICATE
Samuel Espinoza	Maint. Foreman	
Thomas J. Romero		
Samuel R. Jacobs	Maint. A	DUPLICATE
Demetrio Salazar	Maint. A.	DUPLICATE
J. J. Fletcher	Maint. A Mechanic	
Dorcas Benally	Utility C	
Mackey Bancroft	Maint. A	
Bobby Phillips	Maint. C Oiler	DUPLICATE
Antonio P. Herrera	Maint. A.	
Mike Huddleston	Maint. "A"	
M. J. Laxton	MAINT. "A"	DUPLICATE
Jimmy Miller	Maint. "A"	
James D. Laiting	Maint. Shop.	
Dwain C. Faulk	Maintenance A Mechanic	

BHP Employees & I.U.O.E. Members:

NAME**POSITION/TITLE**

~~XXXXXX~~
PHILLIP T. LUNA

CHIEF ENGR @ NAVASO MINE

PHILLIP J. FOSTER

SR. DRAFTSMAN @ NAVAJO MINE

Marianita Chee

Mine Engineer @ Navajo Mine

BHP Employees & I.U.O.E. Members:

NAME	POSITION / TITLE
James J. Lee	A - welder
Frank Leta	A - Welder
Walter Cadman	A - Welder
Alvin Shields	MAINT. A WELDER
Phil Lonsing	Maint A welder
William Harrison	Maint & welder
Henry Chauer	MAINT A MACHINIST
Calvin Chang	Development Engineer
Thomson B. Kelly	Maint. A Welder
James W. Stone	Maint A Welder
Howard Began	Maint A machinist
James A. Cleveland	Maint A machinist
Orvin Newman	Maint "A" welder
Dorothy Pickie	Maint A Welder
Harry James	Maint A Welder
Harley Oliver	Marketing & Strategic Developments
Steve	Tribal Relations

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NOV 15
TOTAL 139 (4)

BHP Employees & I.U.O.E. Members:

NAME

POSITION / TITLE

Caplan Damiano	SHIFT SUPERVISOR
Kenny Kellwood	SHIFT SUPERVISOR - BHP COAL CO.
Raymond 150	BHP Coal Co.
HARVEY BENATH	DRILL
Jimmy Deuge	Megline
Raymond Begay	Drill
George Nelson	Dozer Oper.
Anthony Buzer	Dozer OPER.
Johnny Dolan	Dozer - Dozer
Mary	Operator - Heavy eq.
Walton Gynn	Heavy Equip. Oper.
Harold Buzer	Operator B
Johnny Mason	Op. A
Anthony Buzer	Operator C
John Ellis	D/L Supervisor
W. Begay	H/E Operator
Art Lee	D/L Oiler
John	Supervisor B.H.P. Coal Co.
John	MINE ENGINEER.
Dan Shenck	Mine Supt
Dave Harris	Op. A

BHP Employees & I.U.O.E. Members:

NAME

POSITION / TITLE

MONROE PETERO SR.	OPER. B
ANDY LOWE	OPER - "B"
RUSSELL B. BEAHY JR.	Oper - C
GILLISAN BURNING	OPER - B
NOE HADLEY	Oper. C
Truman Toledo	Driver
Alan D. Egan	Oper C
Nelson Bee Sr.	Oper C
Lesley Drake	Operator A
WESLEY NATIONSON	Navajo / op. C
George Dodge	Navajo - Operator C
Wesley Egan	OPER C DUPLICATE
Elmer E. Egan	Oper. A
John Amarey	oper. C driver DUPLICATE
David H. Howard	oper. C
Larry Raymond	oper. B
James H. H. H.	Oper. C DUPLICATE
Richard H. H.	Oper C
Wilbur H. H.	Oper. C
Frank H. H.	Oper. A
Arment Charles	Deputy Oper.
Loren H.	Drill Operator

BHP Employees & I.U.O.E. Members:

NAME

POSITION / TITLE

Danny J. Clyde	Mining Foreman	
Albert V. Drosne	Supervisor	DUPLICATE
Carl R. V.	Op. Truck driver	
Michael Johnson	Oper. C	
Arthur D. Scott	Oper. D	DUPLICATE
Alvin R. Bandy	Oper. D.	
James S. Bandy	Oper. D.	
Tommy Little	Oper. D.	
Herbert Clark Sr.	Oper. A	DUPLICATE
Ross S. S.	Oper. C	
Carl Deswood	oper. A	
Harry R. Beemti	oper. C	
Wilbert John	op. A	
Dino Barber	Oper. C	DUPLICATE
Ray Paul	Oper. D.	
John Della	Operator C	
Al Bandy	OPER D	DUPLICATE
Frank Curtis	Operator D	
Obie White	operator A	DUPLICATE
Paul Zell	Op. A	
Harry A. Mads	Oper. D	DUPLICATE
Ernest C. Mason	Oper. D	DUPLICATE

BHP Employees & I.U.O.E. Members:

NAME

POSITION / TITLE

Kendall Kent	A-3 Production Supervisor
Olson Yazzi	A-3 Production Supervisor ^{DUPLICATE} #1
Karlson Pioche	A-3 Production OPER.
William Weaver	A-3 operator
Cornell Edmott #1	A-3 oper.
Greg I. Montoya -	HE OP.
Johnson Bee	A-3 - oper "D"
Tom Mux	A III
Charles Yagie	A-3 Oper
Jerald P T rany	A-3 Production Supervisor.
Vudon Yagie	ATT oper.
Yam Yazzi	ATT oper
Herman Enosh	ATT oper
Mark U. G	A III oper
Lyn Hensch	ATT Oper

BHP Employees & I.U.O.E. Members:

NAME	POSITION / TITLE
E. A. Pettigrew	V.P. and Mine Manager - Navajo Coal Company
Wesley Cline	Safety Specialist - Navajo Coal Co.
Harry Mason	Production - Navajo Co.
Darrell Dodge	Flot Crew - Navajo Co.
James Dodge	Production - Navajo Co.
James Brown	Production Supervisor / Navajo Coal Co.
William Warner	Operator - Navajo Coal Co.
Carl F.	Operator C - Navajo Coal Co.
Wesley	Operator C - Navajo Coal Co.
Jimmy Dolan	Production Operator - Navajo Coal Co.

BHP Employees & I.U.O.E. Members:

NAME	POSITION / TITLE
Harry Jilk	A3 Shop - Maintenance
Ronald P. P. P.	A3 Shop Supervisor
Kenneth M. M. M.	A3 Shop Supervisor DUPLICATE
Danny Jamison	FIELD MAINT. SUPERVISOR
Richard Mobley	Field MAINT. Foreman
Jim Turner	Field MAINT. Planner
Tom Blue Eye	Electrical Maint. Planner
GEORGE MARTIN	ROLLING STOCK FOREMAN
Jimmy Johnson	Weld Shop Foreman.
James Smith	Maintenance Planner DUPLICATE
Dale Young	Weld Shop Sr. Foreman DUPLICATE
Kenny Thurgott	MAINTENANCE Elect. Foreman
Wayne Neg	Maint - Utility Dept. North
Alfred Trando	Asst. Supt PS&E - Navajo Min
Steve Charney	Maint Clerk / Navajo Min DUPLICATE

BHP Employees & I.U.O.E. Members:

NAME

POSITION / TITLE

Michael W Conyales

Manat A

Philip E. Wilson

" "

Eugene J Barton

" "

~~James G. Gelo~~

" "

Donald L. Morris

Utility C

Delbert Byrnes

Ernest R. Rind

Manat C.

K. J. [Signature]

Supervisor

MAN 8

BHP Employees & I.U.O.E. Members:

NAME	POSITION / TITLE
Rodger M. Leland	Maint A Mechanic
Emerson S Sel	Maint A Electrician
Kordell Johns	Maint A Electrician
Donald Jones	" " Mechanic
Mark C Clark	" " "
Alice B. Sims	Maint - C
Felix D. Chis	MECH. APPREN.

BHP Employees & I.U.O.E. Members:

NAME

POSITION / TITLE

Rick Bille

Maint. mech.

Jason M. Wallen

Maint A' mechanics

Wilson Stevenson

Maint. A Measure

GEORGE MARTIN

FOREMAN ROLLING STOCK

DUPNDATE



'97 SEP 9 PM1:17

White House Climate Change Task Force

734 Jackson Place, N.W. • Washington, DC 20503

FAX

To: Jonathan
Organization/Title: Todd Stern's office
Fax: 456 2215 **Phone:** 456 2702
Pages (including cover): 4 **Date:** Sept 9
From: Judi Greenwald
Phone: 343 1060

Message:

I have the video if Todd
wants to see it. I
thought it was
very visually effective

Press Conference Notes
Tuesday, September 9, 10 a.m.
National Press Club

Jude G

The initiative is called the Global Climate Information Project. The main spokesperson was Jerry Jasinowski, the President of the National Association of Manufacturers (NAM). The other people who sat on the dais and made brief oral remarks were Bob Stahlman (sp?) Of the American Farm Bureau (AFB); Bill Banig of the United Mineworkers of America (UMWA); Karen Kerrigan of the Small Business Survival Committee (SBSC); Thare (sp?) Phillips of the Seniors Coalition; and Carol Hallett of the Air Transport Association (ATA). Art Fletcher of the National Black Chamber of Commerce was supposed to make a statement but he was delayed. The auto industry had no speaking role.

As he has said in Congressional testimony, Jasinowski said that the Administration's climate change policy is the most poorly crafted public policy he's seen in 15 years. He said there is inadequate science, bad economics, the absence of a role for developing countries, and no management regime. We are flying blind, he said. NAM opposes it as it now stands. It's not global and it won't work. 132 developing countries are exempt. Bert Bohlen (international leader on global warming policy) said we can't solve the problem without developing countries.

He said that this policy will have an extraordinarily adverse impact on consumers--20% increases in electricity prices; 45% increases in natural gas prices; 50 cents/gallon increases in gasoline prices. It will be the largest single thing to affect our economic well-being. He said there will also be major impacts on industry, as shown by the Argonne National Lab report, which was in fact initiated by the Administration. Industry will be forced or encouraged to move offshore.

Far more than just business is concerned about this--agriculture, seniors, etc.--it's a broad cross section of American society. Our message is "Don't rush forward to judgement."

He said the ad agency is Goddard/Claussen (sp?)/First Tuesday. They have purchased time on CNN Business Day Program. The ads give a toll free phone number: 1-888-54FACTS, and a website: www.climatefacts.org

Bob Stahlman, the Texas President of the AFB, spoke next. He said the treaty threatens U.S. agriculture with new regulation, new taxes on fuels and fertilizers, and regulations on how we farm, yet there will be no controls on some of our strongest competitors. The American people should take notice when labor, agriculture and business stand together.

Bill Banig of the UMW said the treaty will put more than 1 million Americans out of work. It will simply encourage American jobs to move offshore. It is all pain and no gain.

Karen Kerrigan of the SBSC said nothing angers her 40,000 member more than when government officials do things that defy common sense. They will be harshly impacted by rises in energy costs. The U.N. will manage energy consumption through an international bureaucracy, most

likely in the form of new taxes. This is a misguided international effort. The global treaty is not global and it won't work.

Thare Phillips, CEO of Seniors Coalition said he has 2.4 million members. The skyrocketing fuel costs will hurt those on fixed incomes the hardest. This will make seniors choose between food and fuel. They fought our world wars--they understand fairness and sacrifice--but this treaty is unfair. The treaty is wrong for them, and wrong for the economy.

Carol Hallett, President and CEO of the ATA, said that seats on airplanes will only be available to the wealthy, as it was before deregulation. The airline industry is already working on reducing our emissions by 17%. Since 1994, ICAO has regulated air emissions; there have been no treaties. ICAO, not the FCCC, should regulate airlines on this issue. The industry is already a leader.

Ben Goddard of Goddard/Claasen said that they did surveys and found out that no one knows anything about this treaty. He believes informed Americans will make the right choices. He then showed the TV ad, which says that 132 out of 166 countries are exempt, and shows scissors cutting out the exempt countries from a colorful map, and the exempt countries piling up. The last line is "It's not global and it won't work."

Jasinowski said that we should avoid the herd mentality that says sign first and ask questions later. We could wait ten years. There is no need for a rush to judgement without adequate facts.

They unveiled a poster version of the print ad, which says, "The UN Global Climate Treaty isn't global and it won't work...Americans will pay the price...50 cents for each gallon of gas...most countries are exempt...for more information check out web site and toll free number.

Questions and answers

Jasinowski fielded most of the questions.

Q. Do you disagree with the goal of the treaty, or the method?

A. This is a black box. We are not arguing against the objective of reducing CO2 emissions.

Q. How can you launch an information campaign when the Administration hasn't settled on a policy?

A. We will be modifying the campaign as things change. We don't have adequate information. We are also trying to educate the Administration. We've spoken to people in the Administration who share our concerns.

Q. Aren't there omissions in your presentation? For example, eventually developing countries will have commitments.

A. Their participation is not adequate or assured.

Q. Why are the developing countries not involved?

A. Developing countries hadn't contributed to the problem in the past. The problem is that as you go forward in time they become more and more important. This is a competitiveness and fairness issue.

Q. How much are you spending? Who is contributing?

A. Several million dollars for the initial launch, which is essentially a demo. There is no fixed number on how much will be spent. Every member is contributing. I am not releasing who's contributing what amount. There will be adjustments to the campaign as things change.

Q. How many media markets?

A. The buy is originally targeted to national cableTV. There is also a limited newspaper and radio buy.

Q. U.S. emissions are nine times Chinese emissions. Would that sort of inequity be allowed under the treaty. [Note--that is not true; it's true of per capita emissions.]

A. Said something unintelligible, then We don't object to moving forward. We are outraged at the pace of this and lack of information.

Q. What is the relationship of this group to the Science Alliance, the Eagle Alliance, AAAS?

A. We have a modest number of groups involved. We intend grass roots efforts to work with other groups.

Q. Please elaborate on the costs to farmers and ranchers.

A. (Stahlman) There will be increases of fuel and fertilizer costs on the order of 50-75%. Jasinowski added, "There is no extra margin in today's economy. You can't raise prices and maintain your markets. You can't absorb this."

Q. In 1992, the National Research Council said the U.S. could reduce emissions by 40% at a net benefit.

A. I agree that we can do a lot better by improving efficiency. We need sensible goals and joint implementation. The fact is this is being shoved down our throats. I talked to Richard Cooper, who is an expert on these things [I don't know who that is]. He said this is not a normal treaty. Normal treaties are government to government. This is people to people. Governments are trying to get billions of people to change their behavior. The only parallel is fishers, which have not worked well.

Q. What about the negative consequences for farmers if the climate does change?

A. Of course there is the potential for climate disruption. But the evidence is not on the table. If you look at computer simulations, things look dreary. But if you look at balloon and satellite data, you get a different picture.

Q. How many NAM members participate in EPA's Green Lights program?

A. Lots of our members. Any company that doesn't think environment matters is living in the past. This is not a case where we have enough information that we are in the right.

Q. Why will reducing energy use cost consumers money?

A. It will increase the price?

Q. Exactly how much are you spending?

A. Several million dollars.

9-8-97

Not Call

Opposition

Reformulated Gasoline

Driving to Cleaner Air

Cleaner Burning Fuels Mean Healthier Air

Smog, which is ground level ozone pollution, is a serious local and regional air quality concern because it causes respiratory problems. Right now, 127 million Americans live in areas with poor air quality, according to the EPA. A proven way to reduce ozone pollution is by using cleaner burning gasolines, often called reformulated gasoline (RFG).

Cleaner Burning Fuels Reduce Cancer, Heart and Lung Diseases

Using cleaner burning fuels (RFG) has reduced carcinogens in gasoline emissions by 20 to 40%. Other diseases caused, at least in part, by air pollution include asthma, emphysema, heart disease and osteoporosis.

Cleaner Burning Fuels Reduce Dependence On Foreign Oil

Cleaner burning fuels use oxygenates that are made from domestic natural gas and corn. These oxygenates (MTBE and ethanol) displace a certain percentage of gasoline, actually as much as 12%. This means we are using less foreign oil.



Cleaner Burning Fuels Are Cost Effective and High Performers

Ford, General Motors and Chrysler recommend using reformulated gasolines so you can be sure these fuels will perform well in your vehicle. They are easy to use because you fill your car's tank as you always have. And the cost is only 2 to 4 cents more per gallon, a small price to pay for cleaner, healthier air.

Cleaner Burning Fuels Exceed Expectations

Beyond taking the equivalent of 7.5 million cars off America's roads each year, cleaner burning fuels also reduced toxic emissions by 20%.

For more information on this important issue including legislative, health, product safety, research studies, auto performance or environmental (air/water) issues, call 1-800-975-7827.

Support cleaner burning fuels in your region, because what is at stake is breathtaking.

Sponsored by: Oxygenated Fuels Association and American Methanol Institute